

**Item: 6**

**Monitoring and Audit Committee: 5 June 2025.**

**Internal Audit – Evie Community School.**

**Report by Chief Internal Auditor.**

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## **1. Overview**

- 1.1. The internal audit plan 2024/25 includes a review of administrative procedures and controls operating within Evie Community School. This audit has been completed and the internal audit report is attached as Appendix 1 to this report.
- 1.2. Evie Community School serves the parishes of Evie and Rendall and is managed by a Head Teacher who is shared between Evie and Firth Primary Schools.
- 1.3. The school has a nursery and three primary classes (P1-3, P4-6 and P7) with a school roll of approximately 53 pupils.
- 1.4. The objective of this audit was to review operational procedures in place at Evie Community School, focusing on administration, security, financial management and human resource management.
- 1.5. The audit provides Substantial assurance over the framework of administrative procedures and controls operating within Evie Community School.
- 1.6. The internal audit report, attached as Appendix 1 to this report, includes one medium priority recommendation regarding the school fund account and three low priority recommendations regarding timesheet procedures, asset management and mandatory training. 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 Evie Community School, 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, 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 2024/25.

#### **Appendix**

Appendix 1: Internal Audit Report – Evie Community School.



## Internal Audit

### Audit Report

### Evie Community School

**Draft issue date: 10 April 2025**

**Final issue date: 12 May 2025**

<b>Distribution list:</b>	<b>Director of Education, Communities and Housing</b> <b>Head of Education</b> <b>Service Manager Primary Education</b> <b>Service Manager Early Learning and Childcare</b> <b>Head Teacher</b>
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## 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

The audit of Evie Community School indicated comprehensive and effective practices that support a good system of governance, risk management and control.

The Head Teacher at Evie is also responsible for Firth Primary School and has implemented robust systems, adapted to accommodate differences between the schools to ensure efficiency and continuity.

Several areas of good practice were identified during the audit including:

- Robust systems for monitoring attendance.
- Secure management of pupil records.
- A Quality Assurance calendar in place and used as a system of review for policies, procedures and risk assessments.
- Strong safety and security measures.
- Efficient communication with school and nursery staff through the use of Teams.
- Sharing good practice between school establishments.

The cooperation and support from school staff during the audit contributed to the overall positive assessment.

Areas of improvement identified relate to the recording of assets, mandatory training, segregation of duties concerning the management of the school fund and the administration of timesheets.

The report includes 4 recommendations which have arisen from the audit. 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
4	0	1	3

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

## Introduction

Orkney has a school population of approximately 3,000. The Education Service oversees 23 schools in Orkney supporting school staff in providing a quality educational experience for all young people, whatever their abilities. The service is committed to providing an enriching cultural environment for pupils through the expressive arts and instrumental tuition service.

Evie Community School serves the parishes of Evie and Rendall. The school is managed by a Head Teacher who is shared between both Evie and Firth Primary Schools. There is a Principal Teacher at the school as well as two Lead Practitioners in the Nursery (1 FTE).

At the school there is a nursery and three primary classes (P1-3, P4-6 & P7) with a school roll of approximately 53 pupils. The school is supported by a Support for Learning Teacher and a Support for Learning Assistant. Itinerant teachers also visit the school to offer Art, PE and Music classes.

This audit was conducted in conformance with the Public Sector Internal Audit Standards.

## Audit Scope

Audit work focused on:

- 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.
  - Community Use of the School- charging policy and security.
  - 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 of goods and services.
  - Devolved School Management (DSM) budget – monitoring.
- 4 Human resources including:
  - Staffing arrangements – appropriate level, contracts.
  - Supply cover – arrangements.
  - Overtime – administration.

- Timesheets – administration.
- Additional paid/unpaid leave.

## Audit Findings

### 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 so they are accessible to all school and nursery staff. A quality assurance calendar supports a system of review for school policies. The school handbook was recently updated and is available for parents and carers on the school website.
- 1.3 Some school specific policies reviewed were in development and there were examples of making use of shared good practice from other schools. There is also a secure Orkney Head Teacher Teams page where policies and procedures can be accessed and used or adapted for the school where appropriate.

### 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 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 digitally or in person 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 must 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 £5000 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 A spreadsheet inventory of assets is kept at the school which was in the process of being updated at the time of the audit visit. The assets listed had corresponding stickers which mark valuable items as property of the Council as set out in Section 20.4.3 of the Financial Regulations- 'Wherever practical, valuable and desirable moveable property should be clearly marked as the 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.
- 3.4 As there are no assets worth over £5000 at the school, photos of the rooms within the school should be taken to evidence non-IT assets in line with updated asset management guidance. These photos should be updated yearly or where there are significant changes made. For IT

assets, a separate inventory should be created and updated yearly or where there are significant changes made.

#### **Recommendation 1**

### **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.
- 4.2 The Head Teacher regularly reminds staff of the requirement to undertake mandatory training where there are reports of overdue training issued.
- 4.3 At the time of the audit, two members of staff at Evie Community School had mandatory training courses overdue.
- 4.4 All staff indicated as overdue should undertake the mandatory iLearn courses as soon as possible.

#### **Recommendation 2**

### **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 and can be accessed through online banking. There are two signatories on the account.
- 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 for the school fund.
- 5.3 A sample of 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.
- 5.4 Cash pay-ins are made less frequently now due to the increase in online payments. There had been eight pay-ins made over the period of the audit and in all cases, a pay-in slip had been completed with the date and information regarding the nature of the payments.
- 5.5 Petty cash is held securely and there are records of the income and outgoings kept on a spreadsheet.
- 5.6 School fund guidance is currently under review centrally and will provide a framework to guide the management of school funds. The need for review was identified as part of a previous internal audit.
- 5.7 To ensure segregation of duties is evidenced, when monthly reconciliation of the school fund account has been completed, the Head Teacher should initial or sign and date to indicate this has been completed. The school fund accounts should also be audited on a yearly basis by an external person.

#### **Recommendation 3**

### **6.0 Community Use**



- 6.1 Evie Community School is also used by local community groups. There is an operational agreement in place which is intended to ensure the establishment and maintenance of an integrated Community School for the benefit of the communities of Evie and Rendall. There is a review under way of community schools which will include a review of the agreement.
- 6.2 There is a charges register in place which sets out the various charges for hiring space within a school however the school is not responsible for administering community bookings. The layout of the school prevents unauthorised access to classrooms.
- 6.3 The Community School Handbook is under review and as part of a previous audit recommendation is due for completion in August 2025. This will provide guidance on managing a community school and therefore no recommendation is being made here.

## **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 The main risk assessments for the school are displayed on the Health and Safety board on removable clipboards for easy access as well as on Evolve, which is concerned with Local Area Visits and Excursions. Risk Assessments for the school are also accessible electronically. The updating of Risk Assessments is included within the quality assurance calendar. These are completed and reviewed mainly by the Head Teacher, the Principal Teacher, the Clerical Assistant or the Auxiliary. The Head Teacher has oversight of these documents and has completed Risk Assessment training with the Council.
- 7.3 The risk assessments sampled at the school had recently been reviewed.

## **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 occupied during the mornings and there is cover in place for answering phone calls in the afternoons. 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 Janitor.
- 8.3 There are two people appointed to take charge of first-aid arrangements and two members of staff have undertaken the First Aid at Work qualification. Within the school there are several members of staff who are first aid trained. First aid supplies are checked on a regular basis and kept well-stocked, replacing items after each use of the first aid bag.
- 8.4 Accident records are kept and reported to parents using an information slip or a phone call home 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 as well as a sprinkler system and these are regularly tested and maintained. Fire evacuation procedures are tested on a termly basis and recorded in a register by the Janitor with notes recorded on the success of the test including the time taken to evacuate. Fire safety doors are fitted throughout the school and fire escape routes and doors are clearly marked.
- 8.6 A business continuity plan has recently been developed for Evie and Firth primary schools using examples used by other schools as a guide.

## **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 There are procedures in place for the spending and monitoring of Pupil Equity Funding (PEF). A detailed PEF plan ensures this funding is used for its intended purpose.
- 9.3 The Head Teacher receives monthly budget monitoring reports and reports on variances on under and overspends of over 10%.

## **10.0 Notifications to Payroll**

- 10.1 It is important that staff terminations, transfers, extensions and promotions are timeously notified to Payroll to prevent over or underpayments to staff.
- 10.2 A sample of contract changes during the audit period were tested to check that Payroll had been notified timeously and ahead of payroll deadlines which are sent out each year as a memorandum.
- 10.3 Two sets of payroll records were tested for contract changes within the audit period. One employee had not had any contract changes within the period. The other employee had a contract change however this had not been notified timeously to Payroll.
- 10.4 Further audit testing revealed that this had been due to an omission within the required paperwork which resulted in a delay. There is no recommendation being made as this was not an issue with the process in place.

## **11 Management of Staff**

- 11.1 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 in March each year with the Service Manager for Primary Education and this leaves time for recruitment to take place ahead of the new school year starting the following August. There is also a meeting with the Service Manager and Operational Manager for Early Learning and Childcare to review staffing models for the Nursery which takes place within Term 4.
- 11.2 All staff at the school are employed in posts included in the establishment.
- 11.3 Any mileage, travel and subsistence claims are made through Integra and are authorised by the Head Teacher before payment is made.
- 11.4 All unpaid leave requests were appropriately authorised using the leave of absence procedure.
- 11.5 There are monthly deadlines for timesheets to be submitted to the Education Admin 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.

- 11.6 Within the sample of timesheets tested as part of this audit, the hours worked were accurately completed however all three had missing information including the cost centre, subjective codes, pay scale point and completion of the summary section. One timesheet was submitted after the payroll deadline following the date of the hours worked (the timesheet was signed but not dated).
- 11.7 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 timesheets 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.
- 11.8 All staff responsible for authorising timesheets should use the establishment guidance for supply teacher timesheets as a reference to ensure that all required information is completed accurately prior to submission. Every effort should be made to ensure that timesheets are completed and submitted by these dates to avoid a delay in payment to the employee.

#### **Recommendation 4**

## Action Plan

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
1 As there are no assets worth over £5000 at the school, photos of the rooms within the school should be taken to evidence non-IT assets in line with updated asset management guidance. These photos should be updated yearly or where there are significant changes made. For IT assets, a separate inventory should be created and updated yearly or where there are significant changes made.	Low	The photo of the space makes sense rather than all items having code stickers.  This is a straightforward fix which is appreciated.	Head Teacher	4 July 2025
2 All staff indicated as overdue should undertake the mandatory iLearn course(s) as soon as possible.	Low	Staff will be reminded again and given protected time to do iLearn courses if necessary.	Head Teacher	31 May 2025
3 To ensure segregation of duties is evidenced, when monthly reconciliation of the school fund account has been completed, the Head Teacher should initial or sign and date to indicate this has been completed.  The school fund accounts should also be audited on a yearly basis by an external person.	Medium	This can be easily done at the end of each month with admin and Head Teacher.  The school will find a person to do an external audit.	Head Teacher	4 July 2025
4 All staff responsible for authorising timesheets should use the establishment guidance for supply teacher timesheets as a reference to ensure that all required information is completed accurately prior to submission. Every effort should be made to ensure that timesheets are completed and submitted by these dates to avoid a delay in payment to the employee.	Low	Head Teacher, Principal Teacher and admin will check this process and make sure the forms are completed accurately.	Head Teacher	4 July 2025

## Key to Opinion and Priorities

### Audit Opinion

Opinion	Definition
<b>Substantial</b>	The framework of governance, risk management and control were found to be comprehensive and effective.
<b>Adequate</b>	Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control.
<b>Limited</b>	There are significant weaknesses in the framework of governance, risk management and control such that it could be or become inadequate and ineffective.
<b>Unsatisfactory</b>	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
<b>High</b>	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.
<b>Medium</b>	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.
<b>Low</b>	Scope for improvement in governance, risk management and control.	Remedial action should be prioritised and undertaken within an agreed timescale.