

Post May Apprenticeships 2016/17 The Audit...

AUDIT | TAX | CONSULTING



Agenda

- Background to audit
- Overview of audit
- Common errors identified
- The role of DSATs in the new audit approach
- Other areas the new audit approach considers – Hub reports, FaM and subcontracting



Background to Audit

- Circa 50 providers were selected for audit in 2016/17
- The selection of providers for audit is a mixture of those considered as a 'risk' and those selected at random. Some providers who were 'risk' last year were selected again as part of the random sample
- Audit work is completed by one of three appointed audit firms or by FAS2T (ESFA own auditors)
- Where a College had post 1 May 2017 Apprenticeship starts these were covered as part of the audit (usually 100%)



Post May Apprenticeship Starts

New audit approach – D14 for all starts post May 1st 2017

Nine questions = 33 critical factors

No reference to ESF match funding

Some over lap with existing audit arrangements

- | | |
|------------------------------------|-------------------------------------|
| • Eligibility | • Duration |
| • Age | • Delivery location |
| • Employed status | • Distance learning |
| • Employment Hours | • Breaks in learning |
| • Apprenticeship Training Agencies | • Learning Support |
| • AGE Grants | • Start and end dates plus activity |
| | • Achievement |



New areas for Apprenticeship Audit

New areas for audit

- Negotiated Price
- English and maths
- Written agreement and commitment statement
- Payment of employer co-investment
- Payment of price over funding band maximum
- Additional payments for 16-18 or 19-24 with EHCP
- Small Employer – co-investment waiver
- Completion and end point assessment

So what does it look like? Lets take a look...



Working papers Review



Common Errors from funding audit

Following completion of a number of funding audits the key issues identified were:

- Employers not told about co-investment and no intent to charge/collect
- ACT1 vs ACT2 – incorrect flagging resulting in under claims
- Contract of service not signed by provider or employer
- Negotiation Price – Breakdown of the price, what's really going in?
- Prior attainment not being considered as part of negotiated price – progression of level 2 to 3
- No declaration in place to confirm employer is eligible for small employer waiver
- Small employer waiver not claimed even when eligible
- Small employer waiver applied to Apprentices who are over 24



Common Errors from audit

- Incorrect training costs (negotiated fee - TNP) or no training costs recorded on ILR
- Assessment costs incorrectly recorded on ILR when compared to contracts
- Co-investment not collected – not invoiced, employer pushback
- Hub reports not reviewed to confirm if Levy employer needs to pay co-investment
- Co-investment values not recorded on the ILR
- Refunds to employer recorded on the ILR that were more than the actual co-investment value
- Employers charged co-investment when they were eligible for full funding



Common Errors from audit

The Commitment statement is a key document for the process and a range of issues were identified

- 20% Off the Job requirement not quantified – how many hours over the duration of the Apprenticeship
- 20% Off the Job requirement not detailed – how it will be delivered
- Commitment statements not signed either prior to or on start date

The Apprenticeship Agreement can no longer be included within the commitment statement as this only requires employer and employee signatures



Common Errors from audit

- Employment start vs Apprenticeship start
- What contributes to OTJ – when activity takes place and duration of activity
- Evidence of start dates – provision moving pre and post May 2017
- Functional Skills – Evidence of delivery



DSAT Reporting for new Apprenticeships

New DSAT reports have been specifically developed to look at post May 2017 Apprenticeship starts.

Report Number	Report Title	Implication
18A-108	All learners and learning aims within the new apprenticeship programme	Listing report – use this to check whole population
18A-207	Apprentices undertaking level 1 or below in English and/or maths within an Apprenticeship	Where level 1 is being claimed there must be initial assessment evidence to support this
18A-208	Negotiated prices as a proportion of maxima	Is it inline with expectations? Check under 50% and over 100%
18A-209	Apprentices funded for English and/or maths within the adult education budget	If taking place at the same time, AEB aims need to be removed and funded as part of the Apprenticeship



DSAT Reporting for new Apprenticeships

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Report Number	Report title	Implication
18A-210	Apprentices withdrawing from the programme soon after attracting an additional payment	If Apprentices withdraw soon after incentive payment are made end dates will be checked
18A-211	Apprentices that withdraw from existing programmes and restart in funding model 36	Possible funding over claims where Apprentices have moved funding streams
18A-212	Recording co-investment payments	Identifies learners where co-investment is due to none recorded on the ILR
18A-213	Functional skills at level 2 or below in an Apprenticeship having already achieved level 2	Possible double funding issue – if learner already has an aim it cannot be funded again through an Apprenticeship



Hub Reports

Nick – your section here on hub reports



Funding and Monitoring

Published October 2017 a number of reports now directly relate to the new Apprenticeship system, not forgetting all reports need to be reviewed!

Report Number	Report title
Report 13	Apprentices withdrawing within 14 days of an additional payment being earned
Report 14	Small Employer Waiver
Report 15	Apprentices withdrawing from existing frameworks or frameworks and restarting in funding model 36



Funding and Monitoring continued

Report Number	Report title
Report 16	Recording co-investment payments
Report 17	Apprentices who are also being funded for English and/or maths provision in the Adult Education Budget
Report 18	Learners repeating an identical programme (no restarts, match framework, programme type and pathway)
Report 19	Learners undertaking level 2 or below in English and maths within an apprenticeship when they have already achieved a level 2



Future Thinking

So what might the future hold...

- Audit of new providers
- Implications of non-compliance 20% Off the Job
- The role of the EPA – subject to audit or not?
- Completion versus achievement



QUESTIONS
AND ANSWERS?



THANK YOU FOR
YOUR TIME AND
ATTENTION

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