



High Needs SEN

City of York Council

Internal Audit Report 2017/18

Business Unit: Children, Education and Communities Directorate
Responsible Officer: Assistant Director Education & Skills
Service Manager: Head of Disability Services & Special Educational Needs
Date Issued: 2nd July 2018
Status: Final
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	P1	P2	P3
Actions	0	2	3
Overall Audit Opinion	Substantial Assurance		



Summary and Overall Conclusions

Introduction

An Education, Health and Care Plan (EHCP) is for children and young people aged up to 25 who need more support than is available through special educational needs support. EHCPs identify educational, health and social needs and set out the additional support to meet those needs.

The national transfer over from original Special Educational Needs Statements to EHCPs is nearing its completion, with a trend that suggests the number of plans will in fact continue to rise for the foreseeable future. With this predicted rise, it is important that the authority maintain high standards in their EHCPs and a recently developed quality assurance process could help to support this.

The council currently has an annual High Needs funding budget of approximately £10million to support children and young people with high-level educational needs in their learning and educational development. The post-16 funding is currently largely determined by the providers themselves, on a cost-based model, to help promote provision that is best suited to each individual. The annual ESFA Funding Guidance and Regulations, SEND: 19- to 25-year-olds' entitlement to EHC plans (Feb 2017) and the SEND Code of Practice (May 2015) currently outline what can be funded with the additional learning support. However, due to unforeseen staffing changes at the council, in-depth scrutiny of the level of these charges is not currently taking place.

There has been an increasing focus on the Local Offer, an initiative whereby each authority is required to publicise guidance to both young people and their families, on what the authority can offer local individuals with special educational needs. In recent years, the council has seen a decrease in the number of students attending out of area provision and a push towards encouraging young learners to stay within inner-city provision.

Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system will ensure that:

- Children and young people and their families are given sufficient time and information to complete their EHC plans
- The quality assurance process being developed for the EHC plans will ensure that plans are fit for purpose
- Charges for post-16 provision are calculated adequately
- The authority is keeping the Local Offer under review, particularly in relation to Out of Area provision

Key Findings

Young people and families are given a good level of support in order to prepare for EHCPs. The council's SEN team are engaged with families and young people; running events where individuals can attend and discuss SEN provision with professionals and other families. There was

further evidence of support available, with roles including Specialist Career Adviser (SCA) being developed to support some young people with High Needs into potential employment. It was difficult to assess whether the amount of time given to young people leading up to an EHCP was appropriate, as fieldwork revealed that the level and the range of input that is needed is unique to every EHCP.

The council is currently in the process of documenting a system to ensure that EHCPs are of the highest quality at implementation stage and further quality assurance procedures are taking place thereafter. The SEN team look at each individual EHCP and therefore engage in a level of quality assurance that has been anecdotally stated to be more in-depth compared to other Local Authorities who take just a sample of all plans.

Five visits to post-16 providers confirmed that there were no significant issues with the funding they were currently requesting from the council. Funding guidance and regulations, set by the Education and Skills Funding Agency, currently outline what can be funded with the additional learning support. However, the level of these charges was found to be largely determined by the provider and, at present, the council relies heavily on trust-based working relationships to maintain the reasonableness of these figures. In addition, due to staffing changes, there is currently a reduced amount of scrutiny being made against these charges and this therefore increases the risk that providers may over or under-charge the council for their provision.

One provider did not have a specific funding structure in place and this same provider was in need of some major repair work to ensure their premises remained fit for practice. The uncertainty behind their funding structure made it difficult to establish whether the provider was budgeting for works including repairs to the building. In addition, the property management at this provider was also unclear, as there appeared to be difficulty in securing a long term lease between the provider and the authority; despite the young people attending being the authority's own learners.

Updates to the Local Offer webpage took place over the summer and this has meant that the authority is advertising a good level of up-to-date information and guidance to parents and young people who may benefit from accessing special educational needs provision.

Overall Conclusions

The arrangements for managing risk were good with few weaknesses identified. An effective control environment is in operation, but there is scope for further improvement in the areas identified. Our overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance.

1 Post 16 Funding

Issue/Control Weakness

There is currently no guidance in place to ensure that providers are billing the authority for what is appropriate. There is no ongoing review of charges by the council.

Risk

Providers may under-charge for provision, hindering their ability to deliver high quality learning. Alternatively, providers may over-charge the authority, preventing the funding from being used in a more appropriate way.

Findings

All Post-16 providers visited could provide at least some evidence behind their charges, however daily rates and the information to support these were varied. The annual ESFA Funding Guidance and Regulations, SEND: 19- to 25-year-olds' entitlement to EHC plans (Feb 2017) and the SEND Code of Practice (May 2015) currently outline what can be funded with the additional learning support. The council also ensure that each contract with each provider highlights how charges should be calculated with actual costs and value for money taken into account. However, the level of these charges is still largely determined by the provider and the council currently relies heavily on trust-based working relationships to maintain the reasonableness of these figures.

Previously, all post 16 providers were subject to review over their charges; however changes to staffing have meant that providers are subjected to a decreasing level of the scrutiny needed to ensure value for money. The lack of scrutiny means that the council are currently exposed to providers making incorrect charges for provision.

Agreed Action 1.1

At the next 14-25 LDD Strategy Group Meeting, all York post 16 providers will be reminded to ensure that their additional learning support activities comply with the national guidance and the terms and conditions set out in the local contract agreement.

Priority

2

Responsible Officer

16-19 Manager

Timescale

30th June 2018

Agreed Action 1.2

Appropriate members of staff will conduct a review and negotiation process, where necessary, with all post 16 providers regarding their initial costs for the academic year 2018-19.

Priority

3

Responsible Officer

16-19 Manager and 14-19 Support Adviser

Timescale

31st October 2018

Agreed Action 1.3

The current Post 16 cost based approach will be kept under review and a decision made at DMT, for 2019-20, on whether to move from the current cost-based approach to a banding model of funding.

Priority

3

Responsible Officer

16-19 Manager

Timescale

31st March 2019

2 Property Management

Issue/Control Weakness

There is currently no formal long-term lease agreement in place for one provider and this same provider required refurbishment and repair work to their facilities.

Risk

The provider will no longer be able to provide or attract service delivery for young people with High Needs and the authority may incur additional costs.

Findings

One of the providers visited leased their premises from the council. The premises were in a particularly poor condition, with heating not working in some parts of the building and a leak in the roof. This provider is a social enterprise and therefore is expected to take some responsibility for property management, however, with facilities in poor condition there is a risk of losing students to other providers, which may ultimately result in the authority paying more for an out of area placement. It was also unclear how much the provider had built into their daily rate for premises costs and this could mean that the provider would be unable to pay for the repairs from the funding they receive.

In addition, the provider was having an issue getting a longer term lease from the council. Not only does this uncertainty put the security of the premises at risk, but the council would ultimately be responsible for finding alternative provision and would incur the cost of doing this. Therefore, it would be within the council's best interests to ensure the stability of the provision and that the facility provided is fit for purpose.

Agreed Action 2.1

The property management and arrangements of this post 16 provider will be included as part of an ongoing review of community used buildings that are owned by the council.

Priority

2

Responsible Officer

Assistant Director,
Education & Skills

Timescale

31st December 2018

3 Quality Assurance Process

Issue/Control Weakness

The quality assurance process is yet to be finalised and authorised by SEN management.

Risk

The process might not fully take place or be carried out effectively.

Findings

The authority has recently consolidated and developed a quality assurance process for the EHCPs. The process is comprehensive and looks at plans in great detail to ensure that these are of high quality. However, at the time of the audit, the process was not yet formally documented. Putting documentation in place, that sets out all stages of the process as well as the procedures for each stage, will help to ensure consistency and clarity of checks.

The authority held a challenge day in 2017 that involved professionals from various organisations and all with an influence on the EHCPs. The range of professional expertise and knowledge helped to quality assure ten EHCPs from a variety of perspectives. There is a second challenge day planned to be held in March 2018 and it would be beneficial to make this event an annual, documented part of the QA process.

Agreed Action 3.1

The second challenge day, scheduled for March 2018, took place as planned and will be adopted annually as part of the full quality assurance process.

A draft document for the quality assurance process is now in place. The draft protocol was taken to the SEN management team for comments, but is yet to be finalised and approved.

The quality assurance protocol will be finalised and approved in an upcoming SEN management meeting.

Priority

3

Responsible Officer

Head of Disability & Special Educational Needs

Timescale

10th July 2018

Audit Opinions and Priorities for Actions

Audit Opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.

Our overall audit opinion is based on 5 grades of opinion, as set out below.

Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable Assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

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