

Griffin

Chartered Accountants

Internal Audit Report

Learning Academy Partnership (South West)

Internal control framework, anti-fraud framework and payroll & HR

Visit date: 11th December 2025
Issued by: Oliver Bright



Learning Academy Partnership (South West)

1. Basis of the report

The Academy Trust Handbook requires that all Trusts have a process in place for checking its financial systems, controls, transactions and risks. One of the options laid out for fulfilling this requirement is for the Trust to appoint an internal auditor and it is in this capacity that we are making this report.

Timetable of work

Griffin will carry out three visits to the Trust in order to fulfil these obligations, one in the Autumn Term, one in the Spring and one during the Summer term.

Over the course of the year our work will cover the following key areas:

- Internal Control Framework
- Anti-Fraud Framework
- Payroll and HR
- Governance
- Recruitment and selection
- Budget Monitoring
- Income and Cash Receipts
- Risk Management
- Cyber Security

Our work will establish the existing systems that the Trust has in place, test whether these systems are being followed and make suggested improvements.

Work completed December 2025

Internal Control Framework

- Review of financial procedures manual
- Review of requisitions and ordering
- Review of invoice payment authorisation
- Review of quotes and tenders
- Review of contracts and contract management
- Review of value for money
- Review of charge cards
- Review of loyalty cards being consistent with Trust policies

Anti-Fraud Framework

- Review of staff expense claims
- Review of mileage claims

Payroll and HR

- Review of recruitment policy
- Starters and leavers
- Review of salary changes walkthrough testing
- Review of statutory and non-statutory deductions

2. Update on previous findings

There were no outstanding points from the prior year to be cleared.

3. Work completed

	Work completed	Result	Conclusion
Internal control and anti-fraud framework			
1.	<p>Review financial procedures manual</p> <p>We obtained a copy of the academy's financial procedures manual and reviewed the following key areas:</p> <ul style="list-style-type: none"> - Segregation of duties. - Scheme of delegation limits. - Budget holders and their spend limits. - Purchases and payments procedure. - Tendering process. - Process for changing supplier bank details. 	<p>The financial policy is comprehensive and clearly addresses key processes in separate sections throughout the report. In a separate financial scheme of delegation document, order limits are clearly detailed with an easy-to-follow table detailing the delegated duty and those authorised to carry out the transaction, and this is referenced throughout the finance policy.</p> <p>The date of scheduled review for each risk is also stated, as well as details of the employee who is responsible for monitoring said risk.</p>	No issues to note from testing.

<p>2.</p>	<p>Substantive testing of purchases</p> <p>A sample of purchases were selected at random from the system and traced through to ensure the financial procedures and key controls were being applied in accordance with our understanding. This included:</p> <ul style="list-style-type: none"> - Ensured that a requisition form was completed and authorised as required by finance policy. - Ensured a signed purchase order was in place for each transaction. - Confirmation that the purchase order had been signed off and the budget holder is acting within their purchasing limits. - Confirm the purchase is within budget. - Ensured the purchase is appropriate having regard to value for money and regularity. - Agreed to supplier invoice. - Confirmation VAT treatment is correct. <p>Confirm BACS run authorisation appropriate and in line with financial procedures.</p>	<p>From the sample of purchases tested, purchase orders existed for all expenditure and were authorised by the appropriate budget holders in line with scheme of delegation. Requisition forms had also been correctly completed and authorised for non-central purchases or any purchases for premises work as they are needed more urgently than general expenditure.</p> <p>The purchases tested had supporting invoices that agreed to the net and VAT totals posted in the accounting software and were appropriate for the education of children. Some purchase orders are raised after the invoice. However, these are for purchases that would not need an invoice or have been purchased by a budget holder. However, a PO needs to be raised before payment can be made. Therefore, authorisation must be obtained before any payment is made. Therefore, this is not a weakness in the internal control system.</p> <p>One of the invoices received was not addressed to the school and instead to the person ordering it. This was flagged to the provider, but they did not adjust it as they had already provided the invoice.</p>	<p>No issues identified that require corrections.</p>
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3.	<p>Tendering and procurement procedures</p> <p>The tendering and procurement process was reviewed as part of the work on the financial procedures' manual. A sample of larger expenditure items were then tested to ensure that the tendering process was being effectively put into practice.</p>	<p>For all samples chosen the Trust had made sufficient effort to adhere to their tendering and procurement processes, although, in a couple of cases instances, not all required tender documentation was received from suppliers. Additionally, for one sample, a purchase waiver was appropriately completed to justify the absence of tender documentation, and the rationale provided was consistent with the Trust's procurement policy.</p>	<p>No issues to note from testing.</p>
4.	<p>Segregation of duties</p> <p>Reviewed the access of different staff members to the academies financial system, as well as the authorisation levels with respect to bank payments. Note made of name and job title of everyone who can do each of the following:</p> <ul style="list-style-type: none"> - Set up new supplier on Access - Post invoices - Run a BACS payment run - Authorise a BACS payment run 	<p>No Trust employees have been identified as being able to carry out all stages of the purchase process. Whilst the CFO and Finance Lead can authorise most parts of the process, they have restricted access to purchase orders and are not able to both run and authorise BACs runs, ensuring there remains a segregation of duties for all transactions.</p>	<p>No issues to note from testing.</p>


<p>5.</p>	<p>Staff expense claims</p> <p>A sample of staff expense claims, five that were reimbursed directly and five mileage claims refunded via payroll, were reviewed to ensure:</p> <ul style="list-style-type: none"> - The academy's financial procedures are being followed. - Claims are within budget and appropriately authorised. - Expenditure is appropriate. - There is sufficient supporting documentation. 	<p>A sample of ten staff expense claims were tested - five that were reimbursed directly, and five mileage claims paid via payroll. Each one had been authorised by the appropriate budget holder and were for educating children or were for additional services provided to the school. For the mileage claim, as online form was completed with clear details about the length of their journey and purpose for travelling. The expenses that were directly reimbursed all had supporting receipts and invoices, and sufficient explanations for why purchases were made outside normal procedures (e.g. charge card purchases or submitted online expense claims).</p>	<p>No issues to note from testing.</p>
<p>6.</p>	<p>Charge cards</p> <p>We obtained a list of the academy's credit card holders and reviewed a sample of charge card transactions to ensure that expenditure is in line with academic purposes.</p>	<p>All budget holders have a charge card. This includes, Heads of School, department managers, and the CEO. Each individual who maintains a school site also has one from the premises team. Each individual's credit limit is included in the finance policy. From the sample selected, purchase forms for charge card expenditure had been completed and authorised in line with scheme of delegation. All tested expenditure was for educational purchases and agreed to supporting invoices.</p>	<p>No issues to note from testing.</p>

7.	<p>Loyalty cards</p> <p>Reviewed loyalty card transaction to ensure they are consistent with the Trust's financial policy.</p>	<p>Yes - they are kept secure like charge cards (locked away). Staff can't use their own, but they can apply for ones for the school. There is an academy Tesco Clubcard kept by the central team in line with policy and they have encouraged the schools to get their own if they have ASC & BC expenditure. If the card is ever required by a staff member, they have started sending a photo of the card to the person purchasing items.</p>	<p>No issues to note from the testing.</p>
8.	<p>Service contracts</p> <p>We took a sample of service contracts that were renewed in the year and reviewed the procurement process to ensure that sufficient documentation and tendering information had been acquired in line with Trust's finance policy.</p>	<p>For the three samples tested sufficient tender documentation was obtained in line with Trust's finance policy. The only exception being the Devon Norse contract which has been a rolling contract for some time. The Trust is planning to go out to retender for this contract as the end of the financial year.</p>	<p>See recommendation in section 4.</p>





Payroll and HR			
9.	Review of recruitment policy We obtained and analysed the recruitment and selection policy, to conclude whether it is deemed appropriate, sufficient, and likely to be effective.	The Trust has a separate recruitment and selection policy which is regularly updated. The policy is very detailed and considers the procedures to support and protect the employee and employer.	No issues to note from testing.
10.	Starters and leavers We performed a walkthrough on five new starters and five leavers to ensure the appropriate actions were being taken in order to comply with the previously analysed recruitment policy.	The recruitment process had been accurately followed for the five new staff members and five leavers that were sampled. All required documentation had been obtained and saved securely for each member of staff, and all pre-employment checks completed before the employees start date.	No issues to note from testing.
11.	Review of salary changes We performed a walkthrough test to ensure all relevant procedures are being performed for a sample of 5 staff with salary changes.	A walkthrough was conducted on five staff members who received incremental salary increases since August 2025. The salaries recorded for August were verified against the uplifted amounts applied in September, and these were found to align with expectations.	No issues to note from testing.

12.	Review of statutory and non-statutory deductions We performed testing of statutory and non-statutory deductions on a sample of five employees.	All statutory and non-statutory deductions tested were correct and in line with expectation.	No issues to note from testing.
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4. Recommendations

Finding		Recommendation	Priority	Management Response
Internal control				
1.	<p>Service contracts</p> <p>The cleaning contract with Devon Norse has been on a rolling basis for a few years. It is therefore unclear whether value for money is still being achieved.</p>	<p>We recommend that large contracts go out for re-tender every three to five years to ensure that the Trust is obtaining value for money and that this is reflected in the Trust's finance policy.</p>		<p>Agreed. This contract will be reviewed and re-tendered during the current academic year. We will ensure that a new contract, with suitable and clearly defined end dates, is in place to commence on 1st September 2026.</p>

Report Priority Rating

	Fundamental findings that need the immediate attention of management
	Important findings that require management attention, but are not fundamental in nature
	Minor issues that can be improved or administrative errors that require correcting
	The issue has been resolved

