

INTERNAL AUDIT REPORT

SYSTEMS AUDIT – 21st CENTURY SCHOOLS PROGRAMME

1. INTRODUCTION/OBJECTIVES

- 1.1. The objective of the Audit was to conduct a review of the systems in place, report upon the soundness and adequacy of the internal controls, and ensure compliance with any relevant statutory requirements and regulations in line with the Audit Plan for 2019/20.
- 1.2. This report includes an Audit Opinion and a Risk Rating Category, further details of which are contained in Appendix A.

2. SCOPE OF THE AUDIT

- 2.1. The scope of the audit was to determine the effectiveness of the internal control procedures within the planning, monitoring and evaluation of the Authority's 21st Century Schools Programme and the Projects contained therein.
- 2.2. The audit involved confirming the current system with relevant staff and conducting 'walk through tests' on the processes carried out within the service.

3. BACKGROUND

- 3.1. The 21st Century Schools programme is a long term strategic investment in Wales' educational estate. It is a collaboration between Welsh Government, the Welsh Local Government Association (WLGA), local authorities, colleges and dioceses. It included a £1.4 billion investment in education throughout all 22 Local Authority areas in Wales, resulting in the rebuild and refurbishment of over 150 schools and colleges, which have been prioritised by the delivery partners.
- 3.2. The delivery of the first investment phase (Band A) continued until March 2019 and focused on:
 - reduction of poor condition school buildings;
 - provision of the right number of places, in the right places to serve local pupil demand by reducing surplus capacity, and addressing specific Welsh-medium and Faith-based provision needs;
 - reduction of running costs so as to maximise resources available to target improvements to learner outcomes; and,
 - promoting sustainability through reducing recurrent costs, energy consumption and carbon emissions.
- 3.3. The delivery of the second investment phase (Band B) commenced in April 2019 and it focuses on:
 - addressing growth in demand for Welsh-medium education;
 - reducing surplus capacity and inefficiency in the system;
 - expansion of schools and colleges in areas of increased demand for educational services;
 - addressing condition of educational assets; and,
 - making assets available for community use where demand exists, to optimise the infrastructure and resources for public services.

- 3.4. The Council's Education Transformation Team delivers the Welsh Government's 21st Century Schools and Education Capital Programme on behalf of the Authority. A number of Blaenau Gwent's key projects were commenced within Band A of the Programme, including:
- Tredegar Comprehensive School remodelling project;
 - Abertillery Primary School new build; and,
 - Six Bells Primary School new build.

4. AUDIT FINDINGS & WEAKNESSES

- 4.1. The findings and weaknesses below are in order of risk, with the first being the highest risk area.
- 4.2. In order to satisfy Welsh Government's (WG) application requirements in respect of the 21st Century Schools Programme a Strategic Outline Programme (SOP) is required providing an overview of the future education provision within the Borough and identifying projects for investment. A copy of the SOP compiled by the Authority was obtained during the audit and it was evident that it contained the information as required by WG, however it was not possible to determine the date that the SOP was submitted to WG, and therefore it was not possible to determine compliance with the applicable timescales.
- 4.3. As part of WG's application process for individual investment projects it was evident that business case documentation was required to be submitted, satisfying a number of criteria that were stipulated within published guidance. A sample of applications submitted by the Authority was selected during the audit, with the associated documentation assessed. It was evident that the business case documentation submitted by the Authority contained relevant cases to support the application; however, it was not evident that one of the documents obtained during the audit had been signed by senior management to certify approval prior to submission.

5. RISKS AND AGREED ACTIONS

Ref	Summary of Findings	Risk	Agreed Action	Client Management Comments	Person Responsible and Target Date
4.2.	It was not possible to determine the date that the SOP was submitted to WG, and therefore it was not possible to determine compliance with the applicable timescales.	Medium – Unable to verify that WG submission deadlines have been satisfied.	Evidence of submissions to WG will be retained and stored centrally where applicable.		Head of Education Transformation. Ongoing.
4.3.	It was not evident that the business case documentation obtained during the audit had been signed by senior management to certify approval prior to submission.	Medium – Lack of identification of senior accountable officer for submission. Lack of confirmation that the version submitted has been approved by senior management.	Evidence of submissions to WG will be retained and stored centrally where applicable.		Head of Education Transformation. Ongoing.

6. CONCLUSIONS

- 6.1. This audit report is compiled on an exception basis, thus the only points made are where weaknesses have been identified. The samples chosen would not be able to cover every transaction or eventuality; therefore reliance is placed in part on the information and explanations provided by the appropriate officers.

7. INTERNAL CONTROL STANDARD GRADING

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| <p>7.1. In accordance with the standard gradings set out in Appendix A, systems examined indicate that the internal controls used within the 21st Century Schools Programme appear to be operating effectively. The grading is therefore assessed as ‘Reasonable Assurance’.</p> |
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