



Skills Funding  
Agency

# The Register of Training Organisations Due Diligence Assurance Gateway

Read Me First – Guidance for Completion

June 2013

Of interest to colleges and training organisations



**European Union**  
**European Social Fund**  
Investing in jobs and skills

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# 1. About the Skills Funding Agency

The Skills Funding Agency (the Agency) is a partner organisation of the Department for Business, Innovation and Skills (BIS) and it exists to fund and promote adult further education (FE) and skills training in England.

The FE and skills sector comprises more than 220 FE colleges, some 900 independent training providers, and some 2,500 training organisations with which colleges and providers subcontract. Our role is to assist the sector by making the funding and support available.

For more information on our mission and role please see:

<http://skillsfundingagency.bis.gov.uk/aboutus/>.

Each year BIS sets out its policy priorities for the skills sector in a Skills Funding Statement (SFS), detailing the overall level of funding available to the sector to deliver the policy intentions of government. The Agency's task is to implement BIS's policy, as set out in the SFS, consistent with the Chief Executive's statutory duty to promote and secure reasonable adult FE in England. To achieve this, we influence and support the capacity and quality of the FE system so we can fund the expected demand for high-quality skills training.

A link to the Skills Funding Statement (SFS) can be found at:

<http://www.bis.gov.uk/policies/further-education-skills>

## 2. The Services We Fund

We fund delivery of adult education and training services including:

Apprenticeships

Workplace learning

Classroom learning, including Skills Support for Unemployed

Offender Learning and Skills Service

Community Learning

The Chief Executive enters into funding agreements with colleges and training organisations that can deliver one or more of these services.

We commission education and training services based on Government priorities and the associated funding made available to us.

Some of the delivery we commission will include education and training funded by the European Social Fund (ESF). We do not use a separate process for procuring this ESF-funded provision, therefore organisations interested in delivering this provision will need to be listed on the Register of Training Organisations.

Occasionally, funding becomes available for initiatives outside of the planned procurement cycle. The Agency will invite providers who have successfully passed the Due Diligence Assurance Gateway process and are entered on the Register of Training Organisations to compete for this delivery.

Please note that at the time of publication, the policies and programmes referred to in this document are correct. However, this information may be from time to time subject to change and updating as appropriate. Therefore it is recommended that you check our website <http://www.skillsfundingagency.bis.gov.uk> for the latest information.

## **3. The Register of Training Organisations**

### **3.1 Introduction**

The Register of Training Organisations is a single register of providers that have passed our Due Diligence Assurance Gateway process and are eligible to be invited to compete for future invitations to tender for the delivery of education and training services.

Entry on the Register of Training Organisations does not guarantee you will receive funding from the Chief Executive of Skills Funding but you will be invited to tender in the future and considered for funding, based on the appropriate provision box you have selected in your questionnaire submission.

Before completing the Due Diligence Assurance Gateway providers are advised there is **no right of appeal** against the outcome of the evaluation process.

### **3.2 Background**

The procedure we utilise in the majority of cases when procuring Education and Vocational Training Services follows the EU Restricted Procedure and is a two part process involving a pre-qualification stage to ensure that only suitable providers are invited to tender. It includes both financial and technical assessments which are designed to ensure that providers are commercially sound in these areas and their ability to deliver to the required standard has been established prior to being invited to tender for education and training activity.

In the case of the Register of Training Organisations, the Agency identifies suitable training providers through the Due Diligence Assurance Gateway. The Due Diligence Assurance Gateway tests providers in two areas; they have to successfully pass both the on-line questionnaire and the financial health assessment in order to be approved to enter the Register of Training Organisations.

Only providers who are on the Register of Training Organisations are eligible to receive funding from the Chief Executive for education and training services. Similarly, we will continue to ensure that existing providers that are listed on the Register remain eligible for the funding they receive.

Entry on the Register of Training Organisations does not mean you will be awarded funding, but it does mean you will be eligible to compete for future funding opportunities.

### **3.3 Purpose**

The Register of Training Organisations has three distinct purposes:

- To enable us to confirm that organisations with which we have an existing funding agreement for the delivery of education and vocational training, are suitable for us to continue to fund.

- To provide us with a list of organisations that are eligible to be selected to be invited to tender in the future for the provision of education and training services.
- To enable us to support the sector in subcontracting provision, by requiring subcontractors in receipt of aggregate subcontracts in excess of £100K, to pass the Due Diligence Assurance Gateway.

For the purposes of this document:

- Colleges, local authorities, private training organisations, employers, public sector bodies and all those organisations who will be direct contract holder are all identified as training organisations;
- The Register refers to the Register of Training Organisations;
- We, us, the Agency, the Chief Executive, refers to the Chief Executive of Skills Funding;
- Lead or Prime Contractor is the organisation that has the direct contractual relationship with the Chief Executive;
- Subcontractors are organisations within the Agency's supply chain, that do not hold a direct contractual relationship with the Chief Executive;
- Learners, for the purposes of the Register, may also refer to employees. For example if you are an employer only delivering training to your own employees or those employees in your supply chain only.

### 3.4 Appearing on the Register of Training Organisations

You must pass both parts of the Due Diligence Assurance Gateway, to be assessed as 'Approved' to enter the Register from its next publication date, unless you are subsequently removed. Removal of organisations from the Register is covered in section 3.7.

Please note that organisations that enter the Register will **not** receive a registration number.

Appearing on the Register does not infer that we endorse you as an organisation and it is not a 'kite mark' nor 'award'. Organisations that appear on the Register are **not** entitled to use our logo.

Guidance on logos and design can be found at:

<http://skillsfundingagency.bis.gov.uk/providers/logoanddesignguidance/>

As a Government department, we do not provide references for providers.

### 3.5 Subcontractors

It is a funding requirement that all subcontractors in our supply chain with an aggregate contract value of £100,000 and above enter the Register. However, **in line with Para 323 of the new Funding Rules 13/14, from 1 August 2013 subcontractors must enter the Register prior to agreeing contracts with lead providers that would take them beyond the £100,000 threshold.** The Agency understands subcontractors change during the contract year but lead providers must not contract with an organisation until they successfully entered the Register. Failure to comply may result in us contacting the lead providers to request they terminate the agreement.

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The process for declaring subcontractors remains unchanged. As soon as a subcontract is entered into, the lead provider is required to declare it via their [Subcontracting Declaration form](#).

The Register does not replace the requirement of lead providers to undertake their own due diligence process prior to entering into any subcontracting agreement. We expect the engagement of subcontractors to be through a fair and transparent procurement process to ensure only the best organisations enter our supply chain.

If, as a lead provider or subcontractor, you fail the Due Diligence Assurance Gateway, you will not appear on the Register. Section 10 on Resubmissions clarifies the basis on which organisations are able to resubmit to the Due Diligence Assurance Gateway.

It is the lead provider's responsibility for the engagement and management of its subcontractors, when a subcontractor has failed the process the Agency expects the lead provider to work with them to successfully enter the Register on their subsequent application.

More information on our subcontracting policy can be found on our website <http://skillsfundingagency.bis.gov.uk/providers/Subcontracting/>.

### 3.6 Annual Refresh

You are required to refresh your Register information on an annual basis. **The Agency will give you notice in advance when the annual refresh will occur.**

**The June opening of the Register is NOT for refresh – if you are already listed on the Register, do not take any action.**

Your ability to remain on the Register is subject to you continuing to pass the Due Diligence Assurance Gateway. Organisations will need to refresh both their online questionnaire and their financial information.

If you fail your annual refresh you will be assessed as failing the Due Diligence Assurance Gateway process. If you fail you must apply again the next time the Due Diligence Assurance Gateway opens. You will be given one further opportunity. During this time you will remain on the published version of the Register. If you fail after your second application then you will be removed from the published Register.

For those organisations that are in our supply chain this will mean the termination of your funding agreement with us. In the case of subcontractors we will contact your lead provider requesting they terminate your agreement.

Until you successfully pass the Due Diligence Assurance Gateway existing providers\*:

- **Will not be eligible to compete in future invitations to tender**
- **Will not be able to receive growth funding through the Agency's performance management process.**

\*This applies to delivery models which include subcontractors that have failed.

Organisations **are not required** to refresh their submission when the Register reopens in June 2013. The Agency will notify organisations in advance when the requirement to refresh their submission arises.

### **3.7 Removal of organisations from the Register**

The Chief Executive reserves the right to remove any provider from the Register. The grounds for removal of providers reflect the circumstances described in the Skills Funding Agency's Funding Higher Risk Providers and Subcontractors Policy and Provider Risk Assessment and Management Policy:

[http://readingroom.skillsfundingagency.bis.gov.uk/sfa/funding\\_higher\\_risk\\_providers\\_august\\_2012.pdf](http://readingroom.skillsfundingagency.bis.gov.uk/sfa/funding_higher_risk_providers_august_2012.pdf)

[http://readingroom.lsc.gov.uk/sfa/Provider\\_Risk\\_Assessment\\_and\\_Management\\_-\\_July\\_2012.pdf](http://readingroom.lsc.gov.uk/sfa/Provider_Risk_Assessment_and_Management_-_July_2012.pdf)

If we find you have made false declarations in your Due Diligence Assurance Gateway responses you will be removed from the Register.

### **3.8 Organisational Changes**

If you change your legal structure you must inform us immediately via the relevant Due Diligence Assurance Gateway message board on the e-tendering portal. You will then be required to apply to the Register at the next opportunity in line with your new legal structure and/or status.

### **3.9 Company Name Change**

If there is a change to your company name only, with no other legal or organisational change, your details on the e-tendering portal must be amended accordingly.

#### **If you already have a funding agreement with us**

You need to advise your Relationship Manager first, providing evidence in the form of Companies House and UKRLP certificates, who will notify the Register Team by emailing [registerhelp@skillsfundingagency.bis.gov.uk](mailto:registerhelp@skillsfundingagency.bis.gov.uk) and confirm the situation. Subcontractors should contact the Relationship Manager of their lead provider.

#### **If you are entered on Register and do not hold a current funding agreement with us -**

If you are not a current contract holder and your organisation's name changes with no other legal or organisational change, you must notify the Register Team by emailing [registerhelp@skillsfundingagency.bis.gov.uk](mailto:registerhelp@skillsfundingagency.bis.gov.uk), providing evidence in the form of Companies House and UKRLP certificates. Once we are satisfied that it is a name change only, we will advise Bravo to amend this against your account.

**The name listed on your Bravo account should be the full legal name of your organisation as registered with Companies House. This in turn should be the name listed on UKRLP against your UKPRN.**

#### **My organisation's name is wrong on Bravo**

If your organisation's name on the e-tendering portal is not correct and/or does not match the name against your UKPRN, it is important that you update this information by following the process detailed above, depending on your relationship with the Agency.

Please be aware that organisations are listed on the published Register according to the name they have registered on the e-tendering portal, which should be their full legal name. If you are already listed on the Register at the point that your name changes, it will be amended when the latest version of the Register is next published.

Providers should ensure that any name changes are also updated against their UKPRN so that it continues to match the name on the Register.

Please be aware that organisations are listed on the published Register according to the name they have registered on the e-tendering portal. This should be the organisation's full legal name which in turn matches the entry against the UKPRN.

**Any applications where the legal name and UKPRN do not match as per UKRLP, will incur an automatic fail.**

### **3.10 Publication of the Register**

We will publish information about the Register, including the Register itself, on our website at <http://skillsfundingagency.bis.gov.uk/providers/programmes/register/>

If you have a query about the Register or Due Diligence Assurance Gateway and its purpose, please contact us in the **first** instance via the message board of the latest PQQ on the e-tendering portal.

If you are not registered on the e-tendering portal, or have a query outside of the Gateway opening, please direct it to [Registerhelp@skillsfundingagency.bis.gov.uk](mailto:Registerhelp@skillsfundingagency.bis.gov.uk), quoting your UKPRN in the subject field. This email address is solely for generic questions relating to the Register.

We aim to respond to your query within 2 working days; however there may be a delay in our response during busy periods in the Register process. We may choose to publish your anonymised query and the response to it in a list of Frequently Asked Questions (FAQs) on our website.

## **4. Due Diligence Assurance Gateway**

### **4.1 Introduction**

The aim of the Due Diligence Assurance Gateway is to provide an assurance that organisations are suitable to receive funding from the Chief Executive.

The Due Diligence Assurance Gateway process consists of two distinct parts:

1. Online questionnaire
2. Financial Health Assessment.

Organisations must check they have completed and submitted their online questionnaire to us accurately and they are happy with the content. It should reflect the whole of the organisation, and not just a department or individual. Existing subcontractors must apply



in their own right and not as one their lead provider/s. Submission of applications should be agreed at the appropriate level in your organisation before they are submitted to us.

As part of completing this questionnaire, you are required to upload your latest financial statements.

Your responses to the questionnaire and your financial statements will be evaluated in order to determine whether you pass or fail the Due Diligence Assurance Gateway. You must pass both elements of the Due Diligence Assurance Gateway in order to be approved to enter the Register.

Before you start the Due Diligence Assurance Gateway process, you should ensure that:

- Your organisation is a legal entity.
- Your organisation is included on the UK Register of Learning Providers (UKRLP) and has a valid UK Provider Reference Number (UKPRN). Please note if we cannot match the name and UKPRN on an application to the legal name and number on UKRLP, it will incur an automatic fail and we will not evaluate your application.

**Only those organisations that are able to demonstrate they are financially robust will enter the Register.**

**THERE IS NO RIGHT OF APPEAL. THE OUTCOME OF THE EVALUATION IS FINAL**

## **4.2 Which organisations should complete the Due Diligence Assurance Gateway?**

All existing direct contract holders who are receiving funding from the Chief Executive and those subcontractors with an aggregate contract value of £100,000<sup>1</sup> or above must enter the Register. Your organisation should complete the Due Diligence Assurance Gateway if it is not already listed and one or more of the following apply:

- You have an existing funding agreement with us for the delivery of education and vocational training.
- You are an organisation that wants to be selected to compete in future tenders for education and training provision and wish to hold a direct contract with us.
- You are an existing subcontractor to one or more organisations, with us for the delivery of education and vocational training, and the contracts you hold have an aggregate value of £100,000 or above.
- You wish to enter into a subcontract with an existing lead provider for the delivery of education and vocational training, where the aggregate value of the contract would be £100,000 or more.

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<sup>1</sup> According to the latest and therefore current version of the Agency's Subcontracting Register <http://skillsfundingagency.bis.gov.uk/providers/Subcontracting>

*We will monitor whether training organisations currently funded to deliver education and training and subcontractors with an aggregate contract value of £100,000 and above complete the Due Diligence Assurance Gateway as required, taking the necessary action when none compliance is identified. It is the lead provider's responsibility to ensure those subcontractors who are in scope apply to the Register.*

### **4.3 National Apprenticeship Service (NAS) Direct Grant Large Employers**

It is a funding requirement that large employers who are in receipt of grant funding from NAS apply to and pass the Due Diligence Assurance Gateway and enter the Register.

Please contact your National Apprenticeship Service Account Manager for advice before completing the Due Diligence Assurance Gateway.

### **4.4 Organisations that were unsuccessful in a previous Due Diligence Assurance Gateway submission**

Please refer to Section 10 – Resubmissions. If you were unsuccessful in your previous Due Diligence Assurance Gateway submission and now wish to apply again you will need to review and submit your online questionnaire and upload your latest financial statements as an attachment to the online questionnaire. This applies to every submission regardless of the reason of why you were unsuccessful.

If you decide to re-apply, we advise you to review your previous responses and seriously consider whether your commercial and financial status is robust enough for assessment, especially if your situation/information has not changed since the previous submission.

If you were 'Not Approved' due to failure of the Financial Health Assessment, any reapplication will need to be on the basis of updated, complete and current financial information being available. As an administrator of public funds, the Agency will not invite organisations that are an unaccepted risk to compete for funding. Those organisations that are identified to be of greater risk will not enter the Register.

You need to ensure your answers are correct before you submit your application as the Agency **cannot accept** any information or changes after the closing date or outside of the process.

### **4.5 How many times can I apply to the Due Diligence Assurance Gateway?**

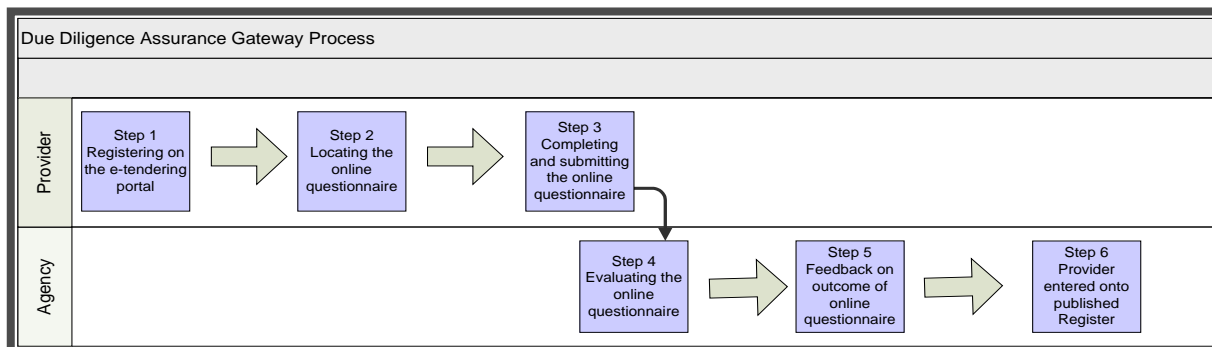
Organisations that are currently in our supply chain have 2 consecutive opportunities to pass the Due Diligence Assurance Gateway and enter the Register. Failure of any existing organisation to enter the Register after 2 consecutive openings will result in the Agency terminating their agreement and in the case of subcontractors; the Agency will contact the lead provider(s) to request they end the subcontracting arrangement.

Those organisations who do not have a current contract and are not in our supply chain, but wish to be considered for future funding and invited to tender, will not have the number of opportunities to apply restricted however, any organisation needs to give serious

consideration to repeated applications if the commercial and financial status is not robust enough for assessment, especially if the situation/information has not changed since the previous submission. Organisations need to consider if they have the capacity to enter the Register and then if successful, potentially to compete to deliver a contract for the Agency.

## 4.6 Process

The process for the Due Diligence Assurance Gateway is as follows:



## 4.7 Timetable

The timetable for this opening of the Due Diligence Assurance Gateway is set out in the table below.

|  |                           |
|--|---------------------------|
| Launch date and Register opens                                 | 14 June 2013              |
| Deadline for completion and submission of online questionnaire | <b>5 July 2013 at 5pm</b> |
| Feedback provided from Skills Funding Agency to provider       | End of July 2013          |
| Register published   | Early August 2013         |

**IMPORTANT:** Dates for feedback and the publication of the Register are a guide only. Exact dates depend on the volume of applications we receive.

# 5 Registering on the E-Tendering Portal

## 5.1 Introduction

The Due Diligence Assurance Gateway's online questionnaire is available at our e-tendering portal <https://skillsfundingagency.bravosolution.co.uk>.

Organisations which have yet to register on the e-tendering portal will need to do this in order to access the questionnaire. Registration can be done at any time, even if the Gateway is not open.

It is critical the name of the organisation you enter on the e-tendering portal matches your organisation's full legal name, which also matches your entry on UKRLP, as your organisation will appear on the Register under this name. **You may fail the Due Diligence Assurance Gateway if we cannot match your organisation's name on the portal to its legal name.**

It is your responsibility to ensure that your e-tendering portal registration details are current and accurate. It is important you ensure the email address you register on the e-tendering portal is monitored as this is how we will communicate to you. You need to maintain and monitor your email address on the e-tendering portal.

We will communicate with organisations about the Due Diligence Assurance Gateway via the e-tendering portal built in messaging service. This directs alerts and messages to the email address you specify. Once you have registered on the e-tendering portal, you may wish to add more than one email address to your registration details so that more than one person can access any alerts and messages we send. Please note that all the email addresses added to the e-tendering portal will receive the alerts and messages we send.

**Please note that registering your details on the e-tendering portal does not constitute a submission to the Due Diligence Assurance Gateway.**

## **5.2 If you have already registered on the e-tendering portal**

If your organisation has already registered on the e-tendering portal, then you do not need to do it again. You can use your current username and password.

If you have already registered but have forgotten your password, please use the **forgotten your password** process on the portal rather than registering again.

If you are not sure whether your organisation already has a username and password, please contact [help@bravosolution.co.uk](mailto:help@bravosolution.co.uk) rather than attempting to re-register.

## **5.3 If your organisation has not previously registered on the e-tendering portal**

Please see the accompanying *Quick Reference Support Guide for the e-tendering portal* for information on how to register on the e-tendering portal.

# **6 Locating the Online Questionnaire**

Please see the accompanying *Quick Reference Support Guide for the e-tendering portal* for information on how to locate the online questionnaire, which can be found at:

<http://skillsfundingagency.bis.gov.uk/providers/programmes/register/>

# **7 Completing and Submitting the Online Questionnaire**

## **7.1 Introduction**

Completing and submitting the online questionnaire is required in order to complete the Due Diligence Assurance Gateway process. Please ensure that your responses relate to the organisation<sup>2</sup> responding to the online questionnaire, rather than, for instance, an individual office or department. Potential subcontractors must complete their application based on their organisation's details and not those of their lead provider.

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<sup>2</sup> Refers to the legal entity which is able to enter into a contract

The majority of the questions are prefixed with a **red asterisk (\*)** because they are mandatory. If you do not answer all of them, the e-tendering portal will not allow you to publish your response and we will not be able to evaluate your questionnaire.

Please note that where we ask a closed question and then subsequently ask for additional text based information in support of your response to that closed question, you will need to provide this additional information as appropriate to the response you have selected.

Please refer to the Definitions Appendix at the end of this document before completing the online questionnaire.

If you previously completed the of Register of Training Organisations (Due Diligence Assurance Gateway) pre-qualification questionnaires (PQQs), you will find that some of your historical responses will be pre-populated for your review and amendment. However, this will still be the case even if the question itself is amended, meaning that the pre-populated answer may subsequently be unacceptable against that question. If there are any changes, a document will be published alongside the opening of the Gateway, to highlight these questions to providers.

**It is critical that you review all of the pre-populated responses**, and amend them if appropriate, to ensure they remain current and valid. It is your responsibility to check; once the deadline for submission has passed, there is no opportunity to change any of your responses.

In the *Qualification Questionnaire* section of the Assurance Gateway online questionnaire, we advise that should we make any changes to any part of the online questionnaire *whilst it is live*, any submitted responses are “unsubmitted” by this action. An email alert advising that we have made changes will be sent to organisations registered email address. Organisations will then have to read the details of the change(s) and if necessary amend their submissions. Whether the change(s) effect an organisations submission or not they will still have to resubmit their response in order for us to evaluate it.

As part of their response to the *Qualification Questionnaire*, organisations are asked to sign a declaration confirming that they will re-submit their response if a change is made to the settings and questionnaire area of a live tender as shown above.

Organisations need to be aware your responses will be shared across the Agency and with the National Apprenticeship Service as part of our efforts to reduce unnecessary bureaucracy and as part of our risk management strategy.

If required, we will share your responses with other government agencies in particular the Education Funding Agency and others as appropriate, to ensure public funds are safeguarded.

## **7.2 Structure of the online questionnaire**

The questionnaire is organised into two envelopes – a qualification envelope and a technical envelope. The qualification envelope contains two sections. **You need to read**

**the contents of the qualification envelope and accept the declaration before starting to complete the technical envelope.**

The technical envelope contains seven sections as described below.

Please note that any references to **eVM** (e-Vendor Management) in the section titles on the e-tendering portal refer to an underpinning technical aspect of the portal and can be ignored for the purposes of completing the online questionnaire.

### **7.2.1. Organisational details**

This section focuses on fundamental information about your organisation, including your UK Provider Reference Number (UKPRN), legal form, structure, size and directors.

We need to ask these questions to enable us to confirm that each organisation submitting the online questionnaire is a legal entity and so that we have a record of essential details about your organisation.

We may use some of the information we gather in this section for reporting and monitoring purposes.

Organisations must enter a UKPRN or they will fail the Due Diligence Assurance Gateway; entering an incorrect UKPRN will also incur a fail. It's critical you check this before finalising your submission.

For the June opening, we are asking organisations to state their *full* legal name and any applicable trading names in separate questions – these should be as per Companies House and also match UKRLP. Please do not use abbreviations.

### **7.2.2. Training organisation type**

This section asks for further information about your organisation as it relates to the delivery of education and training, including why you are completing the Due Diligence Assurance Gateway.

We need to ask these questions to enable us to select you to receive appropriate invitations to tender if you pass the Due Diligence Assurance Gateway.

### **7.2.3. Compliance**

This section asks questions that focus on legislative requirements, such as prior convictions and any investigations you have been subject to.

We need to ask these questions because the Public Contracts Regulations 2006 set out a number of criteria for the rejection of organisations and we need to ensure that only organisations suitable for us to fund and/or invite to tender will pass the Due Diligence Assurance Gateway.

Please be aware that the Register team will verify information submitted within this section to ensure it is a true reflection of the provider's situation. False declarations will mean you will fail the Due Diligence Assurance Gateway.

Some responses to questions in this section can incur an automatic failure of the online questionnaire and therefore result in an overall application status of 'Not Approved'.

#### **7.2.4. Economic and financial standing**

This section asks you about the make up of your organisation's annual income, your insurance documentation and your financial statements.

We need to ask these questions to ensure that all organisations which pass the Due Diligence Assurance Gateway have an appropriate level of financial health and insurance cover. In addition, we need to assess the risk to the Agency of contracting with organisations which are reliant on public funding.

Please note the detailed information below regarding the required financial statements.

The following organisations are exempt from being required to submit financial statements:

- Central government departments, executive agencies or non-departmental public bodies.
- Local authorities including Local Education Authority (LEA) schools.
- NHS trusts, Universities.
- Major national charities and voluntary organisations, for example OXFAM, Red Cross, RNIB, RNLI.

The Agency also exempts large publicly listed employers funded by a National Apprenticeship Service (NAS) Grant, for whom Agency funding is incidental to their business i.e. Agency contract values are no more than 5 per cent of annual turnover, and which are seeking to deliver Education & Vocational Training services to their own employees, employees of their subcontractors and/or employees of organisations which are 100% in their supply chain. The Agency may, however, download the accounts from Companies House in order to confirm exempt status. The Agency will only fund organisations that can demonstrate they are financially robust.

Organisations that are exempt from submitting financial statements must attach a document to question [REG-EF-04] outlining the reasons for the exemption – without an attachment, the e-tendering portal will not allow you to submit a response. See section 7.3 below.

#### **7.2.5. Technical capability**

This section asks you about your capacity and capability as well as your history in relation to previous contracts with public bodies.

Since 2006 it has been part of the EU Procurement regulations that in order to avoid wasting organisations' time and effort at the invitation to tender stage, Contracting Authorities such as the Chief Executive of Skills Funding need to test capability, capacity and resource of potential contractors at the selection stage of the process so that we are

not inviting organisations to tender that are unable to deliver the provision we are commissioning.

Please be aware that the Register team will verify information submitted within this section to ensure it is a true reflection of the provider's situation.

For questions in relation to Continuous Improvement Process, this is the process of making and recording regular small changes and improvements to the service you provide – whilst you may identify it under another name, it is the underlying process that must be the basis for your answers.

Similarly, with questions relating to Business Continuity, this is an organisation's response planning that sets out how the business will operate following an incident and how it expects to return to 'business as usual' in the quickest possible time afterwards.

### **7.2.6. Declarations**

We ask you to confirm that you are giving us true and accurate information. This is the point at which you are validating that all your information is correct.

Certain declarations will relate to and reinforce the themes identified throughout the online questionnaire.

The Chief Executive reserves the right to remove any organisation from the Register organisations will be told the reason for their removal.

### **7.2.7. Authorisation of submission**

We ask you to state the name of the individual who is authorised to sign your submission on behalf of your organisation. An electronic signature (typed) here will be acceptable.

If we subsequently ascertain that we have been given incorrect answers or information, as articulated in section 3.7, you may be removed from the Register of Training Organisations.

## **7.3 The documentation we require**

Organisations with a **current funding agreement** with the Chief Executive of Skills Funding for the delivery of education and training:

There is no requirement to submit financial statements for the purposes of the Due Diligence Assurance Gateway process as you will already have submitted, or be in the process of submitting these, as part of your funding agreement with us. You must upload a note in the space reserved for uploading financial statements in the online questionnaire to confirm that you have a current funding agreement with the Chief Executive of Skills Funding for the delivery of education and training.

Organisations **without a current funding agreement** with the Chief Executive of Skills Funding for the delivery of education and training



Organisations that do not have a current funding agreement with the Chief Executive for the delivery of education and training need to upload their latest financial statements in the reserved space in the online questionnaire.

If you do not currently have a funding agreement with the Chief Executive:

- You are required to supply your latest full statutory financial statements (not abbreviated accounts).
- If you are not required to publish statutory financial statements, you should supply a profit and loss account, balance sheet and where available any related notes or narrative.
- If you are part of a wider company group you should provide the latest financial statements of the UK Ultimate Parent company. In assessing the financial health of an organisation that is part of a group of companies the Agency will consider the financial standing of the group as a whole. If your organisation is a subsidiary company you should also consider whether submitting a parental guarantee together with your organisations accounts would enhance your application. The parental guarantee form can be accessed on our webpage.
- If you are unable to supply statutory financial statements because you have not traded for a sufficient period, you should supply a fully costed business plan which as a minimum should consist of a budgeted profit and loss account, balance sheet, cash-flow forecast and narrative of key assumptions made. Where available it would be helpful if management accounts incorporating a profit and loss account and balance sheet could also be included.
- Statutory financial statements are those prepared using generally accepted accounting principles in accordance with the legislative requirements of the organisation type. For example, a limited company's accounts are prepared in accordance with the Companies Acts. A registered charity's accounts are prepared in accordance with the requirements of the Charity Commission.
- If insufficient or incomplete financial statements are uploaded to the online questionnaire, you will **fail** the Financial Health Assessment and therefore the Due Diligence Assurance Gateway.
- As administrators of public funding only those organisations that are able to demonstrate they are financially robust and present a lower risk to the Agency will be entered on the Register. You should consider this before submitting your application.

Organisations must be able to demonstrate they are financially robust to be eligible to compete for public funding.

Organisations must ensure the Agency can evaluate the information you submit to us as you will not be able to resubmit information after the Register closes. Therefore, please ensure that it is in the form of a Word or Excel document and do not "password protect" your information – if we cannot access the information it will lead to a fail.

All guidance information can be found here on our webpage  
<http://skillsfundingagency.bis.gov.uk/providers/programmes/register/>

## 7.4 Steps for completing and submitting the online questionnaire on the e-tendering portal

Please see the accompanying *Quick Reference Support Guide for the e-tendering portal* for information on how to complete and submit the online questionnaire on the e-tendering portal.

You are advised to leave plenty of time between submitting your online questionnaire and the closing date in case you experience difficulties that you subsequently need time to resolve.

Please note the Due Diligence Assurance Gateway closes at 5.00pm on 5 July 2013, and any submissions received after this time will **not be accepted**.

We do not accept information in support of your application outside of the e-tendering portal.

## 7.5 Technical hints and tips for completing the online questionnaire

Please see the accompanying *Quick Reference Support Guide for the e-tendering portal* for technical hints and tips on completing the online questionnaire.

## 7.6 Help and support

In the first instance you must use the 'Messages' function within the Due Diligence Assurance Gateway PQQ on the e-tendering portal to communicate with the Skills Funding Agency and ask any questions you may have about the process.

If you are not registered on the e-tendering portal, or have a query outside of the Gateway opening, please direct it to [Registerhelp@skillsfundingagency.bis.gov.uk](mailto:Registerhelp@skillsfundingagency.bis.gov.uk), quoting your UKPRN in the subject field. This email address is solely for generic questions relating to the Register.

**Please do not** contact us about the process using any other method. If you do, the probity of the Due Diligence Assurance Gateway process may be put at risk. We will not respond to queries raised via other methods, such as telephone, and we will advise you to re-route your question via the e-tendering portal.

We will endeavour to reply to any message raised within 48 hours of receipt. We may need to pass some questions to internal colleagues for a response. If this is necessary, we will advise you. Please note there may a delay in the Agency's response to messages during busy periods of the Register process.

When answering questions, we may choose to anonymise your query and publish the response to it as part of our Frequently Asked Questions (FAQs).

We may cease to respond to queries 2 working days before the closing date for the completion of the online questionnaire.

The Agency makes every effort to address provider queries and provide clarification to feedback, with regular updates to their Frequently Asked Questions available on the website. The Agency will make every reasonable effort to respond fully within the context of the contents of this document.

We will not respond to queries regarding a past Due Diligence iteration when the new Due Diligence Assurance Gateway reopens.

Previous message boards relating to earlier Pre-Qualification Questionnaires (PQQ) for the Due Diligence Assurance Gateway **will not** be responded to.

We reserve the right to modify, amend or provide further clarification on the online questionnaire at any time prior to the deadline for completion, by notification either direct to each organisation or as a broadcast message to all organisations. Where such modifications constitute a significant change, we may, at our discretion, extend the deadline for completion of the online questionnaire.

## 8 Evaluating the Online Questionnaire

Once completed and submitted, all online questionnaires received by 5.00pm on the closing date will be downloaded and subsequently evaluated.

The Agency **is unable to accept** any information after the closing date, as advised on the website:

<http://skillsfundingagency.bis.gov.uk/providers/programmes/register/>

The paragraphs below describe how the evaluation process works.

We have allocated a maximum score to each of the possible responses to the questions contained within the online questionnaire, with the exception of the financial health assessment, for which a separate evaluation process is described below (Section 8.1):

- What we consider to be **satisfactory** responses to questions will receive a score of **0**.
- What we consider to be **unsatisfactory** responses to questions will receive the maximum score allocated for that question, **up to -100, in multiples of 25**. The precise score each response is allocated depends on the significance of that response to the overall Due Diligence Assurance Gateway process.

An organisation is evaluated as 'satisfactory' where that organisation is able to provide the required assurance in the areas which have been tested.

*All providers begin with a score of 0 (zero) with unacceptable answers generating a negative score. It is important to remember that marks for the online questionnaire are not awarded but rather deducted.*

Your response to each question is evaluated.

If you select any responses to individual questions that attract a total score of -100, you will fail the online questionnaire element of the Due Diligence Assurance Gateway and therefore be deemed as 'Not Approved to enter the Register'.

After evaluating individual questions, we then aggregate your responses into a total score for the online questionnaire.

A total score of 0 is the highest score possible for the online questionnaire.

If your total score for the online questionnaire is greater than -100,, you will pass the online questionnaire element of the Due Diligence Assurance Gateway.

If your total score for the online questionnaire is -100 or less, you will fail the online questionnaire element of the Due Diligence Assurance Gateway.

## **8.1 Financial Health Assessment**

Your financial statements will be assessed according to the criteria specified in the financial health assessment guidance available on our website at <http://skillsfundingagency.bis.gov.uk/providers/finance/financialassurance/financialhealthassessment/>.

Financial health is a measure of financial status in terms of your financial performance and ability to meet ongoing financial commitments.

As common with other organisations, we assess your financial health to help determine the extent to which funding may be awarded. We do this to help manage risk and also to provide an assessment of your ability to service and grow provision of a suitable standard. The aim is to safeguard public funds together with our interests and those of you and your learners.

You will be given an initial grade assessment of Outstanding, Good, Satisfactory or Inadequate; only providers assessed as Outstanding, Good or Satisfactory will be deemed to have passed the financial health assessment.

Failure to submit current or sufficient information on which to base an assessment will result in an 'Inadequate' grade assessment and therefore be deemed to have failed the Financial Health Assessment.

If your organisation has been assessed as a FAIL on the Financial Health Assessment, this is because:

- insufficient financial information was provided;
- the financial statements submitted were not the latest ones available;
- the evaluation of solvency, sustainability and status ratios produced an Inadequate financial health grade; or
- moderation to the health grade was applied in line with the criteria given in the financial health assessment guidance above.

Where you pass the financial health assessment we will give your organisation a recommended funding limit. The Chief Executive will normally only award your organisation funding up to this limit.

A grade assessment of 'Inadequate' for an existing provider, funded via Financial Memorandum or Conditions of Funding, will trigger the Provider Risk Assessment and Management process; we will issue a Notice of Concern and they will enter stage 1 of the intervention escalation process.

The outcome of your financial health assessment is final. Additional information in support of your application will not be accepted after the closing date. You must ensure the information you submit is current, correct and demonstrates financial performance and your ability to meet ongoing financial requirements.

Additional financial guidance can be found on our website  
<http://skillsfundingagency.bis.gov.uk/providers/programmes/register/>

## **9. Feedback**

### **9.1 Introduction**

We will provide written feedback to all organisations following evaluation of the online questionnaire, which will be compliant with EU procurement regulations. This feedback will be provided via a message sent from the Due Diligence Assurance Gateway message board on the e-tendering portal to the email address(es) you have registered. You will receive notification that you have a message on Bravo and you will then need to read access the message.

### **9.2 Feedback contents**

You will receive an alert from the e-tendering portal when your feedback is available to be viewed.

Your feedback will set out:

- Overall Status of Application - APPROVED or NOT APPROVED to enter the Register
- Outcome of the online questionnaire – PASS or FAIL
- Your score for each section of the online questionnaire, in particular the areas which resulted in a negative assessment if applicable, and also the total score.
- Outcome of the financial health assessment – PASS or FAIL
- Financial Health Assessment grade

If you fail the online questionnaire, we regret that we are unable to provide you with further information about the specific questions you failed on. If we did this, it could assist you with any subsequent attempt that you may make to complete the Due Diligence Assurance Gateway as the response to select to score well would likely become self-evident. This would compromise the open, competitive and transparent nature of the Due Diligence Assurance Gateway process. Such a process could be construed by other organisations looking to complete the Due Diligence Assurance Gateway as being unfair and therefore it would be open to challenge.

If you fail the financial health assessment organisations are advised that the Agency will not accept supplementary financial information in support of your application after the

closing date. The Agency will not enter into a dialogue about your submission and we will not provide feedback outside of this process. Organisations need to consider this before they complete the Due Diligence Assurance Gateway.

You must pass both the financial health assessment and the online questionnaire in order to pass the Due Diligence Assurance Gateway and be deemed as 'Approved' to enter the Register of Training Organisations.

## 10. Resubmissions

If you fail the Due Diligence Assurance Gateway and are therefore 'Not Approved to enter the Register', you will have the option to complete it again at the next opportunity. Existing providers in our supply chain will have 2 opportunities to apply and not doing so will be deemed as a fail. If existing providers fail to enter the Register after 2 consecutive openings, the Agency will terminate the agreement with them and in the case of subcontractors, will contact the lead provider to do the same.

When reapplying, you will want to consider the following:

If you were deemed as 'Not Approved' due to unsatisfactory responses to the online questionnaire, the responses you provide must be based on the actual circumstances of your organisation and therefore a previous response should only be amended when your organisation's circumstances change, or if a question has been changed between iterations meaning that the current answer becomes incorrect.

If you were deemed as 'Not Approved' because you failed the financial health assessment, you cannot pass until a subsequent set of financial statements is available and is subject to a successful financial health assessment. However, where new financial statements are unavailable, there are documents that can be submitted for consideration but providers should remember that the Agency does not compromise on the financial health assessment, and only the most financially robust organisations will pass the evaluation and be entered on the Register of Training Organisations.

### 10.1 Additional Financial Information

Where providers have submitted their financial statements and failed the financial health assessment on the basis of those financial statements and new financial statements are unavailable they are able to submit the following documents as business plan information for consideration as part of their next Due Diligence Assurance Gateway application:

#### 10.1.1 Prior to their next accounting year end

- Business plan forecast for the current year including:
  - Income and expenditure forecast for the year (monthly not required)
  - Balance sheet forecast for the year (monthly not required)
  - Cash flow forecast for the year (monthly where available)
  - Detailed narrative to substantiate each of the above financial forecasts.

- Management accounts showing the actual performance to date including Income and Expenditure and Balance Sheet.

#### 10.1.2 If their next accounting year end has passed

- Where the submission is after the provider's year end but prior to the formal financial statements being available:
  - Draft financial statements for that year
- Or where draft financial statements are unavailable:
  - Final management accounts for that year incorporating income and expenditure, balance sheet and commentary

#### 10.1.3 Director or Parental Guarantee

The provider may also wish to consider providing a Director or Parental guarantee which will be considered alongside the other financial information supplied.

#### 10.1.4 Financial Statements - definition

The term 'financial statements' refers to:

- Where available, audited financial statements which are submitted to Companies House. The financial statements as a whole are required. An extract is insufficient.
- Where an organisation produces abbreviated financial statements, we require the full accounts from which the abbreviated accounts are extracted. These should consist of, as a minimum, profit & loss account with turnover figure, balance sheet and notes to the accounts.
- Where the company has taken advantage of audit exemption, we require the financial statements as a whole. An extract is insufficient.

If the company is a sole trader or partnership we require the full accounts. These should consist of, as a minimum, profit & loss account, balance sheet and notes to the accounts.

## 11. Freedom of Information

We are subject to the Freedom of Information Act 2000 (FOIA). Under the provision of the FOIA, we are required to provide information we hold in response to a request made in accordance with the FOIA. This includes information about third parties. Organisations are referred to the Freedom of Information Policy available on our website at

<http://www.skillsfundingagency.bis.gov.uk>

If you believe that some of your submission is classed as Commercial in Confidence, you should advise us of this fact via a message on the Due Diligence Assurance Gateway message board. We will then check the submission and if appropriate (under FOI legislation) we will seek a redaction to not publish that particular information if requested.

## 12. Appeals and Complaints

There is **no right of appeal** to the decision reached on each organisation's Due Diligence Assurance Gateway submission.

If you are unhappy with the outcome, the Agency's complaints procedure is available at <http://skillsfundingagency.bis.gov.uk/aboutus/contactus/complaints/>.

You may also seek to use the EU Remedies Directive as appropriate.



## Links to helpful information

To assist your application to enter the Register of Training Organisations, the following links may be useful:

Skills Funding Agency - Second iteration of the Register of Training Organisations:  
<http://skillsfundingagency.bis.gov.uk/providers/programmes/register>

Guidance Documents <http://skillsfundingagency.bis.gov.uk/providers/programmes/register/>  
'Read Me First – Guidance for Completion'

FAQs

Quick reference support guide for the e-tendering portal

Funding Higher Risk Providers and Subcontractors -

[http://readingroom.skillsfundingagency.bis.gov.uk/sfa/funding\\_higher\\_risk\\_providers\\_august\\_2012.pdf](http://readingroom.skillsfundingagency.bis.gov.uk/sfa/funding_higher_risk_providers_august_2012.pdf)

Provider Risk Assessment and Management -

[http://readingroom.lsc.gov.uk/sfa/Provider\\_Risk\\_Assessment\\_and\\_Management\\_-\\_July\\_2012.pdf](http://readingroom.lsc.gov.uk/sfa/Provider_Risk_Assessment_and_Management_-_July_2012.pdf)

Funding Rules - <http://skillsfundingagency.bis.gov.uk/providers/fundingrules/>. Note:  
Updated annually.

Subcontracting Register – <http://skillsfundingagency.bis.gov.uk/providers/Subcontracting/>

Copy of the Chief Executive's terms and conditions

<http://skillsfundingagency.bis.gov.uk/providers/fundingdocuments/>

Bravo e-tendering portal – <https://skillsfundingagency.bravosolution.co.uk>

Health and Safety Executive - <http://www.hse.gov.uk/>

National Apprenticeship Division - <http://www.apprenticeships.org.uk/About-Us/National-Apprenticeship-Service.aspx>

Ofsted - <http://www.ofsted.gov.uk/>

Ofqual - <http://www.ofqual.gov.uk/>

UK Department for Business, Innovation and Skills - <http://www.bis.gov.uk/>

Skills Investment Statement - <http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/s/11-1374-skills-investment-statement-2011-2014.pdf>

UK Register of Learning Providers (UKRLP) - <http://www.ukrlp.co.uk/>

# Definitions Appendix

**Business continuity** - the regular activities performed by an organisation to ensure that critical business functions remain available to customers, suppliers, regulators, and other entities that must have access to those functions.

**Batch** – Provider Batch is a web based system which enables providers to enter learner data on their own MI system and then upload the learner data themselves to the Data Collections web portal.

**Business Continuity Process** - an organisation's response planning that sets out how the business will operate following an incident and how it expects to return to 'business as usual' in the quickest possible time afterwards.

**Consortium** - a consortium is an association of two or more organisations engaged in a business enterprise bound by a legally binding, written and signed agreement, which explicitly requires that each organisation that is a member of the consortium is jointly and severally liable with the consortium for the obligations of the consortium and the wrongful acts or omissions of a co-member of the consortium.

**Continuous Improvement Process** - the process to demonstrate how regular small changes and improvements to the service delivered are implemented, controlled and recorded.

**European Social Fund (ESF)** – the European Social Fund was set up to improve employment opportunities in the European Union (EU) and so help raise standards of living. It aims to help people fulfil their potential by giving them better skills and better job prospects. As one of the EU's structural funds, ESF seeks to reduce differences in prosperity across the EU and enhance economic and social cohesion.

**General Further Education College** – an institution conducted by a corporation established under the Further and Higher Education Act 1992.

**Joint venture** – a joint venture is a legal entity that is owned or governed (for example in the case of a company limited by guarantee) by two or more organisations for the purpose of submitting a common bid for funding.

**Notice of Concerns** – refers to a college that has fallen below standards in relation to financial health, financial control, Ofsted judgement or Minimum Levels of Performance.

**POL** – Provider On Line is a web based system which enables providers to enter learner data directly in the Data Collections web portal.

**Skills Investment Strategy** – owned by BIS, this sets out how we will reduce bureaucracy; remove unnecessary interference from intermediary agencies whether local, regional or national; streamline the organisational skills landscape; remove unnecessary regulation; and, introduce new freedoms and flexibilities. Collectively, these measures will

ensure the sector is better able to meet the needs of individuals, businesses and local communities.

**Third Sector** – the Third Sector has been defined by HM Treasury as organisations which:

- Are non-governmental.
- Are “value driven” in that they are primarily motivated by the desire to further social, environmental and cultural objectives rather than make a profit per se.
- Reinvest surpluses, principally to further their social, environmental or cultural objectives.
- Training Provider - For the purposes of this document, colleges, local authorities, private training organisations are all identified as training providers.

**UKRLP** – the UK Register of Learning Providers. It is a database that is a register of the legal entity details of learning providers in the United Kingdom. It is designed to link together existing data sources on providers and give access to the information to learners, employers, providers and Government agencies.

**UKPRN** – UK Provider Reference Number. This is a unique eight-digit number assigned to all providers on verification. The number does not provide endorsement by UKRLP.

**UPIN** – a UPIN is the Unique Provider Identification Number. This is the unique number allocated by the Skills Funding Agency to each individual training organisation it holds a contract with.

## Updated Questions June 2013

[REG-OD-MAND]

[REG-OD-01]

[REG-OD-01-a]

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[REG-TO-01]

[REG-TO-01a]

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[REG-TC-23] - REMOVED

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