

Argyll and Bute Council
Internal Audit Report
November 2022
FINAL

Early Years – use of Covid
recovery funds

Audit Opinion: High

	High	Medium	Low	VFM
Number of Findings	0	0	0	0

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1. Executive Summary

Introduction

1. As part of the 2022/23 internal audit plan, approved by the Audit & Scrutiny Committee in March 2022, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Early Years – use of Covid recovery funds.
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. No actions have been identified 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. The COVID-19 pandemic has impacted upon educational delivery with the closure of schools and early learning establishments across Scotland putting education outcomes at risk and increasing educational and social inequities for children and young people. During periods of lockdown, some learners may have had positive experiences, enjoying the extra time with family and developing their digital skills and independent learning. Research suggests, however, that COVID-19 may have had adverse consequences on the health and wellbeing of some learners, as well as their attainment.
5. Early learning and childcare (ELC) plays a vital role in supporting families attaining high quality learning which is linked with improved outcomes for children. Throughout the pandemic, access to ELC was provided for those children who needed it most and the Scottish Government prioritised the re-opening of ELC to all children ahead of the re-opening of other sectors.
6. The Scottish Government's 'Covid Recovery Strategy for a Fairer Scotland' strategy identifies three key outcomes as most likely to have the greatest impact on tackling the inequality and disadvantage highlighted by Covid: financial security for low income households; wellbeing of children and young people; and good, green jobs and fair work.
7. In order to mitigate inequity caused by the pandemic, and champion a vision that supports children and young people to continue to progress their learning and achievement, the Scottish Government has published the Coronavirus (COVID-19) education recovery: key actions and next steps plan, to achieve the long term aims to: improve children's outcomes; help to close the poverty-related outcome gap; increase family resilience; and support parents and carers into work, study or training.
8. Using the Getting It Right For Every Child (GIRFEC) approach, where the needs of the individual learner must be at the centre of our actions, the education recovery plan recognises that

schools, teachers and early years practitioners will know best how to help individual children, including identifying those who need extra support with specific subjects or with their health and wellbeing, and what type of individual support that may be required.

9. Across Scotland over £450m of additional funding has already been committed during 2020/21 and 2021/22 as part of education recovery. £240m of that total has already been provided for the recruitment of extra staff to promote resilience and to provide additional support for learning and teaching. In addition, a further £145.5m is being added permanently to the local government settlement from April 2022 to allow local authorities to offer sustained employment of additional teachers and support staff.

Scope

10. The scope of the audit was to assess compliance and use of Early Years Covid recovery funds as outlined in the Terms of Reference agreed with the (Acting) Education Manager on 19 July 2022.

Risks

11. The risks considered throughout the audit were:
 - Audit Risk 1: COVID-19 recovery funding is not being used effectively or for the purposes intended

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 1 to this report.
13. Our overall audit opinion for this audit is that we can take a High level of assurance. This means that 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.

2. Objectives and Summary Assessment

14. 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	The Council, Early Years Team, has an appropriate plan for the use of Covid recovery funding.	Audit Risk 1	Satisfactory	The Covid recovery funding provided the Early Years team with the ability to bring forward a future planned project to support effective transitions into Primary School. Management were able to react quickly by redeploying resources already within the team to

				create the 12 month secondment for the Education Support Officer (ESO) Transitions post
2	Plans to support effective transitions into P1/P2 have been developed and these have been communicated to staff.	Audit Risk 1	Satisfactory	<p>The Early Years team have provided strong evidence that the ESO (Transitions) has assisted them in developing plans and taking action to embed play-based pedagogy in early primary and creating the Argyll and Bute Play Pedagogy Network on Google classroom. This allows teachers to share good practice across the authority and as mechanism for the ESO to deliver network sessions, post Career-long professional learning (CLPL) webinars and provide participants with up to date literature/ blogs etc. about play.</p> <p>In addition, there is good evidence of engaging with staff and using feedback to tailor materials and help shape training and development and identify a key Improvement Outcome for future year's transitions.</p>
3	Appropriate performance and reporting arrangements are in Place.	Audit Risk 1	Satisfactory	The Scottish Government only required Local authorities to report on the number and type of additional staff recruited using this funding and the setting they are employed in. The Council have submitted returns in the format requested, confirming that 1 post was used in Early Years.

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

3. Detailed Findings

[The Council, Early Years Team, has an appropriate plan for the use of Covid recovery funding.](#)

16. In February 2021 the Scottish Government announced an additional allocation of £60 million to further support Covid recovery in education in 2021-22. In May 2021, Argyll and Bute Council (the Council) received a letter informing them of their allocation of £869, 000, stating:

- Funding will be distributed as a redetermination of the General Revenue Grant in 2021-22.
- Local authorities will be required to report on the number and type of additional staff recruited using this funding and the setting they are employed in.
- This funding covers continued education recovery COVID costs and supports continued financial sustainability.

- It is expected that additional flexibility may be required in how these costs are managed, and it is for local authorities to manage this against ongoing funding requirements for education recovery
17. The Scottish Government agreed with COSLA Leaders the funding could be used flexibly by local authorities for the following purposes in relation to Early Years:
 - To employ early years practitioners to support the transition from ELC to primary school by, for example, embedding play-based pedagogy in early primary, supporting information sharing and organising transition activities.
 18. As is practice with educational funding, COSLA issued a distribution notice to Councils asking Leaders to consider and agree the recommendations from the Settlement and Distribution Groups (SDG) that the allocated funding be split 90% for schools and 10% for Early Learning and Childcare (ELC), noting that the split is for distribution purposes only. Councils were asked to submit a funding response to COSLA to provide details of their intended split and plans for use.
 19. The Council's response confirmed that, in line with recommendations, the intended distribution for Early Years would be £89, 600 (10%) with planned use to support consistency of transition from all ELC settings to Primary One by providing:
 - training and direct peer support in the classroom to Primary One teachers to develop their confidence and skills in delivering active and play based learning.
 - active and play based learning outdoors as is central to our curriculum vision.
 - additional Early Years practitioners to ensure that developmental milestones and other quality data are shared with schools, checking it is understood so that transitions to schools are effective and well supported.
 20. Given the short timescales, the Education Manager Early Years, in place at the time, decided that the most efficient and effective use of resources to deliver this project was via an additional Education Support Officer (ESO) post to be in place for the academic year. The member of staff selected to deliver the Transitions project was chosen because their current work, undertaken as part of the 'Into Headship' assignment, on Play Pedagogy provided the team with the ability to implement the project at short notice.
 21. Financial records confirm that the cost centre, EDU - COVID 19 - Education Recovery - Additional Staff in School and ELC settings, has been set up and provides evidence of defrayal of the funding on employee costs specifically relating to one Early Years post - Education Support Officer (ESO) – Transitions.
 22. Educational funding is awarded for academic years and so crosses financial years meaning automatic approval for Ear Marked Reserves to be taken forward for use in the next financial year. In the financial year 2021-22 a total of £45,043.70 was spent with the remaining balance of £44,556.30 being carried forward to the current financial year, 2022-23 as part of the larger Education Ear Marked Reserve for Covid Recovery Funding.
 23. The total costs relating to ESO Transitions post amounted to £68,848 for the academic year 21-22 and officers confirmed that the remaining underspend of £20,752 is available for Early Years team to spend to support active and play-based learning outdoors. This is consistent with the award letter and the Council's planned use.

Plans to support effective transitions into P1/P2 have been developed and these have been communicated to staff.

24. The Education Support Officer (ESO) developed and shared various plans, training materials and resources to ensure the transition to school is based around a developmental, play-based approach to learning. The main examples of these are:

- The Argyll and Bute Play Pedagogy Network on Google classroom to allow teachers to share resources and good practice across the authority.
- A Framework for Transition – providing details of events and key activities across the academic year.
- Primary One Teachers transition resource
- Introduction to Developing Playful Pedagogy in the Primary Classroom and A Whole School Approach - continuing professional development (CPD) sessions
- Transition – self-evaluation form
- Somewhere Over the Rainbow Transition Project, which included setting up a Facebook page to share good practice and encourage continuity with transition across the summer months
- Coming back to school in a bubble – a book for children
- Planning for Play Outdoors

25. The Argyll and Bute Play Pedagogy Network on Google classroom provided the mechanism for the ESO to deliver network sessions, host CPD webinars and provide participants with up to date literature / blogs etc about play. Examples of how the developmental, play-based approach to learning has been shared with staff and rolled out include:

- Using the Play Pedagogy Network teachers from 18 schools participated in 5 training sessions
- 4 sessions of “Introduction to Developing Playful Pedagogy in the Primary Classroom” were delivered between May and November 2021
- 17 schools due to be inspected from across the authority were initially offered support to implement and develop play pedagogy in preparation for an inspection.
- Bespoke support from the ESO for schools who made specific requests.
- 60 teachers from across 25 schools participated in the In Service Day training /CLPL session held on 14th February 22. The session aim was to provide an enhanced understanding of how play pedagogy can be delivered in the classroom
- “A Whole School Approach” session held on 20th April 2022 was attended by about 70 teachers from 30 schools

26. To evaluate performance the ESO initiated a Google Forms survey before Christmas 2021 using the Transition – Self Evaluation form to gather the thoughts of ELC settings and schools on how effective the transition projects were across the authority. A total of 67 responses were received, these were fairly evenly spread between all 4 areas and a wide variety of roles with half of the respondents choosing to leave comments and feedback.

27. The general consensus was that the transition projects were not perceived to have been taken forward in schools as well as they had been in ELC.

- The survey itself showed us that not enough Primary One teachers were represented. This could imply that relevant information does not always reach the correct people.

- Transition is generally successful in ELC but aspects could be improved when children reach Primary One.
- Further work is required in order to ensure that all Primary One teachers have a sound understanding on what constitutes a 'quality' transition.

28. The results of the survey led to the creation of a key Improvement Objective for future years transition "To ensure that the transition project work is carried forward into Primary One in a more meaningful and comprehensive manner than in previous years" and helped shape the In Service day and the April CLPL session noted above.

Appropriate performance and reporting arrangements are in Place

29. The Scottish Government required local authorities to report on the number and type of additional staff recruited using this funding and the setting they are employed in. The Council have submitted returns in the format requested, confirming that one ESO post was used in Early Years.
30. The secondment has now finished and the current Education Manager Early Years confirmed that transitions will continue to be monitored in line with the ESO role/job description and as required by the national curriculum requirements.

Appendix 1 – 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.