Item: 8

Monitoring and Audit Committee: 24 September 2026.

Internal Audit: Kirkwall Grammar School – Follow Up Audit.

Report by Chief Internal Auditor.

ORKNEY ISLANDS COUNCIL

1. Overview

1.1. This report presents the follow-up internal audit report on Kirkwall Grammar School, for scrutiny.

1.2. The internal audit plan 2026/27 included a follow up on the internal audit of Kirkwall Grammar School carried out in 2023/24. This audit has been completed and the internal audit report is attached as Appendix 1 to this report.

1.3. The objective of this follow up audit was to determine whether the agreed actions have been implemented and whether they have effectively mitigated the risks identified in the original audit.

1.4. The audit opinion is that the recommendations from the original audit have been fully implemented.

2. Recommendations

2.1. It is recommended that members of the Committee:

i. Scrutinise the findings contained in the internal audit follow up report, attached as Appendix 1 to this report, assessing the adequacy of, and compliance with, internal controls relating to the operational procedures in place at Kirkwall Grammar School, focusing on administration, security, financial management and human resource management, in order to obtain assurance that action has been taken or agreed where necessary.

For Further Information please contact:
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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, the consideration of Internal Audit findings and recommendations and the 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 2026/27.

Appendix

Appendix 1: Internal Audit Follow Up Report – Kirkwall Grammar School.

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Internal Audit

Audit Report

Kirkwall Grammar School Follow Up

Draft issue date: 24 August 2026

Final issue date: 14 September 2026

Distribution list:	**Director of Education, Communities and Housing** **Head of Education** **Service Manager (Secondary and Tertiary Education)** **Head Teacher** **School Business Manager**

Contents

Audit Opinion

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

Fully implemented	All recommendations have been implemented effectively, and the associated risks have been mitigated

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

Executive Summary

An audit of Kirkwall Grammar School was carried out during 2023/24. Due to the nature and level of the audit findings, a follow up audit was planned.

The objective of this follow-up is to determine whether the agreed-upon actions have been implemented and whether they have effectively mitigated the risks identified in the original audit.

The original audit contained a total of 11 recommendations. In this report we have reviewed the management actions taken and provide an overall opinion on the status of implementation of agreed actions.

Overall, substantial progress has been made, with all of the original recommendations fully implemented.

The number and priority of the recommendations are set out in the table below. Together with the original priority rating and the implementation status.

This report does not include any recommendations.

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

Priority	Number of Recommendations	Satisfactorily Implemented	Partially implemented	Not Implemented
High	-	-	-	-
Medium	8	8	-	-
Low	3	3	-	-

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

Introduction

The procedures and controls within Kirkwall Grammar School were audited in December 2023–January 2024. The audit report submitted to the Monitoring and Audit Committee on 28 March 2024 contained a number of findings, with corresponding action points recommended for each finding. Management agreed to implement these action points within specific timelines which were subsequently extended due to staff changes at the school.

As with all audits that receive a Limited or Unsatisfactory opinion, we are required to conduct a follow up audit in respect of the action points arising from the original audit and report back to the Monitoring and Audit Committee.

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

Audit Scope

This audit focussed on the action points outlined in the initial audit. The areas covered 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:

- Pupil Equity Funding (PEF) – spending, budget monitoring.
- 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.

Audit Findings

1.0 Financial Management

1.1 **Recommendation 1 from original report**

A full review of roles and responsibilities should be carried out to ensure there is a separation of duties and authorisation limits in place when handling the school fund account and petty cash.

1.2 Records for the school fund and petty cash were reviewed and found to be satisfactory, the new processes in place to ensure separation of duties for both the school fund and petty cash are working effectively. Petty cash is held securely and reconciled by the Business Manager.

1.3 This recommendation has been implemented satisfactorily.

2.0 Security

2.1 **Recommendation 2 from original report**

Given that the school is also used as a community building, the school must comply with GDPR requirements for the CCTV system. Appropriate signage must be displayed to make people aware that they are being recorded and individual login details and access request forms should be in place to control access the system.

2.2 CCTV signage is now in place and access to the system is now controlled with individual users having separate accounts and logins.

2.3 This recommendation has been implemented satisfactorily.

2.4 **Recommendation 3 from original report**

A full security review should be undertaken to address the following findings:

- Visitors are required to report to reception to sign in and are provided with visitor badges. It was observed during multiple visits to the school the process for signing and the details recorded were different on each occasion and when leaving the building after school hours there was nowhere to securely return the pass.
- A list of key holders was provided which identified one individual who is no longer employed by the Council. Also, a total of 11 key holders had not returned keys when leaving post. The process for returning keys when an individual leaves post should be improved with an up-to-date record of key holders maintained.
- The school is available for use by the community, having access to the building after 5pm on weekdays and at weekends. Due to the design and layout of the building, the public can access upper floors by means of the two lifts and stairs. Although the main reception desk is staffed after 5pm or at weekends, concerns have been raised about access to the building particularly between the end of the school day and when used by the community.

2.5 The sign in system for visitors has been reviewed and found to be working effectively. All external doors to the building are now controlled by fob access, there is an up-to-date list of fob holders and a process in place to ensure that fobs and internal keys are returned when staff leave. This system can also limit access to parts of the building required by individual users. The reception desk is staffed whenever the building is open and the main doors are switched to one-way restricting access between the end of the school day and any community use. The fob system also prevents community users accessing the main school wings.

2.6 This recommendation has been implemented satisfactorily.

3.0 Policies and Procedures

3.1 **Recommendation 4 from original report**

A system of review should be introduced to ensure all policies and procedures, including the school handbook, are reviewed and updated on a periodic basis, with a central record held to support this.

3.2 A control spreadsheet has been developed to record all school policies. The policies are held on the school server and are available to all staff.

3.3 It was noted that the school handbook had been updated since the original audit but the most recent version on the school website was from 2023/24 and contained out of date information.

3.4 The school handbook was updated during this audit therefore this recommendation has been satisfactorily implemented.

3.5 **Recommendation 5 from original report**

The school should ensure that there is an emergency or business continuity plan created which is made available to all staff and is regularly reviewed.

3.6 There is now a business continuity plan in place which is held on the school server.

3.7 This recommendation has been implemented satisfactorily.

4.0 Staff Training

4.1 **Recommendation 6 from original report**

The Head Teacher should ensure that all staff indicated as having overdue training should undertake the mandatory iLearn courses as soon as possible.

4.2 Managers at the school are more proactive in encouraging staff to complete iLearn training, this is also followed up by the Head Teacher. Unfortunately reporting on Myview was not available during the time of the audit so completion rates could not be verified.

4.3 This recommendation has been implemented satisfactorily.

5.0 Staff Management

5.1 **Recommendation 7 from original report**

Processes should be put in place ensure that the correct Leave of Absence request form is used and that these forms are properly authorised.

5.2 New procedures have been adopted for Leave of Absence requests to ensure that the correct form is used and that all requests are properly authorised.

5.3 This recommendation has been implemented satisfactorily.

5.4 **Recommendation 8 from original report**

Guidance should be issued to education managers with line management responsibilities instructing them to forward emails containing reports on contract end dates to the Education Resources Team so that the appropriate notification forms can be completed and submitted to Payroll timeously.

5.5 Updated guidance has been issued by the Education Resources Team and regular contact is maintained between the Business Manager and the Resources Team to ensure that any staff changes are updated in a timely manner.

5.6 This recommendation has been implemented satisfactorily.

6.0 Staffing Arrangements – Supply Cover

6.1 **Recommendation 9 from original report**

A review of the process for arranging supply cover should be undertaken with a view to streamlining the process and ensuring that there is one system in place which is accessible to all staff responsible for arranging supply cover.

6.2 The Business Manager has reviewed the process for arranging supply cover and has adopted the use of the SEEMiS management information system to manage the process.

6.3 This recommendation has been implemented satisfactorily.

7.0 Document Retention and Storage

7.1 **Recommendation 10 from original report**

A review should be carried out to ensure the data security of pupil records and there is a consistent method for the school receiving pupil records from the primary schools. Files in storage should also be held in accordance with the Council’s retention and disposal schedule.

7.2 Pupil records from primary schools are now collected and transported by KGS staff. Records at KGS are held securely with PPR (Pupil Progress Records) and wellbeing records held separately and access restricted to these.

7.3 This recommendation has been implemented satisfactorily.

8.0 Health and Safety Risk Assessments

8.1 **Recommendation 11 from original report**

Risk assessments should be completed and documented, with an annual review process in place. Staff should also undertake appropriate training prior to undertaking risk assessments.

8.2 All general school risk assessments have been reviewed and updated by the Business Manager; all Science, Technology, Engineering and Mathematics (STEM) subjects have risk assessments provided by SSERC Ltd which provides specialist advisory services to all Scottish Local Authorities. Risk Assessments are also in place for school trips when required.

8.3 All risk assessments are added to the Quality Assurance calendar to ensure that they are regularly reviewed.

8.4 This recommendation has been implemented satisfactorily.

Key to Opinion and Priorities

Audit Opinion

Opinion	Definition
Fully implemented	All recommendations have been implemented effectively, and the associated risks have been mitigated
Partially Implemented	Some recommendations have been implemented but further actions are needed to fully address the risks
Not implemented	Recommendations have not been implemented, or the actions taken are insufficient to address the risks.

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.