

Internal Audit Report



Internal Audit Report
Education & Children's Services
ECS Payments
Assignment No 20-09.
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Final Report

Legal and Governance
Corporate and Democratic Services
Perth & Kinross Council
Council Offices
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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 internal audit plan for 2020/21, approved by the Audit Committee on 16 September 2020.

During 2020-21, Covid-19 national emergency restrictions resulted in changes to school terms with attendance moving from onsite to online, often at short notice. Response to local infection rates required flexible, agile planning by Perth and Kinross Council to provide continued support for young learners and their families. Learning online increased digital inclusion as learners worked at home and self-isolate after positive tests. Expansion of services provided free school meals over and above national requirements, with processes expanded to ensure all eligible young learners had support. Service changes during this period affected school timetable, sites for learning, expanded provision for receiving school meal benefits and how these were processed.

Scope and Limitations

This audit offers a view of the Council’s procedures for managing Education & Children’s Services [ECS] payments during the Covid19 emergency in the financial year 2020-21, focusing on provision for free school meals. This change extended the ‘Fuel for Fun’ programme for holiday support offered by the Council prior to the emergency beginning in March 2020. Within the definition of free school meals is the provision of a free school meal alternative – direct cash payment, voucher or home delivery of food, as set out in the terms and conditions of the Scottish Government support. Themes reviewed risks and opportunities identified in the Council’s risk registers, including potential inequality and risks to vulnerable children and young people with additional needs. Corporate strategic risks referred to potential risk of failure to meet increased demand for childcare, particularly of parents who require childcare to return to essential work, as schools and early learning and childcare provision returned on a phased basis.

No locations were visited with national and local restrictions to sites. Testing was by online enquiry of officers involved and online review.

Key officers interviewed included Finance & Governance Manager, Education & Children’s Services (ECS) – Finance, Service Manager Business Service ECS and the Assistant Finance Manager, ECS.

Internal Audit Report

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, based on 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.

Control Objective1: To ensure that change in Education & Children's Services Payments including free school meals as a result of Covid19 restrictions is managed adequately to meet support needs for vulnerable young people

Internal Audit Comments:

Changes to school services provision are communicated through several streams – social media, schools communications and the Council website. Currently the website publicises Free School Meals being offered to all pupils in P1 to P3 without the need for parents/carers to submit an application form. An application is needed for those P4 onwards. Schools communicated with families of young learners to ensure awareness of service changes. As new pupils' details were required at short notice, new methods were introduced. Free School Meals processes are recorded under the Council's Register of Processing Activities to comply with Data Protection legislation.

The Council provided free school meals services above and beyond the terms set out nationally in respect of universal P1-P3 free school meals during the period 23 March to 1 July 2020. Following the success in continuing direct payments for free school meals during the Easter, summer and October holiday periods, the Council continued these payments over the Christmas holiday period for those families entitled to free school meals through receiving a qualifying benefit. Families eligible for universal P1-P3 free school meals received payment without needing to apply during the period 23 March to 1 July 2020 as eligible benefits are not a requirement for this universal provision. Payments were made by Education and Children's Services and contact details were provided in event of any queries.

Income received from the Scottish Government was subject to compliance to terms and conditions. Perth & Kinross Council was awarded payments for free school meals including –

- £214,000 in July 2020 for the summer holiday period July to 10 August 2020
- £118,000 in December 2020 for December and February 2021 holidays
- Additional funding allocations for continued provision of free school meals in January, February and an additional £68,000 in March 2021

These were reported in the revenue monitoring statements presented to Council in September 2020 and December 2020. The Finance and Governance Manager reported confidence in processes in place to comply with terms and conditions. Processes for making payments moved online for all and included secondary checks before payments and records detail are recorded in the ledger.

Strength of Internal Controls:

Moderately strong

Internal Audit Report

Control Objective: To ensure that emerging risks, issues and any opportunities relating to Education & Children's Services Payments during Covid19 planning response are taken into account and managed

Internal Audit Comments:

Any risks, issues or opportunities arising from changes affecting Education & Children's Services payments were managed as follows:-

During the initial period of lockdown as a result of the pandemic (March 2020), risks were managed and decisions made by the Chief Executive under the emergency powers provided in accordance with the Scheme of Administration. The Chief Executive was supported by Gold Command which reported emerging risks and issues on a weekly basis to the Elected Member Sounding Board which comprised the leaders of all groups. Decisions made under emergency powers were also reported publicly by way of a report the next available meeting of full Council.

Given the unprecedented environment in which the Council was operating, new and emerging risks and issues were continually monitored and prioritised in accordance with the Council's risk management strategy. The new operational demands placed on the Council in responding to the pandemic meant that other areas of operational business were de-prioritised to ensure that resources were directed to maintaining the health and wellbeing of communities and protecting the most vulnerable.

Within ECS, risks are reviewed quarterly and take into account emerging risks, issues and opportunities.

In July 2020, the Scottish Government provided income of £214,000 to the Council towards continuing support for free school meals during the holiday period July to 10 August 2020.

In December 2020, the Scottish Government provided an additional £118,000 to the Council to support the continuation of free school meal provision across Christmas and February holidays, and to reimburse for provision offered during the October break.

The Council's Record of Processing Activities include reference [here](#) to records for free school meals which complies with data protection policies.

Strength of Internal Controls:

Strong

Management Action and Follow-Up

Responsibility for the maintenance of adequate and effective internal controls rests with management.

Where the audit has identified areas where a response by management is required, these are listed in Appendix 1, along with an indication of the importance of each 'action point'. Appendix 2 describes these action points in more detail and records the action plan that has been developed by management in response to each point.

Internal Audit Report

It is management's responsibility to ensure that the action plan presented in this report is achievable and appropriate to the circumstances. Where a decision is taken not to act in response to this report, it is the responsibility of management to assess and accept the risks arising from non-implementation.

Achievement of the action plan is monitored through Internal Audit's 'follow up' arrangements.

Management should ensure that the relevant risk profiles are reviewed and updated where necessary to take account of the contents of Internal Audit reports. The completeness of risk profiles will be examined as part of Internal Audit's normal planned work.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation of Business & Resources team in ECS during this audit.

Feedback

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

Distribution

The final report will be distributed to :

B Renton, Interim Chief Executive

S Devlin, Executive Director Education & Children's Services

K Donaldson, Chief Operating Officer

J Pepper, Depute Director, Education & Children's Services and Chief Social Work Officer

G Boland, Head of Business & Resources, ECS

S MacKenzie, Head of Finance, CDS

L Simpson, Head of Legal and Governance Services

K Robertson, Service Manager (Business Services), ECS - Business and Resource Services

J Cockburn, Finance and Governance Manager, ECS – Business and Resource Services

L Oswald, Assistant Finance Manager, ECS Business and Resource Services Committee Services

External Audit

Internal Audit Report

Authorisation

The auditor for this assignment was N Duncan. The supervising auditor was J Clark

This report is authorised for issue:

J Clark
Chief Internal Auditor
Date: