



Education & Skills
Funding Agency

Financial Assurance: Monitoring the funding rules for post-16 funding for 2019 to 2020

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Introduction and purpose of this document

1. This document lists the areas that we are monitoring during the 2019 to 2020 funding year (1 August 2019 to 31 July 2020). There is no set review date for this document. However, we will act on feedback to ensure reports are fit for purpose, and will consider if any new data or policy priorities should be included in this plan.
2. We monitor the data reported to us as part of our assurance work. We monitor data from the Individualised Learner Record (ILR) and other sources, such as the earnings adjustment statement (EAS), the Student Loans Company (SLC), the apprenticeship service (AS) and the Learning Records Service (LRS).
3. This desktop review of how the funding system and funding rules are operating has the following aims:
 - to identify possible errors in the funding claimed for post-16 delivery that require further investigation.
 - to improve the overall quality of the data reported.
 - to assure us that the provision we buy meets our published funding rules.
 - to inform our standard business processes for assurance, audit, end-of-year payment and reconciliation.

Who is this publication for?

4. This document is for colleges, training providers and other institutions who have a funding agreement with us and submit ILR data. We will not review school census data as part of this work.

Understanding our terminology

5. The term 'we' refers to the Education and Skills Funding Agency. When we refer to 'you' or 'providers', this includes colleges, higher education institutions, training organisations, local authorities and employers that receive funding from us to deliver education and training.
6. The term 'post-16 delivery' includes 16-19 funding, all apprenticeships, the adult education budget and advanced learner loans. This does not include European social fund or community learning.

Changes from 2018 to 2019

7. We are including additional funding streams in this year's plan:

- **16-19 funding** – we will include this provision in reports where we have detected similar issues to those in adult skills and apprenticeship provision. While we expect providers to review the reports and correct data regularly, we will not recover funding from these records in the same way we handle other errors at the end of the year. We will only review data you submit through the ILR, not through the schools census, and will not routinely require you to correct data or supply evidence to support funding claims.
- **Devolved adult funding** – we will include devolved funding in our reports to support you. However, we do not have responsibility for assuring this provision or recovering any funding at the end of the year, as this responsibility lies with the relevant authority. We will share this data with devolved authorities and will treat this separately in your reports.

8. We are discontinuing these reports in this year's plan:

- Apprentices studying level 1 English or maths (FRM14)
- 19 to 23 loans learners and prior attainment (FRM24) – we will continue to review this internally before deciding whether to contact you.

9. We are including these new reports in this year's plan:

- Overlapping funding streams (FRM03) – this will now only focus on 16-19 funding and possible dual funding.
- Changes to funding model between years (FRM25) – this contains continuing aims that you previously recorded as non-funded, and you are now recording them as funded and therefore are now earning funding.
- Breaks in learning where the closed episode is reopened upon the learner's return (FRM26) – this contains aims that you have not recorded correctly.
- Continuing learners who you are reporting as withdrawing on or before 31 July of the previous funding year (FRM27) – this contains aims that indicate that you claimed funding incorrectly in the previous funding year.
- Learners who complete or leave learning within their initial 6-week period (FRM28) – this contains aims that you need to check that the planned hours have been updated to reflect the actual hours delivered.
- Learners who complete or leave learning on or just after the qualifying period for funding (FRM29) – this contains aims that you need to check to ensure you have recorded delivery accurately
- Learners with more than 40 planned hours a week (FRM30) – this contains aims that you need to check the data accuracy and feasibility of delivery.

Main points

10. We have included a summary of all the relevant rules and [ILR](#) guidance in this document. We assume that you are familiar with these documents and the relevant terminology. For learners who started before 1 August 2019, please refer to the documents that applied on the learner's first day in learning.

11. The suite of [funding monitoring reports](#) that will be available from R04 supports this plan. We will publish these reports every month following the quality assurance dates published in the [ILR freeze schedule 2019 to 2020](#). We cannot publish these reports before the quality assurance dates. We will publish the guidance on using the reports and the action you need to take before R04 on [gov.uk](#).

12. As this work supports our overall assurance approach, some of our reports also appear in the [Provider data self-assessment toolkit](#) (PDSAT). PDSAT reports only reflect the data contained in the ILR files you submitted and help you cleanse your data before you submit your ILR return each month. It also enables auditors to follow up potential issues with you on-site. Some of our reports then compare your data with other provider's data and data from previous years.

13. You must read this guidance along with any other documents referred to and take the necessary action to ensure data returns and funding claims are correct. These documents include:

- [Funding guidance for young people 2019 to 2020 Funding regulations](#)
- [Funding guidance for young people 2019 to 2010 Rates and formula](#)
- [Adult education budget \(AEB\) funding rules 2019 to 2020](#)
- [Adult education budget: funding rates and formula 2019 to 2020](#)
- [Advanced learner loans funding rules 2019 to 2020](#)
- [Apprenticeship funding rules 2019 to 2020](#)
- [Apprenticeship technical funding guide for starts from April 2019](#)
- [ILR specification, validation rules and appendices 2019 to 2020](#)
- [ILR Guides and Templates for 2019 to 2020](#)
- [Learner Registration Bodies \(schools, academies, FE providers, Local Authorities, HE providers\) user guide](#)
- [Business rules for Qualification Achievement Rates \(QAR\)](#)
- [Employer Data Service \(EDS\) user guide](#)

How we will use data

14. Under the terms of various funding agreements with us, we treat a failure to submit accurate ILR data as a serious breach. We are entitled to serve written notice providing details of the breach and require you to remedy the breach within a specified period. You must respond within this period, either by correcting data as requested or by providing evidence that supports your funding claim.
15. If you fail to respond appropriately to any request or subsequent request, we may take action in line with the terms of your funding agreement with us.
16. If you have data errors following the closure of the R14 ILR return at the end of the funding year, we may:
 - recover funding where we are confident the claim has been made in error
 - conduct assurance visits for specific issues before the end-of-year reconciliation statements are issued. This may result in a recovery of funds.
17. If you have been subject to repeated action or a funding recovery, this will raise your risk profile with us and will increase the likelihood of your organisation's selection for audit.

The details of each monitoring report

18. The next section contains the name of the report, a description of the report, and the key funding rules and/or guidance to accompany the report. If we update the funding rules or guidance documents, we may update this document with any relevant changes

19. We will continue to use the same report identifiers across years in order to ensure consistency and avoid confusion. If we remove any reports from the plan, any new reports we add will have a new number.

Monitoring all policy areas (areas relevant to multiple funding streams)

No.	Area (all policy areas)	Policy rules and guidance	Changes from 2018 to 2019
FRM01	Learners repeating a learning aim they have already achieved	<p>Adult education budget We will not fund a learner to repeat the same regulated qualification where they have previously achieved it. The exceptions are for any GCSE where the learner has not achieved grade C, or 4, or higher.</p> <p>Advanced learner loans You must not require a learner to take out a loan if:</p> <ul style="list-style-type: none"> • their prior learning meets the full requirements of the awarding organisation to achieve the qualification, or • a learner only resits a qualification assessment or examination, and no extra learning takes place. <p>Apprenticeships You must account for prior learning and experience when negotiating a price with the employer. You must reduce the content, duration and price where the individual has prior learning necessary to achieve the apprenticeship. Funds must not be used to pay for skills already attained by the apprentice.</p>	No change

No.	Area (all policy areas)	Policy rules and guidance	Changes from 2018 to 2019
FRM02	Duplicate learning aims being delivered at 2 or more providers	<p>Adult education budget You or your subcontractors must not claim funding for any part of any learner's learning aim or programme that duplicates provision they have received from any other source.</p> <p>Apprenticeships To use funds in the employer's apprenticeship service account or government-employer co-investment, the individual must not be undertaking another apprenticeship, and must not be undertaking training funded through AEB where that training will replicate vocational and other learning aims covered by the apprenticeship standard or framework, including English and maths.</p> <p>16-19 Full time students are not eligible for part time funding at a different institution if enrolled at more than one institution at the same time, in the same academic year. Learning aims that are considered to be fully funded from other sources, including all full cost-recovery provision, is not eligible for ESFA funding and must not be included within students' funded planned hours.</p>	Now includes 16-19 funding
FRM03	Overlapping funding streams	<p>While the ESFA recognises that students may occasionally enrol at more than one institution, groups of students enrolled on a full-time programme at one institution must not be enrolled for funding purposes on part time programmes with other institutions, including through subcontracted provision.</p> <p>Learning aims that are considered to be fully funded from other sources, including all full cost-recovery provision, is not eligible for ESFA funding and must not be included within students' funded planned hours.</p>	Report only focusses on 16-19 funding

No.	Area (all policy areas)	Policy rules and guidance	Changes from 2018 to 2019
FRM04	Changes to the 'Actual end date' between years	<p>Guidance from the provider support manual states: If an aim that was recorded as complete in the previous year's R14 ILR file and continues to be returned in the current year, then the 'Learning actual end date' must not be changed.</p> <p>If a learner undertakes a learning aim, finishes learning, takes the final assessment and fails, then you should close this aim and record it as 'not achieved' (Outcome code 3). Where you later identify this learner as needing further support or additional learning to pass the assessment, then a new learning aim should be recorded as a restart with a 'Funding adjustment for prior learning' to account for the new learning required to pass the resit. You must not amend the original, closed learning aim.</p> <p>For learners who were incorrectly reported as completed at R14, and are continuing their studies in the current year, please contact the service desk.</p>	Now includes 16-19 funding
FRM05	Changes in the 'Learning planned end date' between funding years	<p>Guidance from the provider support manual states: This data should only be changed when it is identified as incorrect due to administrative errors. The Learning planned end date must not be changed to take into account a revised planned end date due to a change in circumstances such as illness, slow progress or unemployment.</p> <p>If the planned end date is after 1 August of the current funding year, record the learning as a transfer (withdrawal reason = 40) with a learning actual end date of 1 August. Record a new learning aim with a learning start date of 2 August of the current year and the correct Learning planned end date. This new aim must be flagged as a restart with a funding adjustment for prior learning.</p> <p>If the planned end date is identified as being incorrect, and the correct date is prior to 1st August of the current year, this data error cannot be corrected.</p>	Now includes 16-19 funding

No.	Area (all policy areas)	Policy rules and guidance	Changes from 2018 to 2019
FRM06	Continuing learners from 2018 to 2019 who do not appear in the 2019 to 2020 ILR	<p>This report does not identify any issues with funding; although you will not be claiming funding in the current funding year if the learner is still learning and has not passed their planned end date.</p> <p>Guidance from the QAR business rules states: We treat learning aims as withdrawals for the overall QAR methodology where they have a completion status of 1 ('Learner continuing or intending to continue the learning activities leading to the learning aim') in the final R14 ILR return for a funding year and do not have a corresponding record in the following funding year.</p> <p>Guidance from the provider support manual states: The ILR must include aims which were recorded in the 2018 to 2019 ILR as continuing in the 2019 to 2020 ILR; these have a Completion status = 1 and the Learning actual end date is null in the 2018 to 2019 ILR.</p>	Now includes 16-19 funding
FRM07	Breaks in learning where the learning is not re-planned when the learner returns	<p>Guidance from the provider support manual states: When a learner returns from a break in learning, you record a new planned end date along with a 'Funding adjustment for prior learning' that reflects the proportion of the learning aim still to be delivered.</p> <p>Apprenticeships The main provider must re-plan the delivery and agree a revised price, if required, with the employer when the apprentice resumes learning. This must be entered on the ILR.</p> <p>Adult education budget and advanced learner loans When the learner returns to learning, you must re-plan and extend the remaining delivery as required.</p>	No change

No.	Area (all policy areas)	Policy rules and guidance	Changes from 2018 to 2019
FRM08	Breaks in learning which exceed 12 months/365 days	<p>Guidance from the QAR business rules states: We treat learning aims as withdrawals for the overall QAR methodology where they have a completion status of 6 and where either:</p> <ul style="list-style-type: none"> • They do not have a corresponding restart record in the same funding year or in the following two funding years or; • The planned break recorded in the R14 ILR return for 2018 to 2019 has no corresponding restart record in the R04 ILR return of 2019 to 2020. <p>Adult education budget You must have evidence that the learner agrees to return and continue with the same learning aim; otherwise, you must report the learner as withdrawn.</p> <p>Apprenticeships The apprentice may take a break in learning where they plan to return to the same apprenticeship programme and you have agreed this with the employer.</p>	No change
FRM09	Transferred learners with no new learning recorded in the ILR	<p>Guidance from the QAR business rules states: The following exclusions apply to all QAR, pass and retention rates:</p> <ul style="list-style-type: none"> • Where a learner transferred to a different programme or learning aim within the same provider. • Where a learner transferred to a new provider following our intervention or from the Department for Education. <p>If a learner transfers to another programme or learning aim after the funding qualifying period, then the original learning aim record(s) will need to be closed and new learning aim(s) added.</p>	Now includes 16-19 funding

No.	Area (all policy areas)	Policy rules and guidance	Changes from 2018 to 2019
FRM10	Provision delivered outside England	<p>Adult education budget You must develop arrangements with the relevant devolved administration if you are planning to deliver a significant quantity of learning to learners who do not live in England.</p> <p>Apprenticeships The evidence pack must include evidence that the apprentice will spend at least 50% of their working hours in England over the duration of the apprenticeship including time spent on off-the-job training.</p> <p>Advanced learner loans You must not deliver any loans funded provision outside England.</p> <p>16-19 The ESFA public funding is intended to fund education and training for young people resident within England before starting their individual programmes. Institutions therefore must not recruit entire groups of students from outside their local area without explicit permission from the ESFA.</p>	Now includes 16-19 funding
FRM25	Changes to funding model between years	<p>Guidance from the provider support manual states: The funding model should not be changed without keeping a record of the reason for the change.</p> <p>Adult education budget If an individual starts a learning aim or programme and is not eligible for funding, we will not fund their learning while they remain ineligible.</p> <p>Apprenticeships You are responsible for checking the eligibility of the individual at the start of their apprenticeship programme. You can only use funds in the employer's apprenticeship service account, or government-employer co-investment, for those who are eligible.</p>	New report

No.	Area (all policy areas)	Policy rules and guidance	Changes from 2018 to 2019
FRM26	Breaks in learning where the closed episode is reopened upon the learner's return	<p>Guidance from the provider support manual states: When a learner returns from a break in learning, you record a new planned end date along with a 'Funding adjustment for prior learning' that reflects the proportion of the learning aim still to be delivered.</p> <p>Apprenticeships The main provider must record the break and restart dates in the ILR, re-plan the delivery and agree a revised price, if required, with the employer when the apprentice resumes learning. This must be entered on the ILR.</p> <p>Adult education budget and advanced learner loans You must record the date a learner takes a break in learning and the date they restart their learning in the ILR. When the learner returns to learning, you must re-plan and extend the remaining delivery as required.</p>	New report
FRM27	Continuing learners who are now reported as withdrawing on or before 31 July of the previous funding year	<p>Guidance from the provider support manual states: The data you record on the ILR must accurately reflect the journey for the learner and what has happened. Inaccurate information must never be entered even where it is perceived that this would result in a more equitable claim for funding or accurate record of performance.</p> <p>Apprenticeships When a change of circumstance results in over-payment of funds from an employer's apprenticeship account or government-employer co-investment, any over-payment must be repaid by you.</p>	New report

Monitoring apprenticeships starting from 1 May 2017

No.	Apprenticeships area	Policy rules	Changes from 2018 to 2019
FRM11	Small Employer Waiver	<p>All references to an 'employer' are in relation to the whole organisation and companies linked by directors and not individual sites or locations.</p> <p>Before any apprenticeship starts, you must have evidence that the apprentice and employer are eligible for the waiving of the employer contribution. The employer must provide evidence that they employed an average of 49 or fewer employees in the 365 days before the apprentice was recruited and you must keep this in the evidence pack.</p>	No change
FRM12	Recording co-investment payments	Where apprenticeship training is not funded from the employer's apprenticeship service account (non-levy paying employers and levy paying employers with insufficient funds), employers must co-invest either 10% or 5% of the total negotiated price up to the funding band maximum, and 100% where this is above the funding band. The rate at which co-investment will need to be paid will depend on the date the apprentice started.	No change
FRM13	Learners undertaking English and/or maths within an apprenticeship when they have already achieved level 1 or above	<p>We will only fund an apprentice to achieve up to an approved level 2 qualification in English and maths where they do not already hold a suitable equivalent qualification.</p> <p>Where the apprentice already holds approved level 1 qualifications, they must start, continue to study and take the assessments for a level 2 English and/or maths (functional skills level 2 or GCSE).</p>	No change

No.	Apprenticeships area	Policy rules	Changes from 2018 to 2019
FRM15	Apprenticeship standards with no end point assessment organisation	<p>At least 3 months before the apprentice reaches the gateway the employer must have selected an organisation from the Register of End-Point Assessment Organisations (RoEPAO) to deliver the end-point assessment and negotiated a price with the end-point assessment organisation.</p> <p>From 1 October 2019, new standards must have an EPAO in principle in place before public funding can be accessed for new apprentices. You must make sure that the apprenticeship is eligible before the individual starts by checking whether the standard has an EPAO in principle in place.</p> <p>Providers are required to complete the ILR field for the assessment price and end-point assessment organisation identifier as soon as they are agreed with the employer.</p>	No change

Monitoring the adult education budget including traineeships

No.	Adult education budget area	Policy rules	Changes from 2018 to 2019
FRM16	Learners who have achieved a full level 2 qualification (or higher) and are fully funded for a further level 2 entitlement aim	If a learner aged 19 to 23 has achieved a Level 2 qualification that was at the time they started, or still is, classed as a full Level 2, then any subsequent Level 2 qualifications will be co-funded. Including where the learner has achieved any qualification higher than level 2. The only exception is where the learner is unemployed, as defined in the funding rules.	No change
FRM17	Learners who have achieved a full level 3 qualification (or higher) and are subsequently funded (full or co-) for a further level 3 entitlement aim	If a learner aged 19 to 23 has achieved a Level 3 qualification that was at the time they started, or still is, classed as a full Level 3, and wants to enrol on any subsequent Level 3 qualification, of any size, they will have to either apply for an advanced learner loan or pay for their own learning. Including where the learner has achieved any qualification higher than level 3.	No change
FRM18	19-23 Learners undertaking level 2 aims which are not part of the legal entitlement offer	Full funding for 19 to 23 year olds only applies to first full level 2 qualifications delivered as part of the legal entitlement. Learners aged 19-23 must undertake learning at entry and/or level 1 only from local flexibility and must enrol on a qualification from the relevant legal entitlement list when they progress to their first full level 2. Funding for local flexibility aims at level 2 is only available for 19-23 learners who have already achieved a first full level 2 or above.	No change
FRM19	Traineeships where the learner has already achieved a full Level 3, apprenticeship or traineeship	Learners are ineligible for traineeships if they have previously achieved a full level 3 qualification. We will only fund traineeship programmes where the individual has little or no work experience and is focussing on employment, an apprenticeship or the prospect of this.	Now includes 16-19 funding

Monitoring advanced learner loans

No.	Advanced learner loans area	Policy rules	Changes from 2018 to 2019
FRM20	Loans learning not being recorded in ILR	You must accurately complete all ILR fields for loans-funded learners and make ILR returns as required in the ILR specification.	No change
FRM21	Loans learning not being reported by SLC	<p>You must only use your loan bursary allocation to support learners funded through a loan.</p> <p>You must hold evidence to assure us that you have delivered education and training that learners have chosen to fund through loans, in line with our loan facility conditions and bursary fund agreement and these funding rules.</p>	No change
FRM22	Loans where the ILR planned duration is longer than the planned duration of the loan	The information provided to SLC must match the information you report in the ILR when the learner commences their learning.	No change
FRM23	Learners reported as withdrawn or on a break in learning where the loan is still reported by SLC as being active	If a learner's details or circumstances change, you must tell the SLC as soon as you are aware. This will reduce the risk of a learner becoming legally responsible for a loan for a qualification they are no longer studying. You must ensure that learners are aware that they have a responsibility to keep the SLC informed of any changes to their circumstances.	No change

Monitoring 16-19 funding

No.	Post-16 area	Policy rules	Changes from 2018 to 2019
FRM28	Learners who complete or leave learning within their initial 6-week period	All students in all funding bands must have their planned hours amended if they transfer, withdraw or complete their study programme within their initial 6-week period. Students who attend for more than 2 weeks but less than 6 weeks on short study programmes remain eligible as a funding start but their planned hours are restricted to the period of their actual attendance.	New report
FRM29	Learners who complete or leave learning on or just after the qualifying period for funding	Institutions must have evidence that individual students were undertaking the specified study programme during the learning period for which funding and retention is being recorded.	New report
FRM30	Learners with more than 40 planned hours a week	<p>The number of hours a student may study during a week should not be greater than the maximum number of hours a young person can legally work during a week. The number of hours a student may study should not be greater than 40 hours per week and both the study programme's planned hours and planned dates will need to reflect this.</p> <p>If the student is on a study programme that spans more than one funding year then these fields must be amended at the start of each funding year with only the planned hours recorded for each separate year of data.</p>	New report

Other areas that we are monitoring internally

We will not produce a report for these areas. We will monitor these areas using external data sources such as Companies House and Apprenticeship Service data to verify information. We will contact you and employers if we identify any behaviour that indicates a potential funding risk.

Policy area	Policy rules	Specific concern
All	Providers with high numbers of learners who are withdrawn on a census date for funding.	Incorrect recording of data, funding over claim.
Apprenticeships	Providers with high numbers of learners who are withdrawn on or just after qualifying for additional payments	Incorrect recording of data, funding over claim.
Apprenticeships (employers)	We will monitor to ensure that the apprentice's employer is the legal entity for the commitment, or a company that is connected to the legal entity, for the purposes of declaring and spending levy funds.	Potential gaming or pooling of levy funds.
Apprenticeships (employers)	Employees with high numbers of apprentices compared to their overall number of declared employees.	Potential gaming or misuse of funds.
Apprenticeships (transfers)	Main providers who are also a levy-paying employer, must not deliver training to apprentices that are funded through a transfer.	Monetising levy funds
Advanced learner loans	Loans recorded with a subcontractor UKPRN.	Incorrect recording of data, eligibility.
Advanced learner loans	19-23 learners who have not already achieved a full level 3 qualification or higher.	Eligibility.
Advanced learner loans	Early completers reported to SLC where the ILR record indicates the learner is still in learning.	Incorrect recording of data, funding over claim.
Earnings Adjustment Statement	We will monitor all claims being recorded in the 'authorised claims' and 'audit adjustment' categories. We will contact you if we did not give you permission to claim this funding.	Incorrect recording of data, funding over claim.
Learning support funding	Providers consistently claiming learning support for high numbers of learners.	Incorrect recording of data, funding over claim.



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