DERBYSHIRE County Council

Derbyshire Audit Services
AuditMatters

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Head Teacher		
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Welcome to the summer edition of the Derbyshire Audit Services' newsletter for schools. To ensure that all parties are aware of the audit matters affecting Derbyshire schools please make the newsletter available to the Chair of the Governing Body, Chair of the Finance Committee, Head Teacher and Bursar/Finance Manager.

NEW PROCEDURES

SCHOOLS FINANCIAL VALUE STANDARD 2019 TO 2020

The new Schools Financial Standard 2019 to 2020 consists of a self-assessment checklist and a NEW **dashboard.**
NEW SFVS 2019-20

The checklist asks questions of governing bodies in 6 areas of resource management. The dashboard shows how a school's data compares to thresholds on a range of statistics identified by the Department for Education (DfE).
NEW SFVS Checklist guide 2019-20

The dashboard guidance provides explanations of the each of the indicators and helps schools in filling in their data and understanding the results.
NEW SFVS Dashboard guidance 2019-20

SFVS returns must be approved at a meeting by the Full Governing Body and signed by the Chair of Governors, before being submitted to Audit Services prior to **31 March annual deadline.** Returns made after this date will be formally notified to the Department for Education as a late submission.

Schools should ensure that a meeting of the Full Governing Body has been scheduled for January or February to approve the SFVS submission, allowing time for re-scheduling if necessary.

When the School's SFVS return has been fully completed, approved by the Full Governing Body and finally signed by the Chair of Governors, please ensure that a copy is provided to Audit Services either by email at jayne.wallhead@derbyshire.gov.uk or post to Audit Services, County Hall, Matlock DE4 3AH before the **31 March deadline**.

Contents

Substantial Assurance Recognition

During the latest round of Audits, the following schools were assigned Substantial Assurance, as a result of the adequacy and effectiveness of the internal control systems reviewed during the Audit.

- Swanwick Primary School
- Woodthorpe CofE Primary School

Procurement of IT Systems – Audit Guidance

To comply with the Derbyshire Scheme for Financing Schools and help to demonstrate that the Authority and the School have taken reasonable steps to secure its personal data under the Data Protection Act 2018, schools should continue to notify Audit Services before purchasing and implementing new IT systems, including on-line payments, safeguarding, pupil attainment and inventory applications etc.

Audit Services will continue to support schools in working with suppliers to assess current information security procedures and report the results within the 'Audit Guidance for Schools on the Procurement of IT Systems' on Derbyshire Schoolsnet. Link

Due to the number of different systems within schools, it is not practical to review all suppliers and therefore resources will be targeted at the systems which are used within a number of schools. When utilizing these systems, it is important to remember that schools are legally responsible as data controllers for ensuring all reasonable steps have been taken to protect and safeguard personal data including staff and pupil records. To help demonstrate compliance with the new data protection Accountability principal, schools should complete Data Privacy Impact Assessments (DPIA) for all such external solutions, especially if they involve the processing of personal data that is likely to result in a high risk to the rights and freedoms of individuals. Link to Schools.net

Neither the County Council nor its staff are responsible for making recommendations on the suitability of IT systems for use within individual schools or whether they will deliver the perceived benefits. Such evaluations must be made by school management and Governors in accordance with the School's financial procedures and legal obligations.

Cyber Essentials Scheme

The Cyber essentials scheme is designed to help organisations with limited experience of cyber security improve their defenses and demonstrate publicly their commitment to cyber security. The Scheme addresses the most common Internet-based threats— particularly, attacks that use widely available tools and demand little skill. The scheme considers these threats to be:

- hacking — exploiting known vulnerabilities in Internet-connected devices, using widely available tools and techniques
- phishing — and other ways of tricking users into installing or executing a malicious application
- password guessing — manual or automated attempts to log on from the Internet, by guessing passwords

When considering new IT solutions or IT consultants that will have access to the School's personal data, accreditation against the Cyber Essentials Scheme should be a minimum requirement.

User Access Rights

To ensure that staff accounts to all IT systems within the School are consistent with an individual's role, users' access rights should be reviewed on a regular basis, at least every six months. This should include all IT systems used within the School such as online payment solutions and safeguarding applications. Where a member of staff leaves the School all of their access rights should be removed as soon as the individual has left their role.

A number of systems in use within schools, provide details of the date and time a user last logged into the system. Where this data is available, the School should review this and consider suspending/ removing access where the member of staff has not logged into the system for an extended period of time.

Are your School images Copyright Free?

Recently a Derbyshire school was invoiced for unauthorized use of an image, which was subject to copyright, on their website blog. The matter was referred to Legal Services and discussions held with the Supplier regarding the payment amount. To protect your school from potential charges that can run into a few hundred pounds if not more, it is important to remember that images on websites cannot usually be copied, altered, or reproduced for publication unless:

• the copyright has expired;
• use of the work falls within one of the exceptions listed in the Copyright Designs and Patents Act 1988;
• use of the work is covered by a licensing scheme that the school subscribes to;
• the copyright holder has given permission for the image to be used.

Schools should ensure that any images subject to copyright are removed from their website or blog, unless they fall within one of the exceptions listed above.

Copyright is given to authors or creators of essays, published articles, music, lyrics, photographs and images etc. to limit and control the use of their creative work.

It is the School's responsibility to ensure that all photographs, images or creative works used on their website, blog or publications etc. are copyright free.

Useful advice may be found at the following links:

https://www.gov.uk/guidance/copyright-licences-information-for-schools

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/481194/c-notice-201401.pdf

Unsolicited and inappropriate emails

Staff are reminded not to open attachments or links contained within unsolicited or inappropriate emails due to the risk of potential virus or ransomware attacks.

Should school staff receive such correspondence the email(s) should be deleted immediately and the sender blocked. Consult with your IT Technician to explore if this type of email can be blocked by your IT filter/firewall.

There is no requirement to forward these emails to Audit Services. However, if you believe you have been affected by a phishing email, log the breach in line with your breach reporting process. Guidance on data breaches can be found on Schools.net

INSET day meals – HMRC

Meals provided on inset days are covered by a HM Revenue & Customs (HMRC) exemption, provided that they are of a reasonable scale. For LA maintained schools this means a meal prepared in the school canteen, sandwiches or pizza delivery etc. The Authority would not expect the inset day meal to be taken in a restaurant.

Schools must keep a record of the total cost and number of staff provided with a free meal and complete the 'Benefit in Kind' return, to evidence that the meals, or food provided, were of a reasonable cost to satisfy a HMRC requirements.

However, if a school takes members of staff to a restaurant, public house or local hotel for a meal, then the exemption from tax cannot be applied and the benefit amount is taxable in full.

Link to Benefits in Kind guidance

The HMRC guidance above relates to all UK companies with employees but the article does not legitimize all types of spending within LA controlled schools. Schools should consider whether it is appropriate to use public money, or funds raised for the benefit of the children, for such purposes.

Benefits in Kind Annual Return for HMRC

Client Satisfaction Questionnaires

As part of our on-going commitment to continuous improvement and client service, Audit Services issue a Client Satisfaction (feedback) Questionnaire at the completion of all audit reviews. Derbyshire Audit Services aim to provide an efficient and effective service giving an independent and objective assurance on systems of governance, control and risk management. The information which you provide is invaluable to us if we are to provide a service that continues to add value to your operations.

Your views and comments assist us to develop the Audit service, improve its overall efficiency and effectiveness. All feedback is welcomed 'positive' or 'negative'.

Derbyshire Audit Services would be grateful if you would take a few moments, after the conclusion of your Audit, to complete the feedback questionnaire. Your responses will help us to assess and continuously improve and develop the Audit process.

HR Policies in Schools

The Local Authority provides updated policies to schools to reflect changes made in employment legislation, the national and local conditions of service including the STPCD (School teachers pay and conditions document) and good practice as highlighted through employment case law.

All model policies have been the subject of formal consultation with the recognised support staff and teachers' trade unions and professional associations. Where it has been possible, full agreement on the policy has been reached at the Schools' Joint Consultative Committee (SJCC) and the policy has been formally adopted by the LA and recognised trade unions.

Although model policies are subject to formal consultation and negotiation through SJCC, it is not always possible to achieve a collective agreement with all the recognised professional associations and trade unions. During the consultation process the views expressed by the representatives are taken into account and amendments made accordingly. Where agreement has not been reached the areas of disagreement are highlighted to schools.

The model policies are recommended to the governing boards of all maintained schools where the Local Authority is the employer and to the governing boards of those academies, aided and foundation schools that purchase the LA's HR Advisory Service for Schools. The basis of the recommendation is that the model policy provides a sound and fair framework for dealing with staffing issues that is compliant with employment legislation and has been agreed with the recognised trade unions and professional associations.

The governing board of any school wishing or intending to adopt an alternative policy, or to make amendments to any of the model policies, must conduct its own formal consultations. It is important to share the policy to be adopted with staff and trade unions, and report any feedback received from the staff, or their representatives, to the Governing Board for their consideration.

Further guidance can be sought from Schools' HR Advisory Service. Please contact Carolyn Lloyd, Senior HR Consultant on *Carolyn.lloyd@derbyshire.gov.uk* or 01629 538513.

Amazon Business Accounts

Amazon has contacted schools in Derbyshire inviting them to sign up for a free Amazon Business account (eProcurement system).

Schools are reminded that wherever possible the Authority's SAP OrderPoint system should be used to purchase goods and services. The benefits of using OrderPoint are:

- Orders are automatically committed to the budget improving the monitoring process;
- The order is forced down the correct authorization route;
- It can improve compliance with the requirement to ensure payments are made within 30 days of the invoice date.

The OrderPoint system cannot be used to raise orders from Amazon; the two systems are incompatible.

The requirements of Financial Regulations and Procedures must be observed at all times and Amazon should only be used where it is demonstrated that goods/services can be purchased cheaper or where the product is not available on OrderPoint. Where Amazon is used, schools should consider setting up a Business Account and the Head Teacher must ensure that:

- School debit cards are used as the preferred payment method and users (apart from administrators) should not be given rights to change the method of payment;
- Debit cards must only be used by the authorized signatory named on the card;
- Card details should not be retained by an online website, if this is unavoidable then the cardholder must be the only person who authorizes transactions on that website;
- Debit cards must not be used to enter into an on-going (recurring charge) agreement e.g. subscriptions;
- The delegated spending limits set-up in the Amazon account should be consistent with the School's agreed limits for debit card point of sale transactions and not in excess of the delegated limits approved by the Governing Body. Where cardholders do not have a delegated spending limit approved by the Governing Body, a signed order form must be completed to demonstrate that prior approval has been obtained;
- Segregation of duties should be maintained within the process. The following duties must not be completed by the same person:
  - Ordering of goods and services (Finance Assistant, School Business Officer, (Heads of Departments in secondary schools);
  - Receipt of goods and services (School Business Officer/Clerical staff);
  - Authorising orders or invoices for payment (Head Teacher, Deputy Head Teacher or Senior Teacher);
- The shipping/delivery address is set as the School address. The requisitioner should not be given the facility to change the shipping/delivery address;
- As soon as an order has been placed a commitment should be recorded to ensure the accuracy of budget monitoring reports;
- Obtain VAT receipts for all purchases and ensure the VAT element is reclaimed where necessary.

Staff are reminded that all purchases using School debit cards must be made in accordance with the School's approved financial policies and procedures, including the dedicated Debit Card Policy.

During the School audit review the following documents will be assessed to confirm that the School has adequate policies in place and that once approved by the Governors they are made available to staff, contractors and pupils etc. as required. Below is a list of the policies reviewed during the audit and where available the link to the schools.net/Derbyshire.gov/DfE.

Policy/Document	Policy Template / Information Location	Audit Suggested Review (years)
Absence Monitoring Policy	Traded Service Document (no link)	3
Acceptable Use of IT Policy for Pupils	Currently no link available	3
Acceptable Use of IT Policy for Staff	Link to schoolsnet	3
Charging Policy	Currently no link available	1
Lettings Policy	Currently no link available	1
Code of Conduct for Governors	Link to Governor Support	3
Code of Conduct for Staff	Link to schoolsnet	3
Confidential Reporting Code	Link to schoolsnet	3
Critical Incident Management Plan	Link to schoolsnet	3
Data Protection	Link to schoolsnet	2
Dinner Money Policy	Link to schoolsnet	3
Financial Regulations & Procedures	Link to schoolsnet	1
Governing Body Induction Pack	Link to Governor Support	1
Governing Body Terms of Reference	Link to Governor Support	1
Terms of reference and Scheme of delegation for sub-committees	Link to schoolsnet	1
Governors' Expenses Policy	Link to schoolsnet	1
Improvement/Improvement Plan	Currently no link available	Periodic presentation of achievement
Summary Guidelines for Information Retention	Link to schoolsnet	1
Instrument of Government	Link to Governor Support	3
IT Administration Policy/Disaster Recovery Plan	Currently no link available	3
Recruitment and Selection Policy	Link to schoolsnet	3
Roles and Responsibilities Document	Currently no link available	1

Getting in Touch

Audit staff are always available to provide advice and support. You may contact the Lead Auditor who led the audit at your school or any of the key contacts listed below:

Carl Hardman	Assistant Director of Finance (Audit)	carl.hardman@derbyshire.gov.uk	(01629) 538708
Jayne Wallhead Suzanne Kiernan	Audit Clerk (Job Share)	jayne.wallhead@derbyshire.gov.uk suzanne.kiernan@derbyshire.gov.uk	(01629) 538826