**Name of School**:

**Schools: Business/Finance Manager/Bursar:**

**Internal Control Evaluation Completion Date:**

*This check list incorporates details from LBH Internal Audit’s Pre-audit questionnaire(s) and is to be used as a Hackney Education Schools Support Team’s tool, in an effort to support schools in maintaining compliance with the established financial procedures for schools.*

***REF PAGE: Financial Procedure Manual***

| **QUESTION** | | **YES/NO date/ cycle** | **REF PAGE:** | **ACTION PLAN - Comment** |
| --- | --- | --- | --- | --- |
| **1. ORGANISATION OF RESPONSIBILITY AND ACCOUNTABILITY** | | | | |
| 1.1 | What is the date of the Hackney Financial Procedures Manual which is held by the school?  The Schools’ own Financial regulations approved by the Board, which contain set limits on delegated authority for the following areas   Spending - Revenue   Spending - Capital   Budget Virements   Recruitment   Disposal of assets   Terms of Reference for the Finance Sub-Committee and the Board  Signed Scheme of Delegation  (if separate to Financial Regulations), i.e. summary of authorisation levels and responsibilities regarding ordering, payment of invoices, authorisation of petty cash claims etc.  At which Board’ meeting was the above approved?  When was the committee and structure of the membership of Governors last reviewed? |  | 2.2 - 2.6    2.4  3.9; 6.10-11  6.1    7.4  2.3  App 2.2 | [Financial Procedures Manual](https://www.hackneyservicesforschools.co.uk/system/files/extranet/Financial%20Procedures%20Manual%20for%20Schools.pdf) |
| 1.2 | **Register of Pecuniary Interests for both Governors and Staff?**  Has the Register been posted to the Schools website? |  | (2.7) |  |
| 1.3 | Minutes of Finance Committee / FGB Meeting covering the previous year and the year to date. |  | (6.5) |  |
| 1.4 | Do the school have an induction pack for new governors? |  |  |  |
| 1.5 | Have the following policies been reviewed, adopted and ratified by the Governing Board in the last financial year?   * Lettings policy * Charging and Remissions Policy * Debt Policy * GPC Card Policy – is there a clear audit trail of transactions * Governors Allowances Policy * GDPR Policy * Teachers Pay & Conditions * Pay Policy * Health & Safety Policy * Whistleblowing Policy * Is there a schedule of policies held by the school, if so who has accountability for ensuring that policies are reviewed in a timely manner. |  | 4.3  4.2  4.11-12  3.4  2.9  7.15  8.0-7  6.15 | [Hackney Council Whistleblowing Policy](https://www.hackneyservicesforschools.co.uk/system/files/extranet/Whistleblowing%20Policy.pdf) |
| 1.6 | Does the school have a copy of the Government’s School Policy Document? |  |  | [Statutory Policies](https://www.gov.uk/government/publications/statutory-policies-for-schools-and-academy-trusts/statutory-policies-for-schools-and-academy-trusts) |
| **2. REPORTING TO GOVERNORS** | | | | |
| 2.1 | Date of Governing Body meeting where the latest three year budget was approved? |  | 6.2 |  |
| 2.2 | Is expenditure monitored internally?  If so, please specify how often and by whom. |  | 6.3 – 4 |  |
| 2.3 | Has the school submitted their monthly returns within timescales to the LA?   * Trial Balance * Income & Expenditure * Bank Reconciliations * Bank Statements * Unreconciled Items * Signed VAT Submittals & VAT Full MTD Reports |  | 6.3; 6.4 |  |
| 2.4 | Does the school website display all the required documents as stipulated by the DfE?  Focus - Financial Information |  |  | [What Maintained Schools Must Publish Online](https://www.gov.uk/guidance/what-maintained-schools-must-publish-online)  [Financial Information](https://www.gov.uk/guidance/what-maintained-schools-must-publish-online#financial-information) |
| 2.5 | When was the last benchmarking exercise conducted by the Governors and what area was reviewed?  The Government’s website on benchmarking has been updated and is very easy to negotiate – good practice is that Governors should be benchmarking different areas at least annually |  |  | [DfE Benchmarking](https://schools-financial-benchmarking.service.gov.uk/) |
| **3. INCOME** | | | | |
| 3.1 | Who has determined the charges to be made for lettings?  How and when was this determined?  How often are the charges reviewed and by who? |  | 4.2 |  |
| 3.2 | Does the school let any of its premises?  Does the school hold an SLA / Lettings Agreement for the letting of halls/rooms or sports facilities?  If so has this been accounted for in the budget  How often are invoices raised for the letting?  Is there a premises report to Governors? |  | 4.3 |  |
| 3.3 | Who is responsible for arranging lettings and for banking any income?  Is the debt recovery policy also used for lettings?  How frequently and by whom are documented management checks performed, tracing income from receipt through to the bank account and financial system entry? If this is not done suggest that the Finance Governor does this at least termly |  | 4.11  4.1.5 |  |
| 3.4 | Is the collection of income for school meals in house?  What % of income is collected online?  What online system does the school use?  Is there a reconciliation system in place that traces deposits/income  When income is received in school are receipts given? If so do they contain the school name and VAT number?  Does the school charge VAT on staff school meals?  Is this reflected in the VAT report? |  | 11.1.2 | **VAT No.220 5529 95** |
| 3.5 | Is there a procedure in place for collecting arrears?  Debt policy, is this followed in all cases, is there a limit amount for debts recorded on the policy/ |  | 4.11 |  |
| **4. SCHOOL FUND** | | | | |
| 4.1 | Are there any voluntary school funds?  (If no, please ignore the rest of section 3b) |  | 12 |  |
| 4.2 | Date of the independent audit of the school fund? |  | 12.3 |  |
| 4.3 | Are the accounts presented to the Board for approval?  This needs to be done at least annually |  | 12.3.4 |  |
| 4.4 | Is there a separate bank account for the Voluntary School Funds? |  | 12.1.2 |  |
| 4.5 | Who are the cheque signatories for the account?  Are two required? |  | 12.1.2 |  |
| **5. PETTY CASH** | | | | |
| 5.1 | What is the Imprest amount?  Need to check that schools are reimbursing to the imprest amount eg imprest £200, money in school £100 they should only be reimbursing for £100. |  | 5 |  |
| 5.2 | What are the limits on the value and type of goods that can be purchased through petty cash?  Is this reflected in the scheme of delegation and their finance procedures? |  | 5.2 |  |
| 5.3 | Are petty cash reconciliations performed on a monthly basis and reviewed and signed by HT or other delegated authority?  Are petty cash claims signed in advance of the purchase and authorised by the Headteacher? |  | 5.2.12 |  |
| **6. BANK ACCOUNTS** | | | | |
| 6.1 | Please provide **limited** details of all bank accounts held (e.g. last 3 digits of a/c no.? |  | 10 |  |
| 6.2 | How many cheque signatories are required for each cheque?  Please detail the positions of the relevant officers.  Are cheque signatories, including those involved with authorising Bankline, remote from the ordering and payment process for both Delegated and School Funds? |  | 10.9.2; 10.9.4 |  |
| 6.3 | Can the signatories sign cheques to any value?  Please detail any restrictions. |  | 2.4, 10.9.10 |  |
| 6.4 | How often are bank reconciliations undertaken?  By whom are they undertaken? |  | 6.6 |  |
| 6.5 | Have any bank accounts been overdrawn in the last financial year?  If yes, please state how often, amount by which overdrawn and reason. |  | 10.11 |  |
| 6.6 | Are all cheques / BACs produced by the computer system?  Does the school produce a Cheque/ BAC’s report and have it signed by the Headteacher? |  | 10.9.14 |  |
| 6.7 | Does the school keep a register of unused cheques?  If yes where are they kept, if no then a register of cheques needs to be kept? |  |  |  |
| 6.8 | Does the delegated fund? Bank account mandate hold the most relevant, up to date signatory list?  . |  |  |  |
| **7. PURCHASING AND PAYMENTS** | | | | |
| 7.1 | Who can order goods and services? |  | 3.11 |  |
| 7.2 | Do staff have to complete an official order form for all purchases?  Is the form signed off by the Headteacher or delegated budget holder? |  | 3.10 |  |
| 7.2a | Are all purchase orders including SLA’s on the system? |  | 3.12 |  |
| 7.3 | Are telephone orders made?  If so, when are these followed up in writing? |  | 3.10.3 |  |
| 7.4 | Who is responsible for  1. Matching invoices with orders and delivery notes  2. Authorising invoices for payment  3. Undertaking the cheque/BACS run |  | 3.11  “  3.18 |  |
| 7.4 | Does the school comply with segregation of duties, if so how? |  | 2.6.1 |  |
| 7.5 | Does the school have a GPC? Does the GPC policy match the results eg same names and amounts? |  | 3.4 |  |
| 7.6 | If yes, where is it held? Note that audit expect it to be kept on the person as the card is in the person’s name and as such should be treated as if it is theirs.  Whose name is on the card? |  | 3.4.2  3.4.6 |  |
| **8. MANAGEMENT OF ASSETS** | | | | |
| 8.1 | Who is responsible for maintaining the School Inventory/Asset Register?  Does it incorporate the following details?  • Item Description  • Serial Number  • Date Acquired (when known)  • Cost (when known)  • Location  • Security Marked,  • Method to record disposals  Which system is used eg equipment register, excel spreadsheet, bespoke systems etc |  | 7 |  |
| 8.2 | Are all assets security marked? |  | 7.8.3 |  |
| 8.3 | When was the last stock check of equipment/assets undertaken?  Who carried this out? |  | 7.2.6 |  |
| 8.4 | Is there a written procedure for disposing of and writing off assets? |  | 7.4 |  |
| 8.5 | Does the school have an insurance policy for cash and other valuables held on site?  Is the policy in plain sight in the office? Check that it is in date  If yes, have there been any insurance claims made by the school for loss/damage to assets in the last two years?  If so, how many? |  | 8 & 4.7.2 |  |
| 8.6 | Are any vehicles owned/leased by the school?  If yes, please detail. |  | 8.3.8 |  |
| 8.7 | Is there a school safe?  If yes:   * Who holds the keys/combination? * Is there a register of safe contents? * Are the keys signed for? * Does the school hold an insurance policy for cash held in the safe, if so is it in date? * Do school staff know what the limit for holding cash in the safe? |  | 4.10 |  |
| 8.8 | Does the school have written procedures for loaning equipment to staff and pupils?  Is there a record of loans and equipment to staff? |  | 7.3 |  |
| **9. CONTRACTS** | | | | |
| 9.1 | Does the school have any services contracted out?  If yes, please specify. |  | 3.13 -3.15 3.5-3.8 |  |
| 9.2 | Has any construction activity been undertaken in the year? |  |  |  |
| 9.3 | Have construction related invoices been submitted to London Borough of Hackney for payment? |  |  |  |
| 9.4 | Does the school hold a Contractors List?  When is it reviewed?  Are the contracts monitored on the performance of the contractor?  Are SLA’s in place for all contracts?  Are Purchase Orders entered on the finance system for the whole term of the contract? |  |  |  |
| 9.5 | Evidence that procedures include securing best value for money when renewing annual contracts or quotations for supplies and services over £1,000 threshold?  Where quotations have been received or tendering has taken place, is there evidence of the process eg at least three written quotations, evidence of approval under the scheme of delegation ie have governors been involved in the process ie signed final contracts |  | 3.1 |  |
| **10. FINANCIAL SYSTEMS** | | | | |
| 10.1 | Who has access to the Financial Management System?  Please state access levels granted. |  | 7.9  7.11 |  |
| 10.2 | Who determines access levels to the FMS? |  |  |  |
| 10.3 | How often are backups performed? By whom and where is the data kept? |  | 7.11.8 |  |
| 10.4 | Where and how often are passwords kept and updated? FMS unfortunately, does not require you to change your password on a regular basis. Under data Protection we need to advise that passwords should be changed termly? |  |  |  |
| **11. PERSONNEL** | | | | |
| 11.1 | Who approves changes to the School’s staffing establishments? |  |  |  |
| 11.2 | Who authorises the appointment of new staff? |  |  |  |
| 11.3 | Who authorises overtime?  Is this done in advance of being worked? |  |  |  |
| 11.4 | How many agency staff are the school currently using? |  |  |  |
| 11.5 | Does the school have temporary staff that are not from an agency?  If yes, please specify. |  |  |  |
| 11.6 | Can it be evidenced that the Headteacher’s latest pay form has been authorized in accordance with the Finance Regulations and Scheme of Delegation? |  |  |  |
| 11.7 | Can it be evidenced that staff contract forms have been authorized in accordance with the Finance Regulations and Scheme of Delegation? |  |  |  |
| 11.8 | Were any variances identified between actual payments made and expected/committed payroll entries on the financial system, and if so were the reasons for these variances justifiable and clearly documented? |  |  |  |
| 11.9 | Can the school provide evidence that a member of the Senior Leadership Team has reviewed the monthly payroll to ensure that this includes only current staff members?  Check that the payroll reports with the journals have been signed by the Headteacher as well as the SMB/Finance manager |  |  |  |
| 11.10 | Are salary adjustments/overtime sheets and expense claim forms completed by the member of staff and signed by the Headteacher? |  |  |  |
| 11.11 | Are training records kept on Sims.net or equivalent system?  Best practice is that all records should be on Sims.net or an equivalent system and also the cost associated with the training. |  |  |  |
| 11.12 | When requests for personnel details are given via email, do the school check with the member of staff that their details are correct. |  |  |  |
| **12. PREVIOUS INTERNAL AUDITS** | | | | |
| 12.1 | When was the last internal audit review carried out at the school? |  | 6.18 |  |
| 12.2 | How is the implementation of the recommendations monitored |  |  |  |
| **13. OTHER** | | | | |
| 13.1 | **DBS:** Are there up to date DBS checks, on the SCR register, for all employees and people in contact with the school’s children? |  |  |  |
|  | Is the register monitored to ensure that DBS clearances are monitored and renewed? |  |  |  |
| 13.2 | **SFVS: Has the annual return been completed and submitted to the HE?**  What date was this done? |  | 2.6.3 |  |
| 13.3 | Has the school submitted to HE:   * YE statement –signed by Head Teacher * YE accounts associated documents * Controls Assurance Statement –signed by Chair and Finance Chair * Budget –signed by Head Teacher and Chair * Deficit/Surplus recovery plan (if applicable) |  |  |  |
| 13.4 | **Employment Status:** Do you have any people who regularly work at the school, are paid by the school but are not paid via payroll? |  | 3.14 |  |
| 13.5 | If so, have they been assessed as Self Employed on the HMRC system? |  |  |  |
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**Verified and signed by, (HE Business Analyst):**

**Date:**

**Signed by (SBM/Finance Manager):**

**Date:**

**Any additional comments:**

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