



SCHOOLS AND ACADEMIES SERVICES LIMITED

# Internal Scrutiny Annual Report

## Stanton Bridge Primary School

*Prepared by Nigel Smith for the Year Ended 31<sup>st</sup> August 2022*

## Introduction

Internal Control visits were undertaken at Stanton Bridge Primary School ('the Academy') in accordance with the Service Level Agreement between drb Schools & Academies Services Ltd and Stanton Bridge Primary School.

The reviews have been undertaken to provide an independent assurance report to the Academy's Trustee Board and Finance/Audit Committee on the adequacy and effectiveness of the financial controls operating within the Academy in accordance with the requirements contained in the Academy Trust Handbook.

Where issues or omissions in the system of internal control were identified, we included recommendations for improvements in our reports.

The reports provide the Board, Governors, Audit Committee and Finance Committee with limited assurance that the following issues have been complied with:

- The financial responsibilities of the Governing Body/Directors are being properly discharged.
- Resources are managed in an efficient, economical, and effective manner.
- Sound systems of Internal Control are being maintained.
- Financial considerations are fully considered in reaching decisions.

We emphasize that it is the Trust Board / Academy's responsibility to ensure recommendations are acted upon in a timely manner and any changes should be monitored to ensure they are effective in improving the Academy's financial resources.

Any recommendations raised in the reports are followed up on the next visit, usually scheduled for the next term. Any items identified which pose a significant risk should be implemented as a matter of priority.

## Schedule of Visits: 2021-22

Name of Academy / MAT	Autumn	Spring	Summer
Stanton Bridge Primary School	08/12/21	29/03/22	20/07/22

## Financial Management

The Internal Control testing covers the following areas:

### *Purchases*

Five payments made within the period are selected to ensure:

- The payment is correctly authorised
- The payment is correctly authorised in the accounting system
- The invoice is correctly authorised
- The invoice agrees to the order
- That goods or services have been certified as received
- The order is correctly authorised
- That the order has been placed with an appropriate supplier.

### *Contracts*

Details of any contracts with a value over a prescribed limit are obtained and the documentation reviewed to ensure that the correct quotation/tender procedures have been followed.

### *Capital Expenditure*

Progress against any significant capital contracts is reviewed to ensure payments are appropriate and progress of the project is satisfactory.

### *Funding Reconciliation*

Review the receipts from the ESFA and LA checking the amounts agree with the source documentation before tracing onto the Finance system.

### *Income*

Select receipts and ensure money is banked promptly and in full, ensuring monies are recorded correctly in the accounting system. For those academies with cashless arrangements, settlement statements are checked with supporting information.

### *Payroll*

- Five employees from the payroll are selected and the salary details will be checked back to personnel records to confirm that the amount paid is correct
- Five amendments to the payroll are checked to ensure that appropriately authorised source documentation exists
- The final payroll print for one month is reviewed to ensure that it has been appropriately authorised.

### *Accounting Systems*

- Bank reconciliations are reviewed to ensure that they have been correctly prepared and authorised
- Control account reconciliations are reviewed to ensure that they have been correctly prepared and authorised
- The procedures used to prepare financial reports issued to Governors and Officers, and ESFA are reviewed through sample checks to be satisfied that they are completed accurately and promptly
- The Internal Control Officer checks the function of reports and budget monitoring reports.

## Reports and Returns

Review the latest reports submitted to the ESFA and Governors and agree to source documentation.

## Governance

A reminder of the key governance issues with notes on how the academy or MAT/MAC is showing compliance on these matters.

## Summary of Findings and Recommendations

The following is a summary of the key findings and recommendations arising in the academic year 2021-22.

Finding	Recommendation	Implications	Management Response
<p><b>2.6</b> It was confirmed that catering had now come inhouse at Stanton Bridge from 1st January 2022. The academy use CMC Catering as their management service and pay a £6k fee to ensure compliance. On this visit it was reported that the kitchen was running well, and the food quality and quantity had improved. The numbers for catering have increased and there is now a lack of manpower capacity to prepare food. At the last Finance Meeting a request was made to extend the catering hours and the academy would allow for a small deficit if it occurred. There had been lots of changes to ensure compliance with legislation. It was advised that approximately thirty staff were having meals which were now subsidised for wellbeing purposes.</p>	<p>It is recommended that the possible extension of catering hours is closely monitored.</p>	<p>The numbers for catering have increased and there is now a lack of manpower capacity to prepare food. This change may create a small deficit which the Finance Committee are aware of.</p>	<p>The kitchen is now running well, and the food quality and quantity had improved. There had been lots of changes to ensure compliance with legislation.</p>
<p><b>3.2</b></p>			

<p>It was previously advised that plans for Surestart to convert to a Pre-Nursery had been cancelled on the grounds of viability. On this visit it was noted that Stanton Bridge were looking to develop Surestart as a library. They could then promote the Nursery provision with 'Stay and Play' sessions but this was in the early stages of discussion. On this visit it was advised that there were insufficient numbers within the community to justify Stanton Bridge being a nursery. It was reported that work had started on the library with a meeting scheduled for 25th July to discuss background and costs etc. In terms of marketing, it was advised that a leaflet advertising nursery provision had been circulated to 12000 homes. The 'Stay and Play' sessions were still being conducted. It was reported that Nursery numbers were increasing slightly with Reception having 46 pupils expected in September 2022.</p>	<p>It is recommended that the situation regarding the numbers is closely monitored to make decisions.</p>	<p>It was advised on the Summer Term visit that there were insufficient numbers within the community to justify Stanton Bridge being a nursery.</p>	<p>Stanton Bridge were looking to develop Surestart as a library. They could then promote the Nursery provision with 'Stay and Play' sessions but this was in the early stages of discussion. A leaflet advertising the nursery provision had been circulated to 12,000 homes.</p>
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## Executive Summary

There is a very efficient Finance operation in place at Stanton Bridge Primary School.

All information required for Internal Control visits is readily available and communication is good with all members of the Finance / Office team.

Evidence is available that the Head teacher monitors and signs off the key documents such as the bank reconciliation and weekly General Ledger Cost Centre Summary which is supported by the Balance and Reserves Report.

All meetings are supported by a detailed set of minutes and the budgetary information is detailed and thorough with a comprehensive Risk Register available for references.

The monitoring of SLA's and contracts is strong with up-to-date knowledge on tenders and quotations available.

Stanton Bridge work closely with the LA and appropriate frameworks to obtain best value in contractual agreements.

It was advised that Stanton Bridge were terminating the catering contract with Aspens on 31<sup>st</sup> December 2021. A contract had been signed with CMC for consultancy and legal assistance at a cost of £6k and they were working with the Chair of Finance and Trustees. The necessary arrangements under TUPE were made to transfer people over and CMC helped with the legal requirements of the transfer. It was confirmed that employees transferring over would be required to go into the West Midlands Pension Fund.

By bringing catering inhouse value for money could be enhanced. It was advised that catering came inhouse at Stanton Bridge from 1<sup>st</sup> January 2022. There was now flexibility with meals and good contacts with the supply chain.

The kitchen is now running well, and the food quality and quantity had improved. The numbers for catering have increased and there is now a lack of manpower capacity to prepare food. At the Finance Meeting a request was made to extend the catering hours and the academy would allow for a small deficit if it occurred. There had been lots of changes to ensure compliance with legislation.

The energy supply was discussed, and the school decided to remain with the Local Authority using the ESPO framework. As the energy is future brought there is a degree of protection against expected severe price increases.

Water deregulation has also been discussed and this means an alternative supplier could be used if they were offering a better deal. The Local Authority were using another framework and had invited Stanton Bridge to join. Doing so would enable a best value exercise and the Local Authority would use a larger business base to negotiate a better water supply deal. The action has been agreed by the Trustees. It was confirmed that the water supplier was Waterwave.

It was advised that the external auditors, Feltons, had introduced a new Fixed Asset Schedule with depreciation included. The new system enables capital additions to be added as they happen, and monthly depreciation is then calculated. Information is then readily available for assets capitalised in the year, depreciation for the year and it also flags assets that are fully depreciated.

For cyber cover the academy meets all the requirements of the Risk protection Agreement (RPA) and the flow of emails is monitored by the IT technicians. It was also confirmed that cyber security training has been conducted for staff.

The budget report was distributed prior to the meeting on 5<sup>th</sup> July 2022 for Trustees perusal. The projections were as accurate as they could be at the time of preparation. Streamlined staffing projections had been used following a meeting with the Head teacher and SBM.

The forecast for 2022/23 shows an increase in teachers' pay of £100k, which includes incremental points, teachers' pay awards and the restructuring of pay for teachers as dictated by the Government. By 2023/24 this increases to a £200k increase for teacher costs. The allocation for energy was increased to reflect the present rise in energy costs and these figures were based on information available at present.

Additional funding may become available from the government, but all present announced funding was built into the budget.

It was advised that plans for Surestart to convert to a Pre-Nursery had been cancelled on the grounds of viability. Therefore, Stanton Bridge have modified the actual physical nursery intake. The Pre-Nursery is accommodated within the existing nursery facility.

Children from their 3<sup>rd</sup> birthday must be entitled to 2-year-old funding to be accepted into the Pre-Nursery, however if 2 Year-old funding is not available then the child can join Pre-Nursery the term following their third party to ensure all costs are covered.

In the Spring visit it was noted that Stanton Bridge were looking to develop Surestart as a library. They could then promote the Nursery provision with 'Stay and Play' sessions but this was in the early stages of discussion.

Alternatively, children could start in the term following their 3<sup>rd</sup> birthday to qualify for the appropriate funding. A leaflet campaign was proposed to promote the Nursery and attract people. The competition in the local area is high creating spare capacity. Finally, Stanton Bridge had made an offer to the Local Refugee Centre to take nursery children aged 3-4. It was very evident that refugee children would be welcomed into the Stanton Bridge environment.

In the Summer Term visit it was advised that there were insufficient numbers within the community to justify Stanton Bridge becoming a nursery. It was reported that work had started on the library with a meeting scheduled for 25<sup>th</sup> July to discuss background and costs etc.

In terms of marketing, it was advised that a leaflet advertising nursery provision had been circulated to 12,000 homes. The 'Stay and Play' sessions were still being conducted. It was reported that Nursery numbers were increasing slightly with reception having 46 pupils expected in September 2022.

## **Policies**

Evidence was seen in the minutes that all of the key policies were circulated prior to the Trustee Meeting and were then subsequently approved.

## **Health & Safety**

As a responsible employer the Governing Body of Stanton Bridge Primary School honour their legal obligations, in particular the requirements of the Health and Safety at Work Act 1974 and associated regulations and codes of practice.

The Governing Body recognises and accepts its responsibilities and duties as the employer to conduct its operations in a manner which protects the health and safety and welfare of employees, students and visitors so far as is reasonably practicable.

In compliance with the management of Health and Safety at Work Regulations, risk assessments are undertaken, and arrangements are made, where significant risks are identified, for any necessary preventative and protective measures to be put in place as far as is reasonably practicable using a sensible risk management approach.

It is understood that all of Stanton Bridge Primary School employees have a duty of responsibility to take reasonable care of themselves and others and to co-operate to ensure statutory duties and obligations are fulfilled.

## **Risk Management**

Risk Management was constantly reviewed in light of the COVID 19 situation and the constant advice from the Government. The impact of COVID 19 on the school's budget was discussed and the effect of Brexit.

There is a formal Risk Register in place and risks are reviewed at each Audit Committee meeting. The document is split into the following key areas:

Risk 1 – Strategic and Reputational Risks

Risk 2 – Operational Risks

Risk 3 – Compliance Risks

Risk 4 – Financial Risks

## **Safeguarding**

An agreement with CPOMS for data sharing connected with safeguarding pupils had now been established. This was initially a one-year agreement but is to be continued.

## **Estates Management**

External maintenance was planned for Summer 2022 and three quotes had been obtained for the decoration of the exterior of the school including playground equipment and fencing.

## **Emerging issues for the Academic Year 2022-23**

- Affordability of National Pay Awards that are unfunded by the Government.
- Energy agreements and surge in costs.
- Nursery numbers.

A handwritten signature in black ink that reads "Nigel Smith". The signature is written in a cursive style with a large initial 'N'.

**Signed**

**Date** 13/12/22

Nigel Smith on behalf of **drb Schools and Academies Services Ltd**