

Appendix 1 - Recommendations and Exposure to Risk for Schools with Limited Assurance Opinions

Key: ● Critical and Significant Risks ● Moderate and Minor Risks

*We are not following up on the moderate or minor recommendations at all Schools, we have only considered moderate and minor recommendations when Schools share the evidence alongside evidence for the higher risk recommendations.

Recommendations Made by Audit – Implementation Status																
Audit	Total Made		Outstanding		Partially Implemented		Fully Implemented / Mitigated		Superseded		Risk Rejected / Referred to Management		Not Yet Due		% Fully Implemented	Assurance Over Exposure to Risk
Risk Category	●●	●●	●●	●●	●●	●●	●●	●●	●●	●●	●●	●●	●●	●●	●●	
Schools																
2018/2019																
Benchill Primary School	6	4				1	6	3							100%	Limited ●
Lily Lane Primary School	7	1			3	1	4								57%	Limited ●
Sacred Heart RC Primary	4	4					4								100%	Limited ●
St Margaret's C of E Primary School	6	5	2				4								66%	Limited ●
2019/2020																
St Bernard's Primary School	8	2	8												0%	Limited ●
2020/2021																
Martenscroft Nursery School and Children's Centre	7	2	3		1		2				1				29%	Limited ●
Collyhurst Nursery School and Children's Centre	4	4	4												0%	Limited ●
The Divine Mercy RC Primary School	3	5											3		n/a	Limited ●
All Saints Newton Heath Primary School	9	3			2	2	6	1			1				75%	Limited ●
St Philips Primary School	7	4		1	3	2	4	1							57%	Limited ●

Totals	61	17	9	30	0	2	3	51% (29/56)
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Please note we also completed an audit of St Matthews RC High School in 2021 and gave a limited assurance opinion, however they became an Academy soon after the final report was issued, and as a non-maintained school they do not fall under the remit of the City Council. We shared the final report with Governors and the Senior Management at the school, and this will be picked up within their new financial management framework as an Academy.

More detail of the work performed at each school is provided below.

Benchill Primary School:

Limited Assurance Opinion report issued in February 2020 with a formal follow up of implementation of recommendations completed in March 2021. This reported a significant reduction of the exposure to risk with all the significant and higher risk recommendations being fully implemented. There remained one moderate risk recommendation that was partially implemented, relating to the need for the Head Teacher to sign over time claim forms in line with the Scheme of Delegation, at the time of the follow up this was being completed by the Head of School not the Head Teacher. We have received no further updates on this audit.

Lilly Lane Primary:

Four out of seven, significant or higher risk recommendations have been fully implemented with the remaining three being classed as partially implemented. The level of exposure to risk has been significantly reduced with the strengthening of arrangements over bank reconciliations, payroll reconciliations and improvements made to the Scheme of Financial Delegation and Financial Procedures by the Business Manager. Although we were generally satisfied with the controls in place over purchasing, high value transactions and debit card use in our sample showed areas of non-compliance, so we are unable to sign these off as complete. The Business Manager is engaged and focused on compliance with controls and challenges poor practices when necessary. We will select another sample of purchases to test during our next follow up work in September 2022.

Sacred Heart RC Primary School:

Of the four recommendations made we have been able to confirm that all the recommendations have been implemented so the exposure to risk has been significantly reduced.

St Margarets C of E Primary School:

We first followed up implementation of the recommendations made in 2021 where we confirmed two of the recommendations were implemented. Our current follow up work has confirmed that a further two recommendations have been implemented with two remaining outstanding. The recommendations outstanding were both rated as significant risk and relate to the following: -

- The need to update the Scheme of Delegation and the operational Financial Procedural Manual with clear thresholds and approval procedures for budget changes above the Head Teacher's limit.

- Amending the Governing Body reporting timetable to ensure the development of the budget and school Development Plan are aligned. At the time of our review these had not been progressed by the school since our 2021 follow up.

St Bernards Primary School:

When we contacted the school's business manager, we were told they had resourcing issues and therefore were unable to provide a response on implementation of audit recommendations. We have subsequently contacted the school to establish when they may have the resources to allow them to evidence progress with recommendations but have received no further response or engagement and no evidence of progress has been received. We will share these issues with the schools SSQA to seek their support in obtaining an update and failing an update to arrange a visit to St Bernard's in September.

Martenscroft Nursery and Children's Centre:

We have been able to confirm that two critical recommendations have been implemented and one is partially implemented. One significant recommendation was rejected by management at the time of our review. Whilst the school has sent us evidence for the remaining recommendations (one critical and two significant) to demonstrate implementation, we do not consider this sufficient to demonstrate full implementation. We will arrange a visit to Martenscroft in September to seek further assurances over progress.

Collyhurst Nursery and Children's Centre:

In January 2022, Greater Manchester Academies Trust (GMAT) leadership stepped in to support and oversee Collyhurst Nursery and Children's Centre as they had no Head Teacher or Finance Manager. GMAT were not aware of our audit report until we contacted them recently as part of our follow up review. We have agreed with GMAT that they will now provide regular updates with regards to recommendations, but these will not be implemented by the time this report is presented to Audit Committee. We will have regular meetings to discuss the progress and if these are not implemented then we will review these as part of our schools follow up work in September 2022.

The Devine Mercy RC Primary School:

This report has only just been issued as a final report and therefore the recommendations are not yet due for implementation. We will seek assurances over progress with implementing their recommendations when we complete our next schools follow up work in September 2022.

All Saints Newton Heath Primary School:

Our follow up work has confirmed that six of nine high risk recommendations have been fully implemented so a significant reduction in the exposure to risk can be seen. There has been progress made in reducing the exposure to risk in the remaining higher risk recommendations. One of the partially implemented recommendations relates to the need to build improved separation of duties into the school's financial systems. Whilst the Business Manager was able to describe some of the changes made, the Scheme of Delegation had not been updated to reflect this. The other partially implemented recommendation relates to compliance with agreed purchasing controls. We selected a small sample of purchases and confirmed that overall compliance was good, however the invoices had not been certified for payment and we therefore highlighted the need for this control to be introduced for all purchases to fully reduce the exposure to risk. All Saints school are clear on the actions needed to fully address the remaining recommendations and we will assess progress during our next follow up work.

St Phillips Primary School:

Four of seven high risk recommendations have been fully implemented with progress also being made towards implementation on the remaining three. There has been a significant reduction in the exposure to risk overall. The partially implemented recommendations are in the following areas:

- A critical risk recommendation in relation to building more separation of duties into key financial controls to reduce over reliance on the school's Business Manager. The Business Manager described and showed examples of action taken to introduce more separation of duties into the school's financial systems, however this separation of duties had yet to be formally defined in the Scheme of Financial Delegation. The scheme needs to be updated with revised arrangements to allow full implementation of this recommendation.
- We recommended the school's Development Plan be developed into a multi-year plan that had clear links to the budget. The Business Manager outlined how work had started on this but that it had yet to be fully developed.
- We raised an issue in relation to use of the school debit card and the need to ensure appropriate requisition, approval and receipt of items purchased along with demonstration of appropriate separation of duties. Our testing of a small sample demonstrated better compliance with controls but not full compliance, so we have concluded its partially implemented.

Overall, however we can conclude that there has been a significant reduction in the overall exposure to risk at St Phillips and are hopeful that we can sign the remaining recommendations off as fully implemented when we follow up implementation again in September 2022.