

FINANCIAL SCRUTINY AND AUDIT POLICY

1. Purpose

The senior leadership team (SLT) of Vocational Training Services (VTS) acknowledges the critical importance of financial stability to ensure the continued delivery of high-quality apprenticeships and qualifications to our local communities. This policy outlines the processes, systems, and scrutiny measures in place to ensure compliance with legal, legislative, and governance requirements in the use of public funds.

2. Guidance and Framework

The systems and processes outlined in this policy are guided by the following documents:

- Financial Handbook for Independent Training Providers
- Post-16 Audit Code of Practice
- ESFA Approach to Assessing the Financial Health of Organisations
- Companies Act 2006
- Code of Governance for Independent Training Providers
- Apprenticeship Funding Rules for the Appropriate Contract Year

3. Internal Audits

Data processing and submission

The VTS administration team processes all data and submits it to the senior administrator who conducts the ILR data claims at the end of each month.

The office manager checks this data submission for any errors or issues and reports this at monthly management meetings and recommends any improvements needed.

Quarterly scrutiny

The office manager conducts deeper scrutiny and data cleansing of ILR data submissions and funding claims quarterly.

Reports are made during governance meetings covering:

- Oversight of funding claims and ILR data submissions

- Compliance with funding rules and submission requirements
- Completeness, accuracy, and consistency of funding claims and ILR data, using tools like the PDSAT, exception reports, and validation checks

Both management meeting minutes and governance minutes will report on this, and these minutes will be shared at the yearly Audit and risk Committee meeting.

Monthly audits

- The administration team conducts monthly audits. The office manager assigns learner names to administrators for review against current contract year funding rules.
- Findings are recorded and shared with the office manager, who reports concerns at management meetings

Financial monitoring

- The company director reviews forecasting, budgets, and expenditure monthly, updating spreadsheets accordingly.
- Findings and concerns are discussed at monthly management meetings and shared at governance meetings and the yearly Audit and Risk Committee meeting.
- VTS has a non-executive director who is not involved in the day-to-day management and decisions. They at any time can request financial documents and scrutinise these and provide challenge.

4 Governance

The SLT meets with the governor quarterly, with finance as a standing agenda item. The company director reports on:

- Financial forecasts
- Financial budgeting
- Risk register updates
- Expense concerns
- Financial challenges and comparisons with previous years

Reports are provided to the governor in advance for scrutiny and challenge. The office manager reports on internal scrutiny during this part of the meeting.

5 Audit and Risk Committee

Committee members:

Amanda Holland: Former company director and CEO, experienced in EFSA and financial responsibilities.

Karen Kelly: VTS governor for the past 18 months, ensuring quality in all processes including finance.

Emma Henigan: Current company director and CEO, providing oversight and explanation, incorporating feedback and challenges into SLT deliberations.

Annual Meeting:

The committee meets annually following the submission of end-of-year accounts.

- Responsibilities include:
 - Assuring and challenging the design and operation of VTS financial systems
 - Investigating and challenging unclear or non-transparent activities
 - Advising on the effectiveness of financial processes
 - Reviewing end-of-year accounts and financial process documents
 - Reviewing policies on fraud, business continuity, conflict of interest, and whistleblowing
 - Reviewing the risk management policy and register

Minutes are recorded with actions and review dates, ensuring follow-up and accountability.

6. Review and Compliance

This policy will be reviewed annually to ensure continued compliance with legal, legislative, and governance requirements. Any updates or amendments will be documented and communicated to all relevant parties.

Approval and Revision History:

Date	Version	Description	Approved By
July 2024	1.0	Initial Release	E Henigan