Item: 8

Monitoring and Audit Committee: 5 February 2026.

Internal Audit – Papa Westray Community School.

Report by Chief Internal Auditor.

1. Overview

1.1.   The internal audit plan 2025/26 includes a review of administrative procedures and controls operating within Papa Westray Community School. This audit has been completed and the internal audit report is attached as Appendix 1 to this report.

1.2.   Papa Westray Community School is a primary school and nursery for the children of Papa Westray. The school has a nursery and a composite class for primary 1 to 7 pupils with a school roll of eight pupils.

1.3.   The objective of this audit was to review operational procedures in place at Papa Westray Community School, focusing on administration, security, financial management and human resource management.

1.4.   The audit provides Substantial assurance over the framework of administrative procedures and controls operating within Papa Westray Community School.

1.5.   The internal audit report, attached as Appendix 1 to this report, includes one medium priority recommendation regarding risk assessments and one low priority recommendation regarding school policies. There are no high priority recommendations made as a result of this audit.

2. Recommendations

2.1.   It is recommended that members of the Committee:

   i.   Scrutinise the findings contained in the internal audit report, attached as Appendix 1 to this report, relating to administrative procedures and controls operating within Papa Westray Community School, in order to obtain assurance that action has been taken or agreed where necessary.

For Further Information please contact:

Andrew Paterson, Chief Internal Auditor, Extension 2107, email
andrew.paterson@orkney.gov.uk.

Implications of Report

1. **Financial:** None directly related to the recommendations in this report.
2. **Legal:** None directly related to the recommendations in this report.
3. **Corporate Governance:** In terms of the Scheme of Administration, consideration of Internal Audit findings and recommendations, and review of actions taken on recommendations made, are referred functions of the Monitoring and Audit Committee.
4. **Human Resources:** None directly related to the recommendations in this report.
5. **Equalities:** An Equality Impact Assessment is not required in respect of Internal Audit Reporting.
6. **Island Communities Impact:** An Island Communities Impact Assessment is not required in respect of Internal Audit Reporting.
7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
    ☐ Growing our economy.
    ☐ Strengthening our Communities.
    ☐ Developing our Infrastructure.
    ☐ Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
    ☐ Cost of Living.
    ☐ Sustainable Development.
    ☐ Local Equality.
    ☐ Improving Population Health.
9. **Environmental and Climate Risk:** None directly related to the recommendations in this report.
10. **Risk:** Internal Audit evaluates the effectiveness and contributes to the improvement of the risk management processes.
11. **Procurement:** None directly related to the recommendations in this report.
12. **Health and Safety:** None directly related to the recommendations in this report.
13. **Property and Assets:** None directly related to the recommendations in this report.
14. **Information Technology:** None directly related to the recommendations in this report.
15. **Cost of Living:** None directly related to the recommendations in this report.

List of Background Papers

Internal Audit Plan 2025/26.

Appendix

Appendix 1: Internal Audit Report – Papa Westray Community School.

Internal Audit

Audit Report	
Papa Westray Community School	
Draft issue date: 15 December 2025	
Final issue date: 14 January 2026	
Distribution list:	**Director for Education, Communities and Housing** **Head of Education** **Service Manager (Primary Education)** **Service Manager (Early Learning and Childcare)** **Service Manager (Resources)** **Head Teacher**

Contents

Audit Opinion

Based on our findings in this review we have given the following audit opinion.

Substantial	The framework of governance, risk management and control were found to be comprehensive and effective.

A key to our audit opinions and level of recommendations is shown at the end of this report.

Executive Summary

As a small school, Papa Westray Community School applies collaborative approaches and structured processes that support the efficient and effective operation of the establishment.

This audit found that governance, risk management, and control frameworks are comprehensive and effective, supporting a positive audit opinion of Substantial. The school demonstrates strong compliance with statutory and best practice guidelines. Several areas of good practice were identified during the audit including:

- Robust security arrangements are in place with written procedures updated annually, an up-to-date key holder list and record of staff with access to electronic systems.
- Secure management of pupil records.
- Effective asset management.
- Strong financial controls in the management of the school fund.
- Good communication and clear arrangements in place with the Papa Westray Community Association.
- Safety and emergency procedures are regularly reviewed and tested.
- Resilience planning measures are in place.

The report includes 2 recommendations which have arisen from the audit. One is school specific and one is for the Education Service. The number and priority of the recommendations are set out in the table below. The priority headings assist management in assessing the significance of the issues raised.

Responsible officers will be required to update progress on the agreed actions via the Ideagen Risk Management system.

Total	High	Medium	Low
2	0	1	1

The assistance provided by officers contacted during this audit is gratefully acknowledged.

Introduction

Orkney had a total school population of approximately 2,800. The Education Service is responsible for 23 schools in Orkney, supporting school staff in providing a quality educational experience for all young people, whatever their abilities.

Papa Westray Community School is a Primary School and Nursery for the children of Papa Westray. The school has a single multi-composite class for Primary 1-7 pupils and a Nursery, and has a roll of 8 pupils across early years and primary stages. The school and nursery are led by the Head Teacher, along with a part-time teacher, early years lead and early years practitioner, a school auxiliary/administrative assistant and janitor. The school team is supported by itinerant teachers of expressive arts.

This review was conducted in conformance with the Global Internal Audit Standards in the UK Public Sector.

Audit Scope

The scope of this audit included the following:

1   Schools Administration including:

- Pupil records – maintenance, absence policy and monitoring.
- Inventory – all assets, security of assets including IT equipment.
- School fund – management.
- Risk assessments – procedures.
- Repairs and maintenance – procedures.
- First Aid Arrangements – training, equipment, administration of medication.

2   Security including:

- Security of building.
- Safe – contents, security.
- Key holder arrangements.
- Fire drills – records.

3   Financial Procedures including:

- Petty cash – administration.
- Banking – arrangements and frequency.
- Procurement – ordering and payment for goods and services.
- Devolved School Management (DSM) budget – monitoring.

4   Staff Management including:

- Staffing arrangements – appropriate levels, contracts.
- Supply cover – arrangements.
- Overtime – administration.
- Timesheets – administration.
- Additional/unpaid leave.
- Training – mandatory training.

1.0 Policies and Procedures

1.1 Approved and documented procedures relating to all aspects of school management and operation, prepared in accordance with statutory and best practice guidelines, that are accessible to all staff and regularly reviewed, help towards defining clear expectations, ensuring values are applied consistently and providing a framework to support staff, pupils and families alike.

1.2 School policies are held on Microsoft Teams and are accessible to all school staff. A folder is held in the office so that all staff without access to Microsoft Teams can access the policies if required. School policies are reviewed annually by the Head Teacher, with refresher review with staff as required. Child protection training is reviewed annually as a minimum and a safeguarding checklist, developed by the Service, is completed to ensure required measures are in place.

1.3 The school's staff induction process also covers the review of key policies and procedures.

1.4 Whilst policies and procedures are generally well-maintained and accessible, there are some school policies without review dates and some Council policies held are not the current versions.

1.5 The outdated policies identified were the Health and Safety Policy, Risk Assessment Policy and GDPR statement, from 2018. The current Health and Safety and Risk Assessment guidance was approved in 2024 and the Information Security Staff Guidance booklet should be used in place of the GDPR statement.

1.6 As the issue around access to current Service and Council-wide policies has been identified within another school audit and a recommendation made to address this within, there is no recommendation being made in this report.

1.7 We recommend that all school specific policies are dated as evidence of review.

Recommendation 1

1.8 The school handbook is updated annually and is available for parents and carers on the school website. The handbook was reviewed against the Scottish Government School Handbook Guidance.

1.9 Whilst the handbook provides clear, accessible and relevant information to parents and carers, to ensure full compliance with the national guidance, there are areas for improvement.

1.10 A recommendation has been made within a recent school adult which requires service wide guidance on school handbooks to be updated and circulated to schools. This recommendation has been accepted and is due for completion in December 2026. Therefore, no further recommendation is being made.

2.0 Pupil Records

2.1 The Council plans to manage its recorded information in a cost effective, efficient and sustainable way that complies with statutory duties. All files at the school are stored securely electronically on SEEMiS or within locked cabinets to which access is restricted. Paper pupil

files are clearly marked with the pupil's name and date of birth and organised so that they can be easily located.

2.2 Pupil files are transferred to the appropriate secondary school following recently updated procedures for transferring information and files.

3.0 Asset Management

3.1 Section 20.1.5 of the Financial Regulations states that inventory evidence shall be recorded by dated photo which should include office equipment, furnishings, plant and machinery and any other valuable property. For insurance purposes, items worth over £5,000 must be recorded and passed on to the Insurance Officer and should include the purchase price or cost exc. VAT along with the estimated reinstatement or replacement value.

3.2 There are no items worth over £5,000 and recently updated photos are held of all areas within the school. This is in line with the Financial Regulations. Movable, desirable and valuable items are marked with a UV Pen to label these as property of the Council.

3.3 School staff IT equipment is held securely and only accessed by appropriate personnel and there are items of IT equipment such as laptops and iPads that are for use by the pupils. An IT register is held which details all IT equipment held and its location.

4.0 Mandatory Training

4.1 All Council staff are required to complete mandatory training on iLearn and to refresh their learning periodically as required. At the time of the audit, all iLearn training required had been completed and was up to date.

5.0 School Fund Management

5.1 There is a school fund in place under the name of the school. Bank statements are received in paper form. There are two signatories on the account and the fund is audited annually.

5.2 There is a process in place for the administration of the school fund which includes the reconciliation of the income and expenditure to the bank statements. There is a spreadsheet held that records both monies in and out of the school fund.

5.3 A sample of transactions on the bank statements were reviewed which reconciled to the school fund spreadsheet and the receipts kept as part of a paper trail. All records reviewed indicate that there is good record keeping and retention of evidence to support payments made from the school fund account. All transactions reviewed were school related and had been authorised by the Head Teacher, evidenced through initialling on the cheque book stubs. The Head Teacher signs each bank statement as evidence of review and segregation of duties.

5.4 Cash pay-ins are made less frequently now due to the increase in online payments. The last payment was made in September 2025, a pay-in slip had been completed with the date and information regarding the nature of the payments.

5.5 The Participation Fund is managed in line with guidance.

5.6 The school has its own financial procedures and holds the draft School Fund Procedures, which are due for completion by the Education Service in December 2026.

6.0 Community Use

6.1   Papa Westray Community School is also used by local community groups. There is a Community Use Handbook in place which covers arrangements including building heating, cleaning, access, security and fire procedures.

6.2   The layout of the school prevents unauthorised access to classrooms and there is a security policy in place which clearly sets out access control measures. This is also covered within the General Risk Assessment for the school.

7.0   Risk Management

7.1   The Council's Risk Assessment guidelines state that there is a legal duty to carry out and record all risk assessments based on the Management of Health and Safety at Work Regulations 1999.

7.2   All risk assessments reviewed had been recently updated, including those used for excursions managed within the Evolve school-excursion planning system. The Head Teacher has completed the Institute of Occupational Safety and Health (IOSH)- Managing Safely training which includes risk assessment training.

7.3   Although risk assessments in place indicate that risks are well considered and controlled within the school, it was noted that each risk assessment reviewed had a different format.

7.4   Under the Council's Health and Safety and Risk Assessment Guidance (2024-2026), all Council risk assessments must be completed using the format provided in the policy.

7.5   As identified within previous school audits, and within the Excursions policy, there are different risk assessments formats used including Risk Benefit assessments which are preferred by Early Years settings and to support risk assessment for excursions.

7.6   The service should undertake a review of the approach to risk assessments against the Council's Health and Safety Risk Assessment Policy to ensure compliance.

Recommendation 2

8.0   Safety and Security

8.1   Access to the school is restricted appropriately and visitors are required to sign in at reception before being given a visitor badge. The office is generally occupied but due to the proximity of the classroom, the doorbell can be heard from there and answered, if required. There is an up-to-date key holders list, and the Janitor is responsible for securing the building at the end of the day.

8.2   Repairs and maintenance requirements are reported on the Concerto system by the Head Teacher and the Janitor.

8.3   There are three first aiders listed on the school's First Aid Procedures and they have all undertaken First Aid training. First aid supplies are checked on a regular basis and kept well-stocked.

8.4   Accident records are kept in the First Aid booklet in the office with a separate Accident Report format used for nursery accidents. These are reported to parents using either a carbon copy of an accident slip or sharing of the accident form with nursery parents. A phone call home is made where appropriate. More serious incidents are reported using the Adverse Event Form which is emailed to the Council's Safety and Resilience Team.

8.5 There are smoke alarms and fire extinguishers located throughout the school and these are regularly tested and maintained. Fire evacuation procedures are tested on a termly basis and recorded in a register. Fire safety doors are fitted throughout the school and fire escape routes and doors are clearly marked.

8.6 A Business Impact Assessment and Emergency Plan has been developed as well as a Staff Cover Plan for 2025/26 as part of resilience planning for the school.

8.7 Medication is not currently held at the school but there are procedures in place to ensure secure storage and management of this, should they be required.

9.0 Financial Management

9.1 All purchases from the school and nursery budget are made using Integra which has in built controls to ensure that these are appropriately authorised, that goods received are recorded and payment is made accordingly. Testing on a sample of transactions provided assurance that the system is being used appropriately for purchases.

9.2 Within the Financial Regulations (Section 6.1.1), there is a requirement that significant variances from approved budgets are investigated and reported by budget holders. Within Integra, over or underspends by 10% or over £50,000 is the threshold for reporting.

9.3 Cost centres were reviewed to ensure that any significant under or overspends have been reported on. In 2025/26, an overspend position has been reported on, indicating that significant billing issues from the energy supplier have been continuing over the last 36 months. The reporting observed demonstrates oversight of the budget and compliance with Financial Regulations.

10 Management of Staff

10.1 Staffing arrangements for the school are appropriately determined and administered in accordance with national conditions and local policies. The Head Teacher has a staffing establishment meeting each year with the Service Manager (Primary Education). The next meeting is scheduled for January 2026, and this leaves time for recruitment to take place ahead of the new school year starting the following August.

10.2 All staff at the school are employed in posts included in the establishment.

10.3 A sample of two contract changes were tested to ensure they had been timeously notified to Payroll. Both had been notified within the Payroll deadlines as required. The Head Teacher confirmed receipt of emails which inform of upcoming contract end dates.

10.4 Any mileage, travel and subsistence claims are made through Integra and are authorised by the Head Teacher before payment is made. Evidence to support a sample of claims was reviewed.

10.5 The sickness absence policy is generally being followed at the school. However, we identified that self-certifications for short-term absences are not completed. A recommendation has been made within a recent sickness absence audit which is designed to address this issue which has been identified as Council-wide.

10.6 All unpaid leave requests were appropriately authorised using the leave of absence procedure.

10.7 There are monthly deadlines for timesheets to be submitted to the Education Resources Team in time for Payroll deadlines. Supply staff complete timesheets which are authorised by the line manager and then further authorisation is obtained from Education staff. Guidance for establishments was issued in early 2024 to support accurate completion and to minimise the need for corrections to be made by the administrative team within the Education Service.

10.8 Timesheets are generally correctly completed and all reviewed in the sample were submitted on time. Some support is required from the Education Resources team to ensure the correct cost centre is used as is identified with most school audits conducted.

10.9 A recommendation was made as part of a previous school audit to consider the development of a corporate system that improves the efficiency and effectiveness of time sheeting across the organisation as part of the Council's improvement agenda. This was included in a proposal made to the Corporate Leadership Team in 2024. However this will take time to develop and implement.

Action Plan

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
1 We recommend that all school specific policies are dated as evidence of review.	Low	We will ensure this is completed.	Head Teacher	30 April 2026
2 The service should undertake a review of the approach to risk assessments against the Council's Health and Safety Risk Assessment Policy to ensure compliance.	Medium	We will undertake a review of the approach to risk assessments against the Council's Health and Safety Risk Assessment Policy.	Service Manager (Resources)	31 October 2026

Key to Opinion and Priorities

Audit Opinion

Opinion	Definition
Substantial	The framework of governance, risk management and control were found to be comprehensive and effective.
Adequate	Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control.
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or become inadequate and ineffective.
Unsatisfactory	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

Recommendations

Priority	Definition	Action Required
High	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
Medium	Weakness in governance, risk management and control that if unresolved exposes the organisation to a significant level of residual risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
Low	Scope for improvement in governance, risk management and control.	Remedial action should be prioritised and undertaken within an agreed timescale.