



**BRADFORD COLLEGE EDUCATION
TRUST**

Follow Up

FINAL

Internal Audit Follow up report: 5.15/16

8 September 2016



CONTENTS

1 Executive summary	2
2 Findings and Management Actions	5
Appendix A: Definitions for Progress Made	6
Appendix B: Scope	7
Appendix C: Actions completed	9
For further information contact	11

Debrief held	27 July 2016	Internal Audit team	Rob Barnett, Head of Internal Audit Amjad Ali, Client Manager Anastasia Morgan, Assistant Manager Evgeni Dimov, Internal Auditor
Draft report issued	11 August 2016		
Responses received	16 August 2016		
Final report issued	8 September 2016	Client sponsor	Sarah Murray, Head of Finance
		Distribution	Sarah Murray, Head of Finance

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Recommendations for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Therefore, the most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the risk management, governance and control processes reviewed within this assignment. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

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1 EXECUTIVE SUMMARY

1.1 Introduction

As part of the approved internal audit periodic plan for year 2015/16 we have undertaken a review to follow up progress made by you to implement the previously agreed management actions. The audits considered as part of the follow up review were:

- Data Quality – Student Data (01.14.15)
- Asset Management (03.14.15)
- Follow Up 2014/15 (04.14.15)
- Health and Safety (05.14.15)

Staff Cost Management (02.14/15) identified one low and one medium management action. However the medium management action was not accepted therefore we have not followed it up within this report.

The 16 management actions considered in this review comprised of 15 'medium' and one 'high'. The focus of this review was, to provide assurance that all actions previously made have been adequately implemented. For actions categorised as 'low' we have accepted management's assurance regarding their implementation.

1.2 Conclusion

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion Bradford College Education Trust has demonstrated good progress in implementing agreed management actions with an implementation rate of 88% rising to 100% with the consideration of superseded actions.

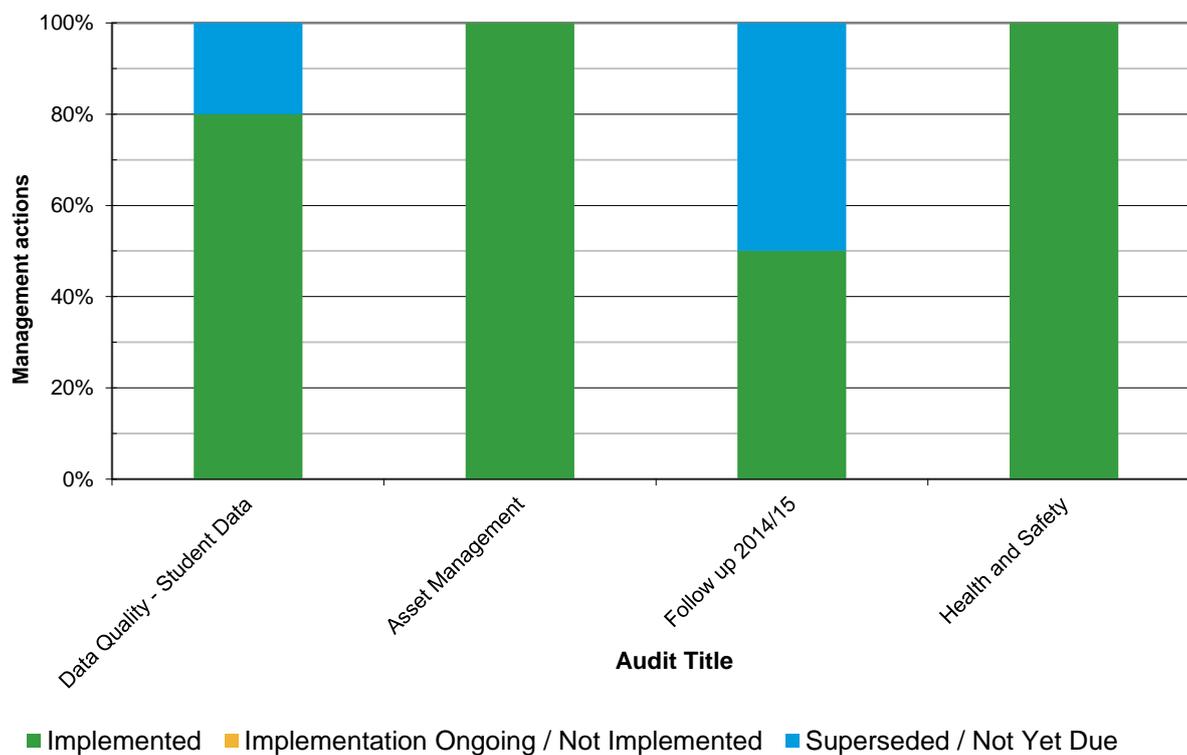
The overall review of the progress made against management actions indicates a positive opinion with 14 recommendations fully implemented and two management actions that have been superseded and require no further attention.

1.3 Action Tracking

Action tracking enhances an organisation's risk management and governance processes. It provides management with a method to record the implementation status of actions made by assurance providers, whilst allowing the Audit Committee to monitor actions taken by management.

In light of this, our review has undertaken testing to verify that the status of implementation of management actions, as reported to the Audit and Risk Committee via an internal action tracking process. We concluded following discussions with the Head of Finance that while there is an action tracking document in place, this is not regularly circulated with the Audit and Risk Committee. Given the recent Governance structure changes, the Head of Finance confirmed that the tracker would form part of the Finance and General Purposes Committee from September 2016 when the Committee assumes the roles and responsibilities of an audit committee.

The following graph highlights the progress made on the actions that have been followed up.



1.4 Progress on Actions

Implementation status by review	Number of actions agreed	Status of management actions				Confirmation as completed or no longer necessary (1)+(4)
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	
Data Quality – Student Data (01.14.15)	5	4	0	0	1	5
Asset Management (03.14.15)	3	3	0	0	0	3
Follow Up (04.14.15)	2	1	0	0	1	2
Health and Safety (05.14.15)	6	6	0	0	0	6
Total	16	14	0	0	2	16

Implementation status by management action priority	Number of actions agreed	Status of management actions				
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Confirmation as completed or no longer necessary (1)+(4)
High	1	1	0	0	0	1
Medium	15	13	0	0	2	15
Total	16	14	0	0	2	16

2 FINDINGS AND MANAGEMENT ACTIONS

This report has been prepared by exception and as testing established that management actions had been implemented or superseded no management actions have been reiterated or revised as part of this review.

APPENDIX A: DEFINITIONS FOR PROGRESS MADE

The following opinions are given on the progress made in implementing actions. This opinion relates solely to the implementation of those actions followed up and not does not reflect an opinion on the entire control environment

Progress in implementing actions	Overall number of actions fully implemented	Consideration of high actions	Consideration of medium actions	Consideration of low actions
Good	75%	None outstanding	None outstanding	All low actions outstanding are in the process of being implemented
Reasonable	51 – 75%	None outstanding	75% of medium actions made are in the process of being implemented	75% of low actions made are in the process of being implemented
Little	30 – 50	All high actions outstanding are in the process of being implemented	50% of medium actions made are in the process of being implemented	50% of low actions made are in the process of being implemented
Poor	<30%	Unsatisfactory progress has been made to implement high actions	Unsatisfactory progress has been made to implement medium actions	Unsatisfactory progress has been made to implement low actions

APPENDIX B: SCOPE

Scope of the review

The internal audit assignment has been scoped to provide assurance on how Bradford College Education Trust manages the following objective:

Objective of the area under review

To ensure that agreed management actions raised by Internal Audit have been actioned by management.

When planning the audit, the following areas for consideration and limitations were agreed:

Areas for consideration:

Agreed high and medium management actions arising from Internal Audit in 2014/15. The following reports will be followed up:

- Data Quality – Student Data (01.14.15)
- Asset Management (03.14.15)
- Follow Up 2014/15 (04.14.15)
- Health and Safety (05.14.15)

Limitations to the scope of the audit assignment

- Only medium recommendations raised by Internal Audit, and agreed by management will be reviewed.
- We will not review the whole control framework of the areas listed above. Therefore, we are not providing assurance on the entire risk and control framework of these areas.
- Testing will be completed, where appropriate, on a sample basis over the period since actions were implemented or controls enhanced.
- We will not follow up any recommendations raised in 2014/15 in relation to the Studio School.

Our work does not provide any guarantee or absolute assurance against material errors, loss or fraud.

Please note that the full scope of the audit can only be completed within the audit budget if all the requested information is made available at the start of the audit, and the necessary key staff are available to assist the audit process during the audit. If the requested information and staff are not available we may have to reduce the scope of our work and/or increase the audit budget. If this is necessary we will agree this with the client sponsor during the audit.

APPENDIX C: ACTIONS COMPLETED

From the testing conducted during this review we have found the following actions to have been fully implemented and are now closed:

Assignment title	Management action
Data Quality – Student Data (01.14.15)	Samuel Lister and the Studio School should ensure that on a minimum of a termly basis they reset all staff passwords and state the requirements they must adhere to for setting up a new password, including length, complexity and to not reuse their previous one.
	The Trust should confirm with the EFA whether the Academies and Studio School are required to retain enrolment documentation for 16-18 students. If there is a requirement, then the Data Managers at all sites should ensure that all enrolment documentation is retained either electronically or on the student files.
	Backup of SIMs data from the Samuel Lister Academy to the unapproved cloud server should cease and the existing data held on the cloud server should be deleted. (Superseded)
	Appleton should ensure that the server room is kept clear of fire hazards including the removal of empty boxes.
	Samuel Lister should introduce appropriate fire detection and suppression systems to ensure that in the result of a fire it can be identified quickly and dealt with appropriately causing minimal damage to the school’s infrastructure.
	Asset Management (03.14.15)
Health and Safety (05.14.15)	The Trust should develop annual maintenance plans to ensure adequate monitoring of the condition of assets and to enable effective financial planning for when assets may need to be replaced. The Trust should also consider whether it would be beneficial to adopt a standard approach across all three Schools with regards recording and issuing IT equipment.
	A pro-forma should be introduced for the amendment of assets details recorded in the asset register, including their location. This should be completed and approved before an asset is moved, and the asset registers updated accordingly.
	The Trust-wide Health and Safety Policy should be reviewed, updated and approved by the Board. The updated Policy should then be communicated to all Academies under the Trust and made accessible on the Trust portal.

Samuel Lister

Induction Checklists should be completed for support staff in order to evidence that they have received the appropriate health and safety training during their induction. In addition, a copy of all Induction Checklists for all staff should be archived in their staff file.

Appleton

An Induction Checklist should be produced and include the training that will be provided to the new starter (including safeguarding training, health and safety training as a minimum). This should then be completed for each new starter and archived in their personal file.

In addition, any new starters who join after the induction day has already taken place should be provided with an alternative medium in which to receive the health and safety training, for example a one-to-one session with the Estates Manager, an additional induction day or the requirement to complete an online health and safety course.

Samuel Lister and Appleton

Refresher health and safety training should be provided to all staff at Samuel Lister Academy and Appleton Academy on a periodic basis.

The Academies should produce and maintain an Incident Log Spreadsheet in order to track incidents and near misses and identify trends or patterns.

Appleton

Appleton Academy should complete an Accident at Work Form for all incidents and write the outcome of the incident and any investigation conducted on the form. This process should be communicated to all First Aiders and relevant staff.

In addition, Appleton Academy should record health and safety near misses on the Incident Log and develop a process for recording and managing near misses going forwards for example, completion of an appropriate form similar to those for incidents and conducting an appropriate investigation.

Samuel Lister

Health and safety information/data for Bradford Studio School and Samuel Lister Academy should be reported to an appropriate committee on a periodic basis. This should include the number of incidents arisen over a specified period, and any incidents requiring particular attention or discussion as a minimum.

Follow Up (04.14.15)

Samuel Lister Academy should incorporate safeguarding training into the induction process and update the Induction Checklist to tick this off once it is completed by the new starter.

The Trust-wide IT Strategic Plan should be finalised and approved by the Board. The SLT of each Academy should then be responsible for monitoring adherence against the Trust-wide IT Strategic Plan at a local level.
(Superseded)

FOR FURTHER INFORMATION CONTACT

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