

Care to Learn Audit Requirements 2011/12

June 2011

► For guidance

Background

The following provides guidance to Childcare Providers and Learning Providers on the YPLA audit arrangements for Care to Learn.

Methodology

In recognition of the need to minimise the administrative burden on Learning Providers, it is proposed that YPLA audits of Care to Learn will typically be conducted as an integral part of the existing Assurance and Financial Monitoring Team audits of Learning Providers.

A short Care to Learn audit programme has been developed, which will be applied consistently to all Childcare Providers and Learning Providers that have young parents/children attracting Care to Learn funding. The audit programme involves an overview of the key controls over the administration of Care to Learn and testing of a random sample of young parents' payments across a selected period of time (usually a month).

Controls review

Through discussions with appropriate members of staff at Childcare Providers and Learning Providers, YPLA auditors will identify and evaluate controls over the management and administration of Care to Learn payments and complete a short questionnaire. This will help the auditors to establish what controls are in place and how effectively they are working. The controls review will cover:

- general management and administration arrangements for Care to Learn, including details of any off-site provision such as sub-contracting or childminding networks and the recording, input, storage and security of data relating to Care to Learn payment submission and authorisation;
- controls for ensuring that only eligible young parents are registered by the Learning Provider; and
- controls for advising and reporting to the Learner Support Service (LSS) any factors that may influence Care to Learn payments or corrective actions (see 'Attendance monitoring').

Applicable to Childcare Providers

- Controls over the submission of completed attendance monitoring data to the LSS confirming that each child is still in receipt of childcare (see 'Attendance monitoring').
- Childcare Providers should have documented policies and procedures for deposits, retainer fees and/or registration charges to ensure that these rates have been applied consistently throughout the enrolment process for all children.

Applicable to Learning Providers

- Controls over the submission of completed attendance monitoring data to the LSS confirming that each young parent is still attending the learning programme (see 'Attendance monitoring').
- Controls over the reimbursement of young parents' travel expenses between their home and Childcare Provider (where applicable), such as carrying out regular checks to ensure that each young parent is not in receipt of any other travel support (for example free travel pass, weekly bus pass) and to ensure that the travel expenses claimed by each young parent are reasonable.

Substantive testing

A random sample of audit tests will be carried out and these will cover the same generic areas as the controls review detailed above. The substantive testing will involve reviewing supporting evidence.

The **Childcare Provider** must have evidence to confirm:

- the existence of child(ren);
- attendance recording and submission to the LSS;
- consistency of deposit, retainer fees, registration and weekly fee charges per child;
- requests for adjustments/recoveries (where applicable); and
- accuracy and reliability of data.

The **Learning Provider** must have evidence to confirm:

- the existence of the young parent;
- the eligibility of the young parent (including existence of the child(ren));
- attendance recording and submission to the LSS;
- remittance evidence to demonstrate reimbursement of travel (where applicable);
- requests for adjustments/recoveries (where applicable); and
- accuracy and reliability of data.

Evidence requirements

The following are examples of the evidence that YPLA auditors will expect to see during audits at Childcare Providers and Learning Providers. These are not intended to be exhaustive lists.

Applicable to Childcare Providers

- Original Ofsted registration certificate.
- Attendance monitoring data submitted to the LSS confirming that the child(ren) is still in receipt of childcare.
- Recent invoices and childcare rates to ensure that the young parent is charged the same fees as those charged to other parents.

- Signed declaration statements, where applicable, confirming that the young parent is not receiving funding from any other source – for example, free nursery education places, the childcare element of Working Tax Credits or employed work-based learning status.

Applicable to Learning Providers

- Record the details of documentation used (for example birth certificate, proof of Child Benefit) to verify each young parent's eligibility to receive Care to Learn funding.
- Attendance monitoring data submitted to the LSS confirming that each young parent is still attending the learning programme.
- Documented checks to ensure that the young parent is not double-claiming for travel costs between home and the Childcare Provider if they are in receipt of any other travel support for learning, for example, a free travel pass or weekly bus pass.
- Remittance notices or statements demonstrating that all due travel payments to the young parent are reimbursed in a timely fashion that does not prohibit the young parent from travelling to their Childcare Provider.

Feedback and reporting

YPLA auditors aim to discuss audit findings with the auditee as the work progresses and usually hold a formal meeting at the end of the fieldwork. As well as detailing any findings, auditors will endeavour to support Providers by giving recommendations for improvement to processes and controls where required.

Part of the rationale for the controls review is to enable auditors to gain an understanding of how effectively Childcare Providers and Learning Providers monitor and reimburse (where applicable) young parents claiming Care to Learn funding. Where errors are found, auditors will try to identify where controls have broken down or failed to operate as intended, so that meaningful and value-added recommendations can be made.

A formal audit report will be issued that covers all the audit work carried out, including Care to Learn payments.

Summary of common pitfalls

A number of recurring issues have been identified at previous audits of Care to Learn, and are summarised below.

- Eligibility checks: Providers do not check that each young parent meets the Care to Learn eligibility requirements, as set out in the Care to Learn Guidance, prior to registering young parents, and/or do not hold documentation to confirm that these eligibility checks have taken place.
- The attendance evidence that should be held by Learning Providers and Childcare Providers is either incomplete or missing.

Cheylesmore House
Quinton Road
Coventry
CV1 2WT
0845 337 2000
ypla.gov.uk

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