



DERBY CITY COUNCIL

**AUDIT AND ACCOUNTS  
COMMITTEE  
7 DECEMBER 2006**

# ITEM 6

Report of the Corporate Director  
of Children and Young People

## AUDIT REPORT – Arboretum Primary School

### RECOMMENDATION

- 1.1 To note the report.

### SUPPORTING INFORMATION

- 2.1 Arboretum Primary School was audited as part of the usual audit programme. The conclusion of the audit report is that the overall level of control was marginal, which is why the report has come to this Committee.
- 2.2 Appendix 2 is a report from Keith Howkins, Senior Head of Service in the Children and Young People's Department, which briefs members on the actions taken since the publication of the audit report, in particular the progress that has been made on the implementation of recommendations contained within the audit report.
- 2.3 From the information provided by the school, I am satisfied that appropriate progress has been made to address those issues raised.

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**Background papers:** Final Internal Audit Report

**List of appendices:** Appendix 1 – Implications

Appendix 2 – Report from Senior Head of Service, Children and Young People's Department

<b>IMPLICATIONS</b>
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**Financial**

1. None directly arising.

**Legal**

2. None directly arising.

**Personnel**

3. None directly arising.

**Equalities impact**

4. None directly arising.

**Corporate objectives and priorities for change**

5. None directly arising.

**Arboretum Primary School**  
**Report of Keith Howkins, Senior Head of Service, Children and Young**  
**People's Department**

This school audit was undertaken during the 2005/06 academic year, when the school had an acting headteacher. The conclusion of the audit report was that the overall level of control was marginal. Three significant risks were identified – two were that terms of reference for the full Governing Body had not been established, and that there needed to be a broader scheme of financial delegation. The third significant weakness lay in the fact that the school had omitted from its budget plan £38,000 for contract cleaning. This was not identified until some way into the financial year. As it happened, the school had sufficient flexibility in its budget to be able to find the balance without going into deficit, but this has not been without difficulty and in another situation the omission could have been catastrophic.

The school has accepted all the recommendations, although some of the implementation dates are set some way in the future. There is a new headteacher in place, she has received an induction on finance, and some of the governors have attended a finance training course this term. The school is buying monthly meetings from the authority as part of the sold service. Many of the recommendations have already been implemented, including the most significant ones. Most of the other recommendations are in hand, and there are a number which can be implemented well before the deadlines set out in the action plan. I am, therefore, satisfied that the school is making appropriate progress in ensuring that the control weaknesses do not recur.

Although it is clearly the responsibility of the school to ensure that all budgets are correctly identified in the plan, the Children and Young People's Finance section should have spotted the omission of the cleaning/caretaking budget at an earlier opportunity given that the school was using the authority's planning spreadsheet as part of the sold service. Substantial checks are made when schools submit budget plans, including verification of the correct amounts for the formula budget and Standards Funds. In future, there will be a check that a school using the authority's budget planning spreadsheet includes either an amount for directly employed caretaking and cleaning staff, or for a contract payment to an external provider – which may be either the Council or a private firm.