ESP PG Appendix 7: Audit and Evidence Requirements

Contractor Financial Management – Audit

Payments made to the provider are provided from public funds. Audits will be carried out to gather assurance that contractual requirements are being met. To support claims for funding the provider should ensure that records and evidence are kept in accordance with the guidance in the Appendix. While this appendix details current evidence requirements it is not exhaustive and may need to be updated from time to time to reflect audit experience.

The LSC operates a risk based approach to auditing. This approach can lead to a reduction in audit activity where risk is assessed as low, in the interests of reducing unnecessary bureaucracy on the provider and enabling audit resource to be targeted to higher risk areas. Where non-compliance is identified that result in public funds being paid in error, the LSC is obliged to recover these funds.

In addition to on-site testing, the LSC makes use of the data self-assessment toolkits (DSATs) and analytical review in its assessment of the provider and other organisations it funds. DSATs information can assist in the identification of areas where testing is needed and also lead to lower levels of on-site substantive checking where reliance can be placed on the data submitted.

The provider is liable for complying with the contractual requirements under this contract, where, the services are sub-contracted. The evidence requirements set out in this appendix therefore apply to any sub-contracted provision. Copies of sub-contracts should be retained.

Where requirements for funding indicate that prior approval should be sought from the LSC, documentary evidence for such approval should be retained for audit purposes. Retrospective approvals will not normally be given.

In the interest of reducing bureaucracy on the provider, wherever practical and reasonable, the LSC’s auditors will seek to place reliance on evidence that is naturally generated in the course of learning and business administration. These evidence requirements have been drafted to reflect this.

Evidence to be retained by contractors

Data returns

The provider must provide, fully completed, comprehensive and accurate documentation to support data returns. This includes:

- ILR forms to support all data transmitted to the LSC using the internet-based data collection systems which should be signed by the LSC and the learner; ILR forms must be completed in blue or black ink
- Correction fluid must not be used on the ILR or other key evidence provided to support funding claims
- Any alteration to the ILR must be crossed through and initialled by the person authorised to make changes
- The ILR and all supporting evidence shall be available at the time the data return is sent to the LSC

The provider should ensure that the appropriate fields on the ILR are completed in accordance with the requirements of paragraphs ?? of this appendix.

Evidence to support learner eligibility
The details of the Individual Learning Agreement should be recorded on the REF2 form and returned to JCP. A copy of the REF2 form should be retained by the provider. If the provider copy of the REF2 form is a photocopy this should be certified as a true copy and then signed and dated by a suitably authorised member of staff.

The following evidence confirming that the learner is eligible to participate is required:

- Documentary evidence if initial assessment including an individual training needs analysis
- A copy of the individual learning agreement meeting the requirements to this agreement signed by the learner and the provider
- Evidence that the learner is working towards a learning aim that is eligible for funding

Evidence to support learner participation provision under the service

The following should be retained to provide evidence of learner participation:

- Evidence that the learner is working towards or making progress towards the learning aims identified in their learning plan
- Documentary evidence to confirm the number of hours of attendance by the learner
- Where progress is not being made, evidence to support the actions taken to address this
- Evidence of regular review in accordance with the Individual learning agreement. Reviews of learner progress should be carried out every 3 weeks. The learner reviews should be signed by both the learner and the provider.

Qualification achievement

The following evidence will be required:

- Evidence that (at time of award) the qualification is current and approved
- Evidence that the learner was registered with an awarding body for the qualification before the last QCA entry date
- For the provider that have been approved for direct claims status by the awarding body evidence from the internal verifier that the qualification has been achieved is acceptable (for confirmation auditors may request copies of achievement certificates to be sent the LSC on receipt from the awarding body)
- Providers that have not been approved for direct claims status need evidence from the awarding body that the qualification has been achieved
- Copy of the qualification certificate from the relevant awarding body within 3 months of achievement

Withdrawal from learning

The provider should hold the following evidence to support the date of leaving recorded on the ILR:

- Documentary evidence that clearly demonstrates when the learner last actively participated in continued structured learning. This may be the last date of
evidenced attendance on a training course, assessment, or other documentation which demonstrates that the learner was in continued structured learning as detailed in their individual learning plan

- Written notice of termination from the programme

Payment

- The LSC requires fully completed, comprehensive and accurate documentation to support the data return;
- Original Individual Learner Record (ILR) forms which reflect the electronic data submitted to the LSC

Learner

Starts

- Original Individual Learner Records for all learners who have started a programme
- That the learner has met the eligibility rules

Achievement

- Evidence that the qualification achieved is current and approved
- A print out from the awarding body showing the successful candidates for this initiative if certificates not received or copies of the awarding body certificates for all learners
- Where the provider has been approved by the appropriate awarding body to have sufficient systems to qualify for direct claims status, evidence from the internal verifier that the learner has achieved the qualification

Leavers

- ILR form completed in accordance with the LSC guidance
- Evidence of a leaver notification completed in accordance with the LSC guidance
- Evidence that the individual learning plan has been updated with actual date of leaving

Document Retention Period – All Evidence

Document retention requirements are set out in Schedule 3.