FINAL INTERNAL AUDIT REPORT

PEOPLE DEPARTMENT

VIRTUAL SCHOOL

Issued to: **Headteacher, Bromley Virtual School**
                    Assistant Director for Children's Social Care
                    Head of Finance, Children, Education and Families
                    Director of Children's Services

Prepared by: **Auditor**

Reviewed by: **Head of Audit and Assurance**

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Report No.:   **PEO/05/2022**

INTRODUCTION

1.   The objective of the audit was to review the Council's arrangements for using the Pupil premium Plus (PP+) funding for looked-after children, provision of information and advice to children previously looked after and information sharing and security.

2.   Prior to our work, the service was also subject to an independent review in preparation for Ofsted. Consequently, we have placed reliance on the outcomes of this review and focused our work on areas where there was less alternative assurance.

3.   We would like to thank all staff contacted during this review for their help and co-operation.

AUDIT SCOPE

4.   The original scope of the audit was outlined in the Terms of Reference and subsequently we tested the following key risks:

- Non-compliance with statutory guidance.
- Use of resources does not align with needs or desired / agreed outcomes
- Information is not shared with partners effectively or securely in order to ensure the best outcomes for children

AUDIT OPINION

5.   Our overall audit opinion, number and rating of recommendations are as follows.

AUDIT OPINION	
Reasonable Assurance	**(Definitions of the audit assurance level and recommendation ratings can be found in Appendix B)**

Number of recommendations by risk rating		
Priority 1	Priority 2	Priority 3
0	3	2

SUMMARY OF FINDINGS

6. The audit has identified the following controls in place and working as expected:

- The independent review carried out prior to our work identified a number of strengths including high quality Personal Education Plans (PEPs), good use of data to inform practice and strong support provided to schools which is valued by headteachers and which has helped improve attendance.

- Virtual School staff demonstrated that they robustly monitor school attendance for children on a Child Protection Plan and evidenced appropriate action they had taken where their review of attendance data highlighted concerns.

- The Annual Report 2020/21 submitted to Children, Education and Families PDS Committee on 25 January 2022 included the statutory information on Looked After Children (LAC).

- Pupil Premium Plus (PP+) funding was spent in accordance with the statutory guidance published by the DfE.

- There is a robust process in place to assess whether PP+ should be paid directly to the school for individual LAC. For our sample of LAC, there was good supporting evidence for the decisions made, including evidence of educational achievement where applicable.

- Grant funding for the extension of the Virtual School Head role to all children with a social worker had been spent in accordance with DfE guidance and the Council had complied with associated reporting conditions.

7.   Management should consider the key findings summarised as follows:

- PP+ payments had not been made to schools for In-Borough Looked After Children for the Summer term 2022 and this omission had not been identified by the Schools Finance service provider or the Council.

- There are insufficient controls in place to ensure that vouchers issued to purchase laptops for children are fully spent in accordance with the intended purpose.

- There was insufficient evidence to support that one to one tuition had been delivered as invoiced and paid for one child in our sample.

8.   We would like to thank all staff contacted for their help and cooperation during the audit.

9.   The Management Action Plan is set out in Appendix A and Appendix B defines the audit opinion and recommendation ratings.

1. __PP+ payment process__

Finding

Relevant In-Borough schools did not receive their PP+ payment for the Summer term 2022. This was due to human error / oversight at the Council's contracted Schools Finance service provider and we acknowledge that this was a one-off occurrence.

However, the error was only identified through our audit testing and there is no process in place to reconcile actual to expected payments. The Virtual School Head advised that they no longer receive sufficiently detailed information from the Schools Finance service provider to undertake this reconciliation effectively.

Risk

LAC may not receive the support required to achieve desired outcomes if funding is not provided to schools in a timely manner. Errors, exceptions and discrepancies may not be identified, investigated and rectified timely.

Recommendation	Priority 2
The Virtual School Head and the Contract Manager (Schools Finance Service) should agree a robust process for reconciliation of actual to expected payments to schools, including the information to be provided from the contractor to facilitate this process.	
Management Response and Accountable Manager	**Agreed timescale**
There is a process now to check payments have gone out and we will keep the email response from finance. Virtual School Head	Already in place and ongoing

2. <u>Laptop Vouchers</u>

<u>Finding</u>
PP+ funding can be used to purchase laptops for LAC. Currently, the service provides £500 vouchers of supplier A to the child's school, social worker or carer when the need to purchase a laptop is identified and agreed. We reviewed the process for purchasing laptops and a sample of 3 vouchers issued. We found that: • Records to confirm the receipt of voucher by the school were not kept for one sample. • There is no process in place to confirm that the voucher has been used to purchase the laptop, including the value of the laptop purchased and therefore any amount due to be returned to the Council. There is also no process in place to claw back any remaining balance on the voucher. • As the laptops are not purchased directly by LBB, VAT cannot be reclaimed which may not represent best value for money. • Due to the level of cumulative spend with one provider which is not subject to market testing, there is a risk of non-compliance with contract procedure rules. **<u>Risk</u>** There is a risk that all or part of the voucher may not be spent in accordance with the intended purpose, or that unused funds are not reclaimed. There is also a risk of failure to secure value for money and non-compliance with contract procedure rules.

<u>Recommendation</u>	**<u>Rating</u>**
The Virtual School Head should: • Discuss arrangements with the Procurement team to ensure compliance with Contract Procedure Rules and value for money. • Put a process in place for ensuring that the full amount of the voucher is used for the intended purpose and any remaining balance is clawed back. • Remind staff the need to record information accurately.	**Priority 2**

Management Response and Accountable Manager	Agreed timescale
We are in the process of writing an exemption report after discussion with procurement. In the meantime we are asking schools / social care to purchase laptops. Virtual School Head	Report to be written and agreed by the Director of Children's Services by the end of the summer term

3. Tuition for LAC

Finding

We could not evidence that there is a consistently robust process in place for ensuring that tuition has been provided prior to the payment of invoices.

We reviewed two payments made to tuition providers; for one of these, neither the service nor the tuition provider was able to provide a tuition report for the child / date selected.

Risk

Payment is made for services that have not been provided.

Recommendation	Rating
The Virtual School Head should review the process for paying tuition invoices and ensure that there is a system for checking that tuition has been delivered prior to paying the invoice. This should include a formalised process of spot checks where it is not possible to check for all children.	Priority 2

Management Response and Accountable Manager	Agreed timescale
We already have an informal system of meetings and checking but a formal process for auditing 10% of the children accessing tuition will be developed with records kept and then the process enacted Virtual School Head	By the end of the summer term

4. **Website**

Finding

The Virtual School team evidenced support, guidance and advice provided regarding Previously Looked After Children (PLAC).

However, we noted that information on the Council's website regarding Virtual School is minimal and does not explain that such support, guidance and advice is available.

Risk

Children, carers and parents may not be aware that the Council can offer support and guidance and therefore may not access services that would help them achieve desired outcomes.

Recommendation	Rating
The Virtual School Head should review the information available on the Council's website to ensure that available services are promoted and accessible.	Priority 3

Management Response and Accountable Manager	Agreed timescale
This is a capacity issue. The website will need to be updated with some basic information for parents and carers Virtual School Head	Initial update this summer and thereafter annually it will be reviewed.

5. Information security arrangements

Finding

We reviewed the arrangements in place for sharing data against those set out in paragraphs 46, 47 and 48 of the statutory guidance. We did not see evidence fulfilling the following requirements from the Department of Education's published guidance, that specific arrangements on data sharing should be in place to set out:

• how children and parents are informed of, and allowed to challenge, information that is kept about them;
• how carers contribute to and receive information;

We noted that the Service Specification for school attendance and attainment of data collection, references the Data Protection Act 1988 in section 5.3 (Page 5). However, this has now been replaced by the Data Protection Act 2018.

Risk

Lack of clarity on their stored information to children, parents and carers. Non-compliance with the statutory guidance "Promoting the education of looked-after and previously looked-after children" published by the Department of Education.

Recommendation	**Rating**
Review existing Children's Services policies against the published statutory guidance on information sharing by the Department of Education to identify and address any gaps.	Priority 3
Management Response and Accountable Manager	**Agreed timescale**
Virtual Head should be following social care policy / protocols around this. Information is sent out either with social worker permission or by the social worker. Working with the Assistant Director for Children's Social Care to establish social care policy / procedures and ensure Virtual school is following Virtual School Head & Assistant Director for Children's Social Care	To work on and have something in place by end of summer

Assurance Level

Assurance Level	Definition
Substantial Assurance	There is a sound system of control in place to achieve the service or system objectives. Risks are being managed effectively and any issues identified are minor in nature.
Reasonable Assurance	There is generally a sound system of control in place but there are weaknesses which put some of the service or system objectives at risk. Management attention is required.
Limited Assurance	There are significant control weaknesses which put the service or system objectives at risk. If unresolved these may result in error, abuse, loss or reputational damage and therefore require urgent management attention.
No Assurance	There are major weaknesses in the control environment. The service or system is exposed to the risk of significant error, abuse, loss or reputational damage. Immediate action must be taken by management to resolve the issues identified.

Recommendation ratings

Risk rating	Definition
Priority 1	A high priority finding which indicates a fundamental weakness or failure in control which could lead to service or system objectives not being achieved. The Council is exposed to significant risk and management should address the recommendation urgently.
Priority 2	A medium priority finding which indicates a weakness in control that could lead to service or system objectives not being achieved. Timely management action is required to address the recommendation and mitigate the risk.
Priority 3	A low priority finding which has identified that the efficiency or effectiveness of the control environment could be improved. Management action is suggested to enhance existing controls.