

18 April 2013		ITEM: 8
Standards & Audit Committee		
MANOR SCHOOL PROGRESS FOLLOW-UP REPORT		
Report of: Cllr Philip Smith, Portfolio Holder Central Services		
Wards and communities affected: All	Key Decision: None	
Accountable Head of Service: Chris Harris, Head of Internal Audit		
Accountable Director: Martin Hone, Director of Finance & Corporate Governance		
This report is Public		
Purpose of Report: For the Standards & Audit Committee to note the results of an additional visit carried out to Manor School.		

EXECUTIVE SUMMARY

This report provides an update on additional work carried out at Manor School following the issue of the red audit report to the March meeting of the Standards & Audit Committee.

1. RECOMMENDATION:

- 1.1 That the Standards & Audit Committee note the findings of the follow up review of Manor School**

2. INTRODUCTION AND BACKGROUND:

- 2.1 Following the meeting of the Standards & Audit Committee on 6th March 2013, the Head of Corporate Finance requested that Internal Audit carry out a further review of the minutes at Manor School to cover the last 3 years. A follow up visit was arranged with the Headteacher and the school was visited by Internal Audit on the 13th March to review the minutes of all Governing Body and Resources Committee meetings, Headteachers Reports and minutes/notes of ad hoc meetings between senior management at the school. The review took place over 2 days. The Headteacher was very supportive and ensured all records were available during the visit.

3. ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:

- 3.1 The original report into Manor School identified 3 high and 2 medium recommendations and raised concerns around the school not complying with either its own, or the Council's Financial Procedures. The additional work carried out to cover the three year period from January 2010 to January 2013, involved reviewing minutes of all meetings, revisiting the school's financial

regulations and scheme of delegation and looking at the awarding of the original contracts and the decision making and governance processes. This was a much more robust review as it focussed on specific issues and covered an extended period.

- 3.2 As well as minutes of the Governing Body and Resources Committee, notes of additional meetings between the senior management and governors of the school, which were not requested or provided as part of the original review process, were also checked. These indicated that there were regular discussions around the amalgamation of the schools and the capital project. The minutes did not provide enough detail to determine the depth of these discussions, the extent of the information provided to governors or the processes followed in awarding contracts. There was also no record or detail to indicate from the minutes that whilst two particular contracts were being discussed, a governor with an interest declared their interest and left the meeting whilst the decision was being made.
- 3.3 In discussion with the Headteacher, she felt that some of the decisions were not always minuted in full, so the minutes did not provide a complete record of the discussions and debate that took place. On checking back against the reviews carried out by Internal Audit prior to the amalgamation of the junior and infant schools, the lack of completeness of minutes to reflect the decisions of the governing body had previously been raised.
- 3.4 In conclusion, based on the above and further checking carried out by internal audit, our opinion remains that whilst there were failures in following the correct financial procedures and process around declarations of interest, there were no indications of deliberate activity that was being kept from the governing body. However more robust internal controls are now in place to obviate such a risk in the future.
- 3.5 As previously reported by the Director of People Services to the Standards & Audit Committee meeting held on 6th March 2013, controls have been significantly tightened with the introduction of a completely new governing body, the withdrawal of financial delegation and increased support being provided by the education finance team and the local authority. This should reduce the likelihood of similar problems occurring in the future.
- 3.6 A full follow up review of the schools' financial and governance arrangements has been included within the internal audit plan for 2013/14.

4. REASON FOR RECOMMENDATION

- 4.1 To acknowledge the additional work carried out at the school by internal audit and the controls put in place by the Acting Director of Children's Services and the Head of Corporate Finance.

5. CONSULTATION (including Overview and Scrutiny, if applicable)

- 5.1 The results of this progress report have been provided to the relevant Directors and Head of Corporate Finance before being finalised.

6. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

- 6.1 The Council's corporate priorities were used to inform the annual audit plan. Recommendations made are designed to further the implementation of these corporate priorities and the follow-up review assists in this process.

7. IMPLICATIONS

7.1 Financial

Implications verified by: **Mike Jones**
 Telephone and email: **01375 652772**
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As this report is for information purposes only, there are no direct financial implications.

7.2 Legal

Implications verified by: **David Lawson**
 Telephone and email: **01375 652087**
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As this report is for information purposes only, there are no adverse legal implications relating to the reporting progress.

7.3 Diversity and Equality

Implications verified by: **S DeAlyn**
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There are no direct diversity implications arising from this report as it is for information purposes only.

7.4 Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental

As this report is for information, there are no other implications arising from this report.

BACKGROUND PAPERS USED IN PREPARING THIS REPORT):

- Manor School Report (March 2013).

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