

REPORT TO: SCRUTINY COMMITTEE – 12 DECEMBER 2012

REPORT ON: THE PROCESSES AND SYSTEMS IN PLACE FOR THE MANAGEMENT OF CASH WITHIN SCHOOLS AND MEASURES IN PLACE TO CHECK ARRANGEMENTS

REPORT BY: DIRECTOR OF CORPORATE SERVICES AND DIRECTOR OF EDUCATION

REPORT NO: 488-2012

1.0 PURPOSE OF REPORT

To provide members with an assurance on the processes and systems in place for the management of cash within schools along with the measures in place to check these arrangements.

2.0 RECOMMENDATIONS

Members of the Committee are asked to note the information contained within this report.

3.0 FINANCIAL IMPLICATIONS

None.

4.0 BACKGROUND

4.1 Following a formal investigation into the misappropriation of income and cash at Baldragon Academy and the subsequent internal audit report presented to the Scrutiny Committee in August 2012 (Report No 310-2012), the members requested that a further report be brought back to a future meeting which provided assurances on the processes and systems in place for the management of cash within schools along with the measures in place to check these arrangements.

5.0 MAIN TEXT

5.1 Processes and Systems in Place for the Management of Cash

5.1.1 Financial Regulations and Guidance

The Education Department has established financial guidance for all educational establishments which is available electronically on the Education Department Intranet Site. The guidance covers :-

- Devolved School Management
- School Funds
- Income / Banking Procedures
- Miscellaneous Financial Procedures

5.1.2 Financial Management Training

Financial management training arrangements have been formalised and cover induction of new staff, refresher training and any ad hoc requirements. All financial management training is carried out by Finance professionals within the Education Department and is available to all relevant teaching and non-teaching staff within educational establishments.

5.2 Measure in Place to Check Arrangements

5.2.1 School Financial Monitoring Visits

Each establishment is visited at least once a year by one of the DSM Accountants, who represents the Director of Corporate Services, to discuss their financial position. Opportunities are taken at this visit to discuss any concerns, issues they have with their finances or financial procedures. The headteacher, school administrative officer and business manager, in the case of secondaries, are normally present at these meetings. Advice can also be sought at anytime by contacting either their DSM Accountant or Senior Clerical Officer within the Corporate Services Department in Dundee House.

5.2.2 School Funds

The Finance Manager or the Assistant Finance Manager based in the Education Department provide support, advice and guidance regarding the operation of schools funds. School Fund procedures are covered within Financial Management training and within the School Fund Guidance.

5.2.3 Self Assessment Audits

Ultimately staff within the various education establishments are responsible for ensuring adherence to good practice in such areas as devolved school budgets, purchasing and ordering, income, banking, petty cash, school funds, security and inventories.

The Education Department has however introduced Self Assessment Audits (SAA) for all educational establishments to inform the assessment of the control environment at an operational level, particularly in relation to financial matters and identify potential areas of risk to be addressed.

The last SAA exercise was completed in 2009 and the 2012 audit is in the process of being finalised. Assessment forms were issued to all nursery, primary, secondary and Kingspark schools to be completed and returned by March 2012. The majority of the forms have been returned. Recommendations have been made as a result of the returned forms and schools have been advised at their latest monitoring meetings. No major areas of concern have arisen during the audit process.

It is proposed in future to have a rolling programme of SAAs with every educational establishment being audited every two years.

6.0 POLICY IMPLICATIONS

The report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

7.0 CONSULTATIONS

The Chief Executive and the Head of Democratic and Legal Services have been consulted on the content of this report.

8.0 BACKGROUND PAPERS

None

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28 November 2012

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28 November 2012