

## Termly School Newsletter from Birmingham Audit

Helping you to manage risks and provide effective services



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## Foreword written by Don Price

Just when you think things can't get any more challenging .... they do. Section 114 notices, a Section 5 notice, huge financial challenges, financial system challenges, Commissioners, service pressures – I could go on. All these things put pressure on staff and resources, and this impacts on everyone within BCC, within schools, and with external colleagues.

I have said it before, but it is worth saying again ... in the current environment we all need to take care of our own mental health, and the mental health of those we come into contact with. Be thoughtful, be kind and be understanding. On that note I would like to thank all schools who have been audited recently for the support provided to my auditors, I know it has been really appreciated.

Hopefully you will find this term's *Auditor* interesting. Take a look at the fraud articles (pages 7-9) as they contain some really good advice regarding maintaining awareness during these difficult times, and the financial management article (page 10) which highlights some changes introduced by SFS which should make things a little easier for you.

If there is anything I, or my colleagues, can do to support you during these difficult times please let me know – we will always do our best to help.



*Thanks Don*

# School Audits

Article Written by Karen Smith, Principal Auditor - Editor

I would like to take the opportunity to thank those schools that have had an audit during the Autumn term 2023 for supporting the audit process and our auditors. Your continued support is appreciated.



Since our last edition (issue 65) the routine audits visit programme has continued and we have aimed to ensure that schools who received an audit have not been penalised for any issues found that are caused by any implementation issues with Oracle. When we don't get this quite right, we are happy to listen and make necessary adjustment during our work.

During the summer break Don and I met with Karen Davies the Schools Relationship Manager for Oracle to talk about our audits and what we are doing to support schools. This month we have both been invited to both the Primary Schools Forum and the Schools Forum, where we aim to try and reassure schools that we won't be penalising them for any issues relating to any implementation issues with Oracle, but also listening to concerns and hopefully providing answers to questions where we can.

One of the areas we are hoping to be able to raise at the meetings is our concerns regarding school follow ups, and we would love to hear from you too! You will be aware that we have a two pronged approach to follow ups:

- Intensive Follow up Reviews for school audit reports with Level 3 / 4 Assurance High Risk.
- Annual City-Wide management assurance/validation review for all other school audit reports.

Our follow up work has continued to show slow progress in some schools implementing our recommendations and a disparity between the school's opinion and audit's opinion on the progress with implementing our recommendations. This is of particular concern for those schools with Level 3/4 Assurances where we have not been able to reduce the risk, and as a result this will be scored in our risk based plan increasing the likelihood of another full audit within the next 12 months.

We have continued to aim to provide clarity in our recommendations, and in the intensive follow up reviews we have included guidance that would enable each recommendation to be classed as fully implemented, we also provide clarity during the management assurance meetings held for 1<sup>st</sup> and 2<sup>nd</sup> reviews.

Ideally all audit reports should remain an agenda item on Governing Board meetings until assurance has been provided that our recommendations are fully implemented.

Please let me know your thoughts if there is anything more, we can do to support schools in implementing their recommendations.

A full list of the controls reviewed during our audits is available on request. If you have any queries or concerns, please do not hesitate to contact me, Karen Smith, Principal Auditor. Telephone: 07885236038. Email: [karen.p.smith@birmingham.gov.uk](mailto:karen.p.smith@birmingham.gov.uk)

# Themed Audit Notional SEN Funding

Article Written by Karen Smith, Principal Auditor - Editor

Our themed audit for 2023/24 financial year will be on notional SEN funding. It is due to take place in the Spring term 2024. The objective of our work will be to provide an assurance to the Local Authority on the effectiveness of the management and use of the Notional SEN funding provided to maintained schools.

We shall be visiting a sample of up to ten schools and will include discussions with the Chair of Governors and Headteacher, as well as teachers and governors with responsibilities for SEND. The outcome of the review will be reported to the Chair of Governors and Headteacher for each of the schools sampled and a report will be issued to the Local Authority with a summary of our findings with recommendations and overall assurance.

We recognise that schools have autonomy on how they spend their notional SEN budget, but there are key principals in legislation and the SEND code of practice that will ensure that schools use their best endeavours to secure special educational provision required to meet a pupil's special educational needs.

During our review we will be assessing if:

- The schools Governance arrangements regarding SEND include for oversight of the Notional SEN budget.
- The school has a SEND lead teacher and Governor in place and whether they are actively involved in policy and how the Notional SEN funding in the budget is spent.
- The school has an up to date SEN policy that has links to the school improvement plan and Notional SEN funding.
- The school publishes the implementation of its SEN Policy on the school website in its SEN Information Report and if this is transparent in its use of Notional SEN funding.
- The school can demonstrate how it makes use of its Notional SEN funding to ensure improved outcomes for its pupils.
- The budget is allocated and managed effectively and transparently, so that funding resources are utilised for the benefit of the current cohort of pupils on roll with EHCP plans.

If you have any queries or concerns about this audit, please do not hesitate to contact me.

Karen Smith, Principal Auditor.

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# News from the Schools Visiting Team

Article Written by Natalie Mardenborough, Auditor

## Primary School PE and Sport Premium

I know many schools have been waiting for an update from the Government on the future of Primary PE and Sport Premium (PESP) funding, which it has been confirmed will continue in both the 2023-24 and 2024-25 academic year.

Many of you will have heard of, and already work closely with, Sports Birmingham a Partner with Birmingham City Council and the Department of Education. Sports Birmingham have provided some key reminders on the importance of using the funding effectively based on the needs of the school.

Schools must use the funding to make additional and sustainable improvements to the quality of the PE, School Sport, and Physical Activity (PESSPA) they offer.

This means that you should use the Primary PE and sport premium to:

- Build capacity and capability within the school to ensure that improvements made now will benefit pupils joining the school in future years.
- Develop or add to the PE, school sport and physical activities that your school already offers.

**The Primary PE and sport premium should NOT be used to fund capital spend projects.**

## Conditions of Grant

Schools **MUST** publish a report detailing how they have spent their Primary PE and sport premium funding allocation on their school website by 31st July 2024.

Reports must include:

- The amount of Primary PE and sport premium received.
- A full breakdown of how it has been spent.
- Include the measurable impact that the school has seen on pupils' PE attainment, physical activity, and sport participation due to the spending.
- Showcase how the spend will be sustainable in the future.
- Schools **MUST** also publish the percentage of pupils within its year 6 cohort who met the national curriculum swimming and water safety requirements.



## Primary School PE and Sport Premium Continued.

### New Digital Reporting Tool

As announced on 19th July 2023, there will be a new Primary PE and Sport Premium **digital reporting tool** for schools. This digital tool will capture details on how a school has used its PE and Sport Premium and the impact it has had on achieving the aims and objectives of the funding. The DfE will pilot the digital tool for the academic year 2023/2024. It will be a **mandatory** requirement for schools to complete it for the **2024/2025 academic year**.

The digital tool will provide a further measure of accountability and will help identify any non-compliant spending of the PE and sport premium.

The DfE intend on launching the tool in **May/June 2024**. They will send information to schools closer to this date, including details of training sessions on how to complete the digital form. In the meantime, please use the existing reporting template, linked below.

To download the DfE guidance please click [HERE](#).

To download a copy of the PESP template via the Association for Physical Education and related resources please click [HERE](#).

**Governors/Trustees** – have a key role to play in deciding how PESP funding is spent and how it is monitored and reported. Sport Birmingham organise free training for Governors on PESP – please see link below:

[Events - Sport Birmingham](#)

If you require any support in completing the PE and Sport Premium template, then please contact Jayne Piller at [jayne.piller@sportbirmingham.org](mailto:jayne.piller@sportbirmingham.org)

# Related Party Transactions

Article written by Sally Bojang, Auditor

In our last edition (Issue 55) we reported that during the Summer we would be undertaking a review of the arrangements in place to manage related party transactions at those schools who declared high value total transactions in their SFVS (question 26) for 2022/23. Our aim is to provide an assurance to the Local Authority that open and transparent procurement procedures were followed, and any potential conflicts of interest declared and then adequately and appropriately managed.



A related party transaction is a contract or other agreement between the school and a person or entity that has close links with the persons awarding the contract. The principle is not that related party transactions should never happen, but that effective procedures should be in place to ensure that open and transparent procurement procedures are followed, and any potential conflicts of interest are declared and then adequately and appropriately managed. DfE guidance recommends that local authorities pay closest attention to those RPTs valued at over £20,000.

Our work is now complete, and we can highlight to schools the key findings and areas that require attention.

Schools are ensuring that pecuniary interest forms are completed, especially where there is a RPT in place. However, we must remind schools that pecuniary interest forms must be retained in line the BCC Corporate Retention Policy which is 7 years from when a person ceases to be a governor and for staff from termination of appointment +7 Years.

Care must be taken when recording transparency in the procurement process in Governing Board Minutes, including recording the interest and recording/ensuring that the individual pays no part in the procurement process, and recording if the individual concerned leaves the room during the decision making process.

To ensure complete transparency individuals with an RPT should not be involved in the payment process for the transaction.

We highlight that the procurement process is not just about seeking best value but ensuring transparency and if done properly will avoid any appearance of any impropriety. Governors should pay particular attention to this as this can impact on the school's reputation, particularly if any decision making cannot stand up to scrutiny or appears to show favouritism or where there has been undue influence.

The DfE [Checklist guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/checklist-guidance-to-manage-related-party-transactions) provides detailed guidance regarding related party transactions in schools.

If you are unsure whether a situation constitutes a related party transaction, feel free to contact us and we can talk this through.

# Fraud Spotlight on Schools

Article Written by John Preston, Group Auditor

## School Place Application Fraud

As you will no doubt be aware, applications for Reception places and for transition to secondary school are currently open. We therefore felt it was timely to remind all schools staff to be alert to the possibility of fraudulent applications for school places.

Unfortunately, the School Admissions and Fair Access Service have seen a number of false applications in recent months, including some cases where parents have falsified identification documentation to try to convince the team that they have moved house to within a preferred school's catchment area.



Providing false address information and falsifying identification documents are both potentially criminal offences contrary to the Fraud Act 2006 and/or the Forgery and Counterfeiting Act 1981, and we take reports of these very seriously.

It is imperative that Birmingham City Council allocates school places fairly and in accordance with the advertised admissions criteria, and so we are doing as much as we can to support the School Admissions team, including conducting intelligence checks and home visits to verify the information that has been supplied. Where identification documents have been provided, we will conduct checks to ensure their accuracy.

For applications for secondary places, it is suspected that some of these frauds begin as early as primary school, where parents will change their home address with their child's school in readiness to submit a false application later on. In most cases we have investigated so far, parents have used the address of a relative, usually that of the child's grandparents, in order to make the false application.

If you work in a primary school, you can assist us by requesting that any address change is accompanied by identification documents in the name and new address of the parent submitting the change, such as:

- a photocard driving licence
- a recent council tax bill
- a recent utilities bill
- an official government agency letter

Please ensure that you take a clear colour copy of any document provided, or retain a clear scanned image on file, in case we need to see it later on as part of our investigations.

If any identification documents that you have been supplied look like they may have been altered, or you're in any way concerned about a school application or pupil address change, please let the School Admissions and Fair Access Service know, by emailing: [admissions@birmingham.gov.uk](mailto:admissions@birmingham.gov.uk). The team will check the application / documents in the first instance and can raise any concerns with the Corporate Fraud Team.

## **Charity Cheque Thefts**

We have unfortunately received another report of a school having a cheque stolen, the payment details doctored and then funds debited from their bank account.

As with a previous case, the school had kindly made a donation to BBC Children in Need and had posted their cheque donation to the charity in Manchester. They were later alerted by their bank that the cheque had been doctored to change the payee's name and significantly increase the amount. The cheque was then paid into the fraudster's bank account.

It is believed that the cheques are being intercepted in the post and we are currently in contact with Royal Mail's Fraud Team and Greater Manchester Police, who are conducting a joint investigation.

If you are intending to make a donation to BBC Children in Need, we would strongly recommend that you do not send it via post. The BBC Children in Need website gives you a number of alternatives to make a donation.

If you have made a donation via cheque to BBC Children in Need, or any other well-known charity that could be ascertained from the envelope, we would strongly urge you to go back through your bank statements and ensure that the amount debited was consistent with the donation that you made.

We would also recommend generally that you regularly reconcile your cheque payments against your bank statements, to identify any discrepancies as soon as possible.

If you believe you have fallen victim to a cheque fraud, please report it to your bank as soon as possible, so that they can get the cheque cancelled and try to recover the funds. Please also let us know - [BirminghamAudit@birmingham.gov.uk](mailto:BirminghamAudit@birmingham.gov.uk).

## **Be Alert to Fraudsters**

It cannot have escaped your attention that the Council are experiencing some significant financial difficulties at the moment. Understandably, everyone will be focused on what lies ahead and how it is going to impact their particular service area.

Unfortunately, it is at times like these where fraudsters start to try to capitalise on current events. They know that discussions will be being had about finances. They know that there will be a lot more pressure on employees and we may let our guards drop.

In the coming weeks and months, please be particularly alert to fraud attempts. Fraudsters may try to impersonate senior members of school staff or wider BCC colleagues. They may send emails designed to provoke immediate reactions and encourage you to click on links. They may send invoices, which they claim are overdue for payment. In most cases, the request will demand an urgent response or course of action.

If you receive a phone call, a text message or an email, stop. Take 5 minutes to assess the request. Does it look and feel right? If it purports to come from a colleague or a supplier, contact them via some other method to verify the request. If you are in any doubt, contact us and we will be more than happy to help you verify the accuracy of the request.



## **Don't Be Fooled! Money Mules Awareness – Free PSHE Education Resource Pack**

Don't Be Fooled is a partnership between UK Finance and Cifas, the counter-fraud agency. It aims to inform young people about the risks of giving out their bank details, and to deter them from becoming money mules.

A money mule is someone who receives stolen money into their bank account and transfers it into another account, keeping some of the cash for themselves. Criminals need money mules to launder the profits of their crimes. Being a money mule is illegal and can result in significant penalties, as well as an inability to obtain future financial products.

Don't Be Fooled has teamed up with education resource centre, iChild, to develop a free PSHE education resource pack for schools, to make it easy to teach pupils about the dangers and consequences of becoming a money mule. The resources contain positive messages on how students can stay safe online and in person, protect their financial privacy and protect friends and family. There are cross-curricular supporting activities covering English, Drama and Art & Design, to appeal to all types of learners. Both primary resources (for pupils aged 10 - 11) and secondary resources (for pupils aged 11 - 14) are available.

For further information on the campaign, please see Cifas' press release here: [Cifas and UK Finance launch lesson plans to prevent young adults from becoming money mules | Cifas](#)

To access the free resources, please complete the form via this link: [Money Mules Awareness - Free PSHE Education Resource Pack \(smartsurvey.co.uk\)](#)

### **Corporate Fraud Team Contact Details**

Unfortunately, we have had to close our 'Fraud Hotline' email address. If you need to contact the Corporate Fraud Team, please use the following details:

[BirminghamAudit@birmingham.gov.uk](mailto:BirminghamAudit@birmingham.gov.uk)

John Preston - 0121 303 9335 / 07825 979269

You can also report concerns under the Council's Whistleblowing and Serious Misconduct Policy by emailing [whistleblowing@birmingham.gov.uk](mailto:whistleblowing@birmingham.gov.uk)

# Financial Management

Article Edited by Karen Smith, Principal Auditor

Working with Schools Financial Services...

Husham Khan Interim Head of Schools Financial Services (SFS) has asked us to remind schools of some key changes this term that have been considered carefully to support schools while they focus on clearing their reconciliation files from Oracle (see notice board articles 5 & 12 October 2023).

## **Three Year Strategic Forecast**

The requirement for schools to submit a three year strategic forecast by the end of the Autumn Term has been removed for the financial year 23/24. This is to allow schools time to clear reconciliation files and resolve outstanding queries. You will still be required to produce a three-year projection as part of the budget plan 2024/2025.

## **Governor Financial Assurance Checklist**

Following meetings with all relevant stakeholders, the Governors Financial & Governance Report templates that schools are required to submit twice yearly, have been updated.

The three governor appendices have been replaced with one document – [Governors Financial Assurance Checklist](#)

This now forms a more streamlined document checklist for schools and will only require completion once a year in the Autumn Term. This will commence with immediate effect.

Schools are no longer required to copy data produced in other reports. However, there is a requirement for schools to confirm and sign to say that they have discussed and minuted the information in each of the questions and make further comments where necessary.

The document is to be retained internally only but must be made available on request during a school audit. Requests may also be made by other local authority teams, such as Schools Causing Concern or SFS.

## **Spring 2024 Compliance return**

The compliance return for non-buying schools will be available shortly and will be sent directly to schools. As part of the Local Authority's statutory monitoring role, the form has been revised to capture further key information. In addition to this SFS have standardised the information we require by bringing it into line with the ESFA reporting framework.

The deadline for submissions is 26th January 2024.

If you have any queries, please contact Husham Khan at [Husham.Khan@birmingham.gov.uk](mailto:Husham.Khan@birmingham.gov.uk)

# Financial Governance

Article Edited by Karen Smith, Principal Auditor

Working with School and Governor Support and Schools Financial Services...

We know the audience for our Auditor magazine in the main reaches school staff and the School and Governor Support Team (S&GS) have asked us to remind schools that they are seeking volunteer Local Authority nominated governors.

S&GS know that colleagues who already work in schools are in a unique position as they already have a wealth of knowledge and experience that they could bring to the role, but this also presents an opportunity for them to develop board-level strategic skills.

**Are you ready for a new challenge perhaps supporting another school?**

**You are Invited to the BCC and Inspiring Governance School Governor  
Lunch and Learn**

***Birmingham on Board***

**16 November 2023, 12.00 – 12.45 via Microsoft Teams**

More than ever Birmingham schools need skilled volunteers on their Governing Boards (GB) to play a crucial role in the success of the school and its pupils.

Whilst many of you may be familiar with reporting to GBs, this will provide an opportunity to gain a further insight into what it is like to be a governor, and how your skills and knowledge could offer strong governance and provide you with an excellent CPD opportunity to develop skills that are transferrable back to the workplace.

The session is being run in partnership with Inspiring Governance, a DfE funded recruitment service, and will include:

- Why governance is so important.
- The skills that GB are seeking.
- The difference it makes to have a diverse GB.
- How becoming a governor can develop skills for your professional life e.g., project management, data analysis, board-level strategic leadership and working as part of a senior team.
- Hearing from Birmingham City Council members of staff who are volunteering as governors, including Audit's very own Natalie Mardenborough!
- How Inspiring Governance works and how to apply.

**Register for the event using the link below and come and join us!**

**[CLICK TO REGISTER HERE](#)**

# Contact Information

The Audit Service Team and Corporate Fraud Team

Helping you to manage risks and provide effective services...

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The Service Team: TOP left to right—Don Price, Jenny Giles, Simone Beet, Paula Moloney, John P Grace, David Mallard, Brendan Sweeney and Jaspal Sehra. BOTTOM left to right—Sally Bojang, Natalie Mardenborough, Karen Smith.