

# Funding Guidance

## Adult Skills Budget ILR Funding Claims and Audit Returns 2011/12

This document sets out details of the funding claims required from colleges and other providers receiving adult skills budget and who are paid on profile for some or all elements of it.

January 2012

Of interest to colleges and other stakeholders involved in managing and delivering Skills Funding Agency funded provision



# Contents

*paragraph number*

## **Executive Summary**

## **Adult Skills Budget Funding Claims and Audit Returns**

<b>Introduction</b>	1
<b>Arrangements for making a claim including Table 1: Deadlines</b>	8
<b>Delays in timing of returns</b>	13
<b>Outcome incentive payments</b>	14
<b>Transitional protection</b>	16
<b>Purpose of Final funding claim</b>	17
<b>Funding assurance audit</b>	20
<b>Purpose of Agency funding auditor's opinion on a Final funding claim</b>	23
<b>Adjustments to payments</b>	24
<b>Exceptional additional learning support claims over £19,000</b>	26

## **Annexes**

A: ASB Funding Claim 2011/12: Mid-year / Year-end / Final funding claim

B: Guidance on Completing ASB Funding Claims 2011/12

C: Audit Report on Learner Data Final Returns 2011/12

## Executive summary

This document provides guidance for providers who are paid on profile in year for one or more elements of their adult skills budget (ASB) and explains how to make Skills Funding Agency funding claims. The document references other funding guidance documents for 2011/12.

Every provider receiving ASB funding is required to return to the Skills Funding Agency (the Agency) through the Data Service an individual learner responsive (ILR) data return that includes the learner numbers, standard learner numbers and the associated generated total funding with reference to the 2011/12 funding allocation. These data are then summarised in three funding claims for the year. Colleges<sup>1</sup> must include all elements of their ASB (Apprenticeships, other workplace learning, classroom learning) in the funding claims. Other providers<sup>2</sup>, who are paid on profile for the classroom learning element of their ASB funding, need only complete the funding claims with their classroom learning element; the balance of their ASB funding will be managed separately.

The Agency requires all providers who are paid on profile to return a Mid-year funding claim in February 2012, a Year-end funding claim in September 2012 and a Final funding claim in November 2012. Some providers are also required to provide an ILR funding auditor report for their ASB funding alongside their Final funding claim. Information from these funding claims may be used to support the national funding models that determine future funding allocations.

All **funding claims** should be sent electronically to the appropriate Skills Funding Agency mailbox (as shown in the Excel version of the form on the website). A signed copy of the **Final funding claim** should be posted to the appropriate Skills Funding Agency office.

### Funding adjustment/reconciliation approaches

For colleges<sup>1</sup>, there will be no in-year performance management or reconciliation of the ASB funding: all reconciliation will take place at the Final funding claim stage. For other providers<sup>2</sup>, the classroom learning element of their ASB funding will also be reconciled at the final funding claim stage; their Apprenticeship and other workplace learning elements will be reconciled in-year as set out in [Guidance Note 8](#). A 3 per cent tolerance has been introduced for 2011/12. It is at the Agency's discretion as to whether any provider's allocation/maximum contract value is increased in year. There is no automatic payment for over-delivery.

### Status

For action.

### Dates for action

Table 1 of this document sets out the deadlines for the funding claims.

---

<sup>1</sup> Any local authority, specialist designated institution, general further education college, sixth form college or higher education institution with adult skills budget funding, and funded through the Financial Memorandum or Conditions of Grant. Please refer to [Guidance Note 4](#) for clarification.

<sup>2</sup> Any organisation or employer directly funded through a Contract for Services. Please refer to [Guidance Note 4](#) for clarification.

# Adult Skills Budget ILR Funding Claims and Audit Returns

## Introduction

1. Every provider receiving adult skills budget (ASB) funding is required to return to the Agency through the Data Service individualised learner record (ILR) data that includes the learner numbers, standard learner numbers and the associated generated total funding with reference to the 2011/12 funding allocation/contract.
2. The Agency requires all providers receiving ASB funding to return three funding claims for the academic year 2011/12:
  - a Mid-year funding claim by 6 February 2012
  - a Year-end funding claim by 3 September 2012
  - a Final funding claim by 16 November 2012.
3. This document explains how to make the funding claims: a more detailed timetable is set out below in **Table 1**. The funding claim form (at **annex A**) is also available on the Agency website as an Excel workbook. The only significant change from the 2010/11 version is the inclusion of job outcome incentive payments.
4. The Agency uses ILR returns and/or funding claims to assess provider performance against funding allocations/contracts. For colleges<sup>1</sup>, there will be no in-year performance management or reconciliation of the adult skills budget funding: all reconciliation will take place at the Final funding claim stage. For other providers<sup>2</sup>, the classroom learning element of their adult skills budget funding will also be reconciled at the Final funding claim stage; their Apprenticeship and other workplace learning elements will be reconciled in-year as set out in [Guidance Note 8](#). As in 2010/11, there is a 3 per cent tolerance: that is, no funding will be recovered from providers achieving at least 97 per cent of their ASB according to their Final funding claim.
5. The Agency will also use the funding claims to inform future funding allocations as set out in [Guidance Note 8](#) and [Update 81](#), in particular the Mid-year funding claim will be used to inform the following year's ASB allocations for colleges<sup>1</sup> and for other providers<sup>2</sup> paid on profile for the classroom learning element of their ASB funding. It is essential that providers' estimates are robust and realistic.
6. There are reports within the Learner Information Suite (LIS) and the online data collection website (OLDC) which all providers must use to complete their funding claims, as explained in **annex B**, and copies of reports must accompany the completed funding claim forms. Whilst providers use their ILR data as the starting point for the funding claims, for the Mid-year and Year-end funding claims they may supplement those data with their own assessment of their likely final out-turn, taking account of any necessary manual adjustments and of learner activity not yet recorded on their ILR returns.
7. For providers with ASB provision subject to audit, the relevant ILR funding auditor report may also be required with their return(s). To meet the deadline for the Final funding claim, providers must ensure that their funding claims and ILR data are shared with auditors in good time. Funding auditors have requested that the final

ILR data set is shared with them at least one month before the Final funding claim is due, that is by **12 October 2012**.

## Arrangements for making a claim

8. The claim form at **annex A** should be used by all providers for their Mid-year, Year-end and Final funding claims; the form is available on the Agency's website as an Excel workbook. The format of the funding claim form for 2011/12 is similar to that in 2010/11. Colleges<sup>1</sup> must complete all sections of the form, covering the Apprenticeship, other workplace learning and classroom learning elements of their ASB. Other providers<sup>2</sup>, who are paid on profile for the classroom learning element of their adult skills budget funding, need only complete the funding claims with their classroom learning element; the balance of their ASB funding will be managed separately. Guidance on completing the claim forms is set out at **annex B** and providers should use the reports within the LIS/OLDC to assist in their completion. **All providers should send copies of these LIS/OLDC reports with each funding claim.**
9. Table 1 below sets out the deadlines for the claims and their relationship to the appropriate ILR return.

**Table 1: Deadlines for ILR funding claims and audit returns 2011/12**

Return due	Deadline
<b>Annex A:</b> Mid-year funding claim <i>plus</i> LIS/OLDC reports	6 February 2012 (Based on ILR R06 return, due 6 February 2012.)
<b>Annex A:</b> Year-end funding claim <i>plus</i> LIS/OLDC reports	3 September 2012 (Based on ILR R14 return, due 3 September 2012.)
<b>Annex A:</b> Final funding claim <i>plus</i> LIS/OLDC reports	16 November 2012 (Based on ILR R15 return, due 16 November 2012.) (The Final funding claim must match ILR R15 return and it must be signed by the Head of Institution. See also <b>annex B</b> paragraphs 18 to 21.) Providers with ASB funding subject to audit should also see paragraphs 7 and 20-22.
Exceptional additional learning support cost forms for claims over £19,000	All final claims for additional learning support costs above £19,000 must be returned to the Agency by no later than 16 November 2012. (Please see paragraph 26.)
<b>Annex C:</b> Final audit report	16 November 2012 As specified by the Skills Funding Agency on an individual provider basis. Where requested, all audit reports on individual funding claim returns must meet the claim return deadlines set out above.

10. Providers are reminded that timely and accurate ILR data must be sent via the web portal to the Data Service. In completing the funding claims, providers must use the latest available version of the LIS and, for Final funding claims, the learning aim reference Application (LARA). The Agency expects cash generated from a provider's ILR R15 return to be consistent with its Final funding claim, after taking account of manual adjustments. Providers are reminded of the need to run any relevant Agency funding compliance and eligibility data self-assessment toolkit (DSAT) reports to verify their own ILR data during the year. The DSAT is available from the Data Service [website](#).
11. The Mid-year and Year-end funding claims do not have to be signed and should be sent to the Agency by email. All Final funding claims must be appropriately signed as they form part of the Agency's assurance arrangements to the National Audit Office and will be used by the Agency in monitoring performance by colleges<sup>1</sup> and other providers<sup>2</sup> for 2011/12. **All funding claims must be accompanied by the appropriate LIS/OLDC reports.**
12. The Agency will issue estimated reconciliation statements to all providers on the basis of the Year-end funding claims and final reconciliation statements on the basis of the Final funding claims. These statements will advise any recovery/payment of funds for any providers. Colleges<sup>1</sup> and their financial statement auditors will be able to use these documents to assist in completing their financial statements.

### **Delays in timing of returns**

13. Any provider that anticipates that the Final funding claim (and audit report where applicable) will not be received by the Agency by 16 November 2012, must write to the Agency before that date explaining the reasons for the delay, and the action to be taken, and include a firm promise date for submission.

### **Job outcome incentive payments**

14. In 2011/12, all providers have received a funding allocation equivalent to 2.5 per cent of their initial ASB funding allocation attributed to the achievement of job outcomes for learners. The amount does not change in-year regardless of any changes to the funding allocation/contract. This academic year is considered a transitional year in which providers have been tasked with building capacity to deliver job outcomes for unemployed learners. (For further guidance please refer to [2011/12 Adult Skills Budget Funding Requirements version 1.1](#), paragraphs 123-134.) This funding is not part of the performance management process (that is, it is not reconciled).
15. Those providers who requested their job outcome incentive payment (JOIP) be converted into participation funding should ensure their funding claims reflect this amount.

### **Transitional protection**

16. As explained in [Update 81](#), the transitional protection which was offered to some providers for 2011/12 may no longer be required. Relationship teams will continue to monitor those providers to identify where they may still need transitional support.

## Purpose of Final funding claim

17. The purpose of the Final funding claim is to provide the Agency with an assurance statement by the relevant accounting officer over the regularity of the provider's funding claim and ILR data returns. This also enables the Agency and the provider to have an agreed final out-turn that enables comparison of out-turn to allocation for providers, individually and nationally. The Final funding claim replaces the Mid-year and Year-end funding claims.
18. The Final funding claim will form the basis of any reconciliation of funds, either to recover funding or to pay additional funding, for one or more elements of the ASB. (For colleges<sup>1</sup> this comprises any or all elements of their ASB funding. For other providers<sup>2</sup> it only covers the classroom learning element which is paid on profile; all other elements are subject to separate arrangements. For all providers except those who chose to convert it to participation funding, the JOIP is excluded from this process.) The Agency expects the overall total of funding claimed to be consistent with any financial provision being made by the provider in its financial statements.
19. The Final funding claim, which includes final ILR adjustments and any manual adjustment, should be signed off by the principal/head of institution as being materially accurate. To assist in making good-quality ILR and funding returns to the Agency, all providers should also make use of the DSAT reports that are relevant to their provision and data prior to signing their Final funding claim.

## Funding assurance audit

20. Some providers with ASB funding will be subject to an audit of their Final funding claim for 2011/12. Those providers will be notified by the Agency in summer 2012. They will need to ensure their ILR data are ready for audit no later than **12 October 2012** in order to ensure the auditors have sufficient time to complete their work and return their opinion to the Agency with the provider's Final funding claim by **16 November 2011**. Providers are reminded that, where the audit work identifies the necessity to make adjustments to the ILR data, these adjustments must be made in time to meet the ILR timetable as specified by [the information authority](#). Providers are strongly recommended to use the relevant DSAT reports and clear errors before submitting their data to the auditors for review.
21. For 2011/12 ASB provision, Agency-contracted auditors are asked to use the 'audit opinion' supplied to them under their contract with the Skills Funding Agency. This will be similar to that shown at **annex C** but the exact wording will reflect the contract between the Agency and the appointed audit firm.
22. The National Audit Office and the relevant government department(s) are closely monitoring the Agency over the timeliness of returns and it is essential that all providers and auditors meet the return deadlines.

## Purpose of Agency funding auditor's opinion on a Final funding claim

23. The purpose of this opinion is to provide the Agency with supplementary assurance over the ASB funding claimed by providers and for whom the Agency requires assurance for its own accounts that the funding claimed by them poses no risk to public funds paid to providers by the Agency. This opinion also provides the Agency with a final opinion on a college's funding entitlement for 2011/12 to enable the

Agency to give an assurance to the college and its financial statements auditor on the expected final funding position for the year 2011/12.

### **Adjustments to payments**

24. For the purposes of calculating payments to colleges<sup>1</sup> or other providers<sup>2</sup>, the Agency will compare the provider's allocation/contract with its Final funding claim (taking account of any audit qualifications) and, in exceptional circumstances, the results of any separate audit or Agency investigation. **Additional learning support for classroom learning within the ASB is not subject to reconciliation where this is paid on profile, nor is JOIP funding.**
25. The Agency has introduced a 3 per cent tolerance for 2011/12 (see [Update 81](#)), ie, no funding will be recovered from providers delivering at least 97 per cent of their allocation/contract. Any recovery of funds due to underperformance will take place in **January 2013**. Similarly, should the Agency be in a position to pay for any over-delivery, those payments will be scheduled for January 2013. **Providers should assume that performance below 97 per cent will result in recovery of funds.**

### **Exceptional additional learning support claims over £19,000**

26. Providers wishing to claim for exceptional additional learning support (that is, claim more than £19,000 for an individual learner aged 25 or more) for ASB provision should read section 5 of the *Adult Skills Budget Funding Requirements 2011/12* and note the requirement to apply in advance for approval-in-principle to the exceptional costs, the mechanism for doing so and for making a final claim. The final claim is due by 16 November 2012 as noted in Table 1 above.

## ASB ILR FUNDING CLAIM 2011/12:

## Mid-year funding claim

Provider name	
Provider type	
UKPRN	

Please read the covering document ASB Funding Claims and Audit Returns before completing this form. Include the relevant LIS LR Funding Claim Report and Provider Funding Report with this claim form.

See NOTES worksheet for footnotes and guidance

				Actual delivery year to date (ILR, TPS)	Forecast delivery for remainder of year (3)	Audit or Agency adjustments not included in ILR/TPS (4)	Actual or forecast out-turn for the whole year
Colleges, local authorities, HEIs, etc (1)	A	19-24 Apprenticeships (5, 6)	Total funding		£0	£0	£0
			Programme funding	£0			£0
			ALS				£0
	B	25+ Apprenticeships (5, 6)	Total funding		£0	£0	£0
			Programme funding	£0			£0
			ALS				£0
	C	19+ Apprenticeships (5, 6)	Learner support				£0
	D	Other workplace learning (5, 6)	Total funding		£0	£0	£0
			Programme funding	£0			£0
			ALS				£0
			Learner support				£0
	All providers (2)	E	Classroom learning (excluding ALS) (7, 8)	Programme funding			
<b>Single budget (Apprenticeships, classroom learning, other workplace learning) summary for colleges, local authorities etc (1)</b> <b>[A + B + C + D + E]</b>							
All providers (2)	F	Classroom learning ALS (9, 10)	ALS low cost formula funding				£0
			ALS high cost				£0
			ALS total	£0	£0	£0	£0
All providers (2)	G	Job outcome incentive payments (11)					

See NOTES worksheet for footnotes and guidance

# ASB ILR FUNDING CLAIM 2011/12:

## Mid-year funding claim

Provider name	0
Provider type	0
UKPRN	0

### Mid-year claim and/or Year-end claim

These need not be signed and should be sent electronically to the appropriate email address .

### Final claim

The head of the college or other provider (or in the case of HE institutions, the person with responsibility for Agency funded provision in the institution) must sign the declaration form below for all Final funding claims. A signed hard copy of the final claim, comprising BOTH parts, must be sent by post to the appropriate Skills Funding Agency office or, when an audit opinion is required, to the relevant auditor.

### Declaration

I certify that, to the best of my knowledge, this funding claim has been calculated from data correctly extracted from the records of the college/other provider, which accurately reflect enrolments during during 2011/12, in accordance with the guidance and definitions set out in the booklets that make up Skills Funding Agency funding guidance 2011/12 and any other relevant guidance.

**I also certify that, to the best of my knowledge, the funding claim is free from misstatement, whether caused by fraud or by other irregularity or error, and also complies with the guidance given in the booklets that make up Skills Funding Agency funding guidance 2011/12.**

*The head of the college or other provider must sign below.*

**Signature (principal or head of college/ provider):**

**Name (please print):**

**Position:**

**Date:**

# Annex B: Guidance on completing ASB funding claims 2011/12

## Introduction

1. The claim form at **annex A** should be used by all providers for their Mid-year, Year-end and Final funding claims so that the Agency can monitor performance against each element of the ASB. The form is available on the Agency's website as an Excel workbook. All providers are asked to indicate on the claim form the total cash that they have delivered for the academic year 2011/12 as recorded in their ILR data returns, with adjustments where necessary.

## Learner information suite, learning aim reference application and on-line data collection website

2. **On part 1 of the funding claim the column headed 'Actual delivery year to date' must exactly match the LR Funding Claim report from the learner information suite software (LIS) and the Provider Funding Report (PFR) from the online data collection system (OLDC). Every funding claim must be accompanied by a copy of the LR Funding Claim report /PFR.**
3. The LR Funding Claim report contains the information needed for the classroom learning sections of the funding claim form. The report is available within the LIS provided by the Data Service: for 2011/12 this is series 19 and the appropriate version is likely to be 19.03. If a later version than 19.03 is available at the time of compiling the funding claim, then that most recent version should be used.
4. The Provider Funding Report (PFR) within the OLDC contains the information needed for the workplace learning sections of the funding claim form. Providers should request a provider funding report (PFR) based on the appropriate ILR return date immediately after their final submission for that return. *Providers should NOT use any of the employer responsive reports in LIS as those will not include any of the funding claimed via the Training Provider Statement (TPS), for example, learner support.*
5. Providers must use the latest available version of the learning aim reference application (LARA) for their Mid-year and Year-end funding claims. For Final funding claims providers should use any version of LARA dated from 1 October 2012 to 16 November 2012. If a provider believes a learning aim required for their 2011/12 ILR returns is missing from LARA, they should contact the Data Service before 31 July 2012 with details.
6. Funding auditors have been asked to use the same versions of the software when checking providers' Final funding claims. For all Agency funding audits the 2011/12 audit of learner numbers is based on their ILR data return.

## Completing the funding claims

### Part 1 Funding claim form

7. Colleges<sup>1</sup> should complete all sections of Part 1:
  - A: 19-24 Apprenticeships
  - B: 25+ Apprenticeships

- C: 19+ Apprenticeships learner support
- D: other workplace learning
- E: classroom learning (excluding additional learning support)
- F: classroom learning additional learning support (ALS)
- G: job outcome incentive payments.

For colleges<sup>1</sup>, sections A to E form the single budget and a subtotal is included after section E. Where a college has no provision in a particular category, the form should be completed with '0' (zero).

8. Other providers<sup>2</sup> should complete only sections E, F and G of Part 1:

- E: classroom learning (excluding additional learning support)
- F: classroom learning additional learning support (ALS)
- G: job outcome incentive payments.

Where a provider has no provision in a particular category, the form should be completed with '0' (zero).

9. For all providers, column headed 'ILR values' must exactly match the appropriate LIS/PFR report:

- LR Funding Claim Report (for classroom learning)
- Provider Funding Report (for Apprenticeships and other workplace learning).

Forecast delivery for the remainder of the year

10. In this column providers should enter any manual adjustments to the actual delivery year to date. For example if the actual delivery year to date is £100,000 but the provider estimates its total out-turn for the year to be £150,000, then £50,000 should be entered in the Forecast Delivery column. Conversely if the provider considers that the ILR/TPS overstates their current position then a negative value should be input in the Forecast Delivery column. Where a provider is not making a manual adjustment for an element of the ASB, the form should be completed with 0 (zero). (See paragraphs 16 and 17 below for specific guidance on ALS.)

11. Providers are not expected to input anything in the Forecast Delivery column when completing their Final funding claim. The ILR/TPS should be complete and accurate at that point. The Forecast Delivery column should only be completed in exceptional circumstances at the Final funding claim stage. **Providers wishing to do this are advised to contact their relationship team by 15 October 2012 to seek agreement in advance.** Providers will be expected to explain the rationale for the adjustment and provide details of its calculation.

12. Before contacting the Agency, providers with ASB funding subject to audit are asked to discuss with their funding auditor instances where they wish to make a manual adjustment in the Final funding claim. The Agency expects funding auditors to pay particular attention to any such manual adjustment requests made by providers.

Audit or Agency adjustments

13. Audit or Agency adjustments may be made to reduce ASB funding in the following circumstances:

- a. to reflect errors in a provider's claim or the lack of an adequate audit trail
  - b. to remove funding for ineligible learners or programmes;
  - c. to remove funding for learners duplicated either in other funding streams or other provider's claims.
14. All adjustments in this column must be negative figures. **The Agency requires providers to amend their ILR/TPS for any positive adjustments.**
15. It is appropriate to reduce ASB claims where the Agency agrees that the provider need not amend the underlying ILR data, to save the provider unnecessary bureaucracy in reducing their funding claim. In some case the adjustment may involve a number of separate calculations which must be itemised and described and agreed in advance with the Agency. For workplace learning, where an audit adjustment has already been entered via TPS, then it should not be replicated in this column (as that would double-count the reduction), but audit adjustments not yet entered on TPS may be included if that is appropriate.

#### Section F: classroom learning ALS low cost formula and high value claims

16. Providers paid on profile for classroom learning have funding for programme delivery and for ALS. For each provider low cost ALS funding will be generated using historic ALS funding per standard learner number (SLN), based on ILR data. In Part 1 of the funding claim form the following data should be entered into the ALS rows:
- a. ALS low cost formula funding for learners aged 19 or over  
This figure will be shown on the LIS LR Funding Claim Report (page 2, box B). The Forecast Delivery column should only be completed if the out-turn SLNs are under- or over-stated in the LIS report, in which case the funding may be adjusted using the ALS per SLN figure;
  - b. ALS high cost for learners aged 25 or over  
this figure is shown on LIS LR Funding Claim Report (page 2, box C) and includes all ALS costs above £5,500 entered on the ILR. The Forecast Delivery column should only be completed if not all ALS costs are recorded in the ILR data.
17. The Young People's Learning Agency (YPLA) has funding responsibility for learners with learning difficulties and/or disabilities who are aged 19 to 24 and whose ALS claims are greater than £5,500 and these learners should not be included in claims to the Skills Funding Agency.

#### Part 2 Declaration

18. Mid-year and year-end funding claims do not have to be signed and should be returned electronically to the Agency via the email addresses shown on the funding claim form.
19. **Final funding claims must be signed by the principal or head of the institution and the hard copy with original signature must be sent to the Agency.** In the case of higher education institutions, the person with equivalent responsibility for further education in the institution should sign the Final funding claim form. Colleges<sup>1</sup> or other providers<sup>2</sup> and funding auditors are reminded that the Final

funding claim forms returned by the funding auditor to the Agency should contain an original signature, not a photocopy or facsimile.

20. The principal or head of the institution is required to certify that, to the best of his or her knowledge, the funding claimed has been calculated from data correctly extracted from the institution's records, which accurately reflect enrolments during 2011/12, in accordance with the guidance and definitions set out in the various documents that make up *2011/12 Adult Skills Budget Funding Requirements*, *2011/12 Learner Eligibility Contribution Rules* and any other relevant guidance.
21. They also certify that, to the best of their knowledge, the final funding claim is free from misstatement, whether caused by fraud or by other irregularity or error, and that it complies with all the relevant guidance provided by the Agency, including that given in this document. This statement is now particularly important for providers not subject to a funding audit as the Agency has no separate assurance from any independent audit opinion on its funding claim.

# Annex C: Report of auditors on ASB final returns 2011/12

Reference: Adult Skills Budget ILR Funding Claims 2011/12

Please return this form to the Skills Funding Agency.

This form is only for use by Agency-contracted Funding Auditors or Provider Financial Assurance.

This form must be returned to the Agency no later than 16 November 2012.

Name of provider in 2011/12 (please print):	
UKPRN code in 2010/11 (please print):	

**The statement of responsibilities and the basis of our opinion apply to all sections of the audit report (all sections should be completed by the institution's external financial statements auditors).**

This report is made solely to the Skills Funding Agency in accordance with the terms of our engagement. It has been released to the Skills Funding Agency on the basis that this report shall not be copied, referred to or disclosed, in whole or in part (save for the Skills Funding Agency's own internal purposes), without our prior written consent. We acknowledge that the Agency will disclose this report to the Governing Body of the relevant Provider ('the Governing Body' and 'the Provider'), to enable the Governing Body to verify that an auditor's report to the Agency has been commissioned by the Skills Funding Agency and issued in accordance with the requirements of the Chief Executive of Skills Funding and the YPLA's *Joint Audit Code of Practice* issued in 2010 and to facilitate the discharge by the Skills Funding Agency of its functions in respect of the Provider.

During our work referable to this report, we may have communicated with the Governing Body but any such communications will have been made (i) without assuming or accepting any responsibility or accepting any liability to the Governing Body or the Provider in respect of our work for the Skills Funding Agency, and (ii) solely for the purposes of obtaining information relevant to our work for the Skills Funding Agency and not for the purpose of establishing any form of relationship with the Governing Body or the Provider that might give rise to duties and responsibilities in respect of our work for the Agency being extended to the Governing Body or the Provider.

Our work has been undertaken so that we might state to the Skills Funding Agency those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Skills Funding Agency for our work referable to this report, for this report, or for the opinions we have formed.

## Statement of responsibilities

The Principal/head of the institution certifies that the funding claimed has been calculated from data correctly extracted from the Provider's records, which accurately reflect enrolments during 2011/12 in accordance with the guidance and definitions as set out in the booklets that make up the Skills Funding Agency's funding guidance in 2011/12, together with other relevant guidance. Our responsibility, as the Skills Funding Agency's contracted funding auditors, is to form an independent opinion, based on our work on the funding claim, and to report our opinion to the Skills Funding Agency.

## Basis of our opinion

We have performed those procedures, specified by the Skills Funding Agency on the [insert new returns]\* ILR return (\*delete as appropriate) for:

*(insert name of provider)*

The specific procedures performed, which do not constitute either an audit or a review, are set out below.

Substantive testing on a sample of *(insert sample size)* [ ] learners selected from the Provider's R14 data provided to us on *(insert date)* [ ] using the Skills Funding Agency provider data self-assessment toolkit (DSAT) software. The substantive tests undertaken were those prescribed in the audit programmes issued by the Skills Funding Agency for 2011/12.

We ran and examined the DSAT reports and requested management to provide sufficient evidence and explanations where necessary.

We did not undertake any risk assessment of the Provider's activity.

We did not consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in the areas of the learner number system and did not seek to confirm that the Provider management has taken the necessary steps to achieve these objectives and manage the associated risks.

We did not undertake any review or testing of the Provider's systems underlying the production and maintenance of the Provider's R14/R15.

## Opinion

We have examined the classroom learning funding of £ [ ] (excluding additional learning support) recorded on the ASB Funding Claim: Final Funding Claim 2011/12 returned by the Provider to the Skills Funding Agency, and have carried out a programme of tests on a sample basis in accordance with the Skills Funding Agency's audit approach and guidelines.

**Delete all but one of sub-paragraphs (a) to (e) below.**

- a. The opinion has been submitted to the Agency by 19 November 2012, we have no comments on the audit, and . . .
- b. Subject to the amendments shown in red on the attached copies of ASB Funding Claim: Final Funding Claim 2011/12 and/or LR Funding Claim Report, and subject to the comments in the attached report dated
- c. As explained in the attached report dated  we cannot confirm that . . .

. . . in our opinion, in all material respects, the Provider's ASB Funding Claim: Final Funding Claim 2011/12 has been properly compiled in accordance with relevant guidance issued by the Agency. The relevant guidance is specified in the documents that make up the Skills Funding Agency's funding guidance 2011/12.

**An authorised auditor must sign below and provide the relevant details requested.**

Signature:

---

Audit firm *(please print)*:

---

Contact name *(please print)*:

---

Contact telephone number:

---

Date:

---

## Attachments

	Yes	No	N/A
Original form <i>ASB Funding Claim 2011/12</i>			
Part 1 Funding claim form	<input type="checkbox"/>	<input type="checkbox"/>	
Part 2 Declaration	<input type="checkbox"/>	<input type="checkbox"/>	
<i>Learner information suite (LIS) reports</i>			
LR Funding Claim Report	<input type="checkbox"/>	<input type="checkbox"/>	
WBL/ER Provider Funding Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Copy of management letter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Please ensure that all the above documents are returned (including returns where applicable) and that any amendments to forms, where made by the auditor, are written by hand in red ink on the attached copies.</b></p>			

## Management letter

	Yes	No
Issues relevant to this report are included in a separate management letter and attached to this report.	<input type="checkbox"/>	<input type="checkbox"/>
A separate management letter will follow this report.	<input type="checkbox"/>	<input type="checkbox"/>

## **Skills Funding Agency**

Cheylesmore House

Quinton Road

Coventry CV1 2WT

T 0845 377 5000

F 024 7682 3675

[www.bis.gov.uk/skillsfundingagency](http://www.bis.gov.uk/skillsfundingagency)



© Skills Funding Agency

Published by the Skills Funding Agency

Extracts from this publication may be reproduced for non-commercial, educational or training purposes on condition that the source is acknowledged and the findings are not misrepresented.

This publication is available in electronic form on the Skills Funding Agency website:

[www.bis.gov.uk/skillsfundingagency](http://www.bis.gov.uk/skillsfundingagency)

If you require this publication in an alternative format please contact the Skills Funding Agency Help Desk: 0845 377 5000.

Skills Funding Agency – P– 120009