

SCHOOLS AUDIT NEWSLETTER

Special points of interest:

Schools Financial Value Statement

Barclaycard

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Welcome to the latest edition of our Newsletter for Schools, in a new format for the new school year. We hope you will find it useful, but please tell us if there are any issues that you would like to be included in future editions. Please also ensure that this Newsletter is seen by the Chair of the Governing Body and the Finance Committee, as well as the Head teacher and the School Business Manager.

Schools Financial Value Standard

On 18 July 2011 the DfE announced that the Schools Financial Value Standard (SFVS) is available to schools to use from September 2011. The SFVS replaces the Financial Management Standard in Schools (FMSiS), which was scrapped by the Secretary of State in November last year.

The SFVS has been designed to assist schools to manage their finances and to give assurance that they have secure financial management in place. Governing bodies have formal responsibility for the financial management of their schools, and so the standard is primarily aimed at governors.

Maintained schools are required

to consider the 23 questions in the SFVS once a year. Those schools which did not attain the FMSiS before the end of 2009-10 are required to complete and submit their SFVS documentation to their local authority, (in North Yorkshire's case, Veritau), by 31 March 2012. Other maintained schools

like an independent review to be carried out Veritau can carry out a chargeable Assessment.

Further information has been placed in the electronic red bag by the FMS Team and the Veritau training course for governors includes information about the SFVS — see the Governor Training Programme for details.

For further information please click on the link below:

<http://www.education.gov.uk/schoolsadminandfinance/financialmanagement>

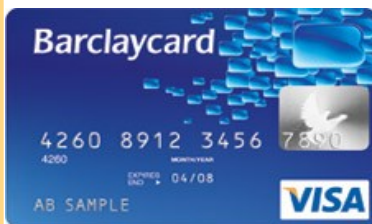
Veritau can carry out an SFVS Assessment for a fee.

have an extra year before they have to make a return. An annual review will be required thereafter.

The SFVS is a self assessment tool so there is no requirement for your school to be externally assessed, unlike the FMSiS. However, if your governors would



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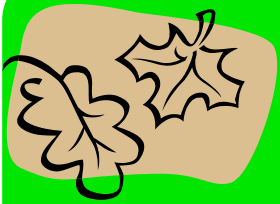
The Purchase Card User Manual has recently been updated and one of the things that it highlights is that Cardholders must **not** allow other members of staff to use their card. If an emergency

situation arises and the cardholder is not available, please contact Anne Banks, from CYPS Finance on 01609 535887 immediately for advice.

You should also request the supplier to provide a VAT invoice / receipt; they are legally obliged to do so if they are VAT registered and VAT is included in the purchase price. This is especially important if buying from Amazon because we

frequently find that just the order is being printed and retained and the invoice, which accompanies the delivery is being discarded.

If a supplier, who is VAT registered does not supply a VAT invoice or till receipt detailing the VAT, pursue the matter with the supplier and inform Denyse Stringer, the VAT Officer on 01609 53 2683.



Counterfeit and altered cheques

A County Council in the south of England received several calls from schools that have had cheques cloned or altered. A number of schools have reported instances where banks have queried cheques due to anomalies with the signatories and it has transpired that the cheque numbers used had not yet been issued by the school. Apparently in all cases the bank has identified an issue and the

schools have not lost out financially.

Additionally, the same county council also had a slightly different case where a cheque had been intercepted and the payee's name had been changed. All other details remained the same. This case only came to light when the supplier queried the fact that they had not been paid. On checking, the school found the

cheque had been cashed and the crime came to light when the bank looked up the payee on the cheque which had been changed from a company to an individual that was not recognised by the school.



“What do schools need to do to prevent fraud?”

Veritau can provide you with a word version of the Whistleblowing Policy

Printing Cheques on Laser Printers and Photocopiers

Please remember that cheques should not be printed using a laser printer unless it is PIRA Approved. This is because certain toners on laser printers are easier to 'lift' off the cheque than others. With the increased security of chip and pin introduced in the UK for credit card security, forgers are looking towards weaker and less protected items.

A list of approved laser printers was circulated on the red bag in February and can be found at <http://www.n-yorks.net/3756>.



If you are considering using a MFD photocopier to print cheques please remember that these are essentially laser printers.

Frequent Recommendations

WHISTLEBLOWING POLICY

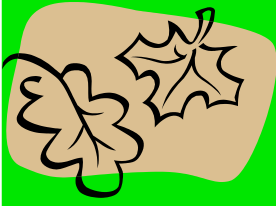
Can we remind schools that the Whistleblowing Policy can be approved by the Finance Committee or the Governing body and that Veritau can provide a word version of the document if required. Additionally, if a school would like to have a copy of the Whistleblowing Poster please contact us.



ONLINE FREE TRIALS

A number of schools have reported that teachers have taken advantage of free trials offered by PDC Education from Leeds, which provides teaching resources and lesson plans online. However, the deadline for cancelling the trial was missed and the company has sought payment for a subscription to the site. If your school has had similar problems with the company please contact Brian Jennings in Legal Services on 01609 532347.





Frequent Recommendations

POLICIES

Lately we have found at a number of schools that the Finance Committee has approved the Budget Management Policy, Scheme of Delegation and Terms of Reference .

Can we remind schools that these documents should also be approved by the Governing body? It is not appropriate for a committee to approve the delegation of powers to itself!

PUBLIC LIABILITY COVER REQUIRED BY HIRERS

If outside organisations use the school facilities, then the school really needs to ensure a hire agreement is in place with those organisations. You will find proformas in Chapter 12 of the School Finance Manual, although please note that the hire guidance and agreement shown are due to be updated to reflect the advice provided in this article. The agreement should stipulate that the hiring party is responsible for any third party injury and damage caused by their negligence. The school should also check that the outside organisation has public liability insurance to cover their responsibilities, with a recommend a minimum sum insured of £5 million.

The Council does have in place a contingency hirers liability policy, but this will only cover the liability of the hirers that are unable to get their own insurance. If the hiring party is able to purchase their own insurance, then the County Council's insurers expect us to ensure that this is in place.

The contingency cover is really aimed at hirers who are not able to take out their own insurance such as individual and small groups hiring tennis courts and football pitches. The decision as to whether or not hiring parties should have their own insurance policy will be based on the following which was prepared by Legal Services and agreed by insurers: **"the benefits of the contingency policy will not extend to use of the premises by members of any club, association or society which operates by subscription or entry fee, any registered charity or any individual or organisation carrying on business with a view to profit."**

If you have any queries please contact the Insurance and Risk Management Section at County Hall.

TOPPING UP CONTRACTOR'S INSURANCE

All contractors working on County Council premises **must** have a minimum of £5 million Public Liability insurance cover and £10 million Employers Liability insurance cover. If a contractor only has £2 million Public Liability insurance cover, schools should now encourage the contractor to find out about topping up their own Public Liability insurance cover to the required £5 million, which they are often able to do for no additional premium or for a nominal increase.

The County Council can still top up the contractor's Public Liability insurance cover from £2 million to £5 million if necessary, but this is becoming increasingly expensive.

Many commercial insurers will seek to limit the contractor's Public Liability level of cover to £1 million or £2 million, whereas in reality if the contractor request an increase in Public Liability to a limit of £5 million, the premium will probably remain the same.

If you have any queries please contact the Insurance and Risk Management Section at County Hall.



Minimum
£5 million public
liability insurance
required by those
hiring your school.

CHILDCARE VOUCHERS

A school that operates a nursery and has registered to accept childcare vouchers has been in touch to tell us of a couple of incidents where parents have gone to the online childcare vouchers site and tried to use their childcare vouchers to pay for school dinners and swimming lessons. The school picked this up when they were reconciling their vouchers to nursery fees. If your school operates a nursery please be aware of this potential abuse of the voucher scheme.

Data Protection Breaches

The following news release was issued on 8 August 2011 by the Information Commissioners Office:

Bay House School in Hampshire breached the Data Protection Act after the personal details of nearly 20,000 individuals, including some 7,600 pupils, were put at risk during a hacking attack on its website.

The hack – which involved one of the school's pupils – exposed pupils' names, addresses, photographs and some sensitive information relating to their medical history. Personal information relating to the pupils' parents and teachers was also compromised during the breach. The problem was identified shortly after the hack occurred and the security of the website was immediately restored. The school reported the breach to the ICO on 17 March.

The ICO's investigation established that the security of the school website had been compromised by a member of staff who had used the same password to access both the school's website and data management systems. This password was subsequently discovered during the original hacking incident and then used by a pupil to access other parts of the system. The school had

advised staff to avoid the use of duplicate passwords; however, no checks were in place to make sure this policy was being followed.

Sally Anne Poole, Acting Head of Enforcement said: "While it can be difficult to remember lots of different passwords, it is vitally important that individuals do not use the same password to login to data systems that are supposed to be kept secure. This is particularly important when the systems allow access to sensitive information relating to young adults.

"We are pleased that Bay House School has agreed to take action to improve the security of the personal information they hold."

Ian Potter, Head Teacher of Bay House School, has now [signed an undertaking](#) to ensure that all reasonable measures are taken to encrypt and separate sensitive and confidential information held on the school's management system. The school will make sure that all of their staff understands the school's guidance on the use of passwords. The school's website will also be regularly tested to ensure that the personal information they hold remains secure.

The ICO has produced guidance for individuals on the use of passwords which is available in the publication '[Protecting your personal information online](#).'

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Whistleblowers' Hotline	whistle.blower@northyorks.gov.uk	01609 760067
.... and please direct any Information Governance queries initially to	datamanagement.officer@northyorks.gov.uk	