



BRADFIELD SCHOOL INTERNAL AUDIT REPORT

[March 2017](#)

Bradfield School - Internal Audit Report

INTRODUCTION

This report is prepared for the attention of the Governors of Bradfield School following a visit to the school to undertake internal audit testing on 2 March 2017. Testing covered transactions during the period from 1 September 2016 to 28 February 2017.

SCOPE OF WORK

The governors of Bradfield School have appointed BHP, Chartered Accountants to complete a programme of detailed testing of controls and transactions during the period. The work programme used has been designed, based on guidance from governors, to ensure that the systems and controls which have been put in place to address the key financial risks identified by the Academy are being operated as documented.

AREAS COVERED

- Purchases
 - Items over £5,000
 - Items over £50,000
 - Expense claims
- Payroll
 - Amounts paid
 - Payrises
 - Reconciliations
- Fixed assets
 - Depreciation
 - Additions
 - Insurance

OVERALL CONCLUSION

Based on the testing performed, we conclude that these systems and controls are operating as documented.

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AREA OF WORK	TESTING	RESULTS	CONCLUSIONS & RECOMMENDATIONS
<p>Purchases</p>	<p>A sample of 5 were tested to ensure that the Academy's authorisation procedures are adhered to and that the expenditure has been correctly accounted for. Only 4 payments were above £5,000, therefore another 1 below £5,000 was tested.</p> <p>Expenditure greater than £50,000</p> <p>Employee expense claims.</p>	<p>For all items tested (where appropriate)</p> <ul style="list-style-type: none"> - Invoices were agreed to orders, correctly authorised and goods and services certified as received. - Orders were placed with appropriate suppliers. - Payments were correctly authorised and recorded. <p>Of the 5 transactions tested, 4 had been accounted for correctly. One invoice for £8,679 relating to term 3 in the 2015/16 year, was accounted for in the 2016/17 accounting period. Nothing had been provided for in 2015/16 for this cost.</p> <p>The financial systems did not have any items over £50,000 on the ledger.</p> <p>There were two employee expense claims in the period tested. Both of these were traced to supporting documentation, checked that they had been correctly recorded in the accounting system and that the claim had been correctly authorised.</p>	<p>On the basis of our testing, the system for ordering and authorising purchases is being administered correctly.</p> <p>To ensure that transactions are accounted for correctly, an accrual should be provided for in the period in which services are received.</p> <p>Whilst £8,679 is a significant amount, it is in fact below the level of audit materiality and therefore was not a material error in any financial year.</p> <p>Unable to make conclusions or recommendations where there are no items to be tested.</p> <p>On the basis of our testing, the system for claiming, recording and authorising employee expense claims is being administered correctly.</p>

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<p>Payroll</p>	<p>From a list of staff, 5 employees were selected and salary details were agreed to payroll records and payscales.</p> <p>A sample of 3 progressive teachers payrises per the budget were checked to payroll records.</p> <p>A payroll reconciliation was reviewed to ensure it had been appropriately carried out, reviewed and agreed.</p>	<p>For all items tested:</p> <ul style="list-style-type: none"> - Salary amounts paid were agreed to payscales - Salary amounts agreed to payroll records. <p>For the sample tested new pay rates for continual progression were correctly reflected in the payroll records.</p> <p>Payroll reconciliations are being performed and authorised as documented.</p>	<p>On the basis of our testing, salaries are paid correctly and agree to the payscales per their contract.</p> <p>No issues were identified.</p> <p>No issues were identified.</p>
<p>Fixed assets</p>	<p>The fixed asset register was reviewed to ensure capital purchases had been correctly capitalised.</p> <p>Repairs and maintenance nominal codes were reviewed to check for any capital items incorrectly expensed.</p> <p>Depreciation rates were reviewed to ensure reasonable.</p>	<p>There had been no capital additions in the period tested.</p> <p>Nothing of a capital nature had been expensed to repairs and maintenance.</p> <p>No changes have been made to depreciation rates per the accounting policies. Depreciation rates are reasonable.</p>	<p>Unable to make conclusions or recommendations where there are no items to be tested.</p> <p>On the basis of our testing, the system for depreciating fixed assets is being administered correctly.</p>

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Fixed assets - continued	Insurance policies were reviewed to check adequate cover for assets is held.	Adequate insurance cover is held.	No issues identified.
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10 March 2017
