

STATEMENT OF INTERNAL CONTROL

Approved by F&P Committee Chair: May13
Review Date: May14



- 1 This statement relates to the internal controls for Kennet Valley School for the 12 months from May 13 to May 14. The Governing Body is responsible for ensuring that the school:
 - Keeps proper accounting records during the year which will disclose, with reasonable accuracy and at any time, the financial position of the school. These have been drawn up in accordance with the DfES' (CFR) guidelines, and will enable the school to prepare an annual income and expenditure statement that complies with DCSF guidelines
 - Maintains and operates an effective system of internal control to safeguard all the resources delegated, granted or otherwise entrusted to the school and ensure they are used cost effectively.
- 2 The system of internal control has been developed and is coordinated by the Head Teacher. It aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorized and recorded and that material errors or irregularities are either prevented or can be detected promptly.
- 3 Our review of the effectiveness of the systems of internal control is informed by:
 - Our regular scrutiny of financial and other performance monitoring data
 - Regular reports from the Head Teacher and other teachers to the Governing Body
 - Our most recent self-evaluation of the internal controls undertaken **May13**
- 4 We are, therefore, satisfied that the internal control systems in operation at the school during the year were adequate and effective **except for:**
 - **The school does not have an internal auditor, although it does have external professions who provide assurance on aspects of its controls.**
- 4 We propose over the coming year to take the following steps to address the weaknesses noted above.
 - To review current internal audit activity to establish whether it is sufficient and if not, to appoint an internal auditor.

By order of the Governing Body of (Name) School

(Signed) _____ Dated _____
(Head Teacher)

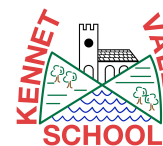
(Signed) _____ Dated _____
(Chair of Governing Body)

(Signed) _____ Dated _____
(Chair of Finance Committee of the Governing Body)

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Appendix 2

Statement of Internal Control: Pre-Certification Checklist for Governors

Controls that should have operated during the financial year		
Question	Agreed Yes or No	Implication of the Answer
Did we set the school budget in line with the priorities detailed in the school development plan either before the beginning of the financial year (1 st April) or as soon as possible thereafter?	Yes	If yes, no action. If no, paragraph 4 should disclose this weakness. Paragraph 5 should explain the steps being taken to ensure next year's budget is set on time and reflects the school's priorities.
Did we see regular reports on the school's financial position during the year? Did the Head Teacher and School Business Manager answer all the questions raised with them and were we satisfied that materially accurate records have been maintained throughout the year? (Regular in this context would refer to termly reports as a minimum and possibly more frequent in larger schools.)	Yes	If yes, no action. If no, paragraph 4 should disclose the inadequate base financial records as a weakness. Paragraph 5 should explain the steps being taken to rectify the position.
Did we take appropriate action on all significant matters raised in reports from the internal auditor?	No	If yes, no action. If no, ensure this decision is justified. If, after reflection, it is considered that some action needs to be taken, describe this briefly in paragraph 5.
Did we review a risk assessment and taken appropriate steps to manage the risks identified including the introduction of internal controls and/or external insurance cover where required?	Yes	If yes, no action. If no, the need to conduct a comprehensive risk assessment should be noted in paragraph 4. Paragraph 5 should explain the steps being taken.

Question	Agreed Yes or No	Implication of the Answer
Control activities required after the end of the financial year		
<p>Has the Head Teacher confirmed that he/she has seen a reconciliation of the school's base financial records with the latest CFR Return (either prepared from the school's own system or by the local authority) and Financial Summary that shows they are:</p> <ul style="list-style-type: none"> • a complete record of the School's transactions for the year and that the two documents are consistent with each other? • based on financial records that have met the requirements of the DfES' Consistent Financial Reporting (CFR) framework? 	yes	<p>If yes, no action.</p> <p>If <i>no</i>, to the first question, make arrangements for the Head Teacher to complete/review the reconciliation before the SIC is signed and published.</p> <p>If <i>no</i> to the second question, the non-compliance should be noted at paragraph 4 as a weakness. Paragraph 5 should explain the steps being taken to rectify the position.</p>
<p>Have we received a report from the internal auditor giving us assurance that the systems of internal financial control operated satisfactorily during the year?</p> <p>OR</p> <p>Have we undertaken a thorough self-evaluation of the internal control systems in operation during the year and did not find any weaknesses that needed to be addressed as a high priority?</p>	Yes to part 2.	<p>If yes to either question, no action.</p> <p>If <i>no</i> to both questions, either:</p> <ul style="list-style-type: none"> • delay signing the statement until you have received the report or undertaken the self-evaluation <p>OR</p> <ul style="list-style-type: none"> • if the report or the self-evaluation has identified weaknesses that need to be addressed as a high priority, list them at paragraph 4 and briefly explain in paragraph 5, the action planned to rectify them.
<p>Are we confident that there are no significant litigation, liabilities or commitments that have arisen after the year-end, and are not referred to or accounted for in the published financial summaries?</p>	Yes	<p>If yes, no action.</p> <p>If <i>no</i>, consider if the accounts need adjusting in order to be complete, or whether a Contingent Liability or Gain disclosure note should be added and the Local Authority Finance Department informed.</p>
<p>Have we been advised that there has been no actual or potential non-compliance with laws, regulations and codes of practice that could reduce the school's ability to meet its objectives or cause the school to incur a financial loss, and is this supported by our own knowledge of the school and its activities?</p>	Yes	<p>If yes, no action.</p> <p>If <i>no</i>, add the appropriate disclosure notes to the income and expenditure account before it is signed and published.</p>