

Argyll and Bute Council
Internal Audit Report
May 2022
FINAL

Early Learning and Childcare Parental Satisfaction

Audit Opinion: Substantial

	High	Medium	Low	VFM
Number of Findings	0	0	2	0

Contents

1. Executive Summary	3
Introduction	3
Background	3
Scope	4
Risks	4
Audit Opinion	4
Recommendations	4
2. Objectives and Summary Assessment	5
3. Detailed Findings	5
Appendix 1 – Action Plan	9
Appendix 2 – Audit Opinion	11

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1. Executive Summary

Introduction

1. As part of the 2021/22 internal audit plan, approved by the Audit & Scrutiny Committee in March 2021, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Early Learning and Childcare Parental Satisfaction.
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. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist. Appendix 1 to this report includes agreed actions to strengthen internal control however it is the responsibility of management to determine the extent of the internal control system appropriate to the Council.
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. Early Learning and Childcare (ELC) describes the care and learning services that children receive before starting school. The Children and Young People's (Scotland) Act 2014, and the subsequent Modification Order in March 2021, created the statutory duty for the increase in provision of free ELC from 600 to 1140 hours per year by August 2021, for children who are three or four years old, as well as for two year olds whose parents/carers are on qualifying benefits and are eligible through the Act. This is funded by the Scottish Government and Local Authorities.
5. The expansion in hours is intended to support child development, help close the attainment gap through the provision of high quality services; and support parents and carers to return to work, train or study.
6. An important part of the increase in funded early learning and childcare hours is to ensure there are a range of choices on offer. Parents and carers will have a variety of needs which will shape their preferences for how the 1140 hours might be provided. Because of this, the Council is working closely with partner provider nurseries and with local childminders to try to ensure parents and carers can access funded hours in the way which best meets their family's needs.
7. In June 2020, there were 1,530 children accessing 2,039 ELC spaces across a broad range of Early Learning and Childcare establishments with approximately 160 children sharing their ELC hours across more than one establishment.
8. Early learning and childcare spaces are currently available in three Argyll & Bute Council (the Council) nursery centres, fifty one early learning and childcare classes, four early learning and childcare Gaelic classes, twenty three voluntary, privately and independently managed early learning and childcare establishments, three outdoor nurseries (two voluntary and one local authority) and twenty eight funded partner childminders.

9. The Council's Early Years team carry out consultations with parents and carers to find out their views on the existing ELC provision and what their aspirations are for the future of ELC provision in Argyll and Bute.

Scope

10. The scope of the audit was to review the parental engagement/ feedback process for provision of 1140 hours expansion rolled out August 2020 as outlined in the Terms of Reference agreed with the Head of Education-Lifelong Learning and Support on 17 February 2022.

Risks

11. The risks considered throughout the audit were:
- **Audit Risk 1:** Failure to ensure that processes and procedures are in place to gather feedback for the 1140 hours funded ELC
 - **Audit Risk 2:** Processes and procedures are not being followed
 - **Audit Risk 3:** Failure to ensure appropriate performance and reporting arrangements are in place

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.

Recommendations

14. We have highlighted two low priority recommendations where we believe there is scope to strengthen the control and governance environment. These are summarised below:
- A Parental Engagement and Home Family Learning Strategy should be prepared by each early learning establishment and made available to view or the Council's Parental Engagement Strategy should be updated to reflect current practice.
 - The Education ELC team should update the Locality Overview Document and Learning and development form.
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	Link to Risk	Assessment	Summary Conclusion
1	Processes are in place for parental engagement and feedback	Audit Risk 1	Substantial	An overarching Parental Engagement Strategy (PES) is in place in accordance with the national action plan. The PES requires local strategies to be in place in each establishment, however we were unable to obtain sufficient evidence that this is being complied with. The ELC team undertake establishment visits, however visit documentation makes no reference to this requirement to have a local PES in place. Establishments are approved by the Care Inspectorate and commissioning contracts are in place with independent providers.
2	Processes and procedures to ensure parental engagement are being followed	Audit Risk 2	Substantial	Consultations take place following guidelines in the corporate toolkit, five have been completed and one is currently in progress.
3	Appropriate performance and reporting arrangements are in place	Audit Risk 3	Substantial	Appropriate performance and reporting arrangements are in place. Responses have been gathered from completed consultations with results documented in reports and made available on the Council's website. The vast majority of responses were positive, however, some areas for improvement were identified and actions have been recorded to address these.

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

3. Detailed Findings

Processes are in place for parental engagement and feedback

18. The Council has a Parental Engagement Strategy (PES) which was created in consultation with a wide group of stakeholders and reflects the Council's commitment to empower parents to

become better involved with our schools and early years' establishments and better engaged with children's learning.

19. The PES takes cognisance of the National Action Plan on Parental Involvement, Engagement, Family Learning and Learning at Home 2018-2021 and recognises that most of a child's development takes place out with our schools and early years' establishments. The role of families and carers is critical to ensuring our children and young people succeed and therefore support is required for families to engage meaningfully in their child's education.
20. The PES is available to view on the Council's website and covers the child's whole journey through education from early years through to senior years, it is currently under review and due for completion in August 2022.
21. The national standard requires a consultation to take place every two years with persons who appear to be representative of parents of children under school age in their area about how they should make early learning and childcare available. Following this current consultation a plan will be prepared and published setting out how it is intended to make early learning and childcare available with regard to the views expressed.
22. The Council has plans in place for Parental Engagement at ELC Centres. The 1140 Hours Delivery Plan was developed to provide the framework to implement the phased expansion of ELC sustainably across Argyll and Bute. The plan sets out:
 - ELC Provision – current supply and demand
 - Consultation with stakeholders
 - Future provision
 - Phasing plan
 - Quality action plan
 - Phasing action plan
 - Workforce plan
 - Infrastructure plan
 - Community engagement plan
23. The PES requires that all learning establishments develop and publish their own Parental Engagement and Home Family Learning Strategy (the strategy).
24. Establishments are required to submit a Setting Improvement Plan (SIP) each August and this must include how they will deliver their Parental Engagement Strategy. Parental Engagement was a priority across the service and setting plans in 2017/18, 2018/19 and 2019-21.
25. It is considered that many establishments have a strategy in place, however, only one formal written strategy could be evidenced within the sample selected for review. A sample of one establishment from each of the Council's four administrative areas, comprising of one stand-alone Council nursery and three Council run primary schools with ELC provision was selected and asked to provide a copy of their strategy.
 - One provided a copy of their strategy and a link to the overarching PES was active on their website;

- One provided a link to the overarching PES;
- One provided copies of their SIPs which included Parental Engagement activities and consultation plans;
- One did not respond to requests to provide their strategy documents.

The websites of each establishment were reviewed and no establishment specific strategies could be located.

Action Plan 1

26. The ELC team undertake establishment visits and prepare reports upon completion. These visits were temporarily suspended throughout the period when COVID-19 restrictions were in place and subsequently reports were not completed, these visits have recently been reinstated.
27. Establishment visits are recorded on a Locality Overview Document with any findings recorded on a Learning and development form, however these documents make no reference to the requirement for an establishment specific parental engagement strategy to be in place and available for review.

Action Plan 2

28. All funded independent partner providers for delivery of 1140 hours are approved by the Care Inspectorate and have commissioning contracts in place that outlines the policies and plans required to be in place, however, the strategy is not included on this list. This contract is a template provided by Scotland Excel and is used across Scotland.
29. The Council has an early years team in place with roles and responsibilities in respect of parental engagement clearly defined in job tiles, job descriptions and within the 1140 Hours Delivery Plan.

Processes and procedures to ensure parental engagement are being followed

30. The Post Phasing 1140 Parent Survey consultation has been completed in five areas of the Council following phased delivery, the final consultation is currently in progress. The consultation has been conducted in compliance with the corporate consultation toolkit.
31. In accordance with the corporate consultation toolkit, the Post Phasing 1140 Parent Surveys were advertised on the Council website and social media channels facilitating a link to participation through completion of an online form. Parents and carers were also offered a one to one session with the Early Years Development Officer to participate in the consultation.

Appropriate performance and reporting arrangements are in place

32. Consultation responses are collated and analysed with information passed to Education management and appropriate officers through a formal report. These results are then announced on social media, at the relevant ELC establishments and published on the consultation area of the Council's website for public access.
33. The results of the consultations that have taken place indicate that the vast majority of parents/carers are satisfied with their choice of establishment and of the pattern of ELC delivery. Opportunity was available for participants to make comments and these were found to contain positive remarks as well as help identify areas for improvement. The report also sets out what

the service will do to progress the areas for improvement such as transition arrangements for entering ELC and for moving to primary school.

Appendix 1 – Action Plan

	No	Finding	Risk	Agreed Action	Responsibility / Due Date
Low	1	<p>Parental Engagement and Home Family Learning Strategy</p> <p>The overarching Parental Engagement Strategy requires that all ELC establishments develop and publish their own Parental Engagement and Home Family Learning Strategy. Three of the four establishments reviewed were unable to provide a copy of their Parental Engagement and Home Family Learning Strategy.</p>	Local needs and requirements are not identified and therefore not catered for in the establishment.	Education staff will undertake a review of establishments to confirm which have a formal written Parental Engagement and Home Family Learning Strategy in place and support development of one if not in place.	(Acting) Education Manager 30 September 2022
Low	2	<p>Establishment Visit Documentation</p> <p>Establishment visits are recorded on a Locality Overview Document with any findings recorded on a Learning and development form, however documentation makes no reference to the requirement to have an establishment Parental Engagement and Home Family Learning Strategy in place.</p>	Failure to ensure the document reflects current strategies and working practice.	Locality Overview Documents and Learning and Development forms will be updated to reflect requirement for each establishments to have a Parental Engagement and Home Family Learning Strategy in place.	(Acting) Education Manager 30 September 2022

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.
VFM	An observation which does not highlight an issue relating to internal controls but represents a possible opportunity for the council to achieve better value for money (VFM).

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 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.