

Director's Briefing for Chairs and Vice-Chairs

Wednesday 18 January 2017

Welcome



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Family Friendly Barnet Resilient Families: Resilient Children

**Natalia Clifford, Consultant in Public
Health**



— with —



Internal Audit and CAFT Briefing

Clair Green, Interim Assurance
Director, and Declan Khan, Counter
Fraud Manager



— with —



London Borough of Barnet

INTERNAL AUDIT

CAROLINE GLITRE – Head of Internal Audit

What do Internal Audit do?

- Provide **independent and objective assurance** to the council, its members and the Strategic Commissioning Board to support them in discharging their responsibilities under Section 151 of the Local Government Act 1972, relating to the proper administration of the council's financial affairs.
- Work to ensure a positive culture of **internal control improvement, effective risk management** and **good governance**.
- Comply with Public Sector Internal Audit Standards.
- Present **Annual Internal Audit & CAFT plan**, quarterly reports and annual opinion to the Audit Committee.
- Quarterly report is on an exception basis and includes detail on any Limited or No Assurance audits (including schools)

Schools Audits

- We audit schools in Barnet which receive a delegated budget
- We provide independent assurance that schools are meeting the requirements of **Barnet's Scheme for Financing Schools** and related **Financial Guide for Schools**
- We confirm whether our audit findings align to the school's Schools Financial Value Standard (SFVS) self-assessment
- We ask schools to complete a Corporate Anti-Fraud (CAFT) checklist
- We visit schools on a **3-5 years cycle dependent on a risk assessment**
- We welcome contact from other schools in the borough that may require independent assurance over their internal control environment or governance arrangements

Schools audit themes 2015/16

In the 2015/16 Annual Internal Audit Opinion we noted the following:

- The results across the schools audits **generally highlight good practice in financial management** with few issues identified.
- High priority recommendations were raised most frequently over **Income** and **Purchasing**.
- The largest number of issues was identified in the areas of **Governance**, **Asset Management** and the management of **Voluntary Funds**.

Schools audit themes 2015/16

Income and Purchasing

- High Priority recommendations were made around **Income** and **Purchasing** due to lack of separation of duties in school procedures.
- The Financial Guide for schools requires:
 - a complete audit trail for all income received by the school
 - separation of duties for purchases between authorisation, ordering, confirmation of receipt of goods and subsequent payment.

These were not clear in some schools.

Schools audit themes 2015/16

Governance

- The Governing Body has responsibility for overall financial management of the school and must ensure the requirements of the scheme for financing schools and associated guidance from the Chief Finance Officer are met.
- In order to meet these requirements the school must prepare its own **Financial Management Policy and Procedures** document for internal use to be approved by the Governing Body. The Governing Body must ensure that Policy and Procedures are implemented.

We frequently find during audit visits that this document is not up to date.

Schools audit themes 2015/16

Voluntary Funds and Asset Management

No *inappropriate* use of assets or Voluntary funds was noted in the year.

However,

- Asset registers were often not up to date
- The standard of financial accounting for Voluntary funds was often not consistent with that for the school's delegated budget.

2016/17 change to approach

- We found that at a number of schools previous audit recommendations were raised again at the subsequent audit visit. Therefore during 2016/17 we introduced a new approach to **follow-up audits** at schools at the request of the Audit Committee.
- If your school receives any **High Priority recommendations** we now return to the school to confirm implementation of the recommendation within the agreed timescales.
- If the agreed action has not been taken this is reported to the **Audit Committee** and the matter is escalated to the **Learning Network Inspector** and the **Director for Education & Skills**

Feedback / Questions?



Contact details

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Head of Internal Audit

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London Borough of Barnet

CORPORATE ANTI FRAUD TEAM (CAFT)

DECLAN KHAN – Head of Counter Fraud Operations

**What do the council's
corporate anti fraud team
(CAFT) do ?**

What does CAFT do.....?

- **CAFT staff are professionally qualified counter fraud specialists and are responsible for investigating all suspicions of internal and External Fraud and/ or Corruption.**
- **These includes staff fraud, tenancy fraud, procurement and contract fraud, disabled blue badge fraud and misuse, false applications for financial assistance, school admissions fraud, expenses fraud and more**

We Conduct Criminal and Financial Investigations

- Conduct civil recovery of council properties where fraud has been proven
- Conduct pro active anti fraud work in high risk area's
- Work closely with Internal Audit in relation to conducting joint reviews in high risk area's
- Work closely with HR in relation to staff disciplinary investigations where a fraud has occurred
- Provide Advice & Assistance in many different areas
- Play an important role in **protecting the public purse**



What is Fraud?



Fraud is a type of criminal activity, defined as:

'abuse of position, or false representation, or prejudicing someone's rights for personal gain'.

Put simply, fraud is an act of deception intended for personal gain and/or to cause a loss to another party.



Examples of Fraud include

- **Failing to disclose information**
- **False representation**
- **Abuse of position**
- **Obtaining Services Dishonestly**
- **Conflict of Interests**
- **Bribery**
- **Procurement / Contractor Fraud**
- **Theft/Stealing**
- **Identity Fraud**
- **Possession or use of Forged/Counterfeit Documents**
- **Altering Records**
- **Unauthorised computer access**
- **Conspiracy to defraud**

....Examples of Fraud Risks

- Retaining cash collected for school dinners
- Claims for un-worked overtime
- Unauthorised purchase of equipment for personal use
- Improper use of petty cash for personal purposes
- Processing false invoices for goods or services that are not received and pocketing the proceeds
- Making false entries on the payroll, such as inventing a fictitious employee / arranging to be paid an additional salary
- Payment of inappropriate bonuses

Fraud indicators...

- Problems with balancing accounts i.e. voluntary funds
- Decreasing income collection rates i.e. reduction in uniform sales, school dinner sales
- Poor internal controls
- Undocumented processes and activities that are only known to one individual
- Deliveries of items or stocks to somewhere other than the school

Fraud in maintained schools

- Schools can be defrauded by those working in them, for example, staff who embezzle school funds, commit payroll fraud, or who claim false expenses.
- Externally, schools may be victims of procurement fraud and mandate fraud, among other types.
- **In 2013/14 there were 206 cases of schools fraud reported with a combined value of £2.33 Million.**

- Of the reported 206 fraud cases, over half (54% or 111 cases) and nearly two-thirds of the value (62% = £1.45m) involved fraud by staff.
- These are substantially higher proportions than in other local government services.
- This suggests that schools may have weaker governance arrangements and less effective controls than larger organisations when it comes to detecting and preventing fraud.

Operation PRIZM

School Business Manager Fraud

- The Schools Business Manager forged authorisations from the school's Chair of Governors in order to receive pay awards over two consecutive financial years
- He also instructed Payments of over £45,000 from the school into his own bank account by internet banking purportedly to be for services from energy companies or staffing agencies.
- (These constitute offences under the Fraud Act 2006 sections 2 & 4, False representation and Abuse of position)



What were the consequences?

The defendant pleaded guilty to two counts of Fraud by abuse of position and was sentenced to 12 months imprisonment and ordered to repay the funds he stole.



- Dishonest school bursar who systematically stole £212,000 over five year period jailed for three years
- Head teacher stole £53,000 to fund internet gambling addiction jailed for 16 months
- A finance manager stole over £288,000 from a Primary School jailed for three years and four months.
- School administrator embezzled £30,000 from school funds to pay her debts jailed for 8 months and ordered to pay back funds

Responsibilities and Reporting

It is important for maintained schools to continue to report the number and value of detected frauds to keep focus on this issue.

The Cabinet Office would like to see similar transparency across all non-maintained schools to protect the public purse. The risk of fraud in non-maintained schools is becoming more apparent.

Raising concerns and reporting suspicions

There are multiple channels to help you raise concerns direct to the Corporate Anti Fraud Team

- ❖ Phone call – **0208 359 2007** (fraud hotline)
- ❖ Email CAFT@barnet.gov.uk
- ❖ in person – we are based in NLBP, Building 2 ground floor
- ❖ via the on line reporting form on the councils website www.barnet.gov.uk
- ❖ Via the new Fraud app (can be downloaded)

Finally, please do get in touch with CAFT if you suspect or are worried about something – we are always happy to hear from you. We will always give advice and assistance where we can.

School Attendance

Katie Dawbarn, Learning Network
Inspector



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Update on Attendance

1. Why is attendance so important?
2. Latest Barnet attendance data
3. What is our response
4. What schools are doing
5. How governors can best support

Why is attendance so important?

- ‘New research (provides) further evidence that missing school for even a day can mean a child is less likely to achieve good grades’ Nick Gibb August 2016
- Latest school achievement reviews demonstrate that children in primary schools who have lowest attendance are far more likely not to attain age related expectations or to make expected progress
- Ofsted still view attendance as important – see your own inspector dashboard

Did you know?

- If a child has 95% attendance, they will have missed 9 days or 50 lessons
- If a child has 90% attendance, they will have missed 19 days or 100 lessons

What Schools Are Doing

- Good attendance is part of a whole school culture
- Good attendance is driven by senior leaders, including governors
- There is an attendance champion in the school
- The school has clear actions to bring about improvement
- The active involvement of children
- Regular communication with parents (newsletters, guidance)

Latest Barnet Update

- Barnet is ranked 98th out of 152 LAs for primary attendance (no difference from last year)
- Barnet is ranked 15th out of 152 LAs for secondary attendance
- In the last 2 academic years (up until 15/16), we were in line with the national average in terms of unauthorised absence
- We are ranked 122nd for authorised absence
- The main issue is medical appointments

What is Barnet Doing to Tackle the Issue of Appointments

- Established a working party which:
 - shares good practice
 - supports the work of schools
- Currently liaising with our colleagues in health to look at the issue
- Schools have completed a survey to highlight issues e.g. dental appointments

What is Barnet Doing to Tackle the Issue of Appointments

Barnet Health have:

- Discussed with Primary Care commissioner any possible options available to offer out of school appointments
- Discussion and agreement to send information through the Comms team to encourage GP's and other Clinicians, where possible to consider offering out of school hours and school holiday appointments for regular follow up/monitoring appointments
- Raised awareness with providers that Barnet specifically has a higher than average schools "authorised absence" rate



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How Schools are Tackling the Issue of Appointments

Communication is key:

- Regular slots in newsletters encouraging parents to make appointments out of school time
- Regularly providing term dates
- Encouraging parents to make routine appointments in the school holidays
- Give parents some guidelines e.g. don't take siblings out of school at the same time

Additionally.....

- If an appointment must be in school time, families are encouraged to take the minimum amount of time (ie between registration periods)
- However, this may end up masking the issue!

How Governors Can Support Schools in Improving Attendance

- Set an example
- Support the school's policies
- Know your attendance data and the impact it is having on achievement
- Volunteer to be part of the working party (contact: katie.dawbarn@barnet.gov.uk/neil.marlow@barnet.gov.uk)

Early Years Update Thirty Hours Childcare

Debra Davies, Early Years Standards
Lead



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30 Hours

- What is 30 hours about?
- What do we already know?
- How can the LA support schools to deliver this agenda?
- What do we need to do next?



The job, the challenge

- 30-hours is a popular idea with parents, demand will be high
- We need quality places in areas of demand
- Providers need to examine what will work for providers and parents
- There will be new ways of working, collaborating, and organising ourselves
- Meeting children's needs in the best ways possible

30 hours childcare: eligibility

Eligibility for the additional free entitlement will include households where:

- All parents (whether two-parent family or lone parent) are working and earning the equivalent of 16 hours a week at the National Minimum or Living Wage (includes income received from tax credits or Universal Credit) **and/or**:
- One/ both parent/s is away on leave (parental, maternal etc.)
- One/ both parent/s is on Statutory sick pay
- Parents on zero-hours contracts will be eligible, as are those who are registered as self-employed
- One parent is employed and the other parent has either: substantial caring responsibilities/ and or disability; is a foster carer with their own three- and four-year-old children
- Parents who are in training will not be eligible as they can receive other Government support
- There is an income cap. If one parent's income exceeds £100k the household will not be eligible

We're developing an online application and eligibility checking system to make it easy for parents to apply and to minimise burdens on providers and LAs.

30 hours consultation - outcomes

Eligibility:

- Set a national grace period, which will be automatically encoded by the DfE's Eligibility Checking Service, to ensure simplicity and clarity for parents, providers and LAs
- Carry out further consultation on the length of the grace period, before setting out final decisions in statutory guidance in the new year

Flexibility:

- Extending the hours over which funded provision can be delivered from the current 7.00 am to 7.00 pm, to 6.00 am to 8.00 pm
- Keeping the max funded session to 10hrs per day and remove the minimum session length for funded places
- Parents can access provision at max of 2 sites per day to minimise transitions for the child

SEND:

- Introduce, subject to the EYNFF consultation, SEND funding reform. This includes:
 - The introduction of additional targeted Disability Access Funding of £12.5 million per year to support providers to make initial reasonable adjustments and build the capacity of the setting to support disabled children
 - The proposal that all local authorities should set up an inclusion fund in their local funding systems to improve the supply of appropriate support children receive when in an early years setting
- Work with local authorities and Parent Carer Forums to develop examples of good practice, which we will include in future departmental advice on delivery of 30 hours free childcare
- Revise statutory guidance to explain more clearly the responsibilities of LAs under both the Children and Families Act 2014 Part 3 and Equalities Act 2010

30 hours consultation - outcomes

LA Delivery:

- Amend statutory guidance to set out a clear expectation that, by September 2018, childminders are paid monthly and all other providers are paid monthly unless they request an alternative payment model
- Develop a model agreement template, working closely with providers, local authorities and representative organisations through an expert working group, to bring clarity and consistency to agreements between local authorities and providers

Charging for Meals:

- Make clearer in statutory guidance that government funding is intended to deliver free, high quality early education; Providers are already free to charge parents for discretionary items, such as meals, provided they are not compulsory.

Information to Parents:

- Strengthen regulations and guidance to make clear that LAs will be required to update and publish their childcare information on a timely basis
- Require LAs to publish information by electronic means via their websites, but to have other formats to publish info. where necessary

- HMRC are creating a **joint application for 30 Hours' and Tax Free Childcare** (which will replace the childcare voucher schemes) where parents will enter their information and find out if they are eligible. **This will be on GOV.UK**. Parents may also apply by phone to HMRC.
- **Eligible parents will receive an eligibility code** that they can take to a childcare provider. LAs will be able to validate eligibility codes using the ECS.

What do we already know?

- Circa 390,000 parents nationally will meet the criteria
- DfE estimates a total of 45,000 new 15 hours places are likely to be needed – the task of identifying where these places will be required is for each LA to assess and address
- Research indicates 90% of eligible parents will use the additional hours and 80% reported additional hours would enable them to work or increase their hours of work
- Potentially eligible parents are already buying additional hours

What do we need to find out?

- Current capacity, mapping areas of high demand and supply
- Opportunities to increase capacity by re-modelling and stretching delivery
- How might the extended entitlement impact on parental choices and decisions?
- Potential impact of other policy initiatives (e.g. Tax Free Childcare, Right to Request, Universal credit etc.)
- The wider implications on the market

- What does this mean for Barnet???



Early Years Funding Consultation

What are we proposing?



Fairer funding for Local Authorities
Introducing a national funding formula to allocate a record level of investment, including an additional £1 billion by 2019-20, fairly and transparently.

95%

Maximum funding to providers
All local authorities to pass on the vast majority (95%) of funding direct to childcare providers.



Fairer funding for providers
Childcare providers to receive the same basic rate of funding for every hour of the free entitlements.



Greater transparency for providers
More targeted use of funding supplements to incentivise providers to meet the needs of parents.



Additional funding for children with SEND
Targeted additional funding for providers to support disabled children and a new LA approach to supporting children with SEN.

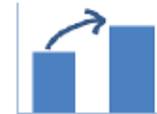
What does it mean for the early years sector?

£3.9bn

A record £3.9bn funding per year from 2019-20 to ensure we can expand the free early years entitlements from 15 to 30 hours a week.

£4.88

Government fulfils its promise of a higher national average hourly funding rate, increasing from £4.56 to £4.88.



The vast majority of local authorities and providers to see increases in their average hourly funding rates.



A more level playing field for different types of provider, which is more transparent and easier to understand.



A new approach for disabled children and children with special educational needs with extra funding to help them access and benefit from the free entitlements.

- Early Years Funding Formula
- Following both the National and local consultation on early years funding changes, the new local funding formula for 3 and 4 year olds will be introduced in April 2017. Schools and settings in Barnet will see an increase in funding of approximately £1 per hour for all 3 and 4 year olds in their Nurseries.
- As well as the increase in the hourly rate, the DfE will be introducing a disability access fund (DAF) to support the provision of care for children with disabilities. This equates to a one-off payment of £615 per year per eligible child.

- Childcare Act 2006 – **securing sufficiency of places**, information for families, **information for providers**, quality support for those settings less than good, improving children’s wellbeing, specific duties in relation to early childhood services, duty of LA and relevant partners to work together, sufficient childcare
- 2016 Act As above plus – **duty to publish info to parents on childcare available in their area, information advice and assistance and checking eligibility**

What Next?

- Know your cohort – parent survey
- Decide how many 30 hour spaces you will offer
- September 2017 – 30 hours begins for eligible children



Update on School Funding

Ian Harrison, Education and Skills
Director



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School Budgets in 2017/18

- **NFF** phased in from 2018/19
- No direct impact in 2017/18
- **Funding formula** for Barnet the same as in 2016/17
- **AWPU** as in 16-17 (+£5 for secondaries)
- Minor change - re-profiling of **IDACI** bands by DfE - same overall percentage as in previous years.
- **MFG** -1.5% set by the DfE - +2.25% for winners,

School Budgets in 2018/19 and 2019/20

- Second stage schools **NFF consultation**
- 10,740 **schools** (54 per cent) gain; 9,128 schools (46 per cent) lose
- 101 **LA areas** will gain; 49 will lose.
- **Losses** range from 0.1 per cent to 2.8 per cent.
- Most **London** LAs will lose funding - Barnet estimate is 1%
- **Winners and losers** in each LA; a very small number of schools in Barnet will gain

School Budgets in 2018/19 and 2019/20

- **DfE Funding Floor** - per pupil funding loss capped at **3%**
- In 2018/19 (transitional year) we estimate it a **maximum loss per pupil of 1.5%** for Barnet schools.
- **Gains** allowed of up to 3% per pupil in 18-19, and a further 2.5% in 19-20 - only a handful of Barnet schools affected.
- **High needs** national funding formula consultation - no school will lose any funding for their high needs per pupil funding.



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Education Services Grant

- For services such as **school improvement, education welfare services, asset management and strategic planning.**
- **£600 million** saving from by 2019/20 – brought forward to 17/18. **Barnet ESG - £3.6million.**
- A **retained duties element** covers statutory duties in relation to all schools (including Academies and Free Schools)
- A **general fund element** that relates to LA statutory duties in respect of maintained schools.



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Education Services Grant

- The **retained duties** funding is £15 per pupil, **£800,000** for Barnet.
- DfE has moved it into the Dedicated Schools Grant (**DSG**) and **allows LAs to retain the funding** for statutory purposes relating to all schools.
- The Schools Forum agreed this.
- The **remaining £2.6m** of ESG funding relates to statutory duties in respect of maintained schools only - **withdrawn entirely by 2018/19**.



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Education Services Grant

- **Transitional ESG** funding for 17-18 - **£985,000** for Barnet – so lose £1.6m in 17/18, rising to £2.6m in 18/19
- **LAs may retain some of their schools block funding** to cover the statutory duties for maintained schools
- Separate **School Improvement grant** for LA transitional role: **£170,000** (pays for part of cost of LNI service).
- Schools Forums **may agree to de-delegate** further funding for school improvement
- LBB **not proposing** to retain funding or dedelegation in 17/18 but **will need to consider the** position in respect of 2018/19



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Barnet Partnership Update on development of traded services

**Neil Marlow, Head of School
Improvement**



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Effective Governance Audits

Sarah Beaumont, Governor Services



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Effective Governance Audits

- To assist Governors and Headteachers in having documentary evidence for OfSTED
- To help Governors and Headteachers identify strengths and weaknesses in governance
- To give us a better understanding of the effectiveness and training needs of Governing Bodies
- To enable Governing Bodies to demonstrate improvement over time
- To ensure that we continue to provide Governor training to meet identified needs.



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Effective Governance Audits

- Thank you to those who met deadline of Friday 16 December 2016
- Moderation and Feedback undertaken on audits received in December (more detailed than previous year)
- Deadline extended to 31 January 2017. Please submit audits to: sarah.beaumont@barnet.gov.uk



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Emerging themes

- Effective audits show year-on-year progress
- Some audits show an over-reliance on Headteacher
- Some audits refer to a historic OfSTED report or former team
- Some audits refer to minutes and other documents as evidence
- Succession planning remains an issue
- Involvement in Self Evaluation Form (SEF) and School Improvement Plan (SIP) can be an issue
- Importance of continuous professional development and training attendance

Further Information

- New *Governance Handbook* published
- New *Competency Framework* published

Can be found at:

<https://www.gov.uk/government/publications/governance-handbook>



What the competency framework says about evaluation

- Monitoring the board's effectiveness is a key element of good governance. The board needs to assess its effectiveness and efficiency and ensure ongoing compliance with its statutory and legal duties under review. Individuals should also reflect on their own contribution helping to create a stronger and more motivated board.

Everyone on the board

- recognises their own strengths and areas for development and seeks support and training to improve knowledge and skills where necessary
- is outward facing and focused on learning from others to improve practice
- maintains a personal development plan to improve his/her effectiveness and links this to the strategic aims of the organisation
- is open to taking-up opportunities, when appropriate, to attend training and any other opportunities to develop knowledge, skills and behaviours
- obtains feedback from a diverse range of colleagues and stakeholders to inform their own development
- undertakes self-review, reflecting on their personal contributions to the board, demonstrating and developing their commitment to improvement, identifying areas for development and building on existing knowledge and skills



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In summary

- Return self evaluation audit by 31 January 2017 to sarah.beaumont@barnet.gov.uk
- Avail yourselves of the Governance Handbook
- Check out the Competency Framework

<https://www.gov.uk/government/publications/governance-handbook>

OfSTED Experiences and School Improvement Partnerships

**Neil Marlow, Head of School
Improvement / Chairs of Governors**



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OfSTED Inspections: Lessons Learned



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Our Recent Ofsted Experience



ST. JOHN'S
C.E PRIMARY SCHOOL

Lynne Evans
Chair of Governors, November 2015
to present

Context and Background

- ▶ 1 September 2015 new HT and DHT in post
- ▶ November 2015 - new Chair and Vice Chair appointed - plus majority of Board brand new
- ▶ School Causing Concern - risk of RI at best
- ▶ Severe financial difficulty
- ▶ Ofsted due
- ▶ Race against time to make rapid improvement

Preparation

- ▶ LA Review
- ▶ BPSI Review
- ▶ External Governance Review
- ▶ Lots of training - including New Ofsted Framework
- ▶ Robust action plans - rigorous challenge
- ▶ Factsheet of all key information and NGA 20 questions)
- ▶ Decided which governors would be present when Ofsted called
- ▶ Conducted Ofsted Role Play Workshops with NLG mentor Bronwen Tumani

The call

- ▶ **Tuesday 8 November midday.**
- ▶ Calm, measured first response
- ▶ Rally “Friendly” parents for support
- ▶ Preparation of Ofsted Room
- ▶ RAISE just released...
- ▶ Practical support to ALL staff including food
- ▶ REVISE
- ▶ Threads - safeguarding, writing (groups), pupil premium, sports premium, middle leaders

Outcomes

- ▶ This school continues to be good.
- ▶ Critical friend
- ▶ Why aren't we outstanding?
 - ▶ DATA!
 - ▶ New to post staff

Key Learnings / Take Aways

- ▶ Preparation is EVERYTHING
- ▶ External reviews
- ▶ Make life easy for the HMI - be prepared
- ▶ Website audit
- ▶ Single Central Record - check the checker!

OfSTED Experiences

Lessons learned

David Fox, Chair of Governors
Squires Lane Learning Federation



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Director's Briefing for Chairs and Vice-Chairs

Wednesday 18 January 2017

Safe journey home!



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