Internal Audit Report
Education and Children's Services
Perth City Campus Assignment No.15-21
November 2015

Final Report

Finance Division
Corporate and Democratic Services
Perth & Kinross Council
Blackfriars Development Centre
North Port
Perth PH1 5LU

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)

On 27th March 2013, 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 2015/16, which was approved by the Audit Committee on 1 April 2015.

The establishment of Perth City Campus (PCC) project was approved by Lifelong Learning Committee on 15 August 2012. The project enabled the sharing of teaching and learning resources across the four secondary schools in the Perth area to facilitate greater availability of a wider range of Higher and Advance Higher courses. By changing timetabling arrangements, and making use of e-learning technology, senior pupils are now able to access different academic and vocational courses in secondary schools and at Perth College. The success of the project has been included in the Attainment Report for 2014 to the Committee (14/459 refers) and the innovation was the recipient of a Securing the Future Silver award in 2014 for Customer Focus.

Scope and Limitations

The Audit included the review of documents supporting the Project Plan, financial monitoring and the provision of transport arrangements and interviews with officers involved in these arrangements. The Auditor also attended and observed a meeting of the Current Project Board.

The Audit was limited to consideration of the outcomes and impact of the PCC project only, and not the roll-out of the Virtual Learning Environment beyond Perth schools

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.

Control Objective: To ensure that governance arrangements over the project were, and continue to be, sufficient to support the achievement of the objectives of the project.
Auditor's Comments: By sharing resources PCC enables senior pupils from each of the four city secondary schools to access a wider range of courses in their final year in either schools or Perth College. This initiative, which entails the more efficient

deployment of existing resources, has, over two complete academic years, achieved positive outcomes for those who participated.

The success of the project was driven by support from Senior Management; the project was sponsored by the then Executive Director (Education and Children's Service), the Project Board was chaired by the Head of Education (Secondary & Inclusion). The Board included Head Teachers of each Perth City Secondary School, representatives from Perth College and teachers' union representatives who together directed and monitored the implementation of the project. This was supported by a Project Team of Deputy Head Teachers whose role was to develop a plan to ensure implementation of the project for the academic session 2013/14.

The Project Board remains in place and continues to provide strategic direction and oversight of the project. The project team have become an Operational Group who further develop and consolidate the achievements of the City Campus. However, having achieved outcomes set out in the Outline Business Case, there is no current documented role and remit for either the Project Board or the Operational Group for the ongoing development of the City Campus.

Strength of Internal Controls:	Strong

Control Objective: to ensure that sufficient mechanisms were in place to support the pupils in the first years;

Auditor's Comments:

Resources were used to ensure that induction materials were available to provide a welcome for the pupils who travelled to another school and protocols have been developed to ensure that pupils are better supported with teaching and learning resources in the self-directed study period and through monitoring of the progress of each pupil. Further support is provided by Guidance and Deputy Head Teachers at the base schools and pupils are given information as to the support available to them.   Pupil progress has been monitored and supported which has resulted in better attainment.

The project also included the alignment of timetabling arrangements with campus classes either starting at the beginning or concluding at the end of a school day. This also ensures that travel time did not impact on teaching for either the host or base school. Individual Travel Plans have been put in place by the Public Transport Unit (PTU) in The Environment Service (TES) for each of the pupils to ensure attendance at host schools using, as far as possible, local bus services. The service would benefit from formalising these arrangements through a Service Level Agreement with TES.

Although drop-in sessions have taken place, no survey of PCC student opinion has been undertaken since February 2014.

Strength of Internal Controls:	Moderately Strong

Control Objective: To ensure that the project has delivered on the stated benefits	
Auditor's Comments: The project now delivers a range of 20 Advanced Higher and 11 Higher courses which are available to S6 pupils in Perth City schools making the choices more equitable across the four schools. In addition, further educational resources, including online courses, are available and supported by PCC website. Although not all of the objectives were measurable, audit testing confirmed that throughout the development and implementation of the project the achievement of some of the objectives were evidenced e.g. a more collegiate approach is applied to the ongoing development of the City Campus.	
Strength of Internal Controls:	Strong

Control Objective: To ensure that reporting on Perth City Campus objectives ensures accountability and transparency	
Auditor's Comments: A summary of the attainment of pupils attending courses through the campus model is presented in the annual Attainment Report to Lifelong Learning Committee in the autumn of each year. Since 2013/14 PCC pupils have had higher attainment levels for Advanced Highers than for the local authority area as a whole. However, a full report on the achievement of all the expected benefits, or formal end of project report, has not been presented which would include the impact of the implementation of the Virtual Learning Environment, the uptake of the courses, the viability of minority subjects and the effect of more efficient use of resources.	
Strength of Internal Controls:	Moderately 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.

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 help and co-operation from officers in Education and Children's Services and from Public Transport Unit (TES) during this audit.

Feedback

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

Distribution

This report has been distributed to:

B. Malone, Chief Executive;

J. Fyffe, Senior Depute Chief Executive Equality, Community Planning & Public Service Reform;

S. Devlin, Director Education & Children's Services;

P McAvoy, Head of Education (Secondary and Inclusion);

J. Cockburn, Service Manager, Finance and Governance;

B. Renton, Director The Environment Service;

S. MacKenzie, Head of Performance and Resources;

A. Warrington, Public Transport Manager (TES);

G. Taylor, Head of Democratic Services;

J. Symon, Head of Finance;

P. Dickson, Complaints and Governance Officer;

External Audit

Authorisation

The auditor for this assignment was A Gallacher. The supervising auditor was M Morrison.

This report is authorised for issue:

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Jacqueline Clark
Chief Internal Auditor
Date: 2 November 2015

Appendix 1: Summary of Action Points

No.	Action Point	Risk/Importance
1.	Role and Remit of the Project Board and Operational Group	Low
2.	Reporting	Medium
3.	Service Level Agreement for Transport Arrangements	Medium
4.	Pupil Survey	Low

Appendix 2: Action Plan

Action Point 1 - Role and Remit of the Project Board and Operational Group

Since the first years of the project, the original requirements of the Project Board and Project Team have been accomplished and a new phase of development and consolidation of the project has emerged. It would therefore be appropriate that new role and remit documents were developed for reference and direction.

Management Action Plan

A briefing paper for the Project Board and Project Team will be presented to direct the work of each group.

Importance:	Low
Responsible Officer:	P. McAvoy, Head of Education (Secondary and Inclusion)
Lead Service:	Education and Children's Services
Date for Completion (Month / Year):	January 2016
Required Evidence of Completion:	Briefing Paper

Auditor's Comments

Satisfactory

Action Point 2 - Reporting

Whilst the success of PCC pupils is reported annually in the Attainment Report, other anticipated benefits of the project such as the impact of the Virtual Learning Environment for Perth City Schools, the availability and uptake of courses and the effect of predicted efficiencies have not been subject of a formal end of project report to Committee.

Management Action Plan

Formal report will be compiled on the basis of 3 years evidence of the impact of the City Campus Project.

Importance:	Medium
Responsible Officer:	P. McAvoy, Head of Education (Secondary and Inclusion)
Lead Service:	Education and Children's Services
Date for Completion (Month / Year):	November 2016
Required Evidence of Completion:	Formal Report

Auditor's Comments

Satisfactory

Action Point 3 - Service Level Agreement for Transport Arrangements

The number of pupils requiring individual travel plans between base and host schools has increased from 66 to 168 in the three years since the start of the City Campus project (147% growth).

Transport arrangements are currently undertaken by Public Transport Unit in TES. The service would benefit from a Service Level Agreement with TES to formalise arrangements for City Campus transport management and administration provision.

Management Action Plan

Service Level Agreement to be prepared.

Importance:	Medium
Responsible Officer:	P. McAvoy, Head of Education (Secondary and Inclusion)
Lead Service:	Education and Children's Services
Date for Completion (Month / Year):	July 2016
Required Evidence of Completion:	Service Level Agreement

Auditor's Comments

Satisfactory

Action Point 4 - Pupil Survey

A survey of the opinion of the school pupils using the campus was undertaken in February 2014 which received a poor response rate (17.9%). Although there have been drop-in sessions there have been no subsequent surveys which would systematically capture user feedback to ensure that the project is meeting the needs of the pupils and to identify any potential areas for improvement.

Management Action Plan

A survey of City Campus school pupils will be undertaken.

Importance:	Low
Responsible Officer:	P. McAvoy, Head of Education (Secondary and Inclusion)
Lead Service:	Education and Children's Services
Date for Completion (Month / Year):	June 2016
Required Evidence of Completion:	Copy of School Survey

Auditor's Comments

Satisfactory