



Direct Dial/Ext: 03000 410690
e-mail: ruth.emberley2@kent.gov.uk
Ask for: Ruth Emberley
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Dear Member

GOVERNANCE AND AUDIT COMMITTEE - WEDNESDAY, 25 MARCH 2026

Please find enclosed, for consideration at the next meeting of the Governance and Audit Committee, the following report, which was not available at the time the agenda was published:

Agenda Item No. 11

Schools Audit Annual Report (Pages 1 - 2)

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ben Watts', is written over a faint circular stamp.

Benjamin Watts
Deputy Chief Executive

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<u>Schools Financial Services Compliance Comparison 2023-24 to 2024-25</u>	Total for 2023-2024				Total for 2024-25			
				Total				Total
				2023-24				2024-25
Total schools tested:				75				63
Total questions within each				118				118
<u>If process/procedure not in place:</u>								
Total number of Critical/Immediate recommendations (1)				48				48
Total number of Requires Action recommendations (2)				70				70
Total number of processes/procedures tested in all schools				8,850				7,434
Total number of processes/procedures not in place for all schools tested				502				487
% processes/procedures NOT in place				5.67%				6.55%
Critical recommendations by Category	Total Questions Per School	Total Questions	Processes Not in Place	%	Total Questions Per School	Total Questions	Processes Not in Place	%
Governance & Leadership	7	525	18	3.43%	7	441	19	4.31%
Finance Policy	4	300	32	10.67%	4	252	29	11.51%
Financial Planning and Monitoring	3	225	10	4.44%	3	189	19	10.05%
Bank Account and Petty Cash	6	450	15	3.33%	6	378	20	5.29%
Financial Controls	12	900	5	0.56%	12	756	4	0.53%
Payroll	5	375	24	6.40%	5	315	19	6.03%
Procurement	8	600	71	11.83%	8	504	65	12.90%
Assets	3	225	8	3.56%	3	189	5	2.65%
	48	3,600	183	5.08%	48	3,024	180	5.95%
Requires Action recommendations by category								
Governance & Leadership	13	975	69	7.08%	13	819	67	8.18%
Finance Policy	10	750	57	7.60%	10	630	43	6.83%
Financial Planning and Monitoring	12	900	64	7.11%	12	756	50	6.61%
Bank Account and Petty Cash	10	750	42	5.60%	10	630	50	7.94%
Financial Controls	12	900	26	2.89%	12	756	15	1.98%
Payroll ←←←←←	2	150	7	4.67%	2	126	11	8.73%
Procurement	5	375	21	5.60%	5	315	29	9.21%
Assets	6	450	33	7.33%	6	378	42	11.11%
	70	5,250	319	6.08%	70	4,410	307	6.96%
Overall Total		8,850	502	5.67%		7,434	487	6.55%

(1) Definition – Critical and Immediate

Urgent management action is required to remedy a gap or failure of internal control that has led, or will lead, to non achievement of service or system.

Example: A school only places orders on the accounting system once the invoice is received, there is a high risk of overspending of the School budget and monitoring is incorrect.

(2) Definition – Requires Action

Timely management action is required to remedy weaknesses in internal control that could lead to non achievement of service or system objectives.

Example: A school mostly place orders on the accounting system before the order is placed, there is a low risk of overspending of the School budget and monitoring may sometimes be incorrect.

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