



**Skills Funding
Agency**

Summary of common issues arising from assurance reviews undertaken by the Skills Funding Agency's Provider Financial Assurance Team on provider data in 2012-13

Date of Issue: March 2013

During the Skills Funding Agency's 2012-13 financial year, the Agency's Provider Financial Assurance (PFA) team completed assurance reviews at providers on funding claimed under the Adult Skills Budget (final classroom learning funding claims 2011/12 and workplace learning data for 2011/12) and funding claimed in respect of ESF provision.

This work was completed in accordance with the Agency's Provider Financial Assurance Strategy and under the Joint Audit Code of Practice (JACOP) between the Skills Funding Agency and the Education Funding Agency (EFA).

The Agency's Assurance Strategy is designed to ensure the minimum level of review necessary to enable the Agency and its auditors to gain assurance over use of funds. The JACOP ensures providers common to both the Agency and EFA are only visited by one set of auditors, as far as is practicable.

The primary purpose of the work undertaken by the Agency's PFA Team is to independently verify the completeness and accuracy of data provided in support of funding claimed. In cases where a review of an individual provider's data identifies errors, the provider is required to correct their learner data. At the conclusion of each review the provider receives a report which includes recommendations designed to assist in addressing any issues identified.

In the interests of openness the Agency wishes to share knowledge of common issues arising from the work of its PFA team in 2012-13. In this way we hope to assist providers to avoid the types of issues commonly encountered.

The Agency is concerned to ensure that providers have adhered to the evidence requirements in the Funding Rules. PFA's 2013-14 programme of assurance reviews will start in April 2013 and will review compliance with the Funding Rules 2012/13. The Agency's Funding Rules are available through the following link:

<http://skillsfundingagency.bis.gov.uk/providers/fundingrules/>

The Agency has also published its Funding Rules 2013/14.

The 2012/13 Funding Guidance for the EFA was published in June 2012 and is available through the following link:

<http://www.education.gov.uk/childrenandyoungpeople/youngpeople/studentsupport/funding/a00209794/funding-guidance-2012-to-13>

Provider Data Self-Assessment Tool (PDSAT)

A key recurrent and common finding from these assurance reviews concerns 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 Agency's PFA 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, user guide and DSAT interactive e-learning tool are available through the following link:

<http://www.thedataservice.org.uk/Services/DataCollection/software/dsat/>

The assurance tests applied by PFA are present within the PDSAT tool in the substantive test working papers 2012-13.xls and can also be found within with the Adult Skills Budget Assurance Review documentation 2012/13 through the following link:

<http://skillsfundingagency.bis.gov.uk/providers/finance/financialassurance/auditprogrammes/>

Issues common to both classroom and workplace learning

New Issues reported 2011/12

Issues arising from 2011/12 data and final claims which did not feature as issues in the previous year included:

- Classroom learning provision coded incorrectly by Adult Skills Training Organisations on the ILR;
- Provision delivered by a subcontractor not being flagged as such on the ILR;
- Failure to notify the Agency of sub-contracted provision on the 'College & Training Organisation Declaration of Subcontractors' form; and
- Cases where the mandatory terms for inclusion in the lead provider's contract with its sub-contractor(s), as outlined in the Funding Rules, had not been adopted.

Recurring issues

Learner Eligibility and Existence, Enrolment and Learning Agreements

Some providers did not record appropriate or sufficient evidence to demonstrate learner eligibility for Agency funding. Omissions within learning agreements and/or enrolment forms included key eligibility criteria, and information regarding prior learning. In addition a number of enrolment forms/learning agreements had not been signed and dated by the learner and/or provider in cases where systems required signatures.

Inconsistent Start and/or End Dates

There was a relatively high incidence of inconsistency in start and end dates recorded on enrolment forms/learning agreements and attendance records, and also between these documents and dates recorded on the ILR.

Duplicate recording of provision

In situations where learners had achieved units and progressed onto another qualification, had breaks in learning or had re-started the learning aim, the Proportion of Funding Remaining had not been correctly recorded in the ILR.

Achievement

Reviews also identified instances where the achievement date recorded on the ILR did not agree with the achievement evidence. In some instances the achievement claim had not been made and/or the supporting confirmation of achievement was not held.

Co and Full Funding

Supporting evidence did not agree with the Full Funding Indicator and 'Full and Part Learner Subsidies for Learners aged 19 years and older' table, resulting in the incorrect level of funding being claimed.

Skills for Life

Skills for life diagnostic assessments which were either not recorded or were not consistent with the programme being delivered.

Other issues

Other issues raised in reports included:

- Inaccurate and untimely recording of learner withdrawals; and
- Insufficient evidence learner had started the programme of learning

Issues relating only to classroom learning

Guided Learning Hours (GLHs)

In some cases GLH for unlisted aims had not been calculated and/or recorded accurately.

In instances where one register was used for a combination of learning aims, this made the calculation of GLH for unlisted aims problematic for both provider and PFA staff.

For unlisted aims GLH is the key driver of costs incurred when determining the level of funding claimed. GLH remains important to the Agency's funding methodology for 2012/13 (the Funding Rules 2012/13 Version 3 refers Para 2.7, Annex 1 Para 57 and Annex 2 Para 5-7)

Attendance Registers/Records

The quality of attendance records maintained by providers was variable and a number of attendance records were either missing or incomplete.

Other issues

Other issues specific to classroom learning provision raised in reports included:

- Learner transfers incorrectly recorded;
- Funding claimed for ineligible overseas learners; and
- Claiming fee remission in error.

Issues relating only to workplace learning (apprenticeship and other workplace learning)

Eligibility

Funding claimed for learners who were not eligible for the Apprenticeship programme as they already held a qualification to Level 4 and were not progressing to a Higher Level Apprenticeship.

Enrolment

Issues were identified in respect of the Learning Agreement at a number of providers. Issues included incomplete and/or incorrect completion, and

instances where the Learning Agreement had not been signed and dated by the learner and provider as agreed. There were also instances where the Learning Agreement had not been retained.

Additional Learning Support

Reviews identified cases where there was no detailed diagnostic assessment to support a learner's ALS needs and cases where there was insufficient evidence in support of ALS delivery.

Continued Structured Learning

In some instances the provider was unable to demonstrate that the learner had commenced the learning programme and was making progress towards their learning aims.

Key Skills

Issues were identified relating to the accuracy of funding claimed in respect of key/functional skills arising from the relaxation rule for GCSEs grades A* to C previously achieved by the learner.

In some cases there was no evidence of key/functional skills delivery and in others the learner had already achieved the key/functional skills from a prior framework.

Issues relating to ESF

The Agency, as a Co-financing Organisation (CFO), is not the only body to undertake assurance reviews of providers' ESF data. The Agency is concerned to ensure the accuracy of ESF data to satisfy other assurance regimes, including 'Article 16' assurance reviews undertaken by the Department for Work and Pensions' Risk Assurance Division (ESF Audit Authority) on the ESF Division's (Managing Authority) CFOs, including the Agency.

Common issues identified in respect of ESF data specific to the nature of ESF funding and contracts included:

- Despite being eligible for Agency funding, participants did not always meet the specific eligibility requirements for the ESF project to which they had been enrolled;
- Discrepancies often exist between data submitted to the Agency and data held by providers. This included both ILR data and data submitted on the Delivery Statement via the Provider Gateway. In a number of cases volumes of deliverables reported as achieved on the Delivery Statement were not supported by primary sources of evidence;
- There was often a lack of evidence to support deliverables in respect of participants' progression and/or achievement;

- Similarly, where claims for On Programme Payments/milestones were made, providers were often unable to demonstrate that they had been achieved or had occurred.



© Crown copyright 2013

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence.

To view this licence,

visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/>

or e-mail: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This document is also available from our website skillsfundingagency.bis.gov.uk

If you have any enquiries regarding this publication or require an alternative format, please contact us info@skillsfundingagency.bis.gov.uk

Publication number – P – 130073