Argyll and Bute Council

Internal Audit Report

August 2018

FINAL

Adult Learning

Audit Opinion: **Substantial**

	High	Medium	Low
Number of Findings	0	2	1

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Contents

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1. Executive Summary

Introduction

1. As part of the 2018/19 internal audit plan, approved by the Audit & Scrutiny Committee in March 2018, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Adult Learning.

2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed.

3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

Background

4. The Education (Scotland) Act 1980 (the Act) requires each local authority in Scotland to "secure adequate and efficient provision" of Community Learning and Development (CLD) in their area. CLD includes adult learning, youth work and community development. Adult learning is essential to enable and encourage adults in Scotland to acquire the knowledge, skills and confidence necessary to play an active and productive role, both personally and socially.

5. CLD is a professional practice that enables adults and young people to identify their own individual and collective goals, to engage in learning and take action to bring about change for themselves and their communities.

6. The Scottish Government's National Performance Framework sets out the strategic objectives for all public services, including those delivering CLD. Within this framework, CLD's specific focus is:
    *   improved life chances for people of all ages through learning, personal development and active citizenship
    *   stronger, more resilient, supportive, influential and inclusive communities.

7. The Council's adult learning service provides a range of learning opportunities for over 16s that fall under the thematic headings of employability, confidence and wellbeing and progression. These themes include accredited learning and literacy and numeracy support.

8. The Council have two performance indicators relating to adult learning, these are:

    *   ED22_01 – Number of participants in activities that improve literacy and numeracy levels, the current target is 110 per quarter
    *   ED22_02 – Number of adults accessing community based adult learning, the current target is 325 per quarter.

9. In October 2017/18 Adult Learning was restructured and relocated into Education. The budget for adult learning for 2018/19 is approximately £598,000.

10. Adult Learning use an externally hosted Management Information System called PRISM for document management, planning, evaluating and reporting. Information on each activity is stored under an individual activity reference number and all registered participants have an individual reference where a history of all activities they have participated in can be viewed.

Scope

11. The scope of the audit was to undertake a review and test compliance with documented policies and procedures and ensuring these are aligned to relevant legislation. We also reviewed general controls, specifically around the security and maintenance of data and records. This was as outlined in the Terms of Reference agreed with the Head of Education, Lifelong Learning and Support on 9 July 2018.

Audit Opinion

12. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.

13. Our overall audit opinion for this audit is that we can take a **substantial** level of assurance. This means that internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.

Key Findings

14. We have highlighted two medium priority recommendations and one low priority recommendation where we believe there is scope to strengthen the control and governance environment. These are summarised below:

   - staff should be reminded to populate appropriate information and attach course evaluation forms in PRISM
   - the process to record the receipt of tutor disclosure should be reviewed and added to the Community Based Adult Learning handbook
   - consideration should be given to implementing a process for monitoring outstanding debt before allowing people to attend future chargeable courses.

15. Full details of the audit findings, recommendations and management responses can be found in Section 3 of this report and in the action plan at Appendix 1.

2. Objectives and Summary Assessment

16. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 1 – Summary Assessment of Control Objectives

	Control Objective	Assessment	Summary Conclusion
1	The Council has, and complies with, appropriate adult learning policies/procedures which are accessible to staff.	Reasonable	There is a comprehensive operational handbook in place, which covers processes such as the appointment of tutors and course proposals. A review, scheduled for completion by December 2018, is underway to update the handbook in line with new GDPR requirements and the use of TalentLink to recruit tutors. Weaknesses were identified relating to inconsistent completion of PRISM data, availability of completed evaluation forms and the management of disclosure forms.
2	The Council complies with the requirements of the Education (Scotland) Act 1980 and Community Learning and Development (Scotland) Regulations 2013 in relation to adult learning.	Substantial	The Act requires the Council to publish a needs assessment based three year CLD plan no later than the 1 September 2015 and each third year subsequently. The Council's web based 2015-2018 CLD plan is based on consultation carried out by the CLD partnership and has appropriate sections covering the requirements stipulated by the Act. The new CLD plan is currently being drafted and is due to be published in September 2018.
3	The Council has robust processes to monitor and report on progress toward achieving adult learning outcomes.	Substantial	There are various tabs in PRISM that should be completed for each activity along with pre and post activity evaluations. If each tab and evaluation form is completed, it covers a full LEAP cycle (Learning, evaluation and planning). As per control objective one, various PRISM tabs and evaluation forms are not being completed consistently. PRISM also records the number of participants on each of the adult learning courses run by the Council. These figures are used to inform performance indicators on pyramid. A self-assessment exercise is planned to assess performance against the "Education Scotland quality framework; How Good is the Learning and Development in our Community?". This review is scheduled to be complete by the end of 2018.
4	Documentation is complete, accurate, stored securely and is maintained in compliance with the data retention policy.	Substantial	Records are held securely on the PRISM document management system. Access is restricted to appropriate personnel via individual username and password.

17. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

The Council has, and complies with, appropriate adult learning policies/procedures which are accessible to staff.

18. There is a comprehensive operational CBAL handbook in place, which covers processes such as the appointment of tutors and course proposals. The handbook is retained on a shared drive which all adult learning staff have access to.

19. The CBAL handbook covers the period 2017-2018 and a review is currently ongoing to update the procedure in line with the new GDPR requirements and any changes to the tutor recruitment process in line with the implementation of the new TalentLink system. This review is scheduled to be complete by the end of 2018.

20. Each activity record on PRISM has:

    - an evaluation tab detailing how the service will monitor and evaluate the course, whether it made a difference and what lessons could be learned for future courses
    - an activity planner tab which includes a project summary (identified need), the final outcome and if there are any partners involved
    - session planner tab which details the time, date and the action carried out in each session.

21. The records in PRISM for a sample of 25 courses were reviewed and it was identified that five had limited or no information in the course evaluation and activity planner tabs and two had no information in the action column of the session planner.

22. Pre and post activity evaluations should be completed by each course participant and there is a post activity evaluation section where the tutor can provide comments. Evaluations are attached to the learning activity record on PRISM. From the sample of 25 course records reviewed:

    - seven had neither a pre or post activity evaluation form available on PRISM
    - three had a pre activity evaluation but no post activity evaluation
    - six had no tutor evaluation comments.

Action Plan 1

23. In order to provide, as far as possible, equality of opportunity to access adult learning provision, course fees are waived for those in priority groups. Although, sometimes courses are made up of a mixture of priority and non-priority groups, and may include both fee-waiver and some fee-paying participants. No course fees need to be paid by:

    - 16-18 year olds
    - recipients of any state benefits
    - any current or past Adult Literacy and Numeracy learners recorded on PRISM
    - any learners currently attending either basic (non-accredited or internally accredited) ICT, Basic Confidence Building, Basic Skills, English for speakers of other languages (ESOL) and Adult Literacy and Numeracy or basic skills courses

- ESOL learners, whilst external funding is available to support ESOL provision (accredited and non-accredited).

24. The CBAL handbook states that a fee waiver form should be completed for every participant eligible for a fee waiver. Students not eligible for a fee waiver should be charged the hourly rate stated on the Council's Fees and Charges Schedule for a non-vocational class, and fee liability forms must be completed.

25. In 2017/18 there were four chargeable courses run by the Council with 22 participants in total across the four courses. Appropriate fee waiver and liability forms were in place for all participants, charges had been applied correctly and, where appropriate, debtor accounts had been raised. However we did identify five accounts which are outstanding, four of which were for two participants who had attended two classes each. The debt relating to the first class had been passed to the Council's legal department, in line with the standard debt recovery process, however, despite being in arrears, the participants were still allowed to attend a second class.

Action Plan 3

26. Tutors can either be self-employed, casual or volunteers. The CBAL handbook covers the process to be followed when recruiting tutors under the three different employment options. It also states that evidence of disclosure is required before employing any tutor, regardless of their employment option. Tutors can also be internal council staff. From a sample of 20 tutor files reviewed:

- disclosure details were available for 15 tutors
- two volunteer tutor disclosures could not be sourced (one of these tutors is no longer used by the Council and was employed as a distance tutor)
- three internal staff disclosures could not be sourced.

It is recognised this may be due to these tutors being in post for a number of years however this process should still be reviewed to ensure all appropriate checks are carried out and recorded on file prior to employment.

27. Where tutors are internal council staff, Adult Learning place reliance on the Council's Human Resources team to have arranged disclosures as part of the standard recruitment process. Therefore they perform no further checking. This is considered a reasonable approach. As our sample testing identified three internal staff where no disclosures could be found we will carry out additional testing on internal staff disclosure to ensure current processes are being complied with. As this process is not the responsibility of Adult Learning it is outwith the scope of this audit. We will report our conclusions separately to the December 2018 Audit & Scrutiny Committee. The Adult Learning Manager has agreed to to undertake an exercise to check volunteer tutor disclosure.

28. Following identification of this issue the Adult Learning Manager issued an email to staff requesting that an exercise be undertaken to confirm that all current tutors have completed a disclosure check.

Action Plan 2

29. The Act requires the council to publish a three year CLD plan no later than the 1 September 2015 and each third year after the date of publication of the previous plan. The Council's 2015-2018 CLD plan is web based and has various tabs on the site covering the requirements stipulated by the Act. The new CLD plan is currently being drafted and is due to be published in September 2018.

30. The Act also requires the Council to carry out appropriate consultation to inform the CLD plan. Consultation is carried out via the CLD partnership which is made up of the key CLD providers including the Council, Argyll College, Argyll Voluntary Action, Department of Work and Pensions, Skills Development Scotland, Live Argyll, Fire Scotland, Police Scotland, the NHS and Jobcentre Plus. The Partnership looks at the needs identified through consultation processes, reports and any discussions to inform the main priority groups included in the CLD plan.

31. A consultation was issued to adult learners in July 2018 to identify the main priorities / issues under the following three main themes:

    - Skills for Learning, Life and Work
    - Health, Wellbeing and Personal Development
    - Your Voice

32. 33 responses were received, reviewed and collated to identify the main three priorities for each of the three themes for each geographical area of Argyll and Bute. These priorities will be incorporated in to the new CLD plan.

33. Each course is scheduled after demand has been identified, either via request by existing learners, communication with partners or from identification of need by the adult learning service/CLD partnership. Courses are offered in areas where there has been a demand/need identified. There can, on occasion, be individual demand for courses in less populated areas, or by people who cannot easily travel to the main areas where courses are offered. In this instance, the adult learning team will arrange an outreach service where a small or one to one course can be offered in the harder to reach areas.

34. There are various tabs in PRISM that should be completed for each activity along with pre and post activity evaluations. If each tab and evaluation form is completed, it covers a full LEAP cycle (Learning, evaluation and planning). The LEAP cycle is based on seven questions:

    - What is the need we are trying to address?
    - What specifically needs to change?
    - How will we know if change has taken place?
    - What will we actually do?
    - How will we make sure we're doing it as planned?
    - How successful have we been and what have we learned?
    - What now needs to change?

35. Adult Learning has recently created a programme of self-evaluation and peer review sessions. Staff will be set exercises based on the challenge questions in the "Education Scotland quality framework; How Good is the Learning and Development in our Community?", given an area to assess their practice against, and will be asked to complete and return a form identifying areas of good practice and areas for improvement. This process is planned for completion by the end of 2018.

36. Registered participants are recorded on PRISM under the participant tab. Learners that do not wish to register are recorded under the non-registered headcount category. This means that the participant numbers can still be recorded for statistical purposes without storing personal details. This information is used to update the two adult learning performance indicators on Pyramid on a quarterly basis. A review of these indicators confirmed they are maintained with data available up to financial quarter 1 2018/19.

37. There has been no Education Scotland review of the Council's CLD processes to date, however this is planned for early 2019. The Council will be inspected against the "Education Scotland quality framework; How Good is the Learning and Development in our Community?"

Documentation is complete, accurate, stored securely and is maintained in compliance with the data retention policy.

38. Documentation is stored in PRISM which is hosted externally on a secure website. Access to this system is restricted via a personal user name and password.

39. There are two levels of access on the system, site user and administrator. Inactive users are monitored on an ongoing basis to identify any users that have not accessed the system for an extended period of time. User access is locked until they require it again. No issues were identified from a review of the current user list.

40. The company that host the system, Netfocus, have created a report to identify participant records which have not been updated within a parameter of time (for example 3 years since they have attended a course). These records can then be anonymised to remove any personal data. The record is still retained to maintain the headcount but no personal identifiable information is stored. This process can also be used if a learner requests their records to be anonymised.

Appendix 1 – Action Plan

	No.	Finding	Risk	Agreed Action	Responsibility / Due Date
Medium	1	**Completion of PRISM tabs and activity evaluation forms** Each activity record on PRISM has an evaluation tab, an activity planner tab and a session planner tab. These tabs are used to plan, monitor, and evaluate each activity. Pre and post activity evaluations should also be completed by course participants and there is a post activity evaluation section available where the tutor can provide comments. Sample testing identified that the various tabs on PRISM were not being completed consistently and there were a number of activities where no pre or post activity evaluations were available.	It may not be possible to evidence the positive impact courses are having on participants or identify where courses have not achieved expected outcome.	Team meeting will be arranged with staff to address this issue. System examples will be reviewed and discussed with staff at meeting. If it is identified that some staff members may benefit from additional support or training on using the PRISM system then this can also be arranged as necessary.	Adult Learning Manager 12 December 2018
Medium	2	**Documenting receipt of disclosure forms** Out of a sample of 20 tutors, evidence of basic disclosure checks could not be sourced for five. Two of these were volunteer tutor disclosures and three were for internal staff. Responsibility for confirming disclosure checks for volunteer tutors lies with Adult Learning. It is recognised this may be due to these tutors being in post for a number of years however this process should still be reviewed to ensure all appropriate checks are carried out and recorded on file prior to employment.	Failure to comply with Council policy to undertake pre-employment checks.	Following identification of this issue a request was sent to staff to undertake a review of all current tutors to ensure disclosure checks were in place. Going forward, workers will be required to see a new tutor's disclosure form and record the date that this was verified. Verification of	Adult Learning Manager 12 December 2018

				volunteer tutor disclosures will be clarified with CS directorate and also recorded and held centrally. This process will be written into the CBAL handbook as part of the current review.	
Low	3	**Monitoring of outstanding debt** Four instances of outstanding course fees related to two participants who had attended two courses each. In both cases the debt relating to the first course had been passed to the Council's legal department however the participants were still allowed to attend a second class. There is no process is place to ensure participants are not in arrears to the Council for previous courses before allowing them to attend future chargeable courses.	Failure to ensure outstanding debts are monitored may lead to financial loss for the Council and setting a precedent for non-payment.	The Adult Learning Manager will investigate and discuss with the debtor and legal teams regarding options for monitoring outstanding debt before allowing participants to sign up for future chargeable courses.	Adult Learning Manager 12 December 2018

In order to assist management in using our reports a system of grading audit findings has been adopted to allow the significance of findings to be ascertained. The definitions of each classification are as follows:

Grading	Definition
High	A major observation on high level controls and other important internal controls or a significant matter relating to the critical success of the objectives of the system. The weakness may therefore give rise to loss or error.
Medium	Observations on less significant internal controls and/or improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system. The weakness is not necessarily substantial however the risk of error would be significantly reduced if corrective action was taken.
Low	Minor recommendations to improve the efficiency and effectiveness of controls or an isolated issue subsequently corrected. The weakness does not appear to significantly affect the ability of the system to meet its objectives.

Appendix 2 – Audit Opinion

Level of Assurance	Definition
High	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
Substantial	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Reasonable	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are a number of areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
Limited	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.