

# **GIBSON BOOTH**

## **CHARTERED ACCOUNTANTS**

**South Ossett Infant Academy**

**Summary of internal audit work performed during the year 2020/21**

**July 2021**

**South Ossett Infants Academy  
Report to trustees as at July 2021**

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**South Ossett Infants Academy**  
**Report to trustees as at July 2021**

**1. Introduction**

**1.1. Purpose of this report**

This report has been prepared for the trustees of South Ossett Infants Academy following our testing and review of the accounting systems and internal controls in 2020/2021.

Our work included discussing accounting systems and internal controls with Yvonne Smith in the finance department and reviewing various information to ensure that systems were operating as described to us.

Where weaknesses in the accounting systems and internal controls have been identified we have made recommendations for improvement.

**1.2. Limitations**

We have included in this report only those matters that have come to our attention as a result of our testing and review and, consequently, our comments should not be regarded as a comprehensive record of all weaknesses that may exist or improvements that could be made. In some cases, reliance has been placed on verbal representations given by employees of the school.

This report is regarded as confidential to the trustees of South Ossett Infants Academy and is intended only for the use of the trustees. No responsibility is accepted to any other person in respect of the whole or part of its contents.

Our work has not constituted an audit in accordance with Auditing Standards of either the financial or non-financial information presented to us and will not necessarily have disclosed all matters of significance. Nor have we subjected the financial or other information contained in this report to checking or verification procedures, except where otherwise stated.

Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of this report. This report should not be passed on to third parties without our prior consent.

**1.3. Overall summary**

Our work has focussed on the following three areas;

1. Recruitment of sufficient learners to make it viable
2. Procedures to cover the absence of the headteacher
3. Maintenance of financial control in relation to budget

Separate reports have been prepared for each area, and any recommendations have been combined in section 2 of this report.

In summary:

1. Work undertaken suggests that the school has several procedures and policies in place to mitigate the risk of a decrease in pupil numbers adversely affecting the school. The school also had significant funds in place at the start of September 2020 to cover the forecast losses for 20/21.

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2. The school has procedures in place to mitigate the risk of headteacher absence. There are various procedures in place in the event of absence and it is thought that other senior staff are aware of the tasks and responsibilities of the headteacher, and capable of stepping up in the short term.
3. Work undertaken suggests that the school has several procedures and policies in place to maintain financial control in relation to budget, such as the preparation of monthly management accounts compared to budget, and the regular review of these figures.

**2. Work performed**

**2.1. Grading structure**

For each recommendation we will assign a grading of High, Medium or Low priority depending on the importance or risk of the issue as explained below: Priority	Classification
<b>High</b>	There is a significant risk of loss to the school through ineffective or absent controls or a highly inefficient use of the school’s resources. Urgent action is recommended to rectify the matter.
<b>Medium</b>	There is a weakness or inefficiency which should be addressed promptly.
<b>Low</b>	A possible improvement in application, efficiency or recording of control

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**2.2 Recommendations**

The following recommendations have arisen from our review accounting systems and internal controls:

Findings	Section	Risk first found	Recommendation	Risk	Response
The school is aware of the risk that pupil numbers might fall, but has not prepared calculations to confirm what number would make the school untenable.	4.1	GB	The school could prepare a sensitivity analysis based around a decrease in pupil numbers, and work out a minimum desired figure.	Low	
A complete balance sheet was not provided with the monthly management accounts.	4.1	GB	In order to give the most accurate monthly reporting the school could look to prepare a full balance sheet with accruals and prepayments movements included, however, we understand that this would prove to potentially be quite time consuming.	Low	
There is no formal document which details the key tasks and deadlines which are dealt with by the headteacher.	4.1	GB	If applicable, the school could create a written document listing the key tasks which the headteacher undertakes, and also include any key dates or deadlines which the headteacher/school is required to meet. This should assist a smooth transition in the case of any unplanned absence.	Low	

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