

Internal Audit Report



Internal Audit Report
Education & Children's Services
Pupil Equity Fund
Assignment No. 17-25
April 2018

Final Report (Report No. 18/170)

Legal and Governance
Corporate and Democratic Services
Perth & Kinross Council
Council Offices
2 High Street
Perth
PH1 5PH

Internal Audit

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”. Public Sector Internal Auditing Standards (PSIAS)

The Council’s Audit Committee approved the PSIAS as the relevant standard for its Internal Audit activity.

Background and Introduction

This audit was carried out as part of the audit plan for 2017/18, which was presented to the Audit Committee on 22nd September 2017.

Pupil Equity Funding (PEF) is a national initiative providing additional funding allocated directly to schools by the Scottish Government. It is targeted to close the poverty related attainment gap and is allocated on the basis of free school meal registration per school.

In Perth and Kinross, 76 schools (4 of which are all through schools but with separate allocations for primary and secondary) have been allocated a share of £1.6 million funding in the financial year 2017-18. It is expected that similar amounts will be allocated to schools under this initiative in future years for the lifetime of this parliament.

Audit testing was carried out in March 2018.

Scope and Limitations

This audit considered what arrangements have been put in place to ensure that Schools understand, and can demonstrate consideration of, appropriate utilisation of Pupil Equity Funding in line with National guidance.

The review consisted of analysis of documentation and interviews with Officers from Education and Children’s Services.

The audit did not seek to evaluate the achievement of stated outcomes through the use of Pupil Equity Funding. This may be a topic for audit in future years, once the initiative has been fully embedded.

Control Objectives and Opinions

This section describes the purpose of the audit and summarises the results. A ‘control objective’ is a management objective that requires the maintenance of adequate and effective internal controls to ensure that it is achieved. Each control objective has been given a rating describing, on the basis of the audit work done, the actual strength of the internal controls found to be in place. Areas of good or poor practice are described where appropriate.

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Control Objective: To ensure there is a framework in place to support schools to understand and evidence requirements relevant to Pupil Equity Funding

Audit Comments:

Prior to the announcement of Pupil Equity Funding (PEF), Education and Children's Services already had a strategy and plan in place to focus on closing the poverty related attainment gap; through the Raising Attainment Strategy 2016-19.

Upon confirmation of this additional funding; steps were taken to build a local framework to support Head Teachers in understanding, planning and evidencing what interventions they were going to target and how these would be measured.

The Service developed local guidance in line with national guidance, setting out local level detail around priorities, considerations, spending and support available.

The School Improvement Framework and Planning documents were reviewed and updated to support Head Teachers to evidence their understanding of the local context of attainment gaps and targeted interventions which would be subsidised by the use of PEF. Indicative plans were then prepared and collated information shared with all Schools to further promote ideas and facilitate mutual understanding.

The Service has provided ongoing information and assistance to Head Teachers through individual meetings, forums and development days. Review of material shows a continued focus on: facilitating understanding of what PEF is to be used for; and how Schools should be analysing and recording information to ensure that outcomes can be evaluated, demonstrated and future interventions targeted.

Spend is being monitored through a unique budget code with support being provided from school-aligned Finance Officers to assist in costing, coding and management of finances.

It is acknowledged that there will be an underspend in the financial year 2017/18, however unused funding can be carried forward to be utilised within the academic year 2017/18, and potentially beyond, also.

Whilst it is recognised that there are still challenges surrounding Pupil Equity Funding, such as recruitment and sustainability, the Service advises that they will continue to work with Head Teachers to assist in the management of these.

Planning has commenced for reviewing and updating guidance in line with 2018/19 national guidance, with a view to incorporating lessons learned from the 2017/18 programme.

Strength of Internal Controls:

Strong

Acknowledgements

Internal Audit acknowledges with thanks the co-operation of Officers from Education and Children's Services during this audit.

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Feedback

Internal Audit welcomes feedback, in connection with this audit or with the Internal Audit service in general.

Distribution

This report has been distributed to:

B Malone, Chief Executive

S Devlin, Executive Director Education and Children's Services

S Johnston, Head of Education (Early Years & Primary)

R Hill, Head of Education (Secondary & Inclusion)

G Boland, Senior Business and Resources Manager

J Cockburn, Finance & Governance Manager

L Simpson, Head of Legal & Governance

S Mackenzie, Head of Finance

G Taylor, Head of Democratic Services

External Audit

Authorisation

The auditor for this assignment was L Ferguson. The supervising auditor was M Morrison.

This report is authorised for issue:

Jacqueline Clark
Chief Internal Auditor
Date: 20 April 2018