CUMBERLAND COUNCIL SCHOOLS FORUM
Report Title: Summary of Audit Findings – School Audits 2025/26
Meeting date: 10 September 2026
Report of: Head of Internal Audit and Risk Management

1.0 Executive Summary

1.1 ***Internal Audit undertakes a small sample of school audits each year and findings from those completed in 2025/26 are summarised in the attached report.***

1.2 ***Findings will be disseminated more widely to all schools via the Schools Portal. This will allow all schools to consider their own arrangements with regard to the findings and put in place any necessary improvements.***

2.0 Link to Council Plan Priorities

2.1 Improving the financial processes for schools is supportive of the Council Plan "to improve the health and wellbeing of its residents"; and the priority to "address inequalities and enable its residents to access opportunities that will empower them to achieve their goals."

3.0 Recommendation

3.1 ***The Schools Forum is asked to note the content of the accompanying report and the intention to distribute this to all schools via the Schools Portal for information.***

4.0 Rationale & Evidence for the Recommendation

Background

4.1 Internal Audit undertakes a small sample of school audits each year as part of the Internal Audit plan agreed by the Audit Committee. Internal Audit reports are agreed with the Headteacher at individual schools, including an action plan for improving controls. A copy of the agreed report is also provided to the Chair of Governors / Chair of Finance Committee so that Governors can support Heads in implementing agreed actions. Individual school audit findings are also provided to the Audit Committee as part of Internal Audit's regular progress reports.

4.2 As there are only a few school audits undertaken, the learning and potential for improvement is only available to individual schools which have been audited in any given year. Internal Audit has therefore collated the 2025/26 review findings and incorporated these into a summary report (see Appendix 1). It is proposed that sharing the findings with all schools will assist them in ensuring they operate appropriate controls in the areas identified.

4.3 The scope of school internal audits is to independently review and evaluate the effectiveness of controls and governance processes relating to financial management. The detail covered falls into five broad categories as follows:

- Financial Management
- Income
- Payroll
- Purchasing
- Asset Security & Information Management

4.4 The key guidance document for schools on financial management is the Financial Regulations for Schools which are an Annex to the Cumberland LA Scheme for Financing Schools and PRU's. Section 4 of the Financial Regulations refers to: audit arrangements and how these may assist the S.151 Officer in meeting statutory responsibilities and provide School Governing Bodies and managers with an objective view of the standard of their financial management and administration and general performance.

4.5 Schools are not required to formally confirm that they have complied with the Scheme for Financing Schools and PRU's (including Financial Regulations). All schools submit an annual School Financial Value Standard (SFVS) return to the Schools Finance Team, who review these and follow up any issues. If they are meeting the requirements of the SFVS, then by implication they will be compliant with the Scheme.

4.6 The general areas where improvements could be made are set out below:

- Declarations of interest
- Finance Committee terms of reference
- Financial delegation policy
- Operational financial procedures, including debt and payroll
- Governor meeting minutes including clear recording of items taken and discussed / decisions made (including financial data), and the approval of previous meetings minutes
- Budget and deficit recovery plan approval
- Contractual arrangements
- Payroll checks / starters and leavers / authorisation evidence / timesheets
- Asset registers and checks
- Disaster recovery / business continuity plans

- School fund
- Purchasing, including segregation of duties, supporting documentation / records and purchase cards
- Document retention
- IT / online policies
- Financial reporting to Governors
- Financial reconciliation and school financial record
- Cash income
- Information on invoices raised and timely follow up
- Counter fraud and Whistleblowing policies
- Assessing governor financial skills

4.7 Details of these are included in the audit summary report at Appendix 1. These findings are based on 3 schools audited in 2025/26.

4.8 2025/26 was the first year that the school audit programme included extra questions / testing in relation to additional risk areas for schools (including cyber and information governance).

5.0 Options

5.1 There are no options. The Schools Forum members are asked to note the accompanying report and the intention to distribute this to all schools via the Schools Portal for information.

6.0 Financial & Other Relevant Implications

6.1 No implications have been identified.

August 2026

Appendices

1. Summary of Audit Findings - School Audits 2025/26

REPORT AUTHOR

Contact:
Name Gemma Benson
Post title Principal Auditor
Email: gemma.benson@cumberland.gov.uk