

Griffin

Chartered Accountants

Internal Audit Report

Learning Academy Partnership (South West)

Recruitment and selection

Visit date: 14 February 2022

Issued by: Ryan Bunn



Learning Academy Partnership (South West)

1. Basis of the report

The Academies Financial Handbook requires that all Trusts have in place a system for checking its financial systems, controls, transactions and risks. One of the options laid out for fulfilling this requirement is for the academy 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 school in order to fulfil these obligations, one in the Spring Term, one in the Autumn and one during the Summer term.

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

- Payroll
- Income and cash receipts
- Fixed assets
- Financial budgeting and monitoring
- Regularity
- Governance
- Risk management
- Recruitment & Selection
- Internal control framework
- Anti-fraud framework





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

Work completed 14 February 2022

Recruitment & Selection

- Starter procedures reviewed
- Leaver procedures reviewed
- Segregation of duties
- Policies and procedures
- Reporting to HR
- Authorisation & Delegation

2. Update on previous findings

Finding	Recommendation	Priority	Management Response
Governance and regularity			
1.	When reviewing the Trustees declaration of interests, it was identified that one Trustee did not have his pecuniary interests included on the register of interests. We understand that this Trustee has not attended meetings or participated in the role since being appointed. The Chair has, therefore, asked him to resign.	It is recommended that all declarations of interest are completed and signed by the Trustees when they are first appointed. The Trust is currently unaware of this Trustee's pecuniary interests, so could inadvertently have an related party transaction.	<p style="text-align: center;">    </p> <p>The Trustee has received a formal letter with a deadline of 17/12/2021 to respond, if no response as a Foundation Trustee, Eden will request his resignation.</p> <p>Update February 2022 All Trustees have now completed and returned their paperwork, including the Business Interests and Related Parties form. The Trustee concerned responded as soon as he received the formal letter, so everything is now correct and in place.</p>
2.	There are currently four serving Members, of which all are independent from the Board of Trustees. It is the ESFA strong preference that there are at least five serving members.	Although four members in enough to be compliant with the 'must' requirements in the Academy Trust Handbook, it is recommended that the Trust recruits an additional member, in line with the DfE's strong preference.	<p style="text-align: center;">  </p> <p>We are currently actively recruiting a fifth member.</p> <p>Update February 2022 We are still actively recruiting a fifth member.</p>

3. Work completed

	Work completed	Result	Conclusion
Recruitment & Selection			
1.	<p>Payroll substantive testing</p> <p>A sample of employees were selected from the monthly payroll and the following confirmed:</p> <ul style="list-style-type: none"> - Ensure a signed contract of employment is held by the school - Agree salary/scale point to contract or latest pay award letter and the HR system. - Recalculate pension and tax deductions 	<p>For the sample of staff selected, monthly payroll data agreed to gross salaries on their employment contracts and the HR system.</p> <p>Two of the staff members selected had overtime pay. Which was authorised in line with the trust's financial procedures manual.</p> <p>Payments made to staff on the BACS run agreed to net pay.</p>	No issues to note.





<p>2.</p>	<p>New starters For a sample of new staff at the school the following was confirmed:</p> <ul style="list-style-type: none"> - Salary confirmed to offer letter/contract and HR system. - Ensured new staff members have been authorised by SLT as appropriate. - Ensured new starters were added to payroll in their first month and that their pay was pro-rated if they joined part way through the month. - Compared the new joiner's salary to the employee being replaced (where not a new role). Where the salary is higher or a new role, we checked the additional spend has been authorised. 	<p>For all new starters tested, their salary agreed to the offer documentation and the HR system.</p> <p>All new staff were authorised in line with the trust's finance policy.</p> <p>One of the staff tested started in the middle of the month. Their pay was pro-rated correctly in line with the number of days worked.</p> <p>No new starters tested were paid more than the previous employees they were replacing.</p>	<p>No issues to note.</p>
<p>3.</p>	<p>Payroll leavers For a sample of departing staff, the following was confirmed:</p> <ul style="list-style-type: none"> - Ensure they had been removed from the payroll the month after they had left. - Ensured the final month of pay was pro-rated if they had left part way through a month. - Ensured any holiday pay etc. has been correctly calculated. <p>If any additional payments were made to departing staff, confirmed whether these were contractual and whether the additional payment had been authorised.</p>	<p>All leavers tested were paid the correct amount in the month of departure and then removed from the payroll.</p> <p>None of those tested had any additional payments made to them.</p> <p>Two of the staff tested left in the middle of the month. Their pay was pro-rated correctly in line with the number of days worked.</p>	<p>No issues to note.</p>

4.	<p>Overtime and expenses authorisation Ensure any overtime or expenses have been authorised appropriately in line with the Trust's policy.</p>	<p>From the sample of employees chosen, three members of staff had claimed overtime. The staff timesheets tested had been authorised in line with the school's finance policy.</p>	<p>No issues to note.</p>
5.	<p>DBS Checks For a sample of staff and governors, ensure that appropriate DBS checks have been completed.</p>	<p>From the sample of employees and governors chosen, appropriate DBS documents were obtained. All of those tested had DBS certificates which were less than 5 years old.</p>	<p>No issues to note.</p>

4. Recommendations

From our testing of the systems and controls around the response to recruitment and selection we have not identified any recommendations. Furthermore, all the recommendations we made in our previous report are being acted on appropriately. This is testament to the Trust Finance Lead and her team.

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