

Schools Forum

21st June 2023

Mike Pinder (pinderm@ealing.gov.uk)

Assistant Director Audit and Investigation

Ealing and Hounslow Audit and Investigation Shared Service

Me:

- Assistant Director Audit and Investigation (Shared Service with Hounslow)
- Since last year, appointed as a Trustee for a Multi-Academy Trust. Serving on their Audit Committee.
 - Hit home that I have responsibilities and how do I get assurances.

Schools Audits

- What are we finding
- Fraud risks and prevention

What we have found in 2023

School	Assurance	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
1	Reasonable																														
2	Reasonable																														
3	Reasonable																														
4	Substantial																														
5	Reasonable																														
6	Reasonable																														
7	Substantial																														
8	Limited																														
9	Reasonable																														
10	Nil																														
11	Reasonable																														
12	Substantial																														
13	Reasonable																														
14	Reasonable																														
15	Reasonable																														
16	Reasonable																														
17	Limited																														
18	Limited																														
19	Reasonable																														
20	Nil																														
		9	5	8	16	4	2	14	12	3	2	1	2	0	2	2	0	9	10	0	6	2	2	2	1	0	3	20	1	2	4



Most regular items are:

Register of business interests and avoiding conflicts?

Is the financial strategy aligned with the schools strategy?

Are there adequate arrangements in place to guard against fraud and theft?

Trend: Increased number of issues around hospitality

Extract from Financial Regulations

- **Gifts and Hospitality**

- 1. Official or Unofficial Funds must not be used for buying gifts for School Staff or other people who may assist the School in a voluntary capacity.
- 2. Official or Unofficial Funds should not be used for providing hospitality or meals for staff. All staff in school must provide their own refreshments and Official or Unofficial Funds must not be used to pay for personal consumption. The only exemption to this is where a member of staff is undertaking lunch time supervision duties.
- 3. A pool of refreshments such as tea, coffee, milk and sugar for consumption by visitors to the School is permitted (if agreed by governors and is included in the school's finance policy) and the purchase of these items can be made through the School Budget. Schools are advised to set up a cost centre for 'Hospitality' so that there is a clear audit trail for expenditure of this type.
- 4. If meetings with visitors to the School extend through the lunchtime period, it is usually acceptable to provide sandwiches or a finger buffet and non-alcoholic drinks, all of which may be purchased through the School Budget.
- 5. There may be occasions when more than light refreshments are required to entertain Visitors. Expenditure of this nature should be agreed, in advance, with the Governing Board (GB) and setting out the reasons for granting approval.
- 6. Under no circumstances should alcohol be purchased using Official or Unofficial funds.

Fraud Risks

Report it to fraud@ealing.gov.uk

<https://www.egfl.org.uk/finance-and-data/funding-and-finance/schools-financial-procedures/fraud>


Examples

https://www.bbc.co.uk/news/uk-england-surrey-65137533

NEWS
Home | Cost of Living | War in Ukraine | Climate | UK | World | Business | Politics | Culture | Tech
England | Local News | Regions | Surrey

Surrey woman jailed for stealing nearly £500k from school

© 31 March



SURREY POLICE
Delora Poole was a school business manager at Hinckley Wood Primary School in Esher


By Christian Fuller
BBC News

A woman who stole almost £500,000 from the primary school where she

School bursar Susan Ashworth who stole £100,000 to fund holidays, mortgage and sons education

31st July 2018

EAST LANCASHIRE | CRIME



Susan Ashworth has been jailed

Fraud Risks – Management and Oversight

Debra Poole

- Claimed 30 hours per week at the breakfast and afterschool club
- Abused her position as signatory of the club's bank accounts
- Submitted a variation in pay form to the Council in 2009; and 2 years later.

Susan Ashworth

- Cheques paid to herself
- Duped others in to signing

Prevention

Segregation of duties – don't leave it to the head or bursar.

Authorisation – are you checking what you are 'signing'/authorising?

Checks on payroll, particular for admin staff who can amend.

Checks on payroll - overtime was it worked, is it high?

Invoices – do they look real? Google (other search engines) is your friend.

Bank mandate (who can access, authorise etc).

Schools central record (SCR) are people being paid on there?

Was it done? E.g. Purchasing works – was it done?

Head Teachers

ARE YOU CHECKING

DO YOU REVIEW WHAT YOU ARE SIGNING

DO YOU REVIEW RECONCILIATIONS

DO YOU REVIEW PAYROLL ESPECIALLY FOR
SUPPORT STAFF WHO MAY HAVE ACCESS TO
CHANGE THINGS.

DO YOU ENSURE PURCHASE ORDERS ARE RAISED

Governors

Do you discuss controls and the SFVS return with the Head?

Do you see the finance staff along with figures?

Does the HT have a credit card do you sign it off?

Unofficial funds – are they monitored, audited?

Other Reference Points

Gifts and Hospitality

<https://www.egfl.org.uk/finance-and-data/funding-and-finance/schools-financial-procedures/gifts-and-hospitality>

Scheme for financing schools

<https://www.egfl.org.uk/finance-and-data/funding-and-finance/scheme-financing-schools>

Schools financial procedures

<https://www.egfl.org.uk/finance-and-data/funding-and-finance/schools-financial-procedures>