

Internal Audit Report

Leicestershire County Council Children & Young People's Service

Educational Excellence in Leicestershire

December 2013



KEY PERSONNEL

Scott Brownlow

Operational Auditor

Niru Patel

Audit Manager

Neil Jones

Head of Internal Audit Service

INTERNAL AUDIT REPORT

CHILDREN & YOUNG PEOPLE'S SERVICE **EDUCATIONAL EXCELLENCE IN LEICESTERSHIRE**

DECEMBER 2013

1 INTRODUCTION

- 1.1 A review of the framework in place and associated governance arrangements for ensuring Educational Excellence within Leicestershire was undertaken as part of the Children & Young People's Service 2013/14 Internal Audit Plan.
- 1.2 The education sector is a rapidly changing landscape, primarily (but not exclusively) as a result of the academies' programme and with it a significant number of schools electing to become autonomous from the Local Authority (LA). LAs, however, retain overall responsibilities under the Education Act 2006, which places a duty on them to promote high standards in primary and secondary education and ensure that every child fulfils his educational potential. Therefore, the LA plays an important part in overseeing the quality (and sufficiency) of provision and taking the lead in brokering improvements where necessary, often through self-improvement or peer-to-peer support. The LA has, in conjunction with schools and colleges, including academies; and other partners, established the Leicestershire Educational Excellence Partnership (LEEP) to enable the local authority to meet its statutory responsibility to promote educational excellence across the whole state system.
- 1.3 The LEEP is in its embryonic stages. The first meeting of the LEEP Strategic Group was in October 2013 with the first scrutiny report being tabled at elected member level in November. Although the LEEP has established roles and responsibilities, aims and objectives, these will be kept under constant review as the Partnership continues to evolve. The purpose of this audit report is not to give assurance that the LEEP is functioning effectively – it is too early in its existence to do this – but rather to give some level of assurance that the framework that supports it is soundly based, the Partnership is properly constituted, its purpose is clearly defined and there is an adequate governance structure in place to give strategic direction, scrutiny and challenge.

- 1.4 In May 2013 OfSTED launched its framework for the inspection of local authority arrangements for supporting school improvement under section 136(1) (b) of the Education and Inspections Act 2006. Under this framework, OfSTED will evaluate how effectively local authorities discharge their school improvement functions for maintained schools and all other providers in the state funded system, for example academies and free schools.
- 1.5 Further detail as to the background to the audit can be seen in the Terms of Engagement (ToE) as shared with Gill Weston, Assistant Director – Education and Learning, Children & Young People’s Service and Nathan Odom, Programme Officer, Education Sufficiency & Performance, Children & Young People’s Service. This ToE shows the risks, scope and methodology adopted to undertake the audit. This document is available upon request.

2 AUDIT OBJECTIVES

- 2.1 The objective of the audit is to provide assurance to management that the LA has an effective School Improvement Strategy (monitoring and intervention framework) against which all schools will be judged; and that this framework serves to promote educational excellence within Leicestershire and identify and address schools causing concern as the LA seeks to fulfil its statutory duty to both ensure that there is a good supply of high quality school places and in championing the needs of children and families.

3 KEY FINDINGS AND RECOMMENDATIONS

- 3.1 This report has been prepared on an exception basis. Where items have not been reported on below, you can draw confidence that controls are operating satisfactorily. The control objectives for this audit are shown in Appendix 1.
- 3.2 For those areas audited where recommendations are being suggested to help improve controls, details are presented in the Management Action Plan. For these particular areas we have listed the controls we would expect to find in place, what was actually in place, the resulting risks and our suggested recommendation to improve controls within the system.

4 CONCLUSION

- 4.1 The LEEP is now functional and a formal strategy has been developed, ‘Striving for Success – An Inclusive Strategic Vision for Outstanding Education in Leicestershire’. Roles and responsibilities are clearly defined through Terms of Reference and other documents. Engagement with schools, academies and other key stakeholders / partners is very good. Governance is provided at two levels – within the LEEP by the Strategic Group and externally by the Children & Families

Overview & Scrutiny Committee. Only minor recommendations have been made where it is considered that systems and procedures can be improved upon.

4.2 The Council's School Improvement Service was disbanded in March 2013. It was originally anticipated that responsibility for educational excellence would lie with a new body, the Educational Excellence Board (EEB), which would begin to meet in early 2013 and be fully established by March 2013. However, as a result of discussions with schools and other partners, and a newly-formed commitment to co-producing and consulting on a proposal for an alternative solution – the Leicestershire Education Excellence Partnership (LEEP), the timescale has now changed and the first meeting of the LEEP took place in September 2013. This deferral resulted in a gap of a whole term from the closure of the School Improvement Service to the operational inception of the LEEP. During this period (April 2013 to September 2013, the LA commissioned relevant external support to ensure that statutory obligations were met pending the full implementation of the LEEP.

4.3 The LEEP, once fully functional, will have two tiers: -

LEEP Strategic Group

Three Local LEEP Excellence Networks (LENs)

The Strategic Group is responsible for the direction of the Partnership, for monitoring effectiveness, identifying need for improvement and agreeing priorities and programmes. By contrast, the LENs will play an important role in the identification of schools in need of support, the subsequent drawing up of a "Support Action Plan (SAP)" for a school and overseeing the implementation of the SAP.

It is too early in the process to give an opinion on the effectiveness of the LENs as, at the time of the audit, the LENs are not operational but this is intentional on LA's part. The LA plans to start work on the development of the LENs in the Spring 2014 term, in partnership with schools once the strategic foundations of LEEP have been laid. This said, there is the availability of support for schools (and being applied in schools now) where it is needed. Maintained schools have access to an LA appointed (and funded) Education Quality Officer if it is deemed necessary by the Assistant Director, and there is support through the Teaching Schools network for both maintained and academy schools.

As LEEP is embedded and the capacity grows in the schools system, the LA feels that it will be in a good place to start the implementation of the LENs. It is envisaged that the LA will take a leading role in the start-up of the LENs but in time the LA hopes that schools will take over the leadership and direction, and the LA will move to a role of 'strategic partner'.

- 1.6 Whilst OfSTED has new responsibilities under section 136(1) (b) of the Education and Inspections Act 2006 for the inspection of local authority arrangements for supporting school improvement it should be noted that inspection is not universal and will generally only take place where OfSTED has concerns surrounding an LA based on hard evidence (e.g. school inspection report gradings). The OfSTED framework sets out clearly what those concerns might be. This gives the LA the opportunity to effectively 'second guess' with a fair degree of confidence whether it will or will not be subject to inspection. LEEP strategies are logically and sensibly aligned to OfSTED measurables. Relevantly, a Senior HMI inspector for OfSTED has recently joined and observed one of the meetings between the LA and Teaching Schools in practice and, it is understood, was impressed with the level of cooperation and working relations between the LA and the Teaching Schools, leading to the assertion that Leicestershire's arrangements are 'not of concern' (not that this guarantees the LA that a spot inspection will not happen).

5 OPINION

Based on the answers provided during the audit and the testing undertaken, **substantial assurance** can be given that the internal controls in place to reduce exposure to those agreed risks currently material to the system's objectives are adequate and being managed effectively.

Although a number of important recommendations to bring about improvements have been made, none of these have a "high importance" rating signifying a particularly serious control weakness has been identified.

Management Agreed Action Plan

Rating

The **M** (amber background) symbol is denoted against recommendations where we consider the residual risk is significant enough to require action from management.

Ref	Expected Control or Testing Undertaken	Findings and Related Risks	Recommendation	Rating	Management Response	Responsible Officer Target Date
Control Objective: 1. The LA has an effective framework to promote educational excellence and for monitoring and intervening in schools causing concern						
6.1	The LA has a formal strategy for monitoring and intervening in schools causing concern.	<p>The LA's overall strategy is set out in the Director of CYPS's report to Cabinet of 9th July 2013 and the consultation document that preceded it. This has now been developed into a formal strategy document, 'Striving for Success – An Inclusive Strategic Vision for Outstanding Education in Leicestershire'. This is the LA's 'vision document' for securing school improvement in Leicestershire and is currently with the Creative Services Section to turn it in to a 'professional' document. It is the LA's intention to circulate a hard copy to each school as well as being accessible online, both on the LA website and on other partners e.g. Teaching Schools, Headteacher Associations etc. websites.</p> <p>No significant risk – it is acknowledged that this is an area currently in progress.</p>	Once the Creative Services Section has 'professionalised' the strategy document, it should be 'rolled out' / published as planned.	M	Agreed.	Gill Weston, Assistant Director– Education and Learning, CYPS January 2014

Ref	Expected Control or Testing Undertaken	Findings and Related Risks	Recommendation	Rating	Management Response	Responsible Officer Target Date
Control Objective: 2. There is effective governance of the (new) Leicestershire Educational Excellence Partnership (LEEP)						
6.2	The Partnership is appropriately constituted (e.g. LA officers, headteacher reps., diocesan reps., Cabinet Lead Member etc).	<p>The LEEP has two tiers: -</p> <ul style="list-style-type: none"> • LEEP Strategic Group • Local (3) LEEP Excellence Networks <p><u>LEEP Strategic Group</u></p> <p>The membership will consist of:</p> <ul style="list-style-type: none"> • Cabinet Lead Member for Education • Director of CYPS • Assistant Director, Education & Learning • Appropriate Heads of Strategy and other officers of CYPS, where necessary • All Teaching Schools • Representative of Leicestershire Primary Heads Association • Representative of Leicestershire Secondary Heads Association • School Governor representative, • Representative of Leicestershire Special School Heads Association • Representative of Further Education Colleges in Leicestershire • Chairs & Vice Chairs of each Local Excellence Network • Representative of the Anglican Diocesan Board 	In light of the concerns of the Association of Leicestershire Governors, consideration should be given to expanding membership to include a greater proportion of governors, perhaps to include all sectors (e.g. primary, special and secondary governors; LA-maintained and academy governors).	M	The LA is aware of ALG's concerns and will consider these moving forward. Represented on LEEP is Ian Knight, Service Manager, Governor Development Service who is well placed to share governor-level information through the GDS newsletters, governor briefings etc. (almost all schools and academies subscribe to the GDS). It may be more effective to cascade information to governors through the GDS that have reliance placed on just one or two individual governors.	Gill Weston, Assistant Director– Education and Learning, CYPS January 2014

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		<ul style="list-style-type: none"> • Representative of the Roman Catholic Diocesan Board <p><u>Local LEEP Excellence Networks (LENs)</u></p> <p>The LENs are not yet operational but, ideally, each LEN will include:</p> <ul style="list-style-type: none"> • Primary Headteachers • Secondary Headteachers • Representative(s) of Teaching Schools <p>Whilst the membership does appear to be comprehensive, it was noted from the Association of Leicestershire Governors' (ALG) web-site some concerns by ALG that only one governor was represented on the LEEP: -</p> <p><i>The proposed Leicestershire Education Excellence Partnership (LEEP), to be set up to fill the gap left by the demise of the School Improvement Service, held a consultation meeting in June. ALG had been aware that the proposed Board had representation for one governor only. That one governor could represent almost 4,000 Leicestershire governors seemed to be totally inadequate especially as there was no mention of which phase the lonely governor might be from.</i></p> <p>The ALG has taken up this issue with the LA.</p> <p>Reputational Risk: - Governor criticisms that they are underrepresented within LEEP.</p>			[Nathan Odom, Programme Officer, Education Sufficiency & Performance]	

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6.3	<p>Meetings are chaired by officers of appropriate seniority and experience.</p> <p>Meetings are adequately clerked and minuted.</p>	<p>The first meeting of the LEEP Strategic Group was on 8th October 2013. Whilst business transacted is considered to have been appropriate for a group meeting for the first time, two minor observations were made: -</p> <p>(a) The (draft) minutes confirm that a Chair and a Vice Chair were elected, but do not confirm whom;</p> <p>(b) The Terms of Reference for the Strategic Group, Section 14.1, states that, "Members should declare a personal interest in any item of the agenda before the item is discussed." The minutes of the inaugural meeting do not confirm whether attendees were indeed asked to declare any pecuniary or other interests in the business to be transacted.</p> <p>Reputational Risk: - Individuals may contribute to an agenda item that they have a vested interest in.</p>	<p>(a) The minutes for each meeting of the LEEP Strategic Group should be explicit as to which individual has chaired the meeting.</p> <p>(b) The minutes of the Group should be clear that all attendees present have been given an opportunity to declare any pecuniary or other interests as a standard agenda item each time.</p>	M	<p>Agreed – minutes will be clearer in future.</p> <p>Lesley Hagger, Director of Education, will chair the Strategic Group at first but the LA is optimistic that, in time, chairmanship will transfer to a Headteacher.</p> <p>[Nathan Odom, Programme Officer, Education Sufficiency & Performance]</p>	<p>Gill Weston, Assistant Director– Education and Learning, CYPS</p> <p>January 2014</p>

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6.4	Attendance at meetings is good.	<p>Whilst appreciating fully that this was the first meeting of the Strategic Group, it was noted from the minutes that some groups/representatives were not represented at the meeting for example: -</p> <ul style="list-style-type: none"> • School Governor representative • Representative of Leicestershire Special School Heads Association (*) • Representative of Further Education Colleges • Representative of the RC Diocesan Board • Representative of the CE Diocesan Board (*) <p>(*) – apologies sent</p> <p>Reputational Risk: - The Group may not be seen as fully inclusive, or representative, if not all key partners are represented.</p>	All key group representatives should be reminded of the importance of them being represented on the Strategic Group and, in the event of not being able to attend, should be encouraged to nominate a substitute representative.	M	Agreed.	Gill Weston, Assistant Director– Education and Learning, CYPS January 2014
Control Objective: 3. Data collection methods are robust and used effectively to both identify and monitor schools causing concern						
6.5	Data is collected by the LA from a number of key sources (e.g. hard intelligence (OfSTED	<p>Much of the data captured by the LA and reported through the LEEP surrounds educational performance (e.g. attainment, OfSTED gradings).</p> <p>There is no evidence to suggest that the LA is reviewing, or indeed has the capacity to review, academies' financial statements, essentially to</p>	The LA should consider the merits of undertaking annual checks on academies' published financial statements (that should be readily accessible on academies' web-sites) to gain some assurance that each academy	M	Agreed - This will be considered.	Gill Weston, Assistant Director– Education and Learning, CYPS January 2014

Ref	Expected Control or Testing Undertaken	Findings and Related Risks	Recommendation	Rating	Management Response	Responsible Officer Target Date
	gradings, exam results, demand for places, financial data, number of exclusions); soft intelligence (e.g. parental complaints, intelligence from “armchair auditors”, comments of elected members).	<p>gain some assurance that each academy considers itself to be a ‘going concern’ moving forward and that their external auditors are in accord with this judgement. There are concerns that LAs will focus all of its attention into ensuring that academies won’t fail educationally and disregard the very real risk of financial failure. Having said that, the LA has limited powers to do no more than identify an academy with financial concerns and prompt it, maybe via the LEEP, to seek EFA assistance at the earliest opportunity.</p> <p>Financial Risk: - Financial failure of an academy, that is not on the radar of the LEEP.</p> <p>Reputational Risk: - Were an academy to fail financially and, in extreme circumstances close, the reputational damage may largely fall on the LA (e.g. difficulties in ensuring sufficiency of pupil places in remaining schools).</p>	<p>is financial stable and at the very least that each academy considers itself to be a ‘going concern’ and that their external auditors are in accord with this judgement.</p> <p>If this is, by volume, unmanageable, there may be alternative strategies, for example to check the financial standing only of those academies that have already been flagged as causing other (probably educational) concerns.</p> <p>It may be that such checks are deemed to be outside of the scope of LEEP – i.e. financial issues rather than ones of pure educational attainment – but nevertheless, financial failure should be a very real risk to the LA given its wider statutory responsibilities.</p>			

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6.6	Data held is only that which the LA has a legal right to hold.	<p>A LEEP data sharing agreement has been drawn up to set out what data will be held; and how it will be held and used. At the time of the audit this agreement had not been formally adopted by all parties as it is currently in draft form with legal Services for consideration to ensure that it is legally sound.</p> <p>Legal Risk: - Breach of Data Protection legislation with regard to data security.</p> <p>Reputational Risk: - Reputational damage to LEEP (and the LA) in the event of a data security or data confidentiality breach.</p> <p>Financial Risk: - Financial consequences of any legal action (e.g. fines).</p>	Once agreed by Legal Services, the data sharing agreement should be appropriately published and shared with key stakeholders.	M	Agreed.	<p>Gill Weston, Assistant Director– Education and Learning, CYPS</p> <p>January 2014</p>
Control Objective: 5. The LA is seen to be fulfilling its legal duty to champion excellence in all schools						
6.7	The LA holds contextual information (for parental use) on all schools (e.g. performance data, admissions criteria,	The LCC web-site contains a link to DfE Performance Tables and OfSTED reports. However, this does need to be specifically searched for rather than there being hyperlinks from a specific school's information page to that specific school's performance data / OfSTED inspection reports. Furthermore, at the time of the audit the web-link to DfE Performance Tables did not work.	Consideration should be given to, rather than simply publishing generic links to the OfSTED web-site and the DfE Performance data site, linking from individual school's data pages on the LCC web-site directly to specific performance data / OfSTED reports for that particular	M	Agreed - This will be considered.	<p>Gill Weston, Assistant Director– Education and Learning, CYPS</p> <p>January 2014</p>

Ref	Expected Control or Testing Undertaken	Findings and Related Risks	Recommendation	Rating	Management Response	Responsible Officer Target Date
	OfSTED report).	Reputational Risk: - Parental criticisms that it is difficult to find any meaningful data on a school if the LA doesn't clearly signpost to it.	school. By comparison, the Leicester City Council web-site includes a link to DfE performance data and OfSTED reports for each of its schools. As an example: - http://www.leicester.gov.uk/your-council-services/education-lifelong-learning/about-schools/schools-directory/schools-directory/?entryid57=44404&q=2780037%7eBeaumont+Leys+School%7e			
6.8	The LA does not baulk at the representation of a school causing concern as such (i.e. it acts impartially to give parents the best choice possible). Conversely, the LA does not baulk at actively	The LA produces annual publications: - <ul style="list-style-type: none"> Your Guide to Primary Education in Leicestershire Your Guide to Secondary Education in Leicestershire Both are relevant for the 2013-14 academic year. School details are comprehensive, e.g.: - <ul style="list-style-type: none"> Age-range Headteacher Admission number Admissions criteria Opening times 	The LA should give consideration to whether, as part of its statutory duty to 'actively promote a diverse supply of strong schools' and in its role to act as 'champion for children, young people, parents, carers and families', it should be proactive in highlighting the best schools within the County, e.g. through comparative performance data and by publishing OfSTED gradings, direction of travel.	M	This will be considered but as you state does bring with it some operational issues that would need to be considered carefully.	Gill Weston, Assistant Director– Education and Learning, CYPS January 2014

Ref	Expected Control or Testing Undertaken	Findings and Related Risks	Recommendation	Rating	Management Response	Responsible Officer Target Date
	<p>promoting (“championing”) high performing schools in an area to parents.</p>	<ul style="list-style-type: none"> • Web-site • Contact • Etc. <p>It is noticeable, however, that the documents do not provide any performance information (e.g. KS points scores, GCSE results) or indeed the latest OfSTED grading. It could, therefore, be argued that the LA is ‘sitting on the fence’ with regard to parental choice rather than proactively encouraging parents to apply to the best schools.</p> <p>Reputational Risk: - Parental criticisms that the LA is failing to effectively champion their cause by not clearly publicising (what are perceived to be) the best schools in the County.</p>	<p>It is acknowledged that such proactive measures, however well intentioned, bring with it a risk of conflict with some categories of school (e.g. poorer schools or schools that dispute OfSTED gradings).</p>			

APPENDIX 1

System Control Objectives

SCO1 – The LA has an effective framework to promote educational excellence and for monitoring and intervening in schools causing concern

SCO2 – There is effective governance of the (new) Leicestershire Educational Excellence Partnership (LEEP)

SCO3 – Data collection methods are robust and used effectively to both identify and monitor schools causing concern

SCO4 – The LEEP’s work is fully demonstrable to external assurance / inspection sources

SCO5 – The LA is seen to be fulfilling its legal duty to champion excellence in all schools

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