



Maintained Schools Themed Audit - Pupil Premium

City of York Council

Internal Audit Report 2017/18

Business Unit: Children, Education and Communities Directorate
Responsible Officer: Assistant Director Education & Skills
Service Manager: Headteachers
Date Issued: 05/06/18
Status: Final
Reference: 15699/020

	P1	P2	P3
Actions	0	0	4
Overall Audit Opinion	Substantial Assurance		

Summary and Overall Conclusions

Introduction

Pupil premium is additional funding given to publicly funded schools (both mainstream and non-mainstream, such as special schools and pupil referral units) in England.

It is targeted to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The amount of pupil premium received by schools is based on the number of pupils recorded as entitled to receive free school meals within the last 6 years (ever 6 FSM) , the number of service children within the last 6 years (ever 6 service children) and Children in Care (CiC) on the Spring census (reworked based on the December figures).

Entitlement to free school meals is dependent on receipt of certain benefits and must be claimed by parents by completing an application which is submitted to the Local Authority. The free school meal eligibility is rechecked periodically and schools are sent weekly updates of their eligible pupils. Schools can check eligibility using the secure Key to Success Portal.

The amount of pupil premium a school receives for pupils eligible for free school meals depends on whether the child attends primary or secondary school and is currently:

- £1320 per pupil for primary schools
- £935 per pupil for secondary schools

There are currently approximately 3,796 pupils receiving free school meal based pupil premium at York schools out of a total of 22,727 pupils. The total related pupil premium funding is in the region of £4,387,000

The amount of pupil premium a school receives for service children is £300 per pupil and for CiC is £1900 per pupil. This amounts to £141,600 and £328,700 respectively for York schools.

Spending of pupil premium should comply with DfE guidelines and specific details of the use of pupil premium funding must be published on individual schools websites

From the 1 September 2016, schools maintained by the local authority must also publish their strategy for the school's use of the pupil premium on their websites.

Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the systems in place at maintained schools will ensure that:

- Schools receive the correct amount of funding for pupils eligible for pupil premium
- Pupil premium funding is clearly identifiable from the delegated budget
- Responsibility for pupil premium is clearly allocated
- A clear and approved strategy is in place for the use of the pupil premium
- The impact of pupil premium spend is monitored and reviewed
- Publication requirements are met

The audit reviewed the procedures in seven maintained schools.

Key Findings

The introduction of Universal Free School Meals and an increase in the threshold for benefits has resulted in a general reduction in pupil premium funding based on those pupils eligible for school meals (although this is tempered by Ever 6). It is therefore important that eligible families are encouraged to claim and a variety of strategies are used to do this. All schools alerted eligible families to apply when allocated a place, with further reminders periodically issued. However, only one school had an alert permanently on the school's website encouraging parents to apply if eligible.

Although spend of pupil premium funding was primarily targeted at pupil premium pupils, a proportion was found to be spent on whole school projects and priorities. The rationale for spend was to help pupils with low attainment to improve results. However, the main focus at all schools was reducing the disadvantage gap for pupil premium pupils between starting school and ending. This disadvantage gap was regularly monitored and reported to Governors. Schools must however ensure that their pupil premium funding is appropriately targeted in the light of tightening budgets and ensure that funded schemes and initiatives are in line with DfE guidelines.

A number of issues found at the schools visited are raised below including procedures for the verification of funding, ensuring all Governors are aware of the amount of pupil premium and how it is used and compliance with publishing requirements.

Overall Conclusions

It was found that the arrangements for managing risk were good with few weaknesses identified. An effective control environment is in operation, but there is scope for further improvement in the areas identified. Our overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance.

1 Verification of Funding

Issue/Control Weakness

Some schools did not check the numbers used to calculate the DfE funding for pupil premium to ensure they are accurate.

Risk

Schools may not receive the correct amount of pupil premium funding.

Findings

Pupils receiving pupil premium had been identified at each school. However, for three of the seven schools tested, the number of eligible pupils (recorded on Integris or Simms) was not checked to the numbers used for calculating the DfE pupil premium funding and on the Key to Success website for the school. Therefore all schools could not ensure the funding was based on accurate numbers.

Agreed Action 1.1

Re-issue guidance to schools via the York Education website about how to check the pupils receiving pupil premium using the Key to Success website.

Priority

3

Responsible Officer

Maxine Squire

Timescale

June 2018

2 Allocation of Responsibilities

Issue/Control Weakness

At one school there was no separation between the Senior Leader for Pupil Premium (staff) and the Governor Pupil Premium Champion.

Risk

Responsibilities for pupil premium are not appropriately allocated.

Findings

All seven schools had a named Senior Leader for pupil premium who attends pupil premium meetings and has an input into strategic decisions and a named Governor Pupil Premium Champion. For one school the Senior Leader (staff) is a governor and is also the Governor Pupil Premium Champion. It is advised there is a separation between the Senior Leader for pupil premium and the Governor Pupil Premium Champion in order to provide adequate challenge.

Agreed Action 2.1

Send a copy of the audit report to schools and highlight the importance of having a separation between senior leader and governor roles in terms of oversight of the pupil premium.

Priority

3

Responsible Officer

Maxine Squire

Timescale

June 2018

3 Pupil Premium Strategy & Annual plan

Issue/Control Weakness

Not all schools have a strategy in place that is formally approved, or an annual plan that is presented to Governors.

Risk

Pupil premium funding may be incorrectly targeted.

Findings

One school did not have a published strategy for their pupil premium spend for the current year. Of those that did have a strategy in place only two schools had minuted evidence that this was approved and the frequency of review specified. However, in all other cases it appeared the review was annual as the strategy was attached to the annual plan.

Some ongoing monitoring and discussion of the impact of particular initiatives included in the annual plan was evidenced in school's committee minutes. However a formal annual review and approval of the strategy and annual spending plan would give assurance that there has been adequate challenge and initiatives that are not effective are replaced. Where this is discussed elsewhere (a non minuted meeting) this should be referred to in the minutes of the appropriate committee (eg Standards Committee).

The annual spending plan was not presented to the Finance Committee (with the exception of one school as a supplement to the school budget). All Governors should be clear on the purpose of Pupil Premium funding, the amount of funding received by the school, how it is being used, the initiatives funded and how this spending plan feeds into the budget. It is important that the funding is not used to supplement initiatives that should be funded from the general school budget.

Agreed Action 3.1

Remind schools about the publication requirements and provide advice on the approval process for the annual plan and pupil premium strategy.

Priority

3

Responsible Officer

Maxine Squire

Timescale

June 2018

4 Publication Requirements

Issue/Control Weakness

Schools were not fully compliant with publishing requirements.

Risk

The school does not publish the required information on its website (in accordance with Schools Information Regulations 2012).

Findings

Information on the schools website for the seven schools tested was reviewed against the publishing requirements. The following discrepancies were identified:

- Three schools had not included a statement of the main barriers to educational achievement faced by their pupils in their published strategy
- In all cases the frequency and date of the next review was not clear from the published strategy.
- One school had not published spend and impact statements for 2016/17 or their strategy, grant allocation and spending plan for 2017/18
- Only one school had updated their 2016/17 report to show spend for the academic year rather than financial year

Agreed Action 4.1

Remind schools about the publication requirements and provide advice on the approval process for the annual plan and pupil premium strategy.

Priority

3

Responsible Officer

Maxine Squire

Timescale

June 2018

Audit Opinions and Priorities for Actions

Audit Opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.

Our overall audit opinion is based on 5 grades of opinion, as set out below.

Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable Assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

Where information resulting from audit work is made public or is provided to a third party by the client or by Veritau then this must be done on the understanding that any third party will rely on the information at its own risk. Veritau will not owe a duty of care or assume any responsibility towards anyone other than the client in relation to the information supplied. Equally, no third party may assert any rights or bring any claims against Veritau in connection with the information. Where information is provided to a named third party, the third party will keep the information confidential.