

Peaslake Free School

Financial Scrutiny Report 2023/2024

1.0 Introduction

Independent assurance that the trust's financial and other controls, and risk management procedures are operating effectively, is provided to the Board of Directors, through a process of internal scrutiny directed by the Trust's Finance, Audit and Estates Committee. This committee met 3 times in the academic year 2023/24, and reported to the governing body after each meeting (Annex A). An internal audit plan is in place at the beginning of each academic year (Annex B).

2.0 Approach to Internal Scrutiny

Internal scrutiny was carried out by a suitably qualified non-employed trustee, using a control framework covering governance, systems access and all the key financial processes of the school. Reviews of the delegations matrix and the financial procedure documents along with a transactional audit on the financial processes took place during the year. Financial management and performance against the budget and forecast were reviewed at each finance committee and the Free School Governors meetings.

3.0 Assessment of the work undertaken

The findings from the internal scrutiny reviews were discussed at the internal audit meetings. All financial processes and controls were reviewed and recommendations made to strengthen controls, if needed.

4.0 Summary of Work Undertaken

The control framework was established and used to ensure that controls were operating effectively. The key areas of testing are outlined below.

Date of Meeting/Method	Area Reviewed	Key Recommendations/ Comments
26/11/2023	Governance	Review of Delegation matrix
26/11/2023	Governance	Review of Financial Procedures
28/03/2024	Governance	Review of safeguarding policy/training.
28/03/2024	Systems Access	Reviewed access to Xero
28/03/2024 – Transactional audit	Purchase to pay	No change all purchases added to Xero when paid.
28/03/2024 – Transactional audit	Offer to cash	Review of debtors – all debtors chased regularly no debt write off.
28/03/2024–	Payroll	No change
28/03/2024– Transactional audit	Expenses	No change all controls working
28/03/2024	Hire to Retire	All leavers removed from parentmail & Schoolshare. No equipment leaves school premises.

28/03/2024– Transactional audit	Fixed assets	No change policy reviewed.
28/03/2024	Record to Report	Reports now produced monthly from Zero
28/03/2024– Transactional audit	Tax & Treasury	Review bank reconciliation & account opening processes on Zero. Reconciled monthly on Xero.

5.0 Key Findings and Conclusions

The internal scrutiny that has taken place during the year has not found any areas of concern regarding the key controls, risk management and governance of the Peaslake Free School. Finance policies and procedures are in place and are being followed. The financial management of the school is strong and financial performance is reviewed regularly by the governors and the finance and audit committee.

6.0 Fraud

There was no fraud detected in 2023/24.

7.0 Cost of Work

The internal scrutiny work was carried out by a Governor who is a qualified accountant and therefore was free of charge.

8.0 Forward Look

The accounting package Xero (replaced spreadsheets) was fully operational in the academic year 2023/24 and is being used to monitor financial performance. The audit committee ensures that this accounting package works correctly, and that financial reporting is consistent with the accounting records. Performance reports can now be produced more quickly from Xero. A deep dive on certain high-cost lines will take place at each Internal Audit Committee.

An audit plan is in place for 2024/25 (Annex C) and processes will be reviewed and transactional testing undertaken to ensure that the controls are working effectively and recommendations from the internal scrutiny in 2023/24 have been implemented.

Annex A

Peaslake Free School
Internal Audit Committee
Held at Jesses Hill, Peaslake on Thursday 9th November 2023

In attendance: James Cobb (JC) Chair, David Newman (DN), Moira Jones (MJ) & Janette Weller (JW)

Apologies: Sara Dangerfield (SD)

1. Financial Review –

- a. All concerned are happy with the financial management of the school.

2. Internal Audit Plan/Internal Audit

The Internal Scrutiny Report for 2022/23 will be produced by the end of November. Refer to Audit Plan for September to December for Compliance Checks.

3. Risk Register

This has been reviewed and no changes were needed.

Following discussions at this meeting, James will check that we have adequately assessed any risks connected with staff well-being causing possible absence. He will also see if the risk of cyber attacks has been assessed.

JC

James will send the current Risk Register to Mark for review.

JC

4. Financial Policies & Procedures

- a. David will send the current Financial Policies & Procedures documents to Moira for review.

DN

b. James has done extensive work on GDPR/Data Protection and Privacy Notices. We need to appoint a Data Protection Officer who will be registered with the ICO. This cannot be the Head Teacher or anyone connected with the gathering of data, so this precludes staff. James has kindly offered to take on this role, with Debbie as the School's Data Protection Lead.

We now need to write a Data Retention Policy.

JC

It was decided that the Trust will have to be registered separately with the ICO (David will do this)DN and separate policies and documentation will have to be produced for the Trust (it can be the same wording as the School).

James explained that maintained schools have to provide parents with their children's educational records if requested, but academies don't. It was decided our policy on this will be to follow GDPR Guidelines.

JW 10.11.2023

Peaslake Free School
Minutes of Internal Audit Committee
Held at Jesses Hill, Peaslake on Friday 23rd February 2024

In attendance: James Cobb (JC) Chair, Mark Foster (MF) Committee Member. Also in attendance - David Newman (DN), Moira Jones (MJ), Janette Weller (JW) & Sara Dangerfield (SD)

Apologies: None

1. Financial Review

- a. All concerned are happy with the financial management of the school.

2. Internal Audit Plan/Internal Audit

Moira will arrange a time with Janette to carry out this term's compliance checks.

MJ/JW

3. Risk Register

James will add Well-being and Cyber Attacks to the Risk Register. He will also draft a Data Retention Policy. **JC/DN**

David confirmed that the Free School is registered with the ICO and will register James as our Data Protection Officer.

4. Financial Policies & Procedures

Mark has some comments which he will share.

MF

JW 24.02.2024

Peaslake Free School
Minutes of Internal Audit Committee
Held at Jesses Hill, Peaslake on Wednesday 12th June 2024

In attendance: James Cobb (JC) Chair, David Newman (DN), Moira Jones (MJ), Sara Dangerfield (SD) &

Janette Weller (JW)

Apologies: None

1. Financial Review

- a. All concerned are happy with the financial management of the school.

2. Internal Audit Plan/Internal Audit

Moira visited school in March and carried out a Transactional Audit with Janette. She will complete this by looking at the payroll with David.

MJ/DN

As previously mentioned, Moira will review the Financial Policies by the end of August.

MJ

James has written a Test & Inspection Audit document which he will send to Moira for addition to the Audit Plan.

3. Risk Register

This was circulated to the full group and, as no comments were received, it has been adopted. Janette will upload the Data Retention Policy to the Governors' onedrive.

JW

4. Financial Policies & Procedures

David will register James as our Data Protection Officer on the ICO and register the Trust with the ICO. **DN**

JW 13.06.2024

Annex B

Internal Audit Plan Peaslake School FY23/24 Revised

Sep - Dec Compliance	Jan - Mar Finance Transactional Audit	Apr- Aug Operation
Internal Audit Review Estates Health & Safety (Risk Assessments) Compliance Website & Policy GDPR Statutory Accounts Review actions from framework audit Review of School website	Processes Cash, Bank Procurement Management Accounts Payroll Fraud Review of School website	Budget HR Recruitment/Retention Culture IT Safeguarding Governance Business Continuity Review of School Website Asset register (depreciation, check expenses)

Annex C

Internal Audit Plan Peaslake School FY24/25 Revised

Sep - Dec Compliance	Jan - Mar Finance Transactional Audit	Apr- Aug Operation
Internal Audit Review Estates Health & Safety (Risk Assesments) Compliance Website & Policy GDPR Statutory Accounts Review actions from framework audit Review of School website	Processes Cash, Bank Procurement Management Accounts Payroll Fraud Review of School website Review of Risk Assessments	Budget HR Recruitment/Retention Culture IT Safeguarding Governance Business Continuity Review of School Website Asset register (depreciation, check expenses)