

GREATERLONDONAUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2703

Title: Multiply and Skills Bootcamps Audit Approach for 2023-2028

Executive Summary:

This decision form seeks approval of the recommended approach to audit adult education providers which deliver the GLA's £41m Multiply programme, the £19m Wave Four Skills Bootcamps programme and the £21.6m Wave Five Skills Bootcamps programme as a part of the GLA Skills Audit Approach between 2023 – 2028.

Decision:

That the Assistant Director – Skills & Employment (Policy) approves:

1. the delivery of Multiply provider audits through a grouped audit approach, which will involve AEB providers being audited for all GLA funded programmes (including Multiply) in a single visit.
2. the delivery of Skills Bootcamps Wave Four and Wave Five audits through a risk-based audit approach, which will involve officers selecting an annual sample of providers for audit, based on an analysis of risk factors and an identified risk threshold.
3. expenditure of £76,000 (for both audits) with £25,000 for Multiply audits over two financial years and £51,000 for Skills Bootcamps Wave Four and Wave Five audits.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities. It has my approval.

Name: Ann-Marie Soyinka

Position: Assistant Director – Skills & Employment (Policy)

Signature:



Date:

05/02/2024

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. Under [Mayoral Decision \(MD\)3165](#), the Mayor approved a new adult skills audit approach that will allow the commissioning of external auditors to audit and conduct compliance checks (as applicable) for non-Adult Education Budget (AEB) GLA funded adult skills projects, programmes and contracts, under a single contract. The audit period will run from April 2023 to December 2028, with audits generally being delivered from April to December of each calendar year.
- 1.2. The services that will be procured are:
 - audits for all GLA funded programmes
 - additional risk-based audits, to address high risk factors (e.g. reaudit of providers which receive an unsatisfactory audit opinion) or as part of an investigation into fraud or financial irregularity suspicions or allegations
 - compliance checks, where required.
- 1.3. At the time of MD3165 being approved, Officers were unable to state the total budget required to conduct audits and compliance checks for programmes that were not funded by the AEB and Free Courses for Jobs (FCfJ) budgets. As such, the Mayor delegated authority to the Assistant Director – Skills & Employment (Policy) to approve further expenditure required to audit and conduct compliance checks (as applicable) for all non-AEB GLA-funded adult skills projects, programmes and contracts under the same contract (expenditure for AEB related audits was approved under the cover of MD3165 and any change to that approach is subject to approval via AEB governance arrangements).
- 1.4. This decision form provides an overview of the approach and budgets required to conduct audits on the GLA's £41m Multiply programme, £19m Wave Four Skills Bootcamps programme and £21.6m Wave Five Skills Bootcamps programme.

2. Objectives and expected outcomes

Audit approach

- 2.1. London Multiply - Under the cover of [MD3035](#), the GLA accepted up to £40,945,59 of grant-funding from the Department of Education (DfE) to deliver the Multiply programme in London. Annex C of the Multiply grant determination letter outlines the need for awarded organisations to maintain good financial controls and external audit arrangements. To comply with these requirements, in November 2023 the GLA commissioned the Mayor's Office of Policing (MOPAC) to provide assurance checks on a limited sample of Multiply providers. This process is in final stages of completion and some issues were highlighted with the process.
- 2.2. To address these issues, the London Multiply Programme will be brought under the GLA's Skills Audit Approach. The approach will involve external audit firms conducting robust assurance checks, with the use of established file transfer services (Huddle1).

¹ <https://www.ideagen.com/solutions/document-collaboration/huddle>

- 2.3. The London Multiply programme is delivered by existing AEB grant-funded providers. This provider base is currently audited by external auditors through a group audit, that involves auditing a sample of 50 AEB Grant and FCfJ learner files. Auditors are required to include a minimum of five FCfJ learner files; however, in practice the sample of FCfJ learner files is often greater.
- 2.4. To reduce the risk of over-auditing AEB grant-funded providers, the FCfJ audit approach will be adopted for the London Multiply programme. This will involve auditors identifying a minimum of five Multiply learner files to include in their sample of 50.
- 2.5. Due to the small sample size, there is a risk that auditors may fail to uncover systemic issues; therefore, the GLA will request an additional sample of five learner files per provider in year one, to enable auditors to establish an understanding of the key risks associated with the programme in year one of the audit programme.

Skills Bootcamps

- 2.6. Under the cover of [MD3088](#), the Mayor approved the receipt of up to £19m funding from the DfE, and the expenditure of the same on delivery of Skills Bootcamps across key sectors of the London economy. This will support employers to fill skills shortages and Londoners to access employment (including expenditure of up to £1.27 million to cover the management and administration of the programme).
- 2.7. In Wave Four Skills Bootcamps for Londoners, 32 providers are delivering 5,143 learner starts across a total of 86 skills bootcamps. Providers on the programme are mainly Independent Training Providers (ITPs) some of whom have never had a contract with GLA.
- 2.8. From 1 April 2023, Ofsted included Skills Bootcamps in their inspections of Adult Learning Programmes, and this applies to Wave Four Skills Bootcamps for Londoners. Alongside this, the DfE has also been conducting its own separate Quality Assurance inspection. In September 2022, DfE shared its draft Quality Assurance and Improvement Handbook. This handbook explained DfE's proposed framework, and how it planned to work with the GLA and our providers over the course of the delivery period. Several joint visits have been conducted with the DfE and GLA officers.
- 2.9. Under Wave Three (financial year 2022-23), the DfE instructed the Mayoral Combined Authorities (MCAs) in receipt of Skills Bootcamps grant funding and the GLA that they would be subject to a sample check of learners across all three payment milestones at different stages of the delivery cycle. The sample check would check if evidence was correctly submitted against referenced payment milestones, in line with set guidance and funding rules.
- 2.10. The first DfE sample check consisted of 70 learners, including seven providers with 10 learners being selected per provider. The evidence check was undertaken and accompanying evidence files were submitted securely to the DfE on 19 May 2023. No major issues were highlighted by the DfE; thereafter, the DfE did not conduct any further learner sample checks on Wave Three learners.
- 2.11. On Wave Four the DfE will select a sample of invoices or claims for grant funding claims to review. The evidence required from the DfE alongside the invoice will give assurance of the following:
 - the invoice/claim relates to activity to deliver Skills Bootcamps
 - the GLA carried out some checks on learner eligibility across the programme (not necessarily those covered by the invoice/claim)

- the GLA have carried out some checks to verify the learner milestones covered by the invoice/claim
 - any anomalies identified have been cleared
 - the invoice has been paid.
- 2.12. The DfE has invited the GLA to set out its approach to assurance, taking into account the above. DfE's grant agreement with the GLA makes no mention of any specific requirements of the GLA in relation to audit and assurance. Therefore, the approach is for the GLA to determine.
- 2.13. All providers will have a minimum level (five learners per provider) of learner sample checks undertaken by the Provider Managers. Using this information alongside other quality and performance measures, this will inform a risk-based approach to producing a shortlist of providers where there are outstanding concerns, and where a full audit is required. If concerns arise before and during the audit process, GLA officers will undertake larger sample checks proportionate with wider concerns as required.
- 2.14. The approach for external audits will be to undertake a risk-based audit of 20 per cent of all Skills Bootcamps providers currently delivering in each financial year. This equates to eight providers under Wave Four (financial year 2023/24). The audit will conduct checks on 10 per cent of learner files per selected provider, with the final amount of learner files will be agreed with the advice of auditors.
- 2.15. Based on the outcome of the Wave Five (financial year 2024-25) commissioning, it is likely the number of providers will increase on the Skills Bootcamps for Londoners programme; therefore, GLA officers will require the flexibility to assess how the budget can be applied effectively to ensure value for money, and that the level of audit is proportionate to the scale of the Wave Five programme.

Budget and number of providers to be audited

- 2.16. London Multiply – As the London Multiply programme will be subject to group audits, a budget of £25,000² will be available from the London Multiply Management and Administration (M&A) budget to audit a sample of 16 Multiply providers over two financial years. The budget utilised will be from Financial Year 2 (2023-24) and Financial Year 3 (2024-25).
- 2.17. Skills Bootcamps – a total budget of £51,000 will be made available from the Skills Bootcamps for Londoners Management and Administration (M&A) Budget to audit a sample of up to 16 Skills Bootcamp providers over two financial years, covering delivery across both Waves Four and Five. The total M&A budget for Wave Five has been confirmed at £2,145m. Within the Wave Five M&A budget, £25,500 has been budgeted for Audit activities. There is further financial headroom within the Wave Five M&A budget to allocate a further £25,500 within the 2024-25 as required.

Audit volumes for Programmes	2023-24	2024-25
Multiply (including those selected for risk-based audits)	8	8

² This budget is based on an estimated day rate of £770, with auditors conducting audits on five learner files per day. The day rate includes a market uplift of 10.5 per cent to account for uncertainty in the market. Rational: 10.5 per cent is the highest rate of inflation recorded by the Consumer Price Index (CPI) in 2023. [Inflation and price indices – Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/inflation-and-price-indices)

Skills Bootcamps	8	Approx. 8
Total	16	16

Implementing the audit approach

- 2.18. The above approach presents a significant change to the GLA's current method of generating assurance for the Skills Bootcamps and London Multiply Programmes. To mitigate the risk of providers being unprepared or unable to facilitate audits, the GLA will carry out a series of actions to support providers.
- 2.19. Skills Bootcamps providers will be prepared for their upcoming audit through sending them a formal communication. Early assurance checks by Provider Managers will also support the preparation of providers for audit, should they be selected.
- 2.20. Multiply providers will be made aware of changes to the GLA's approach to audit through a Provider Data Self-Assessment Toolkit (PDSAT) training session, which will outline how providers can reduce potential data errors under the London Multiply programme and a series of communications including: a formal communication, termly provider meetings, annual provider forums, and Skills for Londoners newsletter.

3. Equality comments

- 3.1. In carrying out any functions in respect of the AEB, the Mayor will comply with the public sector equality duty under section 149 of the Equality Act 2010.
- 3.2. Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities – of whom the Mayor is one – must have due regard to the need to:
 - eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.3. Relevant protected characteristics are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 3.4. All skills providers are required to have an equalities and diversity policy in place. The GLA routinely monitors the diversity of Londoners accessing its skills programmes, to ensure programmes are targeted and equitably support Londoners to achieve suitable outcomes. The audit and assurance approach set out in this paper will ensure that evidence exists to support the claims made by adult education service providers.
- 3.5. The Skills & Employment Unit's Inclusive Commissioning Protocol will be reviewed and considered during the procurement of new auditors.
- 3.6. Skills Bootcamps is currently in the process of updating the Equalities Impact Assessment (EqIA) for Wave Five.
- 3.7. London Multiply has an EqIA for the entirety of the programme duration.

4. Other consideration

Risks arising and mitigation

Resourcing

- 4.1. Due to the expansion of the Skills & Employment Unit's Audit and Assurance approach from AEB and European Social Fund (ESF) only to all Adult Skills Programmes, an increase in resources will be required to deliver the new audit programme. To address this, the Skills and Employment Unit gained approval to create a new Audit and Assurance function in the Portfolio Office. Several members of this team are expected to be in post in early 2024. Additionally, for the London Multiply Programme, it will be important to build on lessons learnt from the Multiply audit for Funding Year 1 into forthcoming audit process for Multiply Financial Year 2 and Financial Year 3. To address this, key findings from MOPAC audits will be shared with our external auditors to provide a foundation of knowledge.
- 4.2. Finally, there is also a risk around over-auditing providers as all Multiply providers are existing AEB Providers which needs to be mitigated before proceeding to both sets of audits of any one provider.

Links to Mayoral strategies and priorities

- 4.3. The Skills Bootcamps programme outlined in this decision aligns with commitments made in the Mayor's Skills for Londoners Strategy, the Skills Roadmap for London, and the Helping Londoners into Good Work recovery mission.
- 4.4. The Bootcamps programme directly addresses skills challenges in London and will respond to London's recovery, including targeting skills areas with the highest job vacancies and skills and qualifications gaps. Strengthening partnership working between employers and skills providers will be vital to achieving this. It will help shape the types of courses on offer, meaning courses directly respond to business need and equip Londoners with the skills needed in the workplace. It will mean Londoners can be confident the training they undertake is directly relevant to job opportunities and developing long term careers.
- 4.5. Supporting Jobs and Skills – Accelerated Green Pathways: The London Partnership Board, co-chaired by the Mayor of London and London Councils aims to double the size of London's green economy to £100 billion by 2030. The Bootcamps programme will support this by upskilling Londoners to work in a range of disciplines and sectors, including green finance, professional services, renewable energy, waste management, low carbon transport and building technologies.
- 4.6. [London's Housing Strategy](#) – currently London's construction industry is struggling to employ people with the skills that the industry needs and not enough Londoners are choosing the industry for a career. If we rely on traditional building methods alone, it will be very hard to significantly increase the number of new homes. The Mayor will therefore work to address the construction skills gap by improving London's construction skills training system and sporting the industry through the risks posed by Brexit. Construction is a key skills area for the Bootcamps programme to deliver training in.
- 4.7. [Health Inequalities Strategy](#) – the Bootcamps programme, through its training and interview offers, contributes towards promoting well paid and secure employment,

which responds to the commitments set out in the Health and Inequalities Strategy Implementation Plan.

- 4.8. Multiply is delivering national programme aims set by the Department for Education whilst also supporting Mayoral and London Partnership Board priorities. The programme has been tailored to effectively meet local need and works alongside and adds value to existing programmes in London. This includes supporting Londoners into good work and mitigating the impact of the increasing cost of living on Londoners by improving numeracy skills.
- 4.9. Multiply supports all adults aged 19 or over who are in need of maths skills support. The programme focuses on supporting Londoners most in need of adult education. These groups are often those that faced persistent inequalities prior to the pandemic who have now been further disadvantaged by its impact. They include Londoners with no or lower-level qualifications, Londoners in low-paid work, older (aged 50+) and young Londoners, Londoners from Black, Asian and minority ethnic communities, disabled Londoners, Londoners with English language needs, people seeking asylum, and adults with experience of the criminal justice system.
- 4.10. The Multiply programme aligns with commitments made in the Mayor's Skills for Londoners Strategy and the Skills Roadmap for London [strategy](#), and the Helping Londoners into Good Work recovery mission.

Conflicts of interest

- 4.11. There are no conflicts of interest to note from those involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. Approval is sought for the expenditure of £25,000 for Multiply audits over two financial years (2023-24 and 2024-25) and £51,000 for Skills Bootcamps wave 4 and wave 5 audits (over 2023-24 and 2024-25).
- 5.2. MD3165 approved the new skills audit approach as mentioned in section 1.1 above. The audit period will run from April 2023 to December 2028, with audits generally being delivered from April to December of each calendar year.
- 5.3. The expenditure of £25,000 will be funded from the Multiply Programme budget and £51,000 will be funded from the Skills Bootcamps programme budgets.
- 5.4. Funding for future financial years is subject to the annual budget setting process and is subject to change. The expenditure above relating to 2024-25 are assumed to be affordable and can only be confirmed when the budget allocation is formally approved as part of the annual budget setting and approval process.
- 5.5. Any contracts that commit the GLA in future years will be subject to appropriate break clauses.

6. Planned delivery approach and next steps

- 6.1. The next steps are summarised below:

Activity	Timeline
Procurement of contract	January 2024
Announcement	February 2024
Delivery Start Date	February/March 2024
Delivery End Date	December 2028

Background Documents:

[MD3165](#) – Skills Audit Approach

[MD3035](#) – Multiply Programme 2022-24

[MD3088](#) – Skills Bootcamps programme (2023-24 financial year)

Multiply Grant Determination Letter

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 – Deferral**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason: In order to receive value for money, publication of this decision will be delayed so that the budget is not released prior to completion of the procurement process.

Until what date: 30 June 2024

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO**ORIGINATING OFFICER DECLARATION:**

Drafting officer
to confirm the
following (✓)

Drafting officer:

Shanzeeda Chowdhury has drafted this report in accordance with GLA procedures and confirms the following:

✓

Corporate Investment Board

A summary of this decision was reviewed by the Corporate Investment Board on 5 February 2024

✓

ASSISTANT DIRECTOR FINANCIAL SERVICES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:

Anna Eastcott

Date:

05/02/2024