



**Internal Audit Service**  
**PRIVATE AND CONFIDENTIAL**

**Education through Regional Working Consortium**

**Final Report**

**Audit No. 16135 (2016/17)**

<b>Current Assurance Rating 2016/17</b>	<b>Substantial</b>
<b>Previous Assurance Rating 2015/16</b>	<b>Substantial</b>

<b>Report issued to:</b>	<b>Betsan O'Connor, Managing Director Jon Haswell, ERW Section 151 Officer</b>
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<b>Report copied to:</b>	<b>Aled Evans, Lead Director of Education Ian Eynon, Deputy Section 151 Officer</b>
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<b>Auditor:</b>	<b>Charlotte Hodges, Audit Team Leader</b>
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<b>Manager/Reviewer:</b>	<b>Jo Hendy, Governance, Assurance &amp; Information Manager</b>
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<b>Fieldwork complete:</b>	<b>30/03/17</b>
<b>Draft report issued:</b>	<b>21/04/17</b>
<b>Management comments:</b>	<b>18/05/17</b>
<b>Final report issued:</b>	<b>18/05/17</b>

## Education through Regional Working Consortium

This report may contain personal data as defined by the Data Protection Act 1998, which must be treated as strictly private and confidential.

### 1.0 Introduction

1.1 An audit review of the Education through Regional Working Consortium (ERW) has been carried out as part of the 2016/17 Internal Audit Plan, as agreed by the Joint Committee, the ERW Section 151 Officer and the Managing Director.

1.2 The scope of the 2016/17 audit included:

- Governance Arrangements;
- Grant Funding Arrangements and Financial Management;
- Support to Schools; and
- Planning and Strategy Development;

This scope was formally approved by the Joint Committee at their meeting on 2 November 2016.

### 2.0 Audit Objectives

2.1 To provide assurance to the Joint Committee, the Executive Board, the ERW Section 151 Officer and the Managing Director that the Education through Regional Working Consortium has adequate governance, internal control, risk management and financial management arrangements in place, which are operating effectively and assisting ERW to achieve its objectives.

2.2 To provide assurance that the 2015/16 recommendations have been implemented.

2.3 To identify areas of weakness and risk, good practice and opportunity.

### 3.0 Audit Methodology

3.1 We took an evidence based approach to our audit review using interviews with staff, review of supporting documentation and sample testing to arrive at our opinion.

3.2 Compilation of a formal internal audit report making recommendations for improvement and adding value to the Consortium.

#### 4.0 **Audit Opinion and Assurance Statement<sup>1</sup>**

4.1 We have identified a number of opportunities for improvement to the adequacy and effectiveness of existing arrangements, which if implemented, would both improve and add value to the Education through Regional Working Consortium.

4.2 Weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements in place for the Education through Regional Working Consortium were identified and these could have an impact on the ability of the Consortium to achieve its objectives. However, **Substantial assurance** can be given on the adequacy and effectiveness of the arrangements in place for the Education through Regional Working Consortium.

4.3 Key areas of weakness and risk, good practice and opportunity identified during the audit review are summarised below:

##### Governance Arrangements

- The majority of the recommendations agreed during the previous audit have been actioned, with 3 remaining as outstanding.
- Good progress has been made towards addressing the priorities for improvement identified within the 2015/16 Annual Governance Statement.
- A Post Estyn Inspection Action Plan has been developed and agreed by the Joint Committee, and progress is being made towards addressing these recommendations. In addition, an end of year update, indicating the level of progress against each recommendation has also been documented.
- The articulation and scoring of risks within the registers has progressed but requires further improvement.

##### Grant Funding Arrangements and Financial Management

- Processes have been put in place to obtain assurance from each Local Authority that expenditure was made in accordance with the terms and conditions of the 2015/16 Pupil Deprivation Grant and the 2015/16 Education Improvement Grant.
- There are occasions where Standing Orders for Contracts have not been complied with for high value supplies and services procured with grant funding.

##### Support to Schools

- A clear strategy has been established detailing support which will be provided to schools and instruction has been issued to all Local Authorities that this strategy should be complied with.
- However support agreed by Challenge Advisers following Core Visit 1 2015, was not always in line with the recommendations made/areas for improvement identified. Further improvement is also required to ensure targeted, concise recommendations are made.
- Support delivered by Challenge Advisers was not always in line with the support package agreed as part of the Core Visit, with variations also identified between the support entitlement and the number of days actually delivered.

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<sup>1</sup> A definition of the Assurance Ratings are shown at Appendix C

- School to School support is developing within the Region, with approximately 20% of support currently delivered through this means.
- There is a clear strategy detailing support provided to Schools Causing Concern.
- Schools Causing Concern are discussed at Strategy meetings, with updates provided to the Executive Board.
- Detailed monitoring of support provided is undertaken, however, as Local Authority action/improvement plans are not consistently received by the ERW Central Team it is difficult to determine whether the support is being targeted correctly to fully aid improvement within these schools.

#### Planning and Strategy Development

- The business plan has been further developed for 2017-20 to include both Regional and Local priorities, however the business plan is not currently aligned to the financial model of the Region.

4.4 The arrangements reviewed and tested and an opinion as to their adequacy and effectiveness are shown in tabular format (Action Plan) at Appendix A, along with the weaknesses and risks, good practice and opportunities identified during the audit review, comments and consequences and recommendations for improvement.

4.5 Prompt action to implement these recommendations will improve the adequacy and effectiveness of the existing governance, internal control, risk management and financial management arrangements for the Education through Regional Working Consortium and assist it to achieve its objectives.

4.6 A summary of the Action Plan is shown in the table below:

Expected Arrangements (Controls)		Adequate & Effective <sup>2</sup>	Recommendations <sup>3</sup>						
			A1	A2	B1	A3	B2	C1	Other
6	Governance Arrangements	✓	0	1	3	0	0	1	0
7	Grant Funding Arrangements and Financial Management	✓	0	0	1	0	0	0	1
8	Support to Schools	✗	0	0	2	0	2	2	1
9	Planning and Strategy Development	✓	0	0	1	0	0	0	0
<b>Total</b>			<b>0</b>	<b>1</b>	<b>7</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>2</b>

<sup>2</sup> A definition of the Adequate & Effective ratings are shown at Appendix C

<sup>3</sup> A definition of the Recommendation Gradings are shown at Appendix C

## **5.0 Acknowledgement**

5.1 It should be noted that all testing undertaken as part of this audit review was on a sample basis and therefore the results should be considered in this context.

5.2 We would like to thank all staff involved for their co-operation during the audit review. If the Internal Audit Service can be of any further assistance, please contact:  
Charlotte Hodges, Audit Team Leader (extension 5899)  
Jo Hendy, Governance, Assurance & Information Manager (extension 6213).



**ACTION PLAN**



No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
6	<b>Governance Arrangements</b>				
6.1	Accepted recommendations from the previous audit have been actioned.	✓	<p>There were 31 recommendations made and accepted following the 2015/16 Internal Audit review. Of those recommendations 27 have been actioned in full, 1 has been actioned in part and 3 are outstanding:</p> <p>Risk Management</p> <ul style="list-style-type: none"> <li>• Risks generally only record the event and are still not fully articulated to also describe the consequence and impact of the event.</li> <li>• There continues to be discrepancies with the scoring of risks within the risk registers, although these are reducing.</li> </ul> <p>Compliance with Ladder of Support</p> <ul style="list-style-type: none"> <li>• It was reinforced to Challenge Advisers that the support entitlement should include the Core Visits. However, testing identified that this is not complied with in all instances (37% from a sample of 30 schools).</li> </ul> <p style="text-align: right;"><i>(Cont...)</i></p>	<p>a. Risks within the ERW risk register should be articulated clearly to allow the event, consequence and impact to be defined.</p> <p><b>Grade: B1</b></p>	<p>a. <b>Acceptance:</b> Accepted  <b>Management Response:</b> Capacity in the Region’s Central Team is very limited. These aspects are coordinated by a new member of staff due to a longer period of illness by a member of staff. Due to no backfill capacity – there was no capacity to coordinate the work of Heads of Hub – who facilitate the updating of the register. Training will now be available for a new staff member to upgrade and correct the use of language by LA employed officers.</p> <p><b>Timescale for Action:</b> July 2017</p> <p><b>Responsible Officer:</b> Managing Director</p>

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
6.1 (Cont)			<p>Funding Arrangements and Outcomes</p> <ul style="list-style-type: none"> <li>An invoice relating to eligible expenditure for the 2014/15 14-19 Learning Pathways Grant has still not been received from Ceredigion (Ysgol Bro Pedr).</li> </ul>	<p>b. The scoring methodology should be consistently applied for all risks recorded within the ERW risk registers.</p> <p><b>Grade: C1</b></p>	<p>b. <b>Acceptance:</b> Accepted  <b>Management Response:</b> Capacity in the Region's Central Team is very limited. These aspects are coordinated by a new member of staff due to a longer period of illness by a member of staff. Due to no backfill capacity – there was no capacity to coordinate the work of Heads of Hub – how facilitate the updating of the register. Training will now be available for a new staff member to upgrade and correct the use of language by LA employed officers.</p> <p><b>Timescale for Action:</b>  July 2017</p> <p><b>Responsible Officer:</b>  Managing Director</p>

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
6.1 (Cont)				<p>c. It should be reinforced with all Challenge Advisers that the core entitlement of four days is in compliance with the Ladder of Support. <b>Grade: B1</b></p> <p>d. If the invoice for £1,591 has not been received, then it should not be claimed and it will need to be determined whether the grant claim needs to be adjusted or whether the under claimed elements offset this amount. <b>Grade: B1</b></p>	<p>c. <b>Acceptance:</b> Rejected <b>Management Response:</b> Training and guidance have been provided however as the management of LA employed Challenge Advisers is not a regional responsibility no further action is possible without LA acceptance. The Section 151 Officer commented could the Executive Board accept this action. <b>Timescale for Action:</b> N/A <b>Responsible Officer:</b> N/A</p> <p>d. <b>Acceptance:</b> Accepted <b>Management Response:</b> This invoice has now been received. <b>Timescale for Action:</b> Completed <b>Responsible Officer:</b> Managing Director</p>




No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
6.2	Priorities for improvement identified within the 2015/16 Annual Governance Statement have been addressed.		There were eight priorities for improvement detailed within the 2015/16 Annual Governance Statement. Discussion with the Managing Director confirmed that good progress is being made to address these priorities for improvement, although further work continues to be required to strengthen ERW's risk registers (refer to Section 6.1) and the Code of Corporate Governance requires updating to ensure compliance with the "Delivering Good Governance in Local Government: Framework (2016 Edition)". Capacity to complete this task can be provided by Pembrokeshire County Council, however this will incur a cost.	The Code of Corporate Governance should be updated to ensure it reflects the principles contained within CIPFA's Delivering Good Governance in Local Government: Framework (2016 Edition). <b>Grade: A2</b>	<b>Acceptance:</b> Partially Accepted <b>Management Response:</b> Whilst this is a requirement the capacity to undertake additional work is not within the ERW Central Team at present. New temporary appointments have been made. <b>Timescale for Action:</b> September 2017 <b>Responsible Officer:</b> Managing Director
6.3	A Post Estyn Inspection Action Plan has been developed and agreed by the Joint Committee, and progress is being made towards addressing the recommendations.		A Post Inspection Action Plan (PIAP) was developed following receipt of the 2016 Estyn report. The PIAP was approved by the Joint Committee on 2 November 2016, with updates on progress being provided at each meeting of the Executive Board. An end of year report has also been completed, detailing the level of progress against each recommendation. (Cont...)	-	-

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
6.3 (Cont)			The Managing Director stated that this would be presented to the next meeting of the Executive Board.		
<b>7</b>	<b>Financial Management and Grant Funding Arrangements</b>				
7.1	Terms and conditions of the 2015/16 Pupil Deprivation Grant and Early Years Pupil Deprivation Grant were complied with and there were no limitations in assurance provided.		Assurance was provided from the 6 Local Authorities that the Terms and Conditions of the 2015/16 Pupil Deprivation Grant and Early Years Pupil Deprivation Grant were complied with and there was no limitations in the assurance they provided.	-	-
7.2	Terms and conditions of the 2015/16 Education Improvement Grant were complied with and there were no limitations in assurance provided.		A process was established (and was followed in practice) whereby each Internal Audit section within the ERW Region were requested to provide assurance that the Education Improvement Grant had been utilised effectively within their Authority. It was confirmed that grant claims were submitted on a timely basis and in accordance with the terms and conditions of the grant, although delays were identified in the submission of the quarter 1 2015/16 and quarter 2 2015/16 claims to the Welsh Government. <i>(Cont...)</i>		

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
7.2 (Cont)			<p>Authorities raised a small number of weaknesses in their quarterly Grant Claim Forms and/or Audit Checklist &amp; Testing Schedules, but the majority were resolved by year end. There was a recurring issue across the majority of Authorities around the lack of consistency in the completion of and detail recorded within spending plans/school development plans, including:</p> <ul style="list-style-type: none"> <li>• schools not showing clear links between their spending plans and the outcomes expected,</li> <li>• schools not including quantifiable outcomes and</li> <li>• spending plans not entirely matching expenditure/not including all elements of EIG funding and how the grant was to be spent.</li> </ul> <p>A sample of 40 transactions of central ERW EIG spend was reviewed with supporting documentation was evident for each transaction.</p>	<p>ERW should ensure that each Authority and school are aware of their requirements in terms of producing spending plans which include quantifiable outcomes, show clear links to the outcomes expected, match the expenditure, and include all elements of EIG funding and how the grant is to be spent.</p> <p><b>Grade: C2</b></p>	<p><b>Acceptance:</b> Partially Accepted  <b>Management Response:</b>  ERW has given clear guidance to all LA's. This is not consistently followed. There are 6 different expectations on schools (from each LA) and this can conflict with advice from ERW. ERW will add a section on finance to capture all regional funding to Rhwyd for CV1.  <b>Timescale for Action:</b>  September 2017  <b>Responsible Officer:</b>  Managing Director</p>

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
7.3	There is compliance with Financial Regulations and Standing Orders for relevant expenditure through grant funding.	✘	<p>Review of the financial ledger identified two instances where the Standing Orders adopted by ERW have not been complied with in respect of expenditure from grant funding during the 2016/17 financial year. (One supplier received payments in excess of £50,000, with a further supplier receiving payments exceeding £50,000 when the total aggregate value over the whole contract period is taken into account). There was no evidence of a tendering process, contracts or exceptions to standing orders being in place for these suppliers at the time of the audit.</p> <p>There is another supplier who may also receive payments in excess of £50,000 (current value £44,358).</p> <p>Similar to the above, there is no evidence of a tendering process, a contract or an exception to tendering being in place for this supplier.</p> <p style="text-align: right;"><i>(Cont...)</i></p>	<p>It is imperative that Standing Orders are complied with for all instances where individual or aggregate payments to suppliers exceeds £50,000 and that the spirit of the Standing Orders are followed for all individual or aggregate payments above the value of £5,000 and below £50,000.</p> <p><b>Grade: B1</b></p>	<p><b>Acceptance:</b> Partially Accepted</p> <p><b>Management Response:</b> Exceptions to tendering are now in place. Since March 2017 ERW has appointed a Senior Accountant to oversee this work.</p> <p><b>Timescale for Action:</b> August 2017</p> <p><b>Responsible Officer:</b> Managing Director</p>

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
7.3 (Cont)			<p>Three further payments in excess of £50,000 were also reviewed, with evidence provided of the tender process for one occurrence. Assurance was provided by the Managing Director that tenders were sought for one further occurrence and an exception to tendering was completed for the third, and that agreement was obtained within the Directors meeting for these purchases. Evidence was not received by Internal Audit to confirm this however.</p>		

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
8	<b>Support to Schools</b>				
8.1	A clear strategy has been established detailing support which will be provided to schools.		<p>ERW have developed a ‘Self Improving System Strategy 2015 – 2018”, with a purpose of supporting the development of a high quality self improving system throughout the region. The strategy has three overarching aims and includes success criteria.</p> <p>In addition to this, ERW undertook a ‘Review of Progress in Developing a Self Improving School System” in March 2016, which specifically focussed on the first aim: To build an effective and efficient infrastructure around which to build a self improving and sustainable model.</p> <p>Under the strategy, School to School work takes many guises, including Triad programmes, Partnerships, Extended Schools Challenge Cymru and Professional Learning Schools.</p> <p>The Ladder of Support developed by ERW further supports this, by clearly stipulating the support entitlement schools should receive.</p>	-	-

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
8.2	Support agreed following Core Visit 1 2015, was in line with the recommendations made/areas for improvement identified.	✓	<p>A sample of 30 schools was selected for review (3 primary and 2 secondary from each local authority in the Region). Testing identified that whilst for just over half of the sample (17 from 30 schools) there were no issues arising, the following was noted:</p> <ul style="list-style-type: none"> <li>• 9 schools where the support offered/agreed did not match the recommendations/areas for improvement identified;</li> <li>• 2 schools where support packages were not detailed in the Rhwyd extract provided to Internal Audit; and</li> <li>• 2 schools where there were a significant number of recommendations/areas for improvement detailed. Consequently it was not possible for the support package to cover all these areas.</li> </ul> <p>This review also identified that the recommendations made by Challenge Advisers as part of the Core Visits are not always succinct, leading to difficulties in determining what the actual recommendation/area for improvement is and respective support should be.</p> <p style="text-align: right;"><i>(Cont...)</i></p>	<p>a. Targeted, concise recommendations/areas for improvement should be recorded by Challenge Advisers following a Core Visit to ensure the support package can be accurately designed.</p> <p><b>Grade: C1</b></p>	<p>a. <b>Acceptance:</b> Accepted  <b>Management Response:</b>  The content of this report will be shared with the employing LA's of every Challenge Advisers. The performance of individual Challenge Advisers is a cause for concern and raised by the ERW Central Team with the Directors of employing LA's regularly. Limited action has led to a pilot with one Authority to identify non-compliance against national standards.  <b>Timescale for Action:</b>  June 2017  <b>Responsible Officer:</b>  Managing Director</p>

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
8.2 (Cont)			<p>'Continue to..' recommendations/areas for improvement were also identified. Such recommendations do not necessarily lead to further improvements within schools or assist the school to move along the school improvement continuum. A member of the ERW Central Team stated that training has been provided to Challenge Advisers by the ERW Central Team on writing 'SMART' recommendations, however, it had been identified that this is not being fully complied with by Challenge Advisers.</p>	<p>b. The support package brokered by Challenge Advisers following Core Visits should directly relate to the recommendations made/areas for improvement identified as a result of the Core Visit.</p> <p><b>Grade: C1</b></p>	<p>b. <b>Acceptance:</b> Accepted  <b>Management Response:</b>  The content of this report will be shared with the employing LA's of every Challenge Advisers. The performance of individual Challenge Advisers is a cause for concern and raised by the ERW Central Team with the Directors of employing LA's regularly. Limited action has led to a pilot with one Authority to identify non-compliance against national standards.  <b>Timescale for Action:</b>  June 2017  <b>Responsible Officer:</b>  Managing Director</p>




No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
8.2 (Cont)				<p>c. The practice of writing 'continue to' recommendations should cease to ensure all schools receive effective support following a Core Visit.</p> <p><b>Grade: C2</b></p>	<p>c. <b>Acceptance:</b> Accepted</p> <p><b>Management Response:</b> The content of this report will be shared with the employing LA's of every Challenge Advisers. The performance of individual Challenge Advisers is a cause for concern and raised by the ERW Central Team with the Directors of employing LA's regularly. Limited action has led to a pilot with one Authority to identify non-compliance against national standards.</p> <p><b>Timescale for Action:</b> June 2017</p> <p><b>Responsible Officer:</b> Managing Director</p>

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
8.3	Support agreed was delivered as planned and followed up as part of the Core Visit 2 2016, with a record retained of the support provided and the outcome of the support.	✘	<p>Testing of 30 schools confirmed that support was followed up as part of both the Core Visit 2 from the 2015/16 academic year and Core Visit 1 from the 2016/17 academic year, and there was a full record of support delivered at 25 of these schools. A member of the ERW Central Team informed Internal Audit that issues with the version control of the Rhwyd system may have led to details not being located for 3 of these schools.</p> <p>Support was not delivered as planned for 20 of the 30 schools (support items agreed was not delivered at all or in full, or different support items were being delivered). Furthermore, analysis of the days of support these 30 schools were entitled to compared to days received identified that:</p> <ul style="list-style-type: none"> <li>• 7 schools received their full allocation of support;</li> <li>• 9 schools received support days greater than their entitlement;</li> <li>• 11 schools received less support days than their entitlement;</li> </ul> <p style="text-align: right;"><i>(Cont...)</i></p>	<p>Unless exceptional circumstances arise, Challenge Advisers should ensure that all support items agreed upon as part of Core Visit 1 are delivered, to ensure areas for improvement identified within schools are addressed.</p> <p><b>Grade: B1</b></p>	<p><b>Acceptance:</b> Accepted</p> <p><b>Management Response:</b> The content of this report will be shared with the employing LA's of every Challenge Advisers. The performance of individual Challenge Advisers is a cause for concern and raised by the ERW Central Team with the Directors of employing LA's regularly. Limited action has led to a pilot with one Authority to identify non-compliance against national standards.</p> <p><b>Timescale for Action:</b> June 2017</p> <p><b>Responsible Officer:</b> Managing Director</p>

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
8.3 (Cont)			<ul style="list-style-type: none"> <li>• It could not be determined what support had been received for 2 schools.</li> </ul> <p>An analysis of support days received is included within Appendix B.</p> <p>It was identified that there may be some correlation between support not being delivered and school improvement not being achieved.</p> <p>A member of the ERW Central Team informed Internal Audit that it had been identified that schools were not necessarily receiving their support entitlement, and that this has been shared with Directors. As such from September 2016 the monitoring/quality assurance arrangements had been enhanced to allow this to be reviewed in detail and followed up as necessary. The support log completed by Challenge Advisers now clearly details all support which has been provided in schools, and also includes a section for recording whether the support was as part of the agreed menu of support or an additional item which had been delivered.</p> <p style="text-align: right;"><i>(Cont...)</i></p>		

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
8.3 (Cont)			It was also stated that support requirements do alter during the year for some schools should circumstances such as a change in leadership, staff sickness, Estyn outcomes etc. arise.		
8.4	An impact from the support delivered is evident within schools.	✘	From a review of a sample of 30 schools progress was evident from the support received at 17 schools. However, it was identified that there was limited or no impact at 13 of the schools following support being delivered, although this could be attributed to the time period under review and a greater period of time that is required before the impact can truly be identified. Furthermore, there were similarities in the support offerings agreed as part of Core Visit 1 2016 to those agreed during Core Visit 1 2015 at 10 schools. This could indicate that the support was not delivered effectively or that the school have not taken on board the support received and made the requisite improvement. A member of the ERW Central Team stated that it had previously been identified that there was a weakness in this area, <i>(Cont...)</i>	<b>Refer to recommendation 8.3</b>	-

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
8.4 (Cont)			which has led to the development of a more robust monitoring process for the 2016/17 academic year.		
8.5	School to School support was offered, and delivered within support packages.		<p>School to School support is developing within the ERW Region, but further development is required. School to School support features strongly within ERW's Self Improving System Strategy and is an area which is reinforced in all Challenge Adviser training sessions as the preferred method of delivery of support where applicable.</p> <p>Analysis of the methods of delivery of support following the 2015 Core Visit 1 for the 30 schools (sample tested) identifies that from the total of 341 days support delivered:</p> <ul style="list-style-type: none"> <li>• 215 days were delivered by Challenge Advisers (63%)</li> <li>• 76 days were delivered through School to School support (22%)</li> <li>• 50 days were delivered through other means (e.g. training courses) (15%).</li> </ul>	<p>The use of School to School support throughout the Region must be increased. Challenge Advisers should ensure they support ERW's Self Improving System Strategy through utilising School to School support as a means of delivery of support packages wherever possible.</p> <p><b>Grade: B1</b></p>	<p><b>Acceptance:</b> Accepted</p> <p><b>Management Response:</b> As 8.2a and additional training on brokering and self-improving system will be offered again to locally employed Challenge Advisers.</p> <p><b>Timescale for Action:</b> August 2017</p> <p><b>Responsible Officer:</b> Managing Director</p>

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
8.6	The use of School to School support is increasing across the Region.	✘	<p>The support agreed as part of Core Visit 1 2016 for the 30 schools within the sample was analysed to determine the percentage of School to School support offered, and whether this has increased when compared to 2015. From the total 323.5 days recorded as agreed, the following was identified:</p> <ul style="list-style-type: none"> <li>• 161 days will be delivered by Challenge Advisers (50%)</li> <li>• 57.5 days will be delivered through School to School support (18%)</li> <li>• 104 days will be delivered through other means (e.g. training courses) (32%)</li> </ul> <p>Whilst this does appear to indicate that there has been a reduction in School to School support offered in 2016 this may not be representative of the population as a whole, but may be limited to the schools selected within the sample. A member of the ERW Central Team stated that the menu of support available to Challenge Advisers is being refined further from April 2017</p> <p style="text-align: right;"><i>(Cont...)</i></p>	<b>Refer to recommendation 8.5</b>	-

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
8.6 (Cont)			to increase and further highlight the School to School support provision and reduce the amount of support options available for delivery through other means.		
8.7	There is a detailed directory of best practice which can be referred to when brokering School to School support.	✓	Currently, practice worthy of sharing is recorded by Challenge Advisers within the Rhwyd system when undertaking the Core Visits. ERW have identified shortcomings with this method of recording, and have developed the 'Dolen' system as a complete directory of best practice identified throughout the Region. Once active, this system will be utilised when brokering support packages for schools, and will enhance the delivery of School to School support throughout the Region.	-	-

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
8.8	There is a strategy in place detailing support which will be provided to Schools Causing Concern.	✓	ERW have developed a strategy for Schools Causing Concern. The strategy outlines the Ladder of Support for schools requiring intensive support and challenge, along with Local Authority statutory responsibilities and the use of Improvement Panels. An example Action Plan to be used by Local Authorities for Schools Causing Concern has also been developed and is included within the Strategy.	-	-
8.9	ERW have developed a definition of and criteria for Schools Causing Concern.	✓	ERW have adopted the national definition and criteria for schools causing concern. This is highlighted within the Schools Causing Concern strategy.	-	-



No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
8.10	A consistent process has been developed for determining what support Schools Causing Concern receive.	✓	<p>The ERW Central Team have developed a process and intervene in critical situations. Additional resources to build capacity and specific support from the Central Team are used to target support. Usually support received by Schools Causing Concern is determined by the relevant Local Authority. This is because the Local Authorities hold the statutory responsibility for securing school improvement and hold the relevant powers to intervene where a school is causing concern.</p> <p>The Strategy states that there is an expectation that if intervention is required, the Local Authority with support from ERW, will take that action. Support provided to Schools Causing Concern is discussed routinely at each Strategy Group meeting, which includes membership from ERW along with the Heads of Hub and Principal Challenge Advisers.</p> <p>However, a member of the ERW Central Team advised Internal Audit that this review has not been undertaken consistently to date although there have</p> <p style="text-align: right;"><i>(Cont...)</i></p>	<p>ERW should be provided with copies of local authority action/improvement plans for Schools Causing Concern to enable effective and systematic monitoring of support provided.</p> <p><b>Grade: B2</b></p>	<p><b>Acceptance:</b> Accepted</p> <p><b>Management Response:</b> As 8.2a and the LA's hold the resources, staffing and statutory responsibility for securing school improvement and hold the relevant powers to intervene where a school is causing concern. There is therefore variation affecting the pace of progress.</p> <p><b>Timescale for Action:</b> June 2017</p> <p><b>Responsible Officer:</b> Managing Director</p>


No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
8.10 (Cont)			<p>now been improvements to monitoring undertaken.</p> <p>Updates on Schools Causing Concern are also provided at each meeting of the Executive Board.</p> <p>The Managing Director stated that where improvement is not secured at a sufficient pace by Local Authorities, further action has been taken by ERW to assist in the improvement process.</p> <p>ERW however do not centrally receive copies of the action/improvement plans developed by the Local Authorities to aid effective monitoring of support which has been delivered, although a full record of all visits and support provided is recorded on the ERW central support logging system.</p> <p>The ERW Central Team stated that beyond categorisation and the guidance for schools causing concern there is no clear, systematic protocol stating what support schools receive when they are deemed as Causing Concern as each school has their own bespoke issues and therefore there is no one single formula to addressing the issues.</p> <p style="text-align: right;"><i>(Cont...)</i></p>		

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
8.10 (Cont)			The Managing Director stated that the six strand model of support is used to determine the requirements of each individual school and that issues within these schools are compounded when this model of support is not followed.		
8.11	There is correlation between a school being deemed as Causing Concern and their support category as a result of the National School Categorisation process.	✓	Testing of a sample of 18 schools (primary and secondary) confirmed that their support category correlated to them being deemed as Schools Causing Concern and recent Estyn outcomes, with the exception of one primary school categorised Green 2A in Autumn 2015 but deemed as requiring Significant Improvement by Estyn in January 2016.	-	-

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
8.12	Improvements are secured for Schools Causing Concern as a result of the support provided.	✓	<p>Of the 18 Schools Causing Concern reviewed, testing identified that 9 schools have subsequently been removed from an Estyn category following a revisit.</p> <p>Internal Audit was unable to carry out a detailed review of whether support provided to the schools was in line with the areas identified as Causing Concern due to the manner in which information is retained by ERW (refer to 8.12 above). Schools Causing Concern are offered financial support through the Capacity Building Grant, where this is identified as a need within the school.</p> <p>Criteria for determining whether schools are eligible for this funding has been drawn up by ERW. Schools are required to apply for this funding outlining on their application form how the grant funding will be utilised. However schools are not currently required to confirm formally how the money was spent at the end of the financial year, although monitoring on the impact of the funding is carried out by the Schools Challenge Cymru Manager.</p>	<p>Schools should be required to sign a declaration confirming Capacity Building Grant funding has been used as intended.</p> <p><b>Grade: B2</b></p>	<p><b>Acceptance:</b> Accepted</p> <p><b>Management Response:</b> All funding to schools will be expected to follow the same format and declaration by Headteacher of spend against agreed criteria. This will also be added to Rhwyd.</p> <p><b>Timescale for Action:</b> July 2017</p> <p><b>Responsible Officer:</b> Managing Director</p>

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
9	<b>Planning and Strategy Development</b>				
9.1	The ERW business plan incorporates both local and regional priorities.	✓	ERW operates a three year medium term business plan, which is updated throughout the year and refreshed annually. The business plan has been further developed for 2017/20 to include both Regional and Local priorities. Local priorities are incorporated within the Annex of the business plan, with each partner Authority having their own annex. These are utilised to dovetail ERW and Local Authority priorities and incorporate any bespoke priorities a specific local authority may have. The Managing Director stated that this should assist planning within each of the partner authorities.	-	-

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
9.2	The ERW business plan includes financial costings.	<b>X</b>	<p>Columns are included within both the Business Plan Objectives section and the level 2 plans for detailing the financial source. However, these columns have not been populated. It was requested at the Joint Committee meeting on 2 November 2016 that future business plans are developed in conjunction with the financial model. If the business plan is not aligned to the financial model and available funding there is no evidence that resources will be available to address the priorities and actions included within.</p> <p>The Managing Director stated that this would be preferable provided grant allocations were received from Welsh Government in sufficient time.</p>	<p>The ERW business plan should be aligned to the financial model of the Consortium to enable effective planning within the available resources.</p> <p><b>Grade: B1</b></p>	<p><b>Acceptance:</b> Accepted in principle</p> <p><b>Management Response:</b> ERW's core budget of £250,000 makes it difficult to budget over the term of the plan. Significant changes to ERW's funding and governance will be necessary to improve this position. This is why getting the LA plans aligned and costed is key to the delivery focus on the ERW plan. Therefore whilst the recommendation is accepted in principle, this is outside of the Managing Director's control. The Section 151 Officer stated that the business plan does need to be costed, whether funded by the ERW Central Team, grant or the LA's themselves, to ensure that it is affordable and achievable. This needs to be done asap as the Section 151 Officer recalls it was agreed at the last Joint Committee meeting that it would be.</p>

No.	Expected Arrangements (Controls)	Adequate & Effective	Comments & Consequences	Recommendation	Management Response
9.2 (Cont)					<b>Timescale for Action:</b> Cannot confirm <b>Responsible Officer:</b> Cannot confirm
9.3	There are synergies between the Local Authority business plans and ERW business plans ensuring consistency in educational strategies across the Region.		Business plans were requested from the 6 partner authorities. Four plans were received, however only 3 plans were reviewed as one related to the previous ERW business planning period. Review of these 3 plans confirmed that there were clear links between the Local Authority departmental business plans and the ERW business plan. However, as plans were not received from the remaining Local Authorities, full assurance cannot be given that this control has been met.	-	-

**Analysis of Support Delivery and Categorisation Movement**

	Local Authority 1					Local Authority 2				
	PS1	PS2	PS3	HS1	HS2	PS1	PS2	PS3	HS1	HS2
Category 15/16	1A	4B	3C	2C	2C	2B	3B	2B	2C	2B
Allocation	4	15	15	15	15	10	10	10	15	10
Delivered	4	13.5	21.5	16	15	6.5	9	9	15	13.5
Category 16/17	1C	4C	3D	1D	2B	1C	1B	2B	2B	2C
Movement	↓	↓	↓	↓	↑	↓	↑	-	↑	↓

	Local Authority 3					Local Authority 4				
	PS1	PS2	PS3	HS1	HS2	PS1	PS2	PS3	HS1	HS2
Category 15/16	3B	1A	3A	3C	3B	2B	3A	1D	2A	3C
Allocation	10	4	10	15	10	10	10	15	4	15
Delivered	10	0	8	19	?	4.5	10	18	?	16
Category 16/17	3B	3A	3B	3C	2A	3C	3A	2D	3A	3C
Movement	-	↓	↓	-	↑	↓	-	↓	↓	-

	Local Authority 5					Local Authority 6				
	PS1	PS2	PS3	HS1	HS2	PS1	PS2	PS3	HS1	HS2
Category 15/16	2A	2C	3B	3B	2B	2B	2B	1B	3B	2B
Allocation	10	15	10	15	10	10	10	10	10	10
Delivered	10	35.5	4.5	20.5	16	10.5	10	7.5	8	7
Category 16/17	2A	2B	3C	3C	2B	1C	2C	1A	1B	1A
Movement	-	↑	↓	↓	↓	↓	↓	↑	↑	↑



**Assurance Ratings**

Level of Assurance	Description
<b>Full</b>	There are either no weaknesses or only low impact weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, which if addressed would further improve the ability of the Consortium to achieve its objectives. These weaknesses do not affect key elements of the arrangements in place and are unlikely to impair the ability of the Consortium to achieve its objectives. Therefore, we can conclude that the arrangements are adequate and are operating effectively, assisting the Consortium to achieve its objectives.
<b>Substantial</b>	There are some weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, which could impair the ability of the Consortium to achieve its objectives. However, they would either be unlikely to occur or their impact would be less than high.
<b>Limited</b>	There are weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, which could have a significant impact on the ability of the Consortium to achieve its objectives.
<b>None</b>	There are weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements which, in aggregate, have a significant impact on the ability of the Consortium to achieve its objectives.

**Recommendation Gradings**

<b>Action</b>	<b>Requires strategic management action or a corporate policy or procedural decision.</b>	<b>A</b>	<b>A1</b>	<b>A2</b>	<b>A3</b>
	<b>Requires operational management action or a directorate/service policy or procedural decision.</b>	<b>B</b>	<b>B1</b>	<b>B2</b>	<b>B3</b>
	<b>Continued compliance with an existing policy or procedure.</b>	<b>C</b>	<b>C1</b>	<b>C2</b>	<b>C3</b>
			<b>1</b>	<b>2</b>	<b>3</b>
			<b>Critical</b>	<b>Important</b>	<b>Desirable</b>
<b>Seriousness</b>					

**Adequate & Effective Ratings**

- ✓ Adequate and effective
- ✓ or ✗ Partially adequate and effective
- ✗ Not adequate and effective