

PRIVATE AND CONFIDENTIAL



# ESFA Assurance and HE Providers

Understanding the ESFA Funding Assurance  
process

28 November 2024



# ESFA Funding assurance programme

## Annual assurance programme

This includes:

- Desktop reviews of provider data through the Funding Rules Monitoring (FRM) reports;
- Reviews of specific additional funding streams, for example tuition fund; and
- Funding assurance reviews of funding claims and associated Individualised Learner Record (ILR) data for a sample of Further Education Colleges, Independent Training Providers (ITPs) and Higher Education Institutions (HEI's).

## Funding Assurance Reviews

There are two categories of funding assurance review:

- Random
- Risk – includes providers where the ESFA has concerns in relation to data quality or issues have been identified from previous funding assurance related activity.

The approach encompasses a combination of detailed review of individual learner files (based on a sample of 30 learners for each funding stream), along with a detailed review of the Provider Data Self-Assessment Toolkit Reports (PDSATs).

# Areas of testing and sample sizes

## Sample sizes

	Minimum	Maximum
D1 FM35 Adult skills	Population *	30
D2 FM81 Apprenticeship standards		
D3 Adult skills funded provision within FM25 (adult traineeships)		
D4 FM36 Apprenticeships (from May 2017)	Population *	30
D5 Advanced Learner Loans	5	30
D6 FM25 16 to 19 provision	Population *	30
D9 to D10 Subcontracting	All subcontractors	
C1 PDSATs	up to 20 learners or learning aim records	

\* Where the population size (learners) are below 30, then the population number will be selected.

# Expected Timescales (Random)

Providers notified of selection by ESFA	June / July
Audit Briefings / planning meetings	At least two weeks prior to audit start date
Audit samples and PDSAT review	To be provided two weeks prior to fieldwork
Fieldwork testing completed	Fieldwork completed within week allocated
Issue of Observations to the provider	Throughout the fieldwork / at the end of the fieldwork
Additional evidence and finalisation of audit issues	No later than five working days after end of fieldwork
Completion of additional testing (where needed)	No later than 10 working days after end of fieldwork
Audit completion deadline	By R14 deadline
Reporting deadline	By 30 November

# Expected Timescales (Risk)

Providers notified of selection by ESFA	November / December
Audit Briefings / planning meetings	At least two weeks prior to audit start date
Audit samples and PDSAT review	To be provided two weeks prior to fieldwork
Fieldwork testing completed	Fieldwork completed within week allocated
Issue of Observations to the provider	Throughout the fieldwork / at the end of the fieldwork
Additional evidence and finalisation of audit issues	No later than five working days after end of fieldwork
Completion of additional testing (where needed)	No later than 10 working days after end of fieldwork
Audit completion deadline	Dependent of when work commences
Reporting deadline	By 31 March

01



# Hints and tips

# Things to consider

## Follow up

What about resources and time for additional testing?



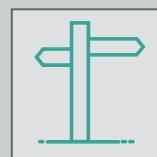
## People

Who needs to be involved in the assurance process?



## Business as usual

Have you considered the impact on the 'day job'?



## Availability

Will key staff be available throughout the review?



## Evidence

How are you going to provide it? Are there any technology-based shortcuts?



## Data

Is your ILR 'clean' and up to date?



02



# Common issues

[Common findings from funding assurance work on post-16 education providers - GOV.UK \(www.gov.uk\)](http://www.gov.uk)



# HE specific considerations

01

Lack of understanding of Apprenticeship requirements – difference between an Apprentice and an undergraduate student

02

Initial assessment traditionally too focussed on transcripts and prior qualification or job role, rather than considering skills developed in workplace

03

Lack of planning over full duration of programme (practical period) with some programmes focussed on term time only

04

Some programmes – over reliance on professional recording documents (PAD/CPAF) to evidence off the job activity

05

Separation and difference between ESFA funding requirements and regulatory body requirements e.g NMC

# Apprenticeships

01

## Initial assessment

Issues include: lack of an initial assessment; Initial assessment only considers formal qualification and not wider knowledge, skills and behaviours; Initial assessment is not mapped to the standard and/or does not reflect the number of hours to be reduced; and no clear link between the results of the assessment and the content, duration and price.

02

## Negotiated price

Issues include written agreements not being signed; TNP on the ILR does not agree to supporting documentation; No clear link between initial assessment and TNP or the calculation does not reflect the 50% reduction for fixed costs; TNP2 in ILR, but not on price breakdown; TNP2 is estimate not actual; and TNP3 and TNP4 not being used appropriately.

03

## Off the job training

Issues include incorrect calculations or calculation not documented; Incorrect number of hours recorded on the ILR; Insufficiently detailed plan of how the off-the-job training will be delivered; Off-the-job training logs insufficient to demonstrate eligible activity is taking place each month; and Completed learners who have not met the 20% requirement on completion

# Apprenticeships

04

## Apprenticeship Agreements

Issues identified include signed timely, start dates, end dates and planned hours not reconciling to the ILR.

Agreements not being revisited where learners have returned from a break in learning or have gone beyond their planned end date.

05

## English and maths

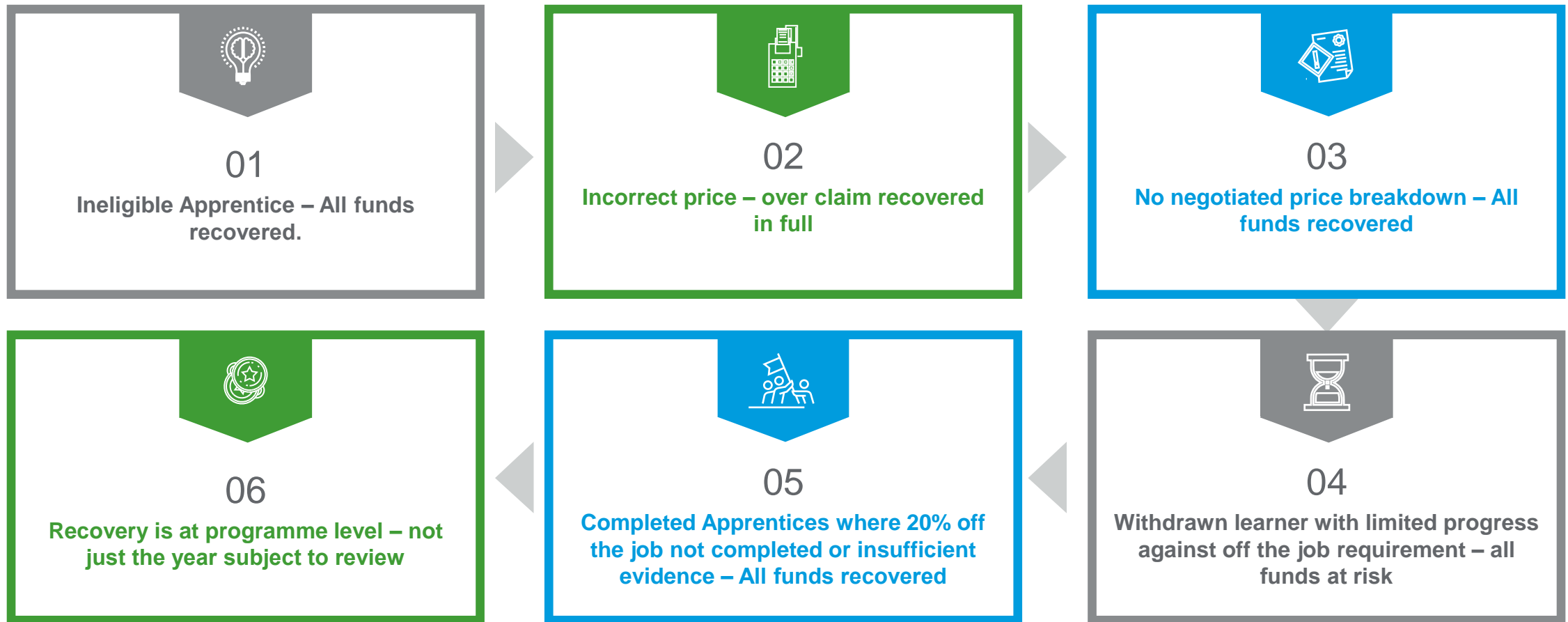
Issues identified include lack of evidence to confirm delivery of functional skills; incorrect recording of start and withdrawal dates; concurrent enrolments on differing levels of English and maths; and incorrect application of English and/or maths exemptions.

06

## Completion of EPA

Lack of evidence to confirm learners have completed EPA where the programme has an integrated degree.

# Apprenticeship Non-compliance and recovery



# For further information contact:



**Mike Cheetham**

Risk Assurance Partner

[Mike.Cheetham@rsmuk.com](mailto:Mike.Cheetham@rsmuk.com)



**Lisa Smith**

Risk Assurance Director

[Lisa.Smith@rsmuk.com](mailto:Lisa.Smith@rsmuk.com)



**Karl Bentley**

Associate Director

[Karl.Bentley@rsmuk.com](mailto:Karl.Bentley@rsmuk.com)



**Emma Gipson**

Manager

[Emma.Gipson@rsmuk.com](mailto:Emma.Gipson@rsmuk.com)

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### **RSM UK Risk Assurance Services LLP**

Highfield Court  
Tollgate  
Chandlers Ford  
Eastleigh  
SO53 3TY  
United Kingdom  
T +44 (0)2380 646 464  
rsmuk.com

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