



**Item: 5**

**Monitoring and Audit Committee: 2 April 2026.**

**Internal Audit – Stromness Primary School.**

**Report by Chief Internal Auditor.**

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## **1. Overview**

- 1.1. This report presents the internal audit report on a review of administrative procedures and controls operating within Stromness Primary School, for scrutiny.
- 1.2. The internal audit plan 2025/26 includes a review of administrative procedures and controls operating within Stromness Primary School. This audit has been completed and the internal audit report is attached as Appendix 1 to this report.
- 1.3. Stromness Primary School serves the Stromness area including Innertown and Outertown to the west, Kirbister to the north and the Brig o' Waithe to the east. The school currently has six composite classes from Primary 1 to 7 with a school roll of approximately 125 pupils.
- 1.4. The objective of this audit was to review operational procedures in place at Stromness Primary School, focusing on administration, security, financial management and human resource management.
- 1.5. The audit provides Adequate assurance over the framework of administrative procedures and controls operating within Stromness Primary School.
- 1.6. The internal audit report, attached as Appendix 1 to this report, includes one medium priority recommendation regarding a risk review and nine low priority recommendations regarding school policies, the school website, safeguarding information, mandatory training, asset management, the school fund, parent council reports, medication and first aid checks, and timesheet completion. There are no high priority recommendations resulting from 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 Stromness Primary 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, 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 2025/26.

## **Appendix**

Appendix 1: Internal Audit Report – Stromness Primary School.



## Internal Audit

### Audit Report

### School Establishment Audit – Stromness Primary School and Nursery

Draft issue date: 2 February 2026

Final issue date: 19 March 2026

<b>Distribution list:</b>	<b>Director for 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> <b>Early Learning and Childcare Manager</b> <b>Team Manager (Resources)</b>
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## Audit Opinion

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

**Adequate**

**Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control.**

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

## Executive Summary

Stromness Primary School and Nursery provide care, support and learning experiences for children in Stromness and the surrounding areas. The objective of this audit was to review operational procedures in place, focusing on school administration, security, financial management and management of human resources.

There is evidence that many aspects of these operational areas are well managed, with controls in place and operating well. Areas of good practice included:

- Secure management of pupil records.
- Procedures for monitoring pupil absences are robust.
- Several aspects of staff management including sickness absence, unpaid leave and contract changes are done well.
- Fire safety compliance.
- Effective building security arrangements.
- Strong risk management in the nursery.

The report includes ten recommendations which have arisen from the audit, nine recommendations are for the school, and one recommendation 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 Ideagen Risk Management system.

Total	High	Medium	Low
10	0	1	9

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

## Introduction

Orkney has 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.

Stromness Primary School was built in 2012 and serves the Stromness area including Innertown and Outertown to the west, Kirbister to the north and the Brig o' Waithe to the east. The school currently has six composite classes from Primary 1 to 7 with a school roll of approximately 125 pupils. Itinerant teachers visit the school to offer Art, Physical Education and Music classes as well as instrumental tuition.

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

## Audit Scope

Audit work focussed 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.
  - 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 Policies and Procedures

- 1.1 Policies and procedures provide a clear framework that supports effective governance. Stromness Primary School currently has policies in place that have been reviewed in the last year.
- 1.2 Having policies readily accessible to staff ensures they can be consulted when required. Two of the policies in the staff room were outdated. We recommend that all policies accessible to staff are updated and reviewed periodically to ensure they are the latest versions.

### Recommendation 1

- 1.3 Stromness Nursery has a range of policies in place that are reviewed annually and available to staff.
- 1.4 The school has a handbook that is updated annually. There is Scottish Government guidance which sets out what information is required to be in a handbook. The Stromness handbook does not currently have all the information required. As part of a previous audit, it was recommended that the Education Service provides guidance on the school handbook. As this has been previously reported, no further recommendation is made at this time.
- 1.5 Documents and information on the school website should be the most recent versions, this ensures parents or stakeholders have another way to access documents if needed. The school handbook on the website is dated 2022-2023 and there is a Standards and Quality Report 2021-2022 and School Improvement Plan 2022-2023. We recommend that information and documents on the school website are updated to the most recent version.

### Recommendation 2

- 1.6 The Council has a Safeguarding and Child Protection Self-Evaluation Checklist to ensure that all safeguarding and child protection processes are in place.
- 1.7 In the staff room there is information on safeguarding and child protection that is clearly laid out with flowcharts and phone numbers to contact. The information in the staff room was not compiled against a checklist from either the Council or Scottish Government. We recommend that the current practice is compared to the Safeguarding and Child Protection Self-Evaluation Checklist to ensure compliance.

### Recommendation 3

- 1.8 Risk assessments help identify potential hazards and allow for controls to be put in place to protect staff and service users. In the primary school, a sample of risk assessments for excursions was reviewed and found to be in place. One additional risk assessment relating to a specific area of the school was also provided. No evidence was provided of risk assessments covering operational areas such as general building safety, fire safety or playground activities.

1.9 To ensure that appropriate risk assessments are in place for the primary school, we recommend that a risk review is undertaken with the relevant staff to identify day to day risks. After identifying and assessing risks, appropriate controls can be implemented. Risks should be recorded on a risk register and reviewed annually, or earlier if changes occur.

#### **Recommendation 4**

1.10 The nursery has a suite of risk assessments in place covering activities, excursions or specific areas that are reviewed annually.

1.11 The school has a business impact analysis sheet that lays out steps to take in various situations e.g. loss of utilities or communication. The document will help with business continuity should a situation arise.

1.12 Staff have access to SEEMIS, an education management information system which holds student data, and EVOLVE, software which helps plan and manage trips.

1.13 Electronic files are held securely on the cloud.

### **2.0 Document Retention**

2.1 Pupil records are held in a locked filing cabinet and updated as pupils progress. A sample of records were reviewed, and all records examined were for current pupils and none were found for prior pupils.

2.2 After pupils progress from Stromness Primary School their records will either be forwarded to the relevant secondary school or held at Stromness Primary School for disposal. Pupil records that are to be held for disposal are kept in a separate locked room and destruction dates are marked on the records.

### **3.0 Monitoring and Tracking Attendance**

3.1 Pupil absences are monitored at Stromness Primary School in line with the policy. The management team monitor SEEMIS reports monthly to identify any absences that require intervention. Where required, follow up actions are undertaken in line with the policy.

3.2 Attendance at nursery is not mandatory, however, there are procedures in place to deal with unexpected absences, including contacting the parents or carers to establish a reason for the absence.

### **4.0 Mandatory Training**

4.1 All staff at the Council are required to complete mandatory training modules on the iLearn system and to refresh their learning periodically. Training ensures staff are aware of their responsibility and involves important topics including Health & Safety and UK General Data Protection Regulations (GDPR).

4.2 A review of training records shows that there were six members of staff at the primary school with a total of 14 mandatory courses outstanding. We recommend that all outstanding mandatory training courses are brought up to date.

#### **Recommendation 5**

## **5.0 Asset Management**

- 5.1 Asset management ensures there are controls around goods and assets owned by the Council.
- 5.2 Dated photos of rooms ensure there is evidence of assets held if any serious damage occurs to the premises. The primary school currently does not have photos of classrooms.
- 5.3 Any goods or assets worth over £5,000 should be notified to Insurance at the Council. Neither the primary school nor the nursery have items worth over £5,000.
- 5.4 Items that are valuable, desirable and moveable should be marked as property of the Council. In the primary school, audit testing identified that non-IT items were not marked as property of the Council.
- 5.5 An IT inventory ensures that the IT items held by the school are known and can be identified. For the primary school, there is currently not an up-to-date IT inventory, and IT items are not marked as property of the Council.
- 5.6 For asset management at the primary school, we recommend that:
- Dated photos showing goods are taken of rooms.
  - Items that are valuable, desirable and moveable should be marked as property of the Council.
  - An IT inventory is compiled, and any IT items are marked as property of the Council.

### **Recommendation 6**

- 5.7 In the nursery, there are photos of rooms showing assets and an IT inventory. Both IT items and non-IT items are marked appropriately. A sample of furniture and IT items were examined to ensure they had been marked as property of the Council, all items in the sample were found to have been appropriately marked.

## **6.0 Financial Management**

- 6.1 The school has a school fund which can be used to purchase items for the school.
- 6.2 Bank statements from the school fund are reconciled then checked by the head teacher. A sample of transactions from the bank statement were selected and supporting receipts were viewed as appropriate evidence. Cash is regularly deposited into the school fund.
- 6.3 Auditing of the school fund is seen as best practice and provides assurance over the management of the fund. Currently the school fund is not audited. We recommend an annual audit of the school fund is undertaken, this can be by anyone without a conflict of interest, such as a parent or community member.

### **Recommendation 7**

- 6.4 The petty cash float is held in a secure location and access is restricted.
- 6.5 Integra (P2P), the finance system used by the Council, is used by both the school and the nursery for most purchasing transactions. Audit testing found overall good practice for ensuring appropriate authorisation for purchases.

- 6.6 The Pupil Equity Funding (PEF) plan for FY 2025/26 was reviewed. Funding is to be used to try and close the poverty-related attainment gap. Transactions were found to be suitable and related to additional hours for 2 posts with appropriate actions for each post.
- 6.7 The Parent Council is currently not receiving regular updates on budgetary matters. We recommend that the Head Teacher should provide regular updates on budget matters to the Parent Council.

## **Recommendation 8**

### **7.0 Maintenance**

- 7.1 Repairs and maintenance for the building are done by a third-party firm that currently maintains the building. Any repair or maintenance requests are put to this company to arrange appropriate works.
- 7.2 On Concerto, the Council system used to track repair and maintenance orders, there are previous orders for cyclical maintenance including pest control and fire hydrant testing.

### **8.0 First Aid & Medication**

- 8.1 First aid training and supplies ensure staff can aid pupils or other staff members who have an injury or incident. Multiple staff members are trained in first aid and a list with training expiry dates is maintained. If a pupil has an incident and requires first aid, a paper slip is given to parents advising that first aid was given to the pupil.
- 8.2 Medication for primary school pupils is held in a locked cupboard with the first aid. There are clear plastic files with a picture of a pupil, dosage amounts and the medication itself for pupils who require medication. Staff members will also sign and date when medication is administered.
- 8.3 A sample of first aid and medication items were reviewed to ensure they were in date, all items examined were found to be within the expiry date. There currently is not a formal process for review of medication and first aid to ensure they are in date. We recommend that medication and first aid should be reviewed every three months and a form maintained showing which member of staff reviewed items and the date.

## **Recommendation 9**

- 8.4 In the nursery, medication is kept in a high cupboard in clear plastic files similar to the school. Medication is checked termly to ensure it is in date.
- 8.5 An area of good practice to be highlighted was found in the nursery during the audit, once per term information on accidents is compiled and analysed to see if there are any trends emerging. A recent analysis was shown where it was found that accidents were commonly happening in a certain area, a new rule that pupils were to be supervised when in this area was implemented.

### **9.0 Security**

- 9.1 Access into the building is controlled by an internal door which is electronically locked and requires a pass to open.
- 9.2 Visitors are required to sign in at the school office and are provided with a visitors pass. The office is occupied all day apart from 30 minutes at lunchtime. The school office is near to the

staff room meaning a member of staff is nearby if someone is needed in the office during this period.

- 9.3 A list of keyholders with access to the building and their access levels is maintained. The most recent version is from Summer 2025.
- 9.4 The building is locked in the evening by the cleaners who also set the building alarm. Only certain members of staff can unlock the building, the first member of staff who arrives in the morning will also have to deactivate the alarm.
- 9.5 A safe is held in a secure location and access is restricted to certain members of staff.

## **10.0 Fire Safety**

- 10.1 Fire drills are regularly held and logged in a fire drill register by a senior member of staff, the time to evacuate the building is tracked as a benchmark.
- 10.2 Sprinklers, smoke alarms and fire extinguishers are located throughout the building. A random sample of fire extinguishers were examined, and all had been inspected within the last year. Works orders for the building confirmed there had been inspection and testing of the fire hydrant within the last year.
- 10.3 Fire safety doors are fitted throughout the building and escape signs are clearly posted.

## **11.0 Management of Staff**

- 11.1 Staffing arrangements for both the school and the nursery are based on school roll and a discussion with the Education Service.
- 11.2 Staff members while employed may have changes to their contract, e.g. change in hours or moving a pay grade due to completing a qualification. A sample of contract changes were reviewed to ensure they were completed before the monthly deadline, all contract changes in the sample were notified to payroll before the deadline.
- 11.3 Supply teachers complete timesheets to track hours, completing these accurately helps ensures the correct budget is charged. A random sample of 11 timesheets were reviewed for accuracy of information and whether they were submitted before the deadline. In the sample 5 of 11 were completed correctly, 6 either had an incorrect or missing cost code, 9 of 11 were submitted within the deadline. We recommend that the timesheet guidance is reviewed to reduce errors in future.

### **Recommendation 10**

- 11.4 A random selection of unpaid leave forms were examined and all were found to have been appropriately requested and authorised.
- 11.5 Sickness absence for staff at the primary school and nursery is managed in line with the policy.

## Action Plan

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
1 Policies available to staff are updated and reviewed periodically to ensure they are the latest versions.	Low	All outdated policies in the staff room have been removed.	Head Teacher	Complete
2 Information and documents on the website should be reviewed and updated to the most recent available.	Low	A meeting will be organised to review and update the website.	Head Teacher	31 July 2026
3 The current safeguarding practice should be compared to a Council or Scottish Government Safeguarding and Child Protection Self Evaluation checklist to ensure compliance.	Low	We underwent a full inspection during the week beginning 2 March 2026. This included a Safeguarding and Child Protection assessment.	Head Teacher	Complete
4 We recommend that a risk review is undertaken with the relevant staff to identify day to day risks. After identifying and assessing risks, appropriate controls can be implemented. Risks should be recorded on a risk register and reviewed annually, or earlier if changes occur.	Medium	The Head Teacher is booked onto an iLearn course: Undertaking Health and Safety Risk Assessment. A risk review will take place after the training is complete.	Head Teacher	30 June 2026
5 Any outstanding mandatory iLearn training should be brought up to date	Low	All staff are reminded and given support to complete their mandatory training.	Head Teacher	30 April 2026

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
6 Photographs should be taken of rooms showing assets held. Moveable, valuable, desirable items should be marked as property of the Council. An IT inventory should be compiled and any IT items marked as property of the Council.	Low	Photographs will be taken and stored. They will be collated in a folder. All IT assets will be checked for labels and they will be added if required. An IT inventory will be created. This work has already started.	School Janitor	30 April 2026
7 We recommend an annual audit of the school fund is undertaken, this can be by anyone without a conflict of interest, such as a parent or community member.	Low	We have arranged for the School Fund to be audited.	Administrative Assistant	30 April 2026
8 We recommend that the Head Teacher should provide regular updates on budget matters to the Parent Council.	Low	This will be shared with parents at Parent Council meetings which take place every term.	Head Teacher	31 July 2026
9 Medication and first aid should be reviewed every 3 months and a form maintained showing which member of staff reviewed items and the date.	Low	All medical supplies are checked on a weekly basis – they are checked for stock levels and expiry dates. Medication is checked weekly – they are tracked on a record sheet which is monitored each week.	School Janitor	Complete
10 Guidance for completing timesheets should be reviewed to help reduce errors in future	Low	The guidance for completing timesheets will be reviewed and updated. Afterwards it will be made available to schools.	Team Manager Resources	31 July 2026

## 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.