

## **Audit of Higher Education Funding Data 2003/04 - Auditors' Notes For Guidance**

### **Contents**

- Introduction
- Changes since the 2003 audit
- Background
- Scope of the Review
- Interpretation and Guidance
- Preliminary Work
- Systems Review
- Detailed Testing
- Reporting
- Annex A: HEFCW Recurrent Funding
- Annex B: Controls
- Annex C: Adherence to Specified Definitions – Summary of EYM Guidance
- Annex D: Eligibility Criteria for HESA/ISR based data
- Annex E: Findings of Previous Audits

### **Introduction**

- 1 The Higher Education Funding Council for Wales (HEFCW) is responsible for funding higher education (HE) provision in Wales. The Council's funding for 2003/04 was based directly on returns made by each of the 13 HE institutions (HEIs) and eight further education institutions (FEIs) with HE provision directly funded by the Council. These data are subject to audit.
- 2 For 2004/05, postgraduate research (PGR) training funding, per capita funding and premium funding for widening access, disability and Welsh medium provision were given, all based on the latest available confirmed Higher Education Statistics Agency (HESA) data for HEIs or Individualised Student Record (ISR) data for FEIs, those for 2002/03. These data are included in this year's audit.
- 3 The Council needs to ensure that the funding data returned by institutions are reliable and accurate. External auditors appointed by each institution are therefore requested to audit:
  - the volume of taught provision in terms of credit values;
  - research activity data; and
  - HESA/ISR related data submitted by institutions to the Council during the 2003/04 academic year.

They should report to the Council on their quality, accuracy and reliability.
- 4 This guidance to auditors sets out a programme of work to be performed in order to enable the Council to assess whether data returned by institutions are a reliable basis for making funding decisions. If auditors report errors in institutions' returns, which the Council believes to be significant, an adjustment of funding will be made.
- 5 Paragraphs 6 and 7 describe some changes to funding data to be audited which have taken place since last year.

### **Changes since the 2003 audit**

- 6 The Higher Education Economic Development (HEED) fund is now part of the Third Mission Fund. No data were collected for 2003/04 to use in the allocation of Third Mission funding as previous years' HEED allocations were used as the basis for allocation. Therefore, Training and Consultancy Services (TACS) and Contract Research (CR) income data are not subject to audit this year.

- 7 The Higher Education Students Early Statistics (HESES) survey underwent a review in 2003. The conclusions of the review were reflected in the HESES 2003/04 circular and subsequently were included in the End of Year Monitoring of Higher Education Enrolments (EYM) 2003/04 circular, which collects the credit values data to be audited. Since EYM 2002/03, the format of the tables has changed and the volume of data collected, particularly in relation to enrolments, has been reduced. In addition, the layout of the circular has been rearranged and some definitions have been clarified or expanded. Changes made since EYM 2002/03 are detailed in the introduction to the EYM 2003/04 circular (W04/37HE, paragraphs 3 to 10).

## **Background**

- 8 Funding is comprised of three main elements:

- funding for teaching (including per capita payments and premiums for widening access, disability and Welsh medium provision);
- funding for PGR training; and
- funding for research.

The FEIs are eligible only for funding for teaching.

- 9 The audit should include checks on the following data:

- i. 2003/04 EYM data (excluding postgraduate research enrolments) on which adjustments to the 2003/04 grant are made;
- ii. 2003/04 RAS data that determined 2003/04 Quality Research (QR) funding;
- iii. 2002/03 HESA/ISR individualised student data that determined the PGR training, premium and per capita elements of 2004/05 funding:
  - PGR training enrolments;
  - per capita data;
  - Welsh medium FTE data;
  - postcode data on which widening access premium is based;
  - Disabled Students Allowance (DSA) data on which the disability premium is based.

- 10 Outlines of the methodology used to calculate the formula driven elements of funding for teaching, QR and postgraduate research training for 2003/04 are given in Annex A. Annex D contains the criteria for inclusion in allocations for HESA/ISR derived data.

## **Scope of the Review**

- 11 The audit review at each institution will have the following components:

- i. an evaluation of the systems used to generate:
  - the number of credit values ascribed to fundable full-time, sandwich year out and part-time enrolments in undergraduate and postgraduate taught provision, including those franchised out to FEIs, reported in the EYM return;
  - the number of research students, research assistants, research fellows and charity income reported in the RAS return;
- ii. substantive testing of the underlying records to ensure the accuracy of:
  - numbers of fundable undergraduate and postgraduate taught credit values, after withdrawals, for full-time provision (EYM Table 1a, column 4), sandwich year out provision (EYM Table 1b, column 4) and part-time provision (EYM Table 1c, columns 4 and 5);

- numbers of fundable full-time initial teacher training (ITT) enrolments leading to qualified teacher status (QTS) registered between 1 August 2003 and 1 November 2003 (EYM Table 2 column 1);
- number of fundable enrolments/credit values franchised out after withdrawals (EYM Table 5 columns 6 and 7);
- data relating to research students, research assistants and research fellows (RAS Form R1) and external research income from charities (RAS Form R2);
- data relating to PGR training enrolments based on the HESA Student Record for 2002/03;
- data relating to per capita numbers, Welsh medium FTEs, postcodes, and students in receipt of DSA, based on the HESA Student Record (or ISR for FEIs) for 2002/03.

**Note** that enrolments returned for undergraduate, postgraduate taught and postgraduate research provision in EYM Tables 3 and 4 are not used to monitor 2003/04 funding and should not be audited.

### **Interpretation and Guidance**

- 12 Auditors should familiarise themselves with the 2003/04 EYM Circular W04/37HE, and the 2003/04 RAS Circular W03/66HE, which provide detailed instructions on the completion of the tables for the return of data; and the 2002/03 HESA Student Record/ISR.
- 13 Further guidance on the interpretation of the rules and definitions set out in the circulars can be obtained from Hannah Falvey (029 2068 2240, hannah.falvey@hefcw.ac.uk).

### **Preliminary Work**

- 14 Institutions are aware that funding data are subject to audit and have been invited to contact external auditors of their choice.
- 15 Auditors should make arrangements with institutions in advance of their visits in order to ensure that the information they require will be available. At the same time, copies of the 2003/04 EYM return and the 2003/04 RAS return should be obtained from institutional management to ensure that the data accord with the information recorded by HEFCW; copies of verification reports confirming the data sent to the HEFCW will be supplied by HEFCW to auditors. Auditors should also request copies of the full-time and part-time prospectuses for 2003/04.
- 16 It is suggested that auditors should request in advance of their visits, reports from the institution's management information system (MIS), together with any appropriate code translations, showing:
  - courses for the 2003/04 academic year. As a minimum this should include details such as:
    - number of enrolments (see EYM Annex G) both within the institution and franchised out;
    - number of credit values (see EYM Annex H), for all provision except postgraduate research provision, both within the institution and franchised out;
    - course number;
    - course title;
    - ASC and JACS code (see EYM Annex D);
    - fundability status (see EYM Annex C);
    - mode of study (see EYM Annex E);
    - level of study (see EYM Annex F);
  - students - giving details of payment of fees, changes in courses; start date and date of leaving; and examinations taken;
  - research assistants and research fellows with start and end dates of contracts;

- postgraduate research enrolments for the 2002/03 academic year.

- 17 It is essential that institutions are able to present to the auditors a verifiable trail from the entries in the EYM to the report of courses and enrolments/credit values referred to above, or to similar reports.
- 18 Auditors will require access to a senior member of the institutional management team to assist them in quickly obtaining the documents they require. These will include enrolment forms and any other documentation necessary, for example, module choice forms, for auditors to verify the details of individual enrolments. Other documents might include a copy of the audited accounts for 2002/03 to allow cross checking of external research income from UK-based charities.

### **Systems Review**

- 19 Auditors should ascertain the bases by which enrolment/credit value statistics and income data are compiled and document them to the extent necessary to enable a preliminary evaluation to be made of the existing controls used by the institution to ensure that the system processes data accurately. Auditors should enquire whether any internal audit or other reviews have been made of the system and take account of these in their assessment. Particular attention should be paid to the system used in relation to students franchised out.
- 20 Auditors should ascertain whether there are controls over the preparation of returns and processing of data by the system and evaluate their effectiveness. Where auditors propose to rely on such controls, they should normally perform compliance tests on their operation. Examples of controls are listed in Annex B to these guidelines.

### **Detailed testing**

- 21 Auditors should test the derivation of entries in the EYM verification reports, as specified in paragraph 11ii from the courses and enrolment reports (see paragraph 16 above) and other institutional working papers. They should review a selection of any manual adjustments to ensure that they are reasonable and follow up any discrepancies as appropriate.
- 22 By reference to hard copies of student enrolment or registration forms, auditors should select a sample of enrolments and check that their details have been processed correctly and allocated to the correct course and mode of study, and are correctly included in the report from the MIS (see paragraph 16). Where auditors have confirmed that effective controls are present, the extent of this testing may be reduced.
- 23 Auditors should then select a sample of records from the reports in paragraph 16 and perform substantive tests to check the accuracy of course, mode of study and other classifications back to appropriate source documentation (e.g. enrolment and module choice forms). Appropriate sample sizes depend on the size of the institution, the evaluation of the control environment and the associated compliance or transactions testing, but the exact number is left to the judgement of the auditor.
- 24 Auditors should pay particular attention to the definitions highlighted in Annex C. The interpretation of HEFCW's definitions should be discussed with institutional management to ascertain their application of these definitions and auditors should structure their samples in paragraph 22 above to ensure that they are able to test whether the Council's definitions have been correctly applied.
- 25 The definition of partial completions has been expanded since 2002/03 (see Annex C paragraphs 16 and 21) to include partial completions on non-semesterised courses. One of the criteria for inclusion as a partial completion on a non-semesterised course is that the student was still in attendance at the end of four months. Examples of evidence to show that the student was still in attendance include coursework handed in, assessments taken, confirmation of attendance by the student's tutors and evidence of fees paid.

- 26 When institutions enter into a franchise arrangement with another institution, generally an FEI, there is a risk that students will be reported as enrolments by both institutions. Auditors should obtain details of any franchising arrangements and ensure that students are recorded in accordance with the guidelines set out in Circular W04/37HE, Annex A paragraphs 10 and 11, and are correctly shown in EYM Table 5.
- 27 Auditors should satisfy themselves that the data relating to income from charities in RAS Form R2 is consistent with income shown in the institution's accounts and data returned to HESA in the Finance Statistics Record.
- 28 A sample of data relating to research assistants and research fellows should be checked back to personnel records. Research student numbers should be checked against the HESA Student Record for 2002/03 and any significant differences reported.
- 29 Auditors should check that data returned regarding PGR training numbers, per capita numbers, disability premium numbers and Welsh medium premium FTEs (all based on 2002/03 HESA data or ISR data for FEIs) are consistent with HEFCW criteria for inclusion and enrolment records for that year. Details of criteria for inclusion are given in Annex D.
- 30 A sample of records for students meeting the eligibility criteria for the widening access premium (drawn from 2002/03 HESA/ISR data) should be checked against registration forms to ensure that postcodes have been correctly transcribed.

## **Reporting**

- 31 Where the tests and procedures set out in paragraphs 21 to 30 have been applied and all matters identified have been satisfactorily addressed, auditors should provide a report on their audit of the institution's funding data containing a clear expression of opinion, based on review and assessment of the conclusions drawn from evidence obtained during the course of the audit.
- 32 Where significant errors are detected within a sample, evidence should be provided and reported to indicate that the sample has been extended.
- 33 The report should include:
  - an introductory paragraph identifying the funding data that were audited;
  - a statement that the audit has been carried out in accordance with these notes for guidance specifying any additional work that the auditors have considered necessary;
  - the auditor's opinion on the funding data returns; and
  - the auditor's name and address with date and signature.
- 34 The auditor's opinion should clearly indicate whether the institution's funding data returns have been prepared in accordance with HEFCW guidance, and whether the eligibility criteria used in the extraction of data from HESA/ISR records have been met.
- 35 Where the auditor's findings indicate that significant errors exist in the returns they should issue an adverse opinion and provide an explanatory paragraph setting out the nature of the errors and the expected impact on the returns. Where required amendments to the tables are simple and have been agreed with the institution, the amendments should be made to the tables in red ink. The audit report should then include 'subject to the amendments in red'.
- 36 Where significant weaknesses in systems or controls are identified, even if returns are found to be substantially correct, these should be brought to the attention of the institution in the form of a management letter. A copy of this letter should be forwarded to HEFCW with the auditor's report. Where the auditor's recommendations and the institution's reply comprise separate documents, both should be provided to HEFCW.

37 Auditors should seek to agree all amendments and findings with institutions as the basis for corrective action. Where uncertainties or disagreements exist, the reasons for concern and any disputed matters should be set out in the auditor's report or management letter as appropriate. Copies of the final report should be sent to the institution concerned, and also to institutional officers involved in the audit, at the same time that it is submitted to HEFCW.

38 The auditor's report and any management letters must be returned by the auditor to HEFCW no later than **24 September 2004**, to:

Hannah Falvey  
Higher Education Statistics and Funding  
HEFCW  
Linden Court  
The Orchards  
Ilex Close  
Llanishen  
Cardiff CF14 5DZ

39 HEFCW's Audit Service (GAELWa) may inspect the papers relating to the funding data audits during their routine audit of institutions.

## HEFCW Recurrent Funding

### Funding for Teaching 2003/04

- 1 For 2003/04 the HEFCW funding methodology was based on a Standard Unit of Resource (SUR) for each subject area. The majority of non-quota funding for teaching is allocated by means of a formula which consists of three elements – core, addition and recovery. Funded credit values associated with core funding are based on the number of assumed credit values after adjustment for non completions. Core numbers in each institution are maximised by making adjustments as far as possible in line with the pattern of the current year's enrolment; addition numbers are based on policy priorities; and recovery numbers offset occasional dips in enrolment.
- 2 In order to calculate SURs for the next year, the SURs for the current year are adjusted by an efficiency gain and increased by GDP.
- 3 The Council makes two other types of payments: per capita and premium. Both are based on the numbers of enrolments achieved the previous year. Details of criteria for inclusion are given in Annex D.
- 4 Per capita payments recognise the fixed costs attached to all students, those of enrolment, records etc. They are made pro rata from a pre-determined fund, subject to a minimum study requirement of 10 credit values.
- 5 Premium payments operate in three areas: widening access, disability and Welsh medium provision. The widening access premium is an amount per undergraduate enrolment for students from socially deprived areas, subject to a minimum 10 credit value study requirement; the disability premium is an amount per enrolment for students in receipt of DSA, subject to a minimum 10 credit value study requirement; and the Welsh medium premium is a weighting on the funding attracted by a module undertaken through the medium of Welsh.

### Funding for Postgraduate Research Training 2004/05

- 6 The Council introduced its current postgraduate research training funding allocation method in 2000/01. Grants are calculated using the institution's confirmed postgraduate research enrolment figures from the previous year. Grants to institutions are calculated by applying a SUR to postgraduate research enrolments for particular groups of subjects. Qualifying enrolments for 2004/05 funding are those in Departments rated 3b or above in the 2001 Research Assessment Exercise (RAE), or in Departments in receipt of Research Council Funding, and within prescribed time limits for study: 3 and 2 years for a full-time PhD and MPhil respectively and the equivalent for part-time.

### Funding for Research 2003/04

- 7 There is one element of funding for research, Quality Research (QR) and this is driven by formulae.
- 8 QR funding is allocated by apportioning the available funding in proportion to a measure of research activity volume, a measure of research quality, and the base rate of funding for each RAE unit of assessment divided by a UK moderating factor. Most of the data used are drawn from the 2001 RAE and previously calculated relativities between research costs in different subject areas; these are not updated each year. The part of the volume measure relating to research students (RS), research assistants (RA), research fellows (RF) and charity income (CI) is updated with the relevant data collected through the annual RAS. The weightings of these activities in the volume measure are relatively low (weights: RS=0.15; RA=0.1; RF=0.1; CI=0.25/25,000) compared with research active staff (RAE category A or incoming A\*) who have a weighting of 1.0.

**Controls**

- 1 Internal controls associated with the preparation of the returns and systems include but are not limited to:
  - management review of returns for reasonableness;
  - comparisons with data in other returns (e.g. HESA, Higher Education Students Early Statistics (HESES), EYM) and, for financial data, with the audited accounts;
  - review of working papers and spreadsheets linking student records database to the returns; use of control totals;
  - comparison of student number totals per returns to totals per database;
  - comparison of credit value totals per returns to totals per database;
  - review of specification of any database interrogations used;
  - receipt of fees each term checked and used to update database;
  - validation checks on input and processing of enrolment forms;
  - sequence checks on enrolment forms;
  - authorisation of amendments to standing data/masterfile information;
  - independent review of enrolment forms.



## Adherence to Specified Definitions – Summary of EYM Guidance

- 1 Guidance to completing the EYM survey is contained in the 2003/04 EYM circular, HEFCW W04/37HE. Below is a summary of the guidance. The summary is intended as an aid to understanding the EYM definitions and should be used in conjunction with the publication.
- 2 EYM data collected relate to the whole of the academic year, 1 August to 31 July. However, the return date for the 2003/04 survey is 19 July 2004. This means that institutions may have used some element of estimation in their data returns where whole year data were not available by the return date, for example, where examination results are not finalised by exam boards until the last week in July. Auditors should therefore note that there may legitimately be small discrepancies between the actual number of completed enrolments/credit values at the institution for 2003/04 and those returned on the EYM survey.
- 3 For taught provision, credit values form the basis of the calculation of recurrent teaching funding. However, as credit values are associated with the enrolments returned, guidance relating to student enrolments is also included.

### Recognised HE qualifications

- 4 Recognised HE qualifications include any postgraduate or undergraduate degree, including foundation degrees, accredited HE diploma or HE certificate, including HND and HNC. Other professional or vocational qualifications are included provided they are generally recognised as HE qualifications. Courses, modules or units which enable credit to be obtained towards recognised HE qualifications also fall within the definition.

### Fundability Status

- 5 Students eligible for mainstream funding are those that are home or EC domiciled, or who are otherwise entitled to pay home fees, and whose places are not considered ineligible for funding. A place would be considered ineligible for funding if it was being funded from another public source or a private source or was fundable under phase 2 of the ITT New Innovative Provision Initiative. See EYM Annex C.

### ASCs

- 6 Enrolments/credit values should be assigned to the correct ASC (after apportionment if necessary for combined and modular courses), using JACS subject codes, in accordance with the rules set out in EYM Annex D. Undergraduate and postgraduate taught credit values should be assigned according to the subject of the course, module or unit and **not** the subject of the overall qualification aim.
- 7 A correction to the mapping between JACS codes and ASCs has been made since EYM 2002/03. JACS principal subject code B300, complementary medicine, and all codes classified under B300, have been moved from ASC 3 to ASC 2.

### Mode of Study

- 8 There are three modes of study, full-time, sandwich year out and part-time. Students are full-time if they are normally required to attend for periods of a minimum of 24 weeks and a whole full-time fee is chargeable for the current year of programme of study. An exception to this is if they attend for less than 24 weeks but are in the final year of a full-time course and have not changed mode of study.
- 9 Students are sandwich year out if their course falls within the definition of sandwich provided in Regulation 5 of the Education (Student Support) Regulations 2002 (SI 2002 No. 3200) or they are full-time on a language year abroad, and the fees are as defined in the regulations or approximately half the whole full-time fee.

- 10 Part-time students are those who do not fit the criteria to be either full-time or sandwich year out. Continuing education students are included as part-time. See EYM Annex E for fuller definitions of each mode of study.

**Level of Study**

- 11 Students are categorised as undergraduate or postgraduate. For full-time and sandwich year out, undergraduate is further split into undergraduate degree and undergraduate non-degree. Undergraduate degree includes students aiming for a first degree. Undergraduate non-degree includes those students aiming for undergraduate level qualifications other than a first degree, including foundation degrees. Postgraduate is split into postgraduate taught and postgraduate research. Postgraduate taught students are those attending courses which are mainly taught, postgraduate research students are those attending courses which are mainly through research.
- 12 Credit values are allocated to the level of study of the overall qualification aim of the student.

**Enrolments**

- 13 Students must be registered, aiming to obtain a recognised HE qualification and studying at least 3 per cent of an FTE to be included on the EYM return. A registration is considered as a binding undertaking to pay a fee to an institution (unless the fee has been waived). Students should be counted once only for each period of up to 12 months of study. See EYM Annex G.
- 14 Non-completions occur where students do not complete their studies due to withdrawal, dropout or failure to complete the course or take part in the required assessment procedures. Students who examinations at the end of the course or year of study and fail them are deemed to be completed and should not be included as non-completions. See EYM Annex G, paragraphs 7 to 12.
- 15 Students who intend to complete required assessment procedures just after the end of the academic year in order to enable them to progress to the next year or graduate can be counted as completions if there is auditable evidence to show their intention. This is an addition to the guidance since EYM 2002/03.
- 16 Non-completions are excluded from Tables 3, 4 and column 6 of Table 5 of the return. Where full-time or sandwich year out students are counted as partial completions they are included in the calculation of the number of completions as 0.5. Partial completions are defined in EYM Annex G paragraph 12. The definition has been expanded since EYM 2002/03 to include partial completions on non-semesterised courses.

**Credit Values**

- 17 Credit values associated with modules, units or courses relating to registrations that are eligible to be counted and are home and EC fundable are included in the return. All credit values associated with each module/unit are assigned to the year in which the module/unit started. In this way each credit value will only be counted once even if the module/unit spans two academic years. Each credit value is ascribed to the ASC of the subject taught in the module or unit. The level of study is that of the qualification aim of the student. Only modules essential for the award of the qualification are counted.
- 18 If a student's course is such that each year of study spans two academic years, and the student is in the final or only year of study, then, in the second academic year that the year of study spans, credit values may be returned where no registration is returned. For example, if a student starts a one year course in May 2003 and does one module before 31 July 2003 and two modules after 31 July 2003, the student will be returned as a registration on EYM 2002/03, together with the credit values relating to the module started in the 2002/03 academic year. No registration will be returned on EYM 2003/04, but credit values

relating to the two modules started in the 2003/04 academic year will be returned on EYM 2003/04.

- 19 Credit values should be considered not completed if the student does not complete all assessment procedures associated with the module, unit or course. See EYM Annex H paragraphs 17 to 19.
- 20 Credit values associated with modules or units where students intend to complete the required assessment procedures just after the end of the academic year in order to enable them to progress to the next year or graduate can be counted as completed if there is auditable evidence to show their intention. This is an addition to the guidance since EYM 2002/03.
- 21 Non-completed credit values are excluded from column 4 of Tables 1a to 1c, column 5 of Table 1c and column 7 of Table 5 of the return. Credit values associated with full-time courses can be counted as partial completions, as defined in EYM Annex H paragraph 19. The definition of partial completions has been expanded since EYM 2002/03 to include partial completions on non-semesterised courses.

### Franchised Students

- 22 A franchise is where an HE course is taught at a centre (the franchisee) which is not directly in receipt of HEFCW funding for that course and for which quality assurance is provided by a different Welsh HEI (the franchisor). Data are returned by the franchisor only. Part-time undergraduate franchised out students are collected in a separate category on Tables 3 and 4 and credit values associated with home and EC fundable franchised out students are included in column 5 of Table 1c. Data relating to all franchised out provision is collected separately on Table 5. See EYM Annex A, paragraphs 10 and 11.

### Tables

- 23 The EYM survey collects 10 tables in total. Tables 1a to 1c collect data relating to credit values, which are used for funding. The credit values collected on Tables 1a to 1c are associated with the home and EC fundable enrolments collected on Tables 3 and 4. Table 2 collects data relating to ITT (QTS) enrolments by phase and subject specialism. Table 5 collects enrolments and credit values relating to franchised out students, by the institution they are franchised to. The final three tables collect data relating to phase 2 of the ITT New Innovative Provision Initiative.
- 24 Data to be audited (and which are included in the verification sheets sent to auditors at the end of August) are contained in column 4 of Tables 1a to 1c, column 5 of Table 1c, column 1 of Table 2 and columns 6 and 7 of Table 5, for home and EC fundable students in all cases.

### **Eligibility Criteria for HESA/ISR based data**

- 1 In all cases, the students should be fundable by the Council, active within the reporting period (1 August 2002 to 31 July 2003), and not studying the whole programme outside of the UK.

### **Per capita funding criteria for inclusion**

- Student is studying at least 10 credit values [or more than 75 taught hours for HE students in FEIs].
- Student is studying at undergraduate or postgraduate taught level.
- Each student counted only once irrespective of the number of courses the student is studying.

### **Widening access premium criteria for inclusion**

- Student studying at least 10 credit values [or more than 75 taught hours for HE students in FEIs].
- Student studying at undergraduate level.
- Each student should be counted only once irrespective of the number of courses the student is studying.

### **Disability premium criteria for inclusion**

- Student is in receipt of DSA.
- Student studying at least 10 credit values or 8.3% FTE [or more than 75 taught hours for HE students in FEIs].
- Student studying at undergraduate or postgraduate level.
- Each student should be counted only once irrespective of the number of courses the student is studying.

### **Welsh medium premium criteria for inclusion**

- Student studying at undergraduate or postgraduate taught level.
- Student studying at least 25% of module through the medium of Welsh.
- Student not studying on a Welsh language or literature course.

### **Postgraduate research training funding criteria for inclusion**

- Students studying for postgraduate research qualification(s).
- Enrolments must be in ASCs associated with departments which were judged eligible for funding due to being rated 3b or above in the 2001 RAE; or that were rated 2 in the 2001 RAE and received grants or studentships from Research Councils, the Arts and Humanities Research Board, or the British Academy.
- Funding is limited to 3 years for a full-time programme of study leading to a PhD and 6 for a part-time programme. Limits for MPhil programmes are set pro-rata to those for PhDs. Funding against transfers from MPhil to PhD is available only for the balance of time up to the limits for PhD.

**Findings of Previous Audits**

- 1 Findings of audits carried out in previous years are summarised below. Some of the findings highlight problems with interpretation of guidance or reporting systems within the institution. Other points highlight that even where a course/module was completed, or a student was eligible to be counted for a funding allocation, there was lack of evidence to show that this was the case.

**Interpretation of Guidance/Reporting Systems**

- 2 Findings relating to the EYM survey:
  - Students were not returned against the correct mode of study on the EYM return. For example, students who changed mode of study from full-time to part-time were being returned as full-time even though they no longer fitted the criteria to be full-time.
  - Credit values were assigned to the wrong level or mode of study.
  - A number of full-time students were not recorded on the EYM return at all, despite fitting all the eligibility criteria.
  - Credit values relating to continuing education students were recorded as completed on the EYM return when all assessments had not been completed or there was no evidence that the students had completed the assessments.
  - Credit values were overstated on the EYM either because all assessment procedures had not been completed or because non-fundable credit values had been included as fundable.
  - Part-time credit values were overstated on the EYM return because of problems such as late notification of withdrawn students by departments within institutions and students being enrolled/registered on modules which they subsequently did not take.
  - Academic departments had not informed those completing the return of examination data in time for the return of the EYM.
  - Credit values for modules from which students are exempt (for example where students had APL - assessment of prior learning) were included in the EYM return, even though the module had not been undertaken and the assessments had not been completed.
  - System codes indicating that the student had failed the assessment (and was therefore a completion) were used for students who did not complete the assessment.
- 3 Findings relating to HESA/ISR data:
  - Ineligible students were found to have been included in the PGR training funding allocation.
  - Students in receipt of DSA were understated on the HESA student record because updates to data had not been made throughout the year.
- 4 Findings relating to the RAS survey:
  - A number of research fellows were double counted as postdoctoral research assistants
  - Some minor discrepancies were found involving small under or overstatements of FTE for research assistants and research students.
- 5 On the TACS income return, TACS income had been significantly understated.

**Lack of Evidence**

- 6 Findings relating to the EYM survey:
  - No evidence had been kept of whether students had completed the course or module.
  - There was no record of attendance for some students and enrolment forms could not be produced for others.
  - Auditors were unable to confirm by reference to documentary evidence that the credit values allocated to modules undertaken by part-time students had been approved in accordance with the regulations of the institution.
  - There was a lack of an audit trail between the MIS system and the EYM return.

- 7 Findings relating to HESA/ISR data:
- Auditors were unable to confirm that students recorded as being in receipt of DSA actually were, either because:
    - there were no records to show the student was in receipt of DSA, or
    - the only evidence that existed was the statement by the student on their enrolment form.
  - Working papers were not available to use in the checking of verification reports for widening access and per capita data
  - There was lack of evidence that students had chosen to study an element of their course through the medium of Welsh.