



Summary of common issues arising from reviews undertaken by the Skills Funding Agency's Provider Financial Management and Assurance Team on provider data in 2014 to 2015

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Background and introduction

1. During the Skills Funding Agency's (SFA's) 2014-15 financial year, the SFA's Provider Financial Management and Assurance (PFMA) team completed assurance work on funding claimed under the Adult Skills Budget and 16-18 Apprenticeships data for the academic year 2013/14, and funding claimed in respect of European Social Fund (ESF) provision.
2. This work was completed in accordance with the SFA's PFMA Strategy and under the Joint Audit Code of Practice (JACOP) between the SFA and the Education Funding Agency (EFA).
3. The SFA's Assurance Strategy ensures the minimum level of review necessary to enable the SFA and its auditors to gain assurance over use of funds. The JACOP ensures providers common to both the SFA and EFA are only visited by one set of auditors, as far as is practicable.
4. The primary purpose of the work undertaken by the SFA's PFMA Team is to independently verify the completeness and accuracy of data provided in support of funding claimed. In cases where an assurance review of an individual provider's data identifies data errors the provider is required to correct their learner data. At the conclusion of each assurance review the provider receives a report which includes recommendations designed to assist in addressing any issues identified.
5. The SFA wishes to share details of common issues arising from the work of its PFMA team on SFA funding in the financial year 2014 to 2015. In this way we hope to assist providers to avoid the types of issues commonly encountered. For the 2014 to 2015 funding year the SFA has produced a single document which sets out the funding rules and explains how SFA funding is provided and the conditions attached.

Provider Data Self-Assessment Tool (PDSAT)

6. One common issue concerned the use of the Provider Data Self-Assessment Tool (PDSAT). Not all providers are fully utilising or regularly running the PDSAT reports to review their learner data for completeness and accuracy. Reviews of PDSAT reports by the SFA's PFMA team resulted in adjustments to data which could have been identified by providers had their learner data been regularly reviewed. The PDSAT was specifically designed for regular use by providers for this purpose. The current PDSAT tool and guidance for 2014/15 is available on the [GOV.UK website](http://gov.uk). Some of the issues highlighted below can be overcome by regular review of PDSAT reports.

Issues common to both classroom and workplace learning funding

Testing to check the provider has claimed the correct funding and that the learner's programme was eligible for funding.

7. The main issue causing funding errors in this area is/was related to providers claiming funding without taking into account the learners' achievement and study of prior qualifications. This may mean that they were exempt from part of their programme or should have had the funding reduced through the proportion of funding field on the ILR. The achievement of prior qualifications is/was often related to functional skills qualifications, with funding being claimed where exemptions were held. Other situations arose where learners had achieved units and progressed onto other qualifications, returned from a break in learning, or re-started a learning aim and the proportion of funding had not been reduced accordingly.
8. Another significant issue here was where apprenticeships did not meet the minimum duration requirements. Apprenticeships for learners aged 16 to 18 must have a minimum planned delivery duration of 12 months or more. Learners aged 19 and over must have a minimum planned delivery duration of 12 months or more, unless there is recognition of prior learning.
9. Our findings also identified that funding was claimed incorrectly for learners who were aged 19 and over and not entitled to full funding and for these learners, providers should only have claimed co-funding.

Testing to check the learner's programme and attendance were consistent with underlying records

10. Errors related to instances where the learner had not yet achieved and funding claimed for the continued participation in learning was not supported by

evidence of learning activity towards some or all of the funded learning aims. In some cases, learners were not demonstrating any progression since their start date.

11. Learners' actual end dates recorded on the ILR were not supported by underlying records meaning that funding was claimed beyond the time when the learner had last participated in learning activity for each funded learning aim.

Reviews of PDSATs

12. The reports which identified the main funding errors from the PDSAT suite related to reports 070 (Duplicate learning aims), 110 (19+ learners with full funding), 140 (16-18 minimum durations), 150 (19+ minimum durations), 160 (Prior attainment) and 240 (Withdrawals). These issues overlap with the findings detailed above and re-iterate the commonality of these types of issues.

Tests around English and maths provision

13. Exemptions prior achievements for English and maths is covered above. However, in this round of audits covering 2013 to 14 funding, we identified a number of instances where learners were working towards a level of functional skills that was the same as the level at which they had been assessed. Under the funding rules, where a learner is studying basic English and maths, they should be enrolled on a level of learning that is beyond that to which they were assessed at. For example, if a learner is assessed as being at Entry Level 3 they must be enrolled on a Level 1 qualification.

Testing on Subcontracting

14. A significant number of the audits identified issues relating to subcontracting arrangements. These issues generally fell into four categories.
 1. Subcontractor UKPRNs not recorded correctly on the ILR.
 2. Contracts between provider and subcontractor do not contain all minimum clauses as required by the Funding Rules.
 3. Subcontracts in place were either not signed on occasion, or were signed after delivery had already started.
 4. Discrepancies found between the details and subcontractors listed on the subcontractor declaration and those details recorded on the ILR.

Testing on ESF Match

15. Where providers' data is being used as ESF match funding, findings broadly related to two types of issues.
 1. ESF logos were not present across learner documentation, provider and subcontractor websites and plaques not on display in premises.

2. Document retention policies were not suitable for ESF requirements to confirm evidence being retained until 31 December 2022.

Testing on 24+ Advanced Learning Loans

16. The main issue relates to learners having conflicting start and planned end dates across the ILR data, loans data and loans letters.
17. In addition, some learners were identified as being ineligible for SFA funding and incorrectly coded on the ILR. SFA funding is not available for learners aged 24 and over undertaking provision at Level 3 and above except for two specific groups as defined in the Funding Rules.

Additional issues specific to classroom learning

Learners past their planned end dates

18. Some learners who had gone past their planned end date had left their course or had not been engaged in learning for some time and yet were still showing as being in learning on the ILR. The regular review of PDSAT report 140-250 could be used to monitor this issue.

Learning Support funding

19. This testing concerned ensuring that the learner was eligible for learning support funding and if there was evidence of delivery of learning support. The report found that a number of colleges were claiming this funding in error, either for learners who did not require the support or for support that could not be evidenced as being delivered for the duration of the course. On occasion, after further investigations, 'under claims' were also then identified where funding had not been claimed where learning support was being delivered for other learners. It was apparent in all cases that colleges were not regularly reconciling the funding they received for learning support to actual delivery.

Planned Hours on the ILR

20. Testing consistently identified that planned hours recorded on the ILR did not agree to the planned hours on offer to students. Where the actual hours on offer fell into a different funding rate band, then the SFA recovered funding accordingly.

Traineeships and Work Placement evidence

21. Learners on traineeship programmes with work placements as part of their course were in some instances identified as not having sufficient evidence to be funded (that is learners were not on programme for the required minimum of two weeks). Also, some learners were recorded as completed and achieved. However, there was insufficient participation evidence on file (including no evidence of mandatory work experience) and no evidence of a positive progression.

Other issues

22. Learners with non-English postcodes found not to be eligible for funding.
23. Start dates on registers not reconciling to start dates recorded on ILRs and outside of tolerance.
24. Through PDSAT 180, we identified instances where planned end dates had been incorrectly input, causing learners to have high weekly planned hours.