

Griffin

Chartered Accountants

Internal Audit Report

Learning Academy Partnership (South West)

Recruitment and Selection

Visit date: 20 February 2023

Issued by: Jared Mills



Learning Academy Partnership (South West)

1. Basis of the report

The Academy Trust Handbook requires that all Trusts have a process in place 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 Autumn Term, one in the Spring 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 Trust has in place, test whether these systems are being followed and make suggested improvements.

Work completed 20 February 2023

Recruitment and Selection

- Walkthrough of payroll systems
- Payroll controls testing
- Review of timesheet/overtime procedures
- Starter procedures reviewed
- Leavers procedures reviewed
- DBS/Enhanced Criminal Record Certificate checks

2. Update on previous findings

There were no recommendations made in our November 2022 visit and all previous recommendations had been cleared.

3. Work completed

	Work completed	Result	Conclusion
Recruitment and 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 Trust - Agree salary/scale point to contract or latest pay award letter and the HR system. - Ensure any overtime is appropriately authorised - Ensure pension deductions are calculated correctly - Agree net pay to BACs run 	<p>For the sample of staff selected, monthly payroll data agreed to gross salaries on their contracts and the HR system.</p> <p>One member of staff had worked overtime, which had been authorised in line with the Trust's financial procedures policy.</p> <p>Payments made to staff on the BACS run agreed to net pay on the payroll reports.</p>	No issues to note.
2.	<p>Overtime and timesheet staff</p> <p>Ensure any overtime or hours for timesheet staff have been authorised appropriately in line with the Trust's policies.</p>	<p>From the sample of employees tested, three members of staff had claimed overtime and two were casual staff. The hours worked had been authorised appropriately in line with the Trust's policies.</p>	No issues to note.





<p>3.</p>	<p>New starters</p> <p>For a sample of new starters between September and January, the following was confirmed:</p> <ul style="list-style-type: none"> - Salary confirmed to offer letter/contract and HR system. - Ensure new staff members have been authorised by SLT as appropriate. - Ensure 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. - Compare 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 that 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 member of staff joined in the middle of the month. Their pay was pro-rated correctly to reflect this.</p> <p>No new starters tested were paid more than the previous employees they were replacing.</p>	<p>No issues to note.</p>
<p>4.</p>	<p>Payroll leavers</p> <p>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. - Ensure the final month of pay was pro-rated if they had left part way through a month. - Ensure 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>One member of 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>

5.	DBS Checks For a sample of staff and governors, ensure that appropriate DBS checks have been completed.	<p>From the sample of employees and governors chosen, appropriate DBS documents were obtained for four out of the five people tested.</p> <p>The DBS documents for one recently appointed governor have not yet been returned. The Trust is actively chasing this.</p> <p>Three out of the four DBS documents were more than five years old. Whilst not a requirement of the Academy Trust Handbook, it is good practice for DBS checks to be updated every five years.</p>	No issues to note.
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4. Recommendations

From our testing of the systems and controls around the response to recruitment and selection, we have not identified any recommendations. 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