

Griffin

Chartered Accountants

Internal Audit Report

Learning Academy Partnership (South West)

Recruitment and selection

Visit date: 1 August 2022

Issued by: Ryan Bunn



Learning Academy Partnership (South West)

1. Basis of the report

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

Work completed 1 August 2022

Recruitment & Selection

- Payroll controls testing
- Review of timesheet procedures
- Starter procedures reviewed
- Leaver procedures reviewed
- Review of transfer to new software

2. Work completed

	Work completed	Result	Conclusion
Recruitment & 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 school - Agree salary/scale point to contract or latest pay award letter and the HR system. - Recalculate pension and tax deductions 	<p>For the sample of staff selected, monthly payroll data agreed to gross salaries on their employment contracts and the HR system.</p> <p>Two of the staff members selected had overtime pay. This was authorised in line with the trust's financial procedures manual.</p> <p>Payments made to staff on the BACS run agreed to net pay.</p>	No issues to note.





2.	<p>New starters</p> <p>For a sample of new staff at the school the following was confirmed:</p> <ul style="list-style-type: none"> - Salary confirmed to offer letter/contract and HR system. - Ensured new staff members have been authorised by SLT as appropriate. - Ensured 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. - Compared 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 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>All of the staff tested started in the middle of the month. Their pay was pro-rated correctly based on the number of days worked.</p> <p>None of the new starters tested were paid more than the previous employees they were replacing.</p>	No issues to note.
3.	<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. - Ensured the final month of pay was pro-rated if they had left part way through a month. - Ensured 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>All of the staff tested left in the middle of the month. Their pay was pro-rated correctly in line with the number of days worked.</p>	No issues to note.

4.	<p>Overtime and expenses authorisation Ensure any overtime or expenses have been authorised appropriately in line with the Trust's policy.</p>	<p>From the sample of employees chosen, all claims had been authorised in line with the school's finance policy.</p>	<p>No issues to note.</p>
5.	<p>Transfer to new software</p> <p>Ensure that a list of staff that are present on the new software agree to the staff members paid as per the February Payroll. Ensure sufficient explanation is present for any discrepancies.</p> <p>Ensure that gross wages are the same for employees between April and May that were processed through different software's. Obtain evidence for any discrepancies present.</p>	<p>The list of staff from MHR agreed to the list of individuals from the April payroll, which had been processed through PS People. Sufficient explanations had been obtained for any discrepancies present.</p> <p>The payroll reconciliation report documents all of the checks which have taken place to ensure the payroll processed through MHR agrees to the payroll processed through PS People between the April and May transition, with sufficient explanations obtained for any discrepancies present.</p>	<p>No issues to note.</p>

3. 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

