

# Practice Note

## Financial Assurance on local authority maintained schools with sixth forms

January 2012

# 1. Introduction

## Purpose of the Guidance

1. This practice note, updated for the 2011-12 financial year, sets out the Young People's Learning Agency's (YPLA) guidance for local authorities on gaining assurance over the funding paid in respect of local authority maintained schools with sixth forms. This practice note is for all local authorities in receipt of YPLA funding; however, it is important for local authorities to note that it is **not mandatory** on them.
2. Local authorities must consider the risks to funding and the need for assurance in respect of their own direct provision, including local authority maintained schools with sixth forms, but it is for chief financial officers to determine whether and how any work should be undertaken to enable them to make their grant returns to the YPLA. The use of all, part or none of this practice note is entirely at their discretion. Local authorities may choose to adopt alternative approaches including controls review and evaluation, data analysis and analytical review. We will issue guidance in early 2012 on the required grant return for 2011-12.

## Changes for 2011-12

3. **The principles of this suggested guidance are unchanged from 2010-11.** Detailed guidance is available on the completion of the learning aims section of the School Sixth Form (SSF) Audit Results Form, in instances where the Standard Learner Number (SLN) requires amendment due to the identification of over or understatement errors (see Appendix 1 to Annex A). This guidance includes details of where to find the guided learning hours (glh) of generic and other learning aims. In addition, during the summer term 2011 we made available to all sixth forms the 2011/12 funding allocation calculation, including details of the 2009/10 success rates.

## Funding Methodology

4. Full details of the funding methodology for local authority maintained schools with sixth forms is set out in the *YPLA Funding Guidance 2011/12: Rates and Formula*, at:

[http://readingroom.lsc.gov.uk/YPLA/ypla-Funding\\_Rates\\_and\\_Formula-gn-Jul11-v1.pdf](http://readingroom.lsc.gov.uk/YPLA/ypla-Funding_Rates_and_Formula-gn-Jul11-v1.pdf)

Some further definitions of terms used in the funding methodology are in the Glossary at Appendix 1 to Annex A of this practice note. In brief, the components of the methodology, derived from the schools' data uploads to the DfE and therefore auditable for 2011/12 funding, are:

- The **numbers of school sixth form pupils** at the Autumn 2010 census date (7 October 2010);
- The **qualification aim** (specific course code eg "10006199 – OCR AS level Media Studies) details recorded on the Post-16 Learning Aims module of the Autumn 2010 Census; NB – it is vital that these codes are recorded correctly, because a failure to do so impacts on the integrity of the success data, as exam passes cannot be matched to learning aims if they are not recorded correctly, eg if a school changes the awarding body it uses for a certain qualification
- The **qualification aim** details recorded on the Post-16 Learning Aims module of the Summer 2010 Census, together with corresponding year 12 retention data.

## **Audit Guidance**

### **Scope**

5. This guidance specifically refers to assurance over 2011/12 academic year funding, as determined by the Autumn 2010 census count.
6. The Summer and Autumn 2010 census counts determine the 2011/12 academic year funding. If 2011/12 funding allocations need to be revised as a result of significant findings arising from local authorities' audit work, it will help the schools concerned if these revisions are made as soon as possible. Local authorities should report significant adverse findings in respect of individual schools to the YPLA External Assurance team within one month of agreeing the findings with the school.
7. In addition to the above, when local authorities choose to undertake an audit visit to a school sixth form, auditors should consider an integrated approach, and also review information relating to the administration of Education Maintenance Allowance Transitional Arrangements (EMATA) payments to pupils at the school (see Annex B below). Auditors should also consider whether it is necessary to audit the 16-19 Bursary Fund. A suggested approach and set of working papers for the 16-19 Bursary Fund is available on the YPLA website.

### **Risk Assessment**

8. Paragraphs 20-24 of YPLA Financial Guidance Note to Local Authorities ([http://readingroom.ypla.gov.uk/ypla/local\\_authority\\_practice\\_note\\_-\\_assurance\\_-\\_final.pdf](http://readingroom.ypla.gov.uk/ypla/local_authority_practice_note_-_assurance_-_final.pdf)) provide guidance for local authorities on assurance planning and risk assessment. Paragraph 23 notes that 'local authorities are well practiced in assessing risks and assurance planning'; therefore, the YPLA will not provide detailed requirements on these matters.

### **Sampling**

9. It is for the chief financial officer of each local authority to determine their assurance approach, and how many schools to audit. Previous funding body practice was for only a sample of a local authority's schools in any one year to be audited. For any school, it is easy to validate pupil numbers. However, the number of qualification aims is likely to be large, so local authorities will want to validate the qualification aim data by checking a sample of pupils and their learning aims. Lists of pupil details by learning aim are available in the school.
10. Where there are major discrepancies affecting funding, the chief financial officer of the local authority should consider extending the sample within the school.
11. Paragraph 19 of YPLA Finance Guidance Note 2 provides guidance that local authorities will normally take sample data directly from school records.

### **Audit Programme**

12. The detailed audit programme is at Annex A.
13. Working paper and document templates in the audit programme are available to download from the YPLA website. Example populated working papers are also available on the website as a guide for local authority completion.

## **Further Guidance**

14. Further guidance is available from the YPLA External Assurance team ([afm@ypla.gov.uk](mailto:afm@ypla.gov.uk)).

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## 1. Audit Objectives

The audit comprises a programme of substantive tests and checks to verify the completeness and accuracy of the school's data returns. The objectives of the data audit are to:

Objective No.	Issue	Test no. ref.
1	Verify the accuracy of the numbers of sixth form pupils recorded on the school's Autumn 2010 census return.	1
2	Ensure that only pupils eligible for funding are funded, as set out in Annex C of the <i>YPLA Funding Guidance 2011/12: Funding Regulations</i> , which can be found at: <a href="http://readingroom.lsc.gov.uk/YPLA/ypla-Funding_Guidance_Regulations_2011-12_gn-Jul11-v1.pdf">http://readingroom.lsc.gov.uk/YPLA/ypla-Funding_Guidance_Regulations_2011-12_gn-Jul11-v1.pdf</a>	2
3	Ensure the accuracy of a sample of pupil and learning aim data recorded on the Post-16 Learning Aim module of the Autumn 2010 census return.	3 – 7
4	Ensure the accuracy of a sample of pupil learning aim data and retention, as recorded on the Post-16 Learning Aim module of the Summer 2010 census return.	3

## 2. Pre-Visit Activities and Preliminary Checks

The pre-visit checklist presented below identifies the actions that auditors should perform prior to carrying out each school visit.

The annex to the suggested notification letter to be sent to the school's head teacher identifies the documents and other materials the school must make available to auditors and indicates the people at the school the auditors may need to see. The evidence requirements referred to in the notification letter to the schools are broadly based on those previously listed in the School Sixth Form Funding Guidance for 2007/08 and 2008/09. The availability of this evidence for audit purposes should not cause the school difficulty or inconvenience, as the documentation supports the returns already submitted and should have been retained by the school.

Item	Pre-Visit Checklist	Source	Initials Date
<b>Pre-Visit Activities</b>			
1	Ensure that you have a copy of the <i>YPLA Funding Guidance 2011/12: Funding Regulations</i> , which can be found at: <a href="http://readingroom.lsc.gov.uk/YPLA/ypla-Funding_Guidance_Regulations_2011-12_gn-Jul11-v1.pdf">http://readingroom.lsc.gov.uk/YPLA/ypla-Funding_Guidance_Regulations_2011-12_gn-Jul11-v1.pdf</a>	YPLA website	
2	Obtain details of the 2011/12 funding allocation calculation, including the pupil numbers derived from the Autumn 2010 census return.	Local authority	
3	Prepare a full set of SSF working papers and set up the audit file.	YPLA website	
4	<p>Obtain background information on the school from the local authority 16-19 commissioning team including:</p> <ul style="list-style-type: none"> <li>• Confirm the pupil numbers figure used for the 2011/12 allocation (derived from the Autumn 2010 census return);</li> <li>• Check whether or not the school has raised any concerns regarding the accuracy of its Post-16 Learning Aim module data for 2010/11. If it has, it may be that 16-19 commissioning team are already working with the school to identify the correct data and calculate an accurate success factor. If this is happening, it may be that assurance work should be directed elsewhere;</li> <li>• Enquire if there are any consortium or partnership arrangements of which Local Authority liaison staff are aware.</li> </ul> <p><i>Auditors will need to ensure that pupils that visit other schools for part of their curriculum are recorded on the data returns of the host school (i.e. the school on whose roll the pupil appears). Conversely, auditors will need to ensure that 'guest' pupils do not appear on the data returns.</i></p>	Local authority	
5	<p>Telephone the school (the head teacher or the nominated representative, possibly the Head of the Sixth Form or the person in charge of the school's MIS) to agree the precise date(s) of the audit visit and:</p> <ul style="list-style-type: none"> <li>• Confirm if the school has any formal consortium arrangements and/or any informal partnership arrangements and enquire of school management where these pupils are counted.</li> </ul>	The school	
6	<p>Ensure that a <b>confirmation letter</b> is sent to the school once a date for the visit has been agreed with the school. The letter should detail all the information which the auditor may require access to (see template on the YPLA website).</p> <p>Retain a copy of the confirmation letter on the audit file.</p>	Local authority auditors	

Item	Pre-Visit Checklist	Source	Initials Date
7	<p>Using the census data and an appropriate random sampling technique, extract two samples for testing (in order to verify the accuracy of the data from both Summer 2010 and Autumn 2010 census returns).</p> <p>The samples should consist of 10% of pupils on each of the Summer 2010 census and the Autumn 2010 census returns, subject to a minimum of 30 in each sample.</p> <p>(If material errors are found in the samples tested, auditors should consider extending the sample or undertaking a full review of the school's census data.)</p> <p>Ensure that you have a copy of the <b>SSF Audit Results Form</b> (template available on website). Ensure that the number of pupils appearing on the Autumn 2010 School Census is recorded on the <b>SSF Audit Results Form</b>.</p>	Local authority auditors	
8	<p>Review the data to identify 'part-time pupils (by UPN) that have been input as following a part-time programme (i.e. Standard Learner Number (SLN) &lt;1). Confirmation should be sought that this data is correct, as it may be indicative of missing learning aims, which would mean under-funding.</p> <p>Such pupils should not be reported as ineligible, but this information should be shared with the local authority team and YPLA External Assurance team (<a href="mailto:afm@ypla.gov.uk">afm@ypla.gov.uk</a>), particularly where there are material instances of part-time pupils.</p>	Local authority auditors	

Preliminary Checks on Arrival at the School		
9	<p><b>Confirm Contacts and Meetings</b></p> <p><b>Confirm with the school's representative(s) that the following persons are available:</b></p> <ul style="list-style-type: none"> <li>• The head teacher;</li> </ul> <p><i>The head teacher should sign the SSF Audit Results Form at the end of the visit.</i></p> <ul style="list-style-type: none"> <li>• The member of staff responsible for maintaining the school's MIS;</li> </ul> <p><i>This is the most likely person to show you how to access pupil details and registers using the MIS.</i></p> <ul style="list-style-type: none"> <li>• The curriculum manager for post 16;</li> <li>• The person responsible for preparing the Summer 2010 and Autumn 2010 census returns, if not one of the above.</li> </ul>	School contacts
10	<p><b>Confirm Information Access/Availability</b></p> <p><b>Confirm with the school's contacts that the following items will be made accessible and when:</b></p> <ul style="list-style-type: none"> <li>• The school's management information system (MIS) (that is the SIMS system or the equivalent);</li> <li>• The school's exam entry records and exam entry confirmations supplied by the examination boards;</li> <li>• Exam results records supplied by the examination boards;</li> <li>• Pupil timetables;</li> <li>• Attendance records for 2009/10 and 2010/11;</li> </ul> <p>Ask the school's representative if they can show you how to use the MIS to access information such as pupils' curriculum details and registers, to avoid the need for providing large quantities of hard copies. Some schools can provide 'read-only' access, ensuring that there is no risk to the data. However, some schools may be reluctant to provide any access and will have to produce hard copies.</p> <p><i>Any of the evidence sources listed above can be used to confirm that pupils were working towards the learning aims recorded on the census returns. They can also be used to identify any omissions. The school's MIS and registers provide the ideal starting point for checking these details.</i></p>	Documents produced and access permitted by school contacts.



<b>Preliminary Checks on Arrival at the School</b>			
11	<p><b>Review the Documents Produced by the School for Completeness</b></p> <p><b>Confirm that the school has provided the following documents:</b></p> <ul style="list-style-type: none"> <li>• The completed Autumn 2010 census return;</li> <li>• A list of pupils by name in Years 12, 13 and 14 at the census date of 7 October 2010, together with their dates of birth and Unique Pupil Numbers (UPN), which must match the total number of pupils on the Autumn 2010 census return above;</li> <li>• A list of all sixth form pupils recorded on the Summer 2010 Census return, together with their dates of birth and Unique Pupil Numbers (UPN). The list should be sorted either by date of birth or by UPN, in order that the auditor can easily find pupil names;</li> <li>• Any documentation that the school has to support its Summer 2010 and Autumn 2010 census returns;</li> <li>• School registers (both form and teaching groups) <b>or</b> electronic registration systems (for example, Lesson Monitor, Facility CMIS) <b>or</b> attendance records (access to, or print-outs from, the system). These should include years 12, 13 and 14 and should cover the periods September 2010 – October 2010 and April 2010 – July 2010;</li> <li>• Where applicable, details of any consortium arrangements involving the sixth form and the qualifications taught through the consortium arrangements.</li> </ul>	Documents produced and access permitted by school contacts.	
<b>Other Preliminary Issues</b>			
12	<p><b>Residency</b></p> <p>Enquire whether the school undertakes residency checks on their sixth form pupils (and if so, how) as pupils who do not have right of abode in England are not funded.</p> <p>This is only likely to be an issue where pupils have not attended the school prior to the sixth form. Where a Common Transfer File (sent between schools involved in a pupil transfer) is not available, the school will need to ensure that the pupil satisfies the residency criteria.</p> <p>By requesting a list of pupils who have joined the sixth form from somewhere other than the school's Year 11, you can check to ensure that these satisfy the residency criteria..</p> <p><i>Such instances are fairly uncommon, but it is useful to find out whether schools are aware of the need for, and have a process for, ensuring that pupils satisfy the residency criteria.</i></p>	Documents produced and access permitted by school contacts	

### 3. Sixth Form Pupil Numbers: Tests and Tasks

Test No.	Action	Audit Objective	Source of Evidence	Initials Date
1	<p><b>Verify the Accuracy of the Overall Number of Pupils Recorded</b></p> <p>i. Check the pupil numbers recorded by the school as per YPLA records (ie 2011-12 allocation) at 7 October 2010) against the number on the school's copy of the Autumn 2010 census return and record any discrepancy on the <b>SSF Audit Results Form</b>..</p> <p>ii. Using the school's registers or attendance records, count the actual numbers of pupils that can be evidenced at the census date and record this figure on the <b>SSF Audit Results Form</b>.</p> <p>iii. Record any variance between i) and ii) on the <b>SSF Audit Results Form</b>, including the names of pupils affected.</p>	1	School attendance records or registers	
2	<p><b>Verify that the School has Checked For and Excluded Ineligible Pupils</b></p> <p>Ensure that pupils recorded by the school on the Autumn 2010 census as at 7 October 2010 <u>exclude</u>:</p> <p>i. Pupils over the age of 19 at the beginning of their sixth form programme of study (or 31 August 2010).</p> <p>ii. Pupils retaking year 11 (unless they are planning to subsequently follow a sixth form programme).</p> <p>iii. Pupils of sixth form age who are not in years 12 and 13.</p> <p>iv. Pupils under 16 undertaking sixth form qualifications (i.e. AS levels) additional to their GCSE programme.</p> <p>v. Pupils who have left the sixth form before the Autumn 2010 census date (7 October 2010).</p> <p>vi. Pupils on roll as at census date who have not attended school prior to census date or who don't have a unique pupil number (unless the school has a valid reason for their inclusion).</p> <p>vii. Pupils who joined the School Sixth form after the October census date.</p> <p>viii. Pupils who attend the school for nominated qualification courses but who are on roll at another school.</p> <p>Ensure that pupils recorded by the school on the Autumn 2010 census as at 7 October 2010 <u>include</u> pupils under 16 undertaking a sixth form programme of study and part-time pupils.</p> <p>Record any <b>deductions</b> or <b>additions</b> arising from the above on the <b>SSF Audit Results Form</b>.</p>	2	Any working papers supporting the school's census return	

## 4 Sixth Form Learning Aims Data: Tests and Tasks

Test No.	Action	Objective	Source of Evidence	Initials Date
1	<p><b>Verify the Accuracy of Pupils' Learning Aims on the Post-16 Learning Aims Module (for the samples selected)</b></p> <p>This needs to be done for:</p> <ul style="list-style-type: none"> <li>• The learning aims that pupils are working towards in 2010/11, as per the Autumn 2010 census return;</li> <li>• The learning aims that year 12 pupils completed in 2009/10, as per the Summer 2010 census return.</li> </ul> <p>Review the evidence available to confirm that each pupil selected for testing was eligible for school sixth form funding and was working towards each of the listed learning aims.</p> <p>For 2010/11, evidence that could be used includes pupil curriculum details on the school's MIS, attendance records, exam entries, exam results or, in the absence of these, any other reliable evidence that confirms that the pupil was working towards the listed learning aims.</p> <p>For 2009/10 retention data, registers should be checked to ensure their consistency with dates on the census, confirming that year 12 pupils completed courses.</p> <p>In addition, check to ensure that, for each pupil, the list of learning aims on the learning aims working paper is complete. Identify any learning aims that appear on the pupil's timetable but do not appear on the learning aims working paper. This can be done by comparing the pupil's curriculum details on the school's MIS with the list of learning aims on the working paper. Any learning aim that the pupil was working towards, that satisfied the criteria for a start, as per Table B1 of the <i>YPLA Funding Guidance 2011/12: Funding Regulations</i>, regardless of whether the pupil completed or withdrew from the learning aim, should be counted.</p> <p><b>Complete</b> the relevant learning aims working paper.</p> <p><b>Record</b> any data errors on the <b>SSF Audit Results Form*</b>. <b>In carrying out this testing, please pay due regard to points 4-9, listed below. For all tests on learning aims it is assumed that auditors will begin with the sampled pupils but may extend audit coverage if it is apparent that data input error is widespread. The school's staff may be involved in this work.</b></p> <p><b>* See Glossary at Appendix 1 to Annex A for detailed guidance on completing the SSF Audit Results Form.</b></p>	3	<p>As listed opposite</p> <p>Individual pupil curriculum details (school's MIS)</p>	

Test No.	Action	Objective	Source of Evidence	Initials Date
2	<p><b>Entitlement Qualifications</b></p> <p>For all pupils in the sixth form, identify whether or not 'entitlement' activities take place, including tutorials and other enrichment activity. Note that these are assumed to be four to five hours per week.</p> <p>Check whether or not entitlement activities are timetabled. If not, seek to gather assurance that such activity takes place.</p> <p>If such assurance cannot be gained, record as a query for information and possible follow-up.</p> <p><i>Entitlement is valued at 0.253 SLN (114 glh), meaning that auditors should check to make sure that some enrichment activity is delivered.</i></p>	3	Sixth Form Prospectus	
3	<p><b>Profiled Start and End Dates (for the samples selected)</b></p> <p>It is important that start, planned end and actual end dates are accurately recorded for each learning aim, as these are key census fields used to calculate success rates.</p> <p>There may be instances where learning aims that are normally expected to be delivered over one year are being delivered over two years, and vice versa. Check whether there are any such instances of this and ensure that the data have been accurately input.</p> <p><b>Record</b> any data errors on the <b>SSF Audit Results Form</b>.</p>	3		

Test No.	Action	Objective	Source of Evidence	Initials Date
4	<p><b>Qualification Accreditation Numbers (QANs) and discount codes (for the samples selected)</b></p> <p>It is important that both QANs and discount codes are accurately recorded for each learning aim, as these are key census fields used to link to achievement data from examination boards.</p> <p>There may be instances where either a QAN or a discount code has been input that is different to that which the learner is actually entered for, meaning that the result data from the examination board will have no corresponding record in the census data to link the result to. This will affect the school's success rate.</p> <p><b>Record</b> any data errors on the <b>SSF Audit Results Form</b>.</p>	3		
5	<p><b>Learning Aim Status (for the samples selected)</b></p> <p>Ensure that the status of each learning aim is accurately recorded as a transfer, withdrawal, completion or continuing.</p> <p>In addition, ensure that sixth formers recorded on the Post-16 Learning Aims module as retaking GCSEs were actually attending timetabled classes, and not merely re-sitting the exam. Retakes are fundable whereas resits are not.</p> <p><b>Record</b> any data errors on the <b>SSF Audit Results Form</b>.</p> <p><i>Para 182 of The Guidance (YPLA Funding Guidance 2011/12: Funding Regulations) states that re-sits should be recorded as status '0', with the same start and end date, this being the date of the examination. Any re-takes should involve some attendance at timetabled lessons.</i></p>	3		
6	<p><b>Systematic Errors</b></p> <p>If you find errors that are clearly systematic (for example, a failure to process an entire class in the Post-16 Learning Aims module), you should seek to identify all those learners that are affected by such errors. Depending on the nature of the error, the school may be able to supply lists of affected pupils from its own MIS.</p> <p><b>Record</b> any such errors in section 2 of the <b>SSF Audit Results Form</b></p>	3		

Test No.	Action	Objective	Source of Evidence	Initials Date
7	<p><b>Random Errors</b></p> <p>Having dealt with any systematic errors, if there are random errors remaining, consider the materiality of the errors against the overall sample size. If the errors are material, auditors may need to extend testing, or ask the school to self-audit its Post-16 Learning Aims module return. This is to be a matter of professional judgement.</p> <p>In making this decision, consider also the extent to which the errors could affect the allocation calculation. For example, if a withdrawal date has been incorrectly input, but it doesn't affect the six-week rule (to feature within the count of SLN, a pupil needs to remain on a programme for six weeks, in the case of a full-year learning aim), it may not be necessary to carry out further investigation. A transfer may not have been correctly administered, but as the 'transferred off' learning aim attracts zero SLN, it may not affect the allocation calculation.</p>	3		

## 5 Feedback and Reporting

Item	Action	Initials Date
1	<p><b>Consultation, Feedback and Reporting</b></p> <p>Auditors are expected to discuss and feed back the results of the audit to the school and obtain explanations/reconciliation for any variances found. The basis of the feedback will be the auditor's summary of the pupil number count and the outcome of learning aim testing. It is important, therefore, that any deductions or additions to the school's returns arising from the audit process are clearly identified on the working papers.</p> <p>The head teacher (or other accountable officer) should sign the <b>SSF Audit Results Form</b> when the audit is complete and any errors have been agreed or differences reconciled. The pupil number count and learning aim errors should be presented to and discussed with the head teacher or their nominated representative to support the <b>SSF Audit Results Form</b> sign off. In the event that a school disagrees with the audit results, this should be recorded on the <b>SSF Audit Results Form</b>.</p> <p>The completed <b>SSF Audit Results Form</b> (and any supporting documentation) should be sent to the YPLA External Assurance team (<a href="mailto:afm@ypla.gov.uk">afm@ypla.gov.uk</a>). These will then be passed to the YPLA allocations team for adjustment if necessary.</p> <p>The auditors should retain the signed original.</p> <p>It is good practice to produce a letter summarising the audit results for the school and any consequent recommendations or adjustments. This could include an explanation of the <b>SSF Audit Results Form</b> and also draw attention to any control weaknesses and making recommendations for improvement.</p> <p>Auditors are reminded that, as stated in paragraph 5 of the <i>Scope</i> section above, any significant errors or omissions identified must be passed to the YPLA External Assurance team (<a href="mailto:afm@ypla.gov.uk">afm@ypla.gov.uk</a>) within one month of the findings being agreed with the school and <b>may result in a revised allocation for 2011/12.</b></p>	

## APPENDIX 1 TO ANNEX A - Glossary and Further Information

A **sixth form pupil** is defined as a pupil who is under 19 years of age at the beginning of his or her sixth form programme of study (see *YPLA Funding Guidance 2011/12: Funding Regulations, Annex C, paragraph 3*).

**Funding methodology** – Funding is based on the Standard Learner Number (SLN). SLN funding values reflect the size of a learning aim. Each learning aim is measured in SLN. The SLN is calculated by dividing the number of glh for that learning aim by 450. For example, a GCE 'AS' level is 150 glh, which works out as 0.333 SLN. For each learner, the SLN is aggregated and capped at 1.75 (2010/11). An average SLN per learner is then calculated and multiplied by the number of learners to give the total SLN.

The formula for calculating the allocation for 2011/12 is as follows:

$$\text{Allocation} = \text{SLN} \times \text{Rate per SLN} \times \text{Provider factor} + \text{ALS}$$

The provider factor is an index based on area costs, disadvantage, programme weighting and success. ALS is extra funding based on the GCSE points scores for English and Mathematics for learners when they are recruited.

Therefore, the above formula shows that our assurance work needs to focus on the following variables:

- **SLN:** Derived from the count of learners and the detailed learning aims recorded on the Autumn 2010 census
- **Provider Factor:** The provider factor is based on four component factors, namely area costs, programme weighting, disadvantage and success. It is derived from schools' 2009/10 data.

The School Sixth Form rate per SLN is either the National Rate or a transitional protection rate agreed by the LSC, so there is no scope for assurance work on this variable. Due to the basis of the formula for ALS, no assurance work is required on this either.

As the provider factor is derived from other data, auditors need to carry out assurance work on the components that carry the highest risk of inaccuracy. The success factor depends on accurate learning aim data, particularly in respect of Qualification Accreditation Numbers (QANs), in order that achievements can be correctly linked to learning aims.



## Detailed Guidance on the Completion of the Learning Aims Section of the SSF Audit Results Form

Autumn 2010 Census: Errors identified that affect student's SLN (include overstatement and understatement errors, including overall effect on SLN)					
Student Name	UPN	Description of Errors	Original SLN	Effect of Errors on SLN	Corrected SLN
Name 1	UPN 1	A Level French recorded in error (Example 1 below)	1.57	-0.33	1.24
Name 2	UPN 2	A Level Maths recorded in error (Example 2 below)	1.75 (capped)	-0.33	1.71

**Example 1 – Effect of Error on Original SLN** – this will need to be calculated as follows:

	glh	Original SLN	Effect of Error	Corrected SLN
Learning Aim 1	150	0.33		0.33
Learning Aim 2	150	0.33		0.33
Learning Aim 3 (recorded in error)	150	0.33	-0.33	0.00
Learning Aim 4	150	0.33		0.33
Entitlement	114	0.25		0.25
		<u>1.57</u>		<u>1.24</u>

The glh of generic learning aims can be found in the *YPLA Funding Guidance 2011/12: Rates and Formula*, Annex A, which can be found at:

[http://readingroom.lsc.gov.uk/YPLA/ypla-Funding\\_Rates\\_and\\_Formula-gn-Jul11-v1.pdf](http://readingroom.lsc.gov.uk/YPLA/ypla-Funding_Rates_and_Formula-gn-Jul11-v1.pdf)

The glh of other learning aims can be checked via the Learning Aims Reference Application, which can be found at:

[LARA - Welcome](#)

Entitlement is funded at 114 glh for 2010/11 – note that this decreases to 30 glh for 2011/12.

Learners do not attract entitlement funding if their programme of study is less than 450 glh per year.

Total SLN per learner is capped at 1.75 SLN for 2010/11 – note that this decreases to 1.56 SLN for 2011/12.

**Example 2 – Where the Learner’s Original SLN has been Capped**

	glh	Original SLN	Effect of Error	Corrected SLN
Learning Aim 1	360	0.80		0.80
Learning Aim 2	150	0.33		0.33
Learning Aim 3 (recorded in error)	150	0.33	-0.33	0.00
Learning Aim 4	150	0.33		0.33
Entitlement	114	0.25		0.25
		2.04		1.71
		(capped at 1.75)		

## **ANNEX B – EDUCATION MAINTENANCE ALLOWANCE TRANSITIONAL ARRANGEMENTS**

1. The review of the Education Maintenance Allowance Transitional Arrangements (EMATA) payments system operated by the school should determine that there is an appropriate system of controls in place to ensure effective administration of payments to learners via the Learning Provider Portal (LPP). For this reason a brief controls questionnaire is provided in the testing schedule below; this should be completed through discussions with the school. Identified control weaknesses and suggestions for improvement should be reported to the school.
2. The extent of testing is at the discretion of the local authority. The number of learners to be included in the substantive testing sample should be determined by the local authority auditors.
3. For weekly payments, usually a complete month should be selected and the sample of learners should be tested for each week of the month. Months may be either four weeks or five weeks in duration. If the month selected includes a half-term break, either the last week of the preceding month, or the first week of the following month may need to be added to ensure that at least four weeks are tested. If a weekly payment has not been made, please record n/p (not paid) at test 3 of section 3, Substantive Tests.
4. Where actual payment errors are identified, these should be clearly recorded on the working papers, and the auditor should determine whether any recovery action has been carried out via LPP. If recovery action has not been taken, the school has a responsibility to inform the Learner Support Service, which will take steps to recover the overpayment from the learner.
5. The payment decisions for weekly payments are inputted by the school via the LLP, which is administered by Capita plc. The school should be able to produce a report from LAPS showing which students are in receipt of EMA, from which a random interval sample can be taken. Once the sample of students has been selected, a “Mini-Statement” of transactions for each selected learner for that year can be produced, which is useful in providing an overview of payments for each learner.
6. It is recommended that prior to the audit, the school is advised that during the audit access to the LLP may be required and a suitably experienced member of staff should be available to assist with the audit.
7. It is important that auditors fully familiarise themselves with the *16-19 Transitional Arrangements – Guide for 2011/12* document (version 2), published in August 2011. This is available on the YPLA website:

[http://readingroom.ypla.gov.uk/ypla/ypla-16-19\\_Transitional\\_Arrangements\\_Guide\\_for\\_2011-12-gn-Aug11-v2.pdf](http://readingroom.ypla.gov.uk/ypla/ypla-16-19_Transitional_Arrangements_Guide_for_2011-12-gn-Aug11-v2.pdf)

8. Please ensure that a copy of the Audit Findings is sent to YPLA External Assurance team ([afm@ypla.gov.uk](mailto:afm@ypla.gov.uk)), including a copy of the working paper if there have been significant issues and/or overpayments identified.

## Controls Questionnaire

	Actual Control	Satisfactory? Y/N
<b>SSF controls review</b>		
Through discussion and observation determine the following:		
<b>1. General Questions</b>		
1.1 What management, staffing and organisational arrangements are in place for administering EMA?		
1.2 Does the school have a documented EMA policy for staff and learners for authorised and unauthorised absences?		
1.3 What controls are in place to ensure the accurate recording, storage and security of EMA evidence and data?		
1.4 What controls are in place to ensure that information received from off-site provision/annexes to support payment decisions is accurate and received on a timely basis?		
1.5 What controls are in place to ensure that off-site providers/annexes do not have Super-user access to the LLP?		
<b>2. Key Controls</b>		
2.1 What controls are in place to ensure that the school has checked that EMATA learners satisfy the following EMA eligibility requirements:		
i. Learners are aged between 16 and 19		
ii. Learners are entitled to free education		
iii. Learners appear to fulfil the EMA residency criteria		

	Actual Control	Satisfactory? Y/N
<b>SSF controls review</b>		
<p>iv. Learners are not in receipt of other excluded government funding</p> <p>v. Learners are enrolled on a valid programme of study at a recognised education establishment (minimum 12 guided learning hours for 10 weeks).</p> <p>(See <i>EMATA Guidance 2011/12, pages 7-9, 22-24 and 29</i>).</p> <p>2.2 What controls are in place to ensure that each learner agrees and signs their <i>EMA Agreement (Attendance, behaviour and effort)</i>? (See <i>EMATA Guidance 2011/12, pages 10-11</i>).</p> <p>2.3 What controls are in place to ensure accurate recording of learners' attendance and making appropriate weekly payment decisions? (See <i>EMATA Guidance 2011/12, pages 13-21</i>).</p> <p>2.4 What controls are in place to ensure that any overpayments are adjusted and the Learner Support Service is informed where appropriate? (See <i>EMATA Guidance 2011/12, page 15</i>).</p> <p>2.5 What controls are in place to ensure that learners are informed of 'no pay' decisions? (See <i>EMATA Guidance 2011/12, page 15</i>).</p>		

### 3. Substantive Tests

Learner	EMA Reference Number	1. Is evidence held to confirm that the learner satisfies the school and EMA eligibility criteria? (See <i>Guidance, pages 7-9, 22-24 and 29</i> ).	2. Is a signed copy of EMA <i>EMA Agreement (Attendance, behaviour and effort)</i> held? See <i>Guidance, pages 10-11</i> .	3. Is evidence of attendance held to support the EMA payments made or withheld for the test period? (See <i>Guidance, pages 13-21</i> )  Month:  Wk1 Wk2 Wk3 Wk4 Wk 5					Comments	
1										
2										
3										
etc										

**4. Summary of Transactions Tested**

Sampling Methodology (brief description)	
Number of learners in the sample	
Number of weekly payments tested	
Number of bonus payments tested	

**5. Error Schedule: Actual Funding Errors Identified**

Learner Name	EMA Reference Number	Payment Period (Week or Month)	Inside or Outside Sample Population	Description of the error	Has the school corrected the error through the LPP?



## 6. Feedback and Recommendations

EMA Audit Feedback Notes.		
Audit findings and suggestions for improvement.	Agreed? Yes/No	School's Comments

Prepared By: (Name & Position)	Date:
Received By: (Name & Position)	Date: