



Education & Skills
Funding Agency

ESFA Post-16 funding assurance review guidance

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Summary

This publication presents an overview of the ESFA's Post-16 Assurance approach. The approach applies to all providers that return individualised learner record (ILR) data. It relates to the following provision:

- Adult education budget provision, reported within ILR (funding model FM35).
- Apprenticeships starting from May 2017, reported within ILR (funding model FM36).
- 16 to 19 provision, reported within ILR (funding model FM25).
- Advanced learner loans and loans bursary funding, reported within ILR (funding model FM99).

We also assure:

- Student Support (Bursary & Free Meals in FE)
- Earnings Adjustment Statement & final claim (where appropriate).

The guidance covers all funding streams included in funding claims for the funding years up to and including 2023 to 2024. It excludes the Adult Skills Fund, which is effective from 1 August 2024. The guidance will be updated to reflect funding assurance reviews of the Adult Skills Fund in due course.

Who this publication is for

This guidance has been produced primarily for providers, that return ILR data, and others, who wish to understand the ESFA assurance process and the funding assurance review process.

Terminology

Apprenticeships

All references to 'apprenticeships' relate to apprenticeship starts from 1 May 2017, funded from employers' apprenticeship service accounts or government-employer co-investment, and recorded within FM36.

Adult education budget

References to the 'adult education budget' or 'AEB' relate to the elements of the adult education budget, both procured and non-procured, that are subject to scrutiny as part of the funding assurance review.

Elements of the AEB, which are outside the scope of this programme, include community learning and discretionary learner support.

16 to 19

References to '16 to 19 provision' or '16 to 19 learners' relate to 16 to 19 (excluding apprenticeships) provision, i.e., 16 to 19 study programmes and T Level programmes. This is because the funding guidance for young people refers to young people aged 16 to 19.

Student support

This funding assurance covers bursary funding, Free Meals in FE, Dance & Drama, residential bursary, care to learn and vulnerable bursary.

Part 1: Assurance approach

- 1.1 The focus of the assurance approach is on learners returned in providers' ILRs and funded under recurrent funding grants and contracts allocated by the DfE and from employers' apprenticeship service accounts. The timing of funding assurance reviews varies depending on the type of provider
- 1.2 We normally review providers funded under a contract for services, which we collectively refer to as 'independent training providers' (we may include other provider types within this category for operational purposes), during the funding year and the review seeks to provide assurance that there is no misstatement in the provider's earnings to date.
- 1.3 We normally review providers funded under a Conditions of Funding (grant) (colleges), which we collectively refer to as 'colleges', after the end of the funding year but before the date of the R14 ILR hard close where possible.
- 1.4 The review seeks to ensure that there is no known misstatement in providers' final *Funding Summary Report*, which contains details of their total earnings for the funding year and their final funding claims. We achieve this by testing to ensure that the provider has the evidence required to support its funding claims and earnings.
- 1.5 This document assumes that we will review providers according to the timescales described above. However, we may review independent training providers, and/or colleges after the date of the R14 ILR hard close. Whilst there is no variation in the general approach, it may affect reporting, error correction and recovery.

Scope of work

- 1.6 The audit plan includes details of which elements of funding are in scope for review. The approach requires selection of up to four separate main ILR substantive samples from the list below:
 - Adult education budget (comprising the following three sub-populations):
 - Adult education budget – other learners
 - Adult skills funded provision within FM25 (we test adult skills funded provision within FM25 against the 16 to 19 funding regulations)
 - Apprenticeships
 - Advanced learner loans and loans bursary fund ('loans learners')
 - 16 to 19 provision (comprising the following two sub-populations):
 - 16 to 19 study programmes
 - T Level programmes.

1.7 In addition to testing the learners in the main substantive samples, the approach includes

- a review of the provider’s control arrangements over elements of its ESFA funded provision.
- reviewing reports generated by the Provider Data Self-Assessment Toolkit (PDSAT). [ILR data: provider data self-assessment toolkit \(PDSAT\)](#). This review identifies potential data anomalies in the ILR and may lead to issues and errors within the funding claim or earnings. This review will involve performing some testing of the data back to source documentation.
- testing the provider’s subcontracting arrangements, where required.
- reviewing elements of 16 to 19 financial support, where required (16 to 19 Bursary Fund and free meals in further education).
- follow-up of previous recommendations where applicable.

Sample selection

1.8 We select the main samples of learners from the ILR returns made by providers. Depending on the scope of the audit, we will select up to four separate main substantive random samples:

- Carry-in apprenticeships and adult education budget
- Apprenticeships
- Loans learners
- 16 to 19 provision.

1.9 Where stated below, we use the sample sizes in Table 1 for the statistical based sample selected using PDSAT.

Table 1

Population size (learners)	Sample size
30 or more	30
Fewer than 30	Population

Using PDSAT

1.10 The ESFA provides PDSAT for the production of exception and listing reports for data review and cleansing and for generating samples and working papers for substantive testing.

1.11 The user guide that accompanies PDSAT gives clear and comprehensive instructions on how to produce PDSAT reports and generate samples.

Consequently, this document will not seek to replicate the advice contained in the guide.

1.12 You can access the PDSAT user guide in the *Documents* section of the *Useful Info* tab within PDSAT. You can also access it at [ILR data: provider data self-assessment toolkit \(PDSAT\)](#)

1.13 You can also access the ESFA working papers for the main funding streams, through the PDSAT, and use this to carry out your own audits.

Controls testing

1.14 We undertake controls testing in order to record and assess the controls that a provider operates to manage risks relating to specific areas of ESFA funded provision. From our review of the evidence of controls, we record whether the controls exist, whether they are effective in achieving their objective and whether they are operating effectively. Where we identify issues or weaknesses, we will raise recommendations.

Learner level substantive testing

1.15 We refer to the following documentation in performing assurance reviews of apprenticeships, adult and 16 to 19 funding.

ILR:

- [Individualised Learner Record \(ILR\)](#)

Apprenticeship and adult funding documents and guidance:

- [Apprenticeship funding rules](#)
- [Adult education funding](#)
- [Advanced learner loans and loans bursary fund](#)

16 to 19 funding documents:

- [16 to 19 education: funding guidance](#)
- [16 to 19 education: financial support for students](#)

Earnings adjustment statement / final claim

- [Earnings adjustment statement \(EAS\)](#)
- [Funding claims](#)

Reporting

- 1.16 We share outcomes from the assurance review with the provider and with relevant colleagues within the DfE/ESFA. This includes a final management letter, recommending improvements in systems and controls, and feedback (Schedule B3) throughout the audit, detailing the funding queries and errors.
- 1.17 The results of an assurance review may require providers to adjust data in support of their funding claim to the ESFA and may inform negotiations between a provider and the ESFA regarding future funding profiles in respect of 16 to 19 provision. In exceptional cases, we may refer results for further investigation.

Part 2: Funding assurance review process

Step	Action	Auditor detailed actions
1	Determine what is to be tested	Determine what is to be reviewed from the list: <ul style="list-style-type: none"> • Adult education budget • Apprenticeships • Advanced learner loans and loans bursary • 16 to 19 provision • Subcontracting • 16 to 19 financial support (16 to 19 Bursary Fund and/or free meals in further education) • Earnings adjustment statement (EAS) and Final Claim • Controls <ul style="list-style-type: none"> - provider-wide controls - controls over apprenticeship provision only.
2	Contact provider	Normally four weeks prior to the planned review date, the auditor will contact the provider to explain the scope and structure of the review and make the arrangements.
3	Planning discussion/ meeting with provider	<p>We agree dates for the fieldwork to take place, the scope of the assurance review and, if appropriate at this stage, arrangements for feeding back during the visit.</p> <p>We explain that we will use the most recently uploaded ILR to the <i>Submit learner data</i> (SLD) portal for the review and that we will produce <i>Provider Data Self Assessment Tool</i> (PDSAT) reports and samples from this ILR.</p> <p>If applicable, we explain that we will be performing a review of the provider's controls, either over its administration of all ESFA funded provision, using the internal controls questionnaire, or over its administration of its apprenticeship provision only, using the apprenticeship controls questionnaire. If we have not performed a controls visit within the previous 12 months, we will send to the provider the respective controls questionnaire and agree a date for the provider to return its completed questionnaire. If we have performed a controls visit within the previous 12 months, we will send the previously completed questionnaire and we will use it in following up the provider's implementation of any recommendations made.</p> <p>If applicable, we ask for data relating to learners receiving 16 to 19 Bursary Fund and/or free meals in further education funding payments.</p> <p>If applicable, we ask for learner level costings that make up the EAS and Final Claim.</p>

Step	Action	Auditor detailed actions
	Planning discussion/ meeting with provider (continued)	<p>We agree with the provider a password for all parties to use when sending encrypted files. This will aid compliance with the ESFA's data encryption process which requires the use of different media for sharing data and passwords.</p> <p>We confirm the name(s) and contact details of the provider's nominated main point(s) of contact for the review.</p> <p>We obtain the name and job title of the most appropriate senior member of staff at the provider to ensure that the visit confirmation letter is addressed to the correct person.</p>
4	Prepared by provider file	<p>In exceptional circumstances where we are carrying out the fieldwork remotely, we will be relying on the provider to send a large quantity of evidence to us. Consequently, we need to ensure that we request only the evidence that is necessary to perform the initial substantive testing.</p> <p>Using the file prepared by the provider, during the planning meeting, we will seek to understand what documentation the provider holds as evidence to support the ILR data, returned to the ESFA, and the resulting funding claim, as well as a small number of additional documents.</p> <p>For each funding stream in scope for review, and for subcontracting testing, where applicable, we will agree with the provider the specific documents that will need to be sent to us.</p>
5	Issue confirmation letter and confirm dates to relevant parties	<p>A letter is sent to the provider (for audits carried out by the audit firms, a notification letter will have already been sent), confirming details of the assurance review and the date and time that we will take the most recently uploaded ILR from the SLD portal. We will use this data to select the main substantive samples and run and review PDSAT reports, selecting additional samples as appropriate.</p> <p>If applicable, we will enclose the respective provider controls questionnaire and the 16 to 19 financial support controls questionnaire.</p> <p>We send a copy of the letter to relevant DfE and ESFA colleagues, such as the case manager on the Provider Facing Team, in order to notify them of the visit details.</p>
6	Process ILR using FIS	<p>We obtain the most recently uploaded ILR as at the point of arranging the visit and the business reports zip file, relevant to this ILR file from the SLD portal.</p> <p>We process the ILR through the Funding Information System (FIS).</p>
7	Run PDSAT reports	<p>We produce PDSAT reports from the ILR data most recently processed through the FIS.</p>

Step	Action	Auditor detailed actions
8	Review PDSAT report output	<p>Using the <i>PDSAT review notes</i> document, we review PDSAT report output to identify any issues that we need to follow up with the provider.</p> <p>If possible, we select samples of learners that we need to test back to source documentation and send details with the main substantive samples to the provider. We may need to wait for the provider to respond to any queries from the PDSAT review before selecting any such samples.</p>
9	Main substantive sample selection	<p>We use the PDSAT random sampling module to select the main substantive samples. The sampling module automatically determines the sample size for the following populations:</p> <ul style="list-style-type: none"> • Adult education budget • Apprenticeships • Loans learners • 16 to 19 provision. <p>In PDSAT, we select all required samples and run them at the same time, resulting in a single working paper file containing all required samples and working papers.</p>
10	Review response to controls questionnaire	<p>If applicable, on receipt of the provider's completed questionnaire, we check that the provider has responded to all the questions.</p> <p>We review the responses in apprenticeship controls questionnaire to ensure that we understand the process that the provider has described and the evidence of the control that we expect to find. We record any queries or areas where we require further information or clarification.</p>
11	Send the samples to the provider	<p>We send the following samples to the provider:</p> <ul style="list-style-type: none"> • main substantive samples • any additional samples selected following the PDSAT report review • 16 to 19 Bursary Fund and/or free meals in further education sample(s). • EAS and Final Claim samples if applicable <p>Where applicable, we also send the 'prepared by provider file'.</p> <p>Normally we give 5 days' notice of the samples (or up to 10 days where the provider has multiple locations or subcontracting).</p> <p>We zip and encrypt samples, using the agreed password.</p>

Step	Action	Auditor detailed actions
12	Commence fieldwork	<p>We will either visit the provider's premises to perform substantive testing or perform the audit remotely (normally based on the provider's choice). We use working papers in sections C (PDSAT) and D (substantive testing working papers) of the assurance programme to record your findings. We perform the audit, following the instructions in the D1 to D6 substantive testing working paper file, creating and updating the B3 feedback worksheet on an ongoing basis.</p> <p>If applicable, we review the provider controls working paper with the provider, seeking further information or clarification as necessary, ensuring that we have clearly documented each process. We check the evidence to confirm that the controls are effective and operating as intended. We record our findings on the working paper.</p> <p>The number of days spent on the audit will depend on the sample size and the level of additional testing that is required. We expect the assurance review team to remain on site (or work remotely) for sufficient time to ensure that it performs all testing and provides the provider with the opportunity to clear any queries as they arise.</p> <p>We follow up any recommendations from the previous year's funding assurance review where applicable.</p> <p>We agree arrangements for feeding back during the visit.</p>
13	Ongoing feedback	<p>We provide frequent updates to the provider, including details of any queries. We aim to clear any issues as soon as possible including, where applicable, the locating of alternative or missing evidence.</p>
14	Treatment of errors	<p>We assess any errors identified in the substantive samples to determine whether they can be ring-fenced. To do this, consider whether there are other learners in the population that may share the same error characteristics and identify this (sub) population.</p> <p>Where an error can be ring-fenced, we notify the assignment manager (file reviewer) and seek approval to ask the provider to perform a 100% self-audit of the (sub) population to determine the full extent of the error.</p>

Step	Action	Auditor detailed actions
15	Prior year errors	<p>For each error identified, we assess whether it impacts on funding claimed by the provider in the prior funding year(s). Where this is the case, in addition to calculating the in-year funding error, we separately calculate the value of the funding error relating to the prior year(s).</p> <p>Where a provider is undertaking any 100% self-audits, we explain that where an error affects funding claimed in any year prior, we will recover the prior year funding. As such, when the provider reports back its 100% self-audit findings, the provider will need to breakdown any funding errors to show the in-year value and any prior year value.</p> <p>Should the provider be unable to calculate the prior year error values, the auditor or ESFA will need to perform this task.</p>
16	Formal interim feedback	<p>We hold a formal feedback meeting with the provider, either in person or using video conferencing, to discuss the findings, ideally once we have resolved all queries. We retain evidence to confirm that this has taken place.</p> <p>We use the B3 worksheet in the substantive testing working paper file to provide feedback at this stage.</p> <p>We include in the feedback details of:</p> <ul style="list-style-type: none"> • any queries that remain outstanding • actual corrections that need to be made to the ILR • proposed actions for the provider. <p>Referring to the timescales stated in the confirmation letter, we agree a timetable for:</p> <ul style="list-style-type: none"> • any further information or explanations that you require • provider self-audit work • potential visits required for retesting. <p>We set deadlines for:</p> <ul style="list-style-type: none"> • a new ILR to be provided (where reconciliation is required) • receipt of the provider's self-audit workings and calculation of error • selecting samples for further testing • giving the provider time to collate the documents for further testing • undertaking further testing. <p>Where no issues remain outstanding at this point, this can be replaced by a formal closure meeting.</p>
17	Further testing (if applicable)	<p>We perform further testing to gain assurance over funding identified by the provider as earned in its self-audit workings. We accept any funding errors that the provider declares and instruct the provider to correct its ILR data accordingly.</p>

Step	Action	Auditor detailed actions
18	Review of additional evidence	If the provider presents additional evidence (that may not have been presented during the first visit), we will review it.
19	Changes made to the ILR	Some providers will continue to make changes to the ILR whilst the assurance review is in progress. We use PDSAT cross-ILR functionality to identify changes between ILRs. In addition to these routine changes, we track corrections to the ILR following the initial testing. This facilitates our reconciliation from the ILR provided for the assurance review to the final R14 ILR return forming the basis of the final funding claim. The provider must correct all data errors identified during the review.
20	Reconciliation (carried out by audit firms mainly and mainly colleges)	We complete a reconciliation of all movements resulting from data amendments between the ILR used for the assurance review and the final R14 ILR return that forms the basis of the final funding claims. This includes: <ul style="list-style-type: none"> • adjustments made as a result of data errors identified by the auditor • adjustments made in the course of routine data cleansing by the provider. We check that any movements are in line with our expectations.
21	Extrapolation	We extrapolate errors, using error rates, only in the most exceptional circumstances. Where the provider performs a 100% self-audit and we cannot place reliance on the provider's work, we may need to revert to reporting an extrapolated error based on the original sample error rate. The Deputy Director of Assurance or Head of Post-16 Assurance approves the use of extrapolation of errors.
22	Formal closure meeting	Following completion of all testing, including review of any additional evidence and further testing of any provider self-audit work, and management review, we give the provider final written feedback. We retain evidence that this has taken place. We use the B4 final provider feedback form, accompanied by the final B3 from the substantive testing working paper file. Whilst we may send the final written feedback by email, we always hold a closure meeting with the provider, either in person or using video conferencing, to discuss the findings. This will include the results of additional testing, the agreed value of any funding errors (including the value of funding errors relating to prior funding years), conclusions on the use of funds, conclusions on compliance with the funding rules and the action plan.

Step	Action	Auditor detailed actions
	Formal closure meeting (continued)	<p>We include in the action plan any weaknesses and recommendations relating to the specific controls review.</p> <p>We will arrive at up to three conclusions on the provider's use of funds, relating to the following populations:</p> <ul style="list-style-type: none"> • Adult education budget • Apprenticeships • 16 to 19 provision. <p>Each conclusion is dependent upon error rates. The sample error rate is the value of any funding error in our sample as a percentage of the value of our sample. The overall error rate is the value of funding error in the population as a percentage of the value of the population.</p> <p>A sample error rate lower than 5% together with an overall error rate lower than 5% results in a conclusion of satisfactory.</p> <p>A sample error rate of at least 5% or an overall error rate of at least 5% results in a conclusion of unsatisfactory.</p>
23	Data amendments	<p>The provider must correct all errors through ILR data (or other relevant data return) amendment as soon as possible and by the deadline date for the next monthly return.</p> <p>Where the provider does not correct its data within the required timescale, we will escalate the issue to senior management and issue a draft report informing the provider. We instruct the provider to make the necessary data amendments as a matter of urgency and agree a new timescale, which can be earlier than the next scheduled monthly return.</p>
24	Recovery of funding errors by invoice or offset	<p>Under the following circumstances, the ESFA will seek to recover funding errors through either an offset to one or more subsequent provider payments or by raising an invoice.</p> <ul style="list-style-type: none"> • Where the provider does not or cannot correct through the ILR before the R14 hard close. • Where there are funding errors relating to prior funding years.
25	Reporting	<p>We issue a final report (management letter) when the audit is complete.</p>

Part 3: Funding assurance review tests and papers

Assurance working papers

3.1 This section describes the tests for each funding stream, performed by auditors in their funding assurance reviews. These tests are included in the assurance working papers section of PDSAT (schedules D1 to D7 (note that D2 is no longer in use, as the apprenticeships trailblazer fund is no longer continuing)). (Please refer to the PDSAT guidance on how to access the working papers.)

FM35: Adult education budget (D1)

3.2 We use the D1 working paper for testing samples within ILR funding model 35 (FM35).

3.3 We perform substantive testing of funding within FM35 at learner level (the transaction value is the total year-to-date funding value for the learner's entire programme of learning). Consequently, we consider each of the learner's funded learning aims as listed in the sample when testing. The D1 working paper contains all the critical factors we consider in each test. In addition, the D1 to D6 working paper file in the assurance programme contains a worksheet called FM35 (AEB) references, containing, for each critical factor, references to the respective funding rules.

3.4 The tests are:

- 1) Does evidence exist to confirm that the learner is eligible for ESFA funding?
- 2) Is the learner eligible for the programme(s) and has the programme(s) been correctly identified and coded?
- 3) Is the programme, as designed, eligible for funding and is the correct funding being claimed?
- 4) Does learner documentation meet the minimum requirements outlined in the funding rules and agree to underlying data?
- 5) Is the learner eligible for learning support funding and is there evidence of delivery of learning support?
- 6) Is the learner's programme and the learner's attendance as recorded in the ILR consistent with the underlying records?
- 7) Where the learner has not achieved, does the learning actual end date recorded in the ILR agree with underlying records?
- 8) Does evidence exist to confirm that the learner has achieved and completed the learning aim and framework?

- 9) Is there evidence that the learner is eligible for, and has evidence to support, the claim for a job outcome payment?

FM25: Adult (D3)

- 3.5 We use the **D3** and **D6** working papers to test samples of learners funded within ILR funding model 25 (FM25). We use **D3** for adult skills funded learners and **D6** for 16 to 19 learners. The information below applies to all testing relating to FM25.
- 3.6 We perform substantive testing of funding within FM25 at learner¹ level (the transaction value is the total annualised funding value for the learner's planned study programme or T Level programme, except for adult skills funded learners where the transaction value is the total year-to-date funding). We consider the learner's entire study programme or T Level programme, as listed in the sample when testing. Both the **D3** and the **D6** working papers contain all the critical factors that we consider in each test. In addition, the D1 to D6 working paper file in the assurance programme contains a worksheet called *FM25 (16 to 19) guidance* containing, for each critical factor, references to the respective funding rules and additional guidance that we consider in each test.
- 3.7 The *FM25 (16 to 19) guidance* worksheet also contains information on the action that we take in the event of any adverse responses to any tests. We ensure that we do not raise funding errors where the provider has made a data error that affects the lagged funding formula but does not affect the in-year funding claim.
- 3.8 The tests are:
 - 1) Has the institution² correctly assessed that the student is eligible for ESFA funding?
 - 2) Does the learning agreement, enrolment form and/or timetable agree to the ILR in terms of data, *including eligibility for free meals in FE*?
 - 3) Has the learning agreement, enrolment form and/or timetable been signed by both the student and the institution?
 - 4) Is there evidence that the student has been provided with Information, Advice & Guidance IAG, an initial assessment, a learning plan and other base

¹ Note that 16 to 19 funding documentation refers to "students" rather than "learners". We will use "learners" in this document for consistency, except when quoting from specific 16 to 19 funding documentation.

² Note that 16 to 19 funding documentation refers to "institutions" rather than "providers". We will use "providers" in this document for consistency, except when quoting from specific 16 to 19 funding documentation.

documentation (including timetable if applicable)?

- 5) For the requirement to study English, is there evidence to support the values recorded in the ILR?
- 6) For the requirement to study maths, is there evidence to support the values recorded in the ILR?
- 7) Has the correct learning aim been recorded as the core learning aim?
- 8) Are the activities included in the study programme eligible activities?
- 9) Has the number of planned hours been correctly recorded in the ILR?
- 10) Does the start date recorded in the ILR reconcile to registers, or alternative evidence of attendance held?
- 11) Is the student undertaking English in order to meet the condition of funding (applicable where there is no evidence that the student is exempt; see test 5)?
- 12) Is the student undertaking maths in order to meet the condition of funding (applicable where there is no evidence that the student is exempt; see test 6)?
- 13) If the student is undertaking work experience as part of their programme, have the placement details been fully documented and have arrangements for the recording of attendance been made?
- 14) Is the student undertaking maths in order to meet the condition of funding (applicable where there is no evidence that the student is exempt; see test 6)?
- 15) If the student is undertaking work experience as part of their programme, have the placement details been fully documented and have arrangements for the recording of attendance been made?
- 16) If the student is undertaking an industry placement, has it been planned in accordance with the requirements for capacity and delivery funding?
- 17) If the student has withdrawn from the programme, does the period of attendance on the programme qualify for funding?
- 18) Where the student has withdrawn from any qualifications, have the withdrawal details been correctly recorded in the ILR?
- 19) For learning aims recorded in the ILR as achieved, is there evidence to support the achievements?
- 20) Does the range of documents reviewed provide reasonable evidence of student existence and do the student's signatures appear consistent with the requirements for capacity and delivery funding?
- 21) Does the ILR field Subcontracted or partnership UKPRN indicate that subcontracted provision exists? If yes, please provide the organisation's name and refer to the respective subcontracting working paper.

- 22) For students flagged as high needs students in the ILR, is there evidence of the home local authority agreement to fund the student's higher support cost needs (i.e. support costs above £6,000)?

FM36: Apprenticeships from 1 May 2017 (D4)

- 3.9 We use the **D4** working paper to test samples of apprenticeship starts on or after 1 May 2017 within ILR funding model 36 (FM36). Earnings for these learners come from employers' apprenticeship service accounts, government and employer co-investment. However, due to limitations in the availability of actual earnings information within FIS, sample values for the element of transactions based on earnings are indicative.
- 3.10 Elements of apprenticeship provision that the ESFA funds directly include English, maths and learning support funding. FIS contains actual funding values for these elements.
- 3.11 The total transaction value for apprenticeship learners in the sample is the sum of indicative earnings and actual funding as explained above. All subsequent references to funding relate to this combination of indicative earnings and actual funding, unless otherwise stated.
- 3.12 We perform substantive testing of funding within FM36 at a learner level and the transaction value is the total year-to-date funding value for the learner's entire programme of learning. Consequently, we consider each of the learner's funded learning aims, as listed in the sample when testing. The **D4** working paper contains all the critical factors that we consider in each test. In addition, the D1 to D6 working paper file in the assurance programme contains a worksheet called *FM36 (Apps) references* containing, for each critical factor, references to the respective funding rules.
- 3.13 The tests are:
- 1) Does evidence exist to confirm that the learner is eligible for ESFA funding?
 - 2) Are the learner and employer eligible and has the programme been correctly identified and coded?
 - 3) Is the programme as designed eligible for funding and is the correct funding being claimed?
 - 4) Does learner documentation meet the minimum requirements outlined in the apprenticeship funding rules and agree to underlying data?
 - 5) Is the learner eligible for learning support funding and is there evidence of delivery of learning support?
 - 6) Is the learner's programme and the learner's participation as recorded in the ILR

consistent with the underlying records?

- 7) Where the learner completes, leaves or transfers from the programme, does the learning actual end date recorded in the ILR agree with underlying records?
- 8) Where the employer or training provider are required to make payments, does evidence exist that the payments have been made?
- 9) Does evidence exist to confirm eligibility for additional payments and completion payments to be made to the provider (where applicable)?
- 10) Is there sufficient evidence to demonstrate that the provider has met its obligations with regard to the end-point assessment process?

Advanced learner loans and loans bursary fund (D5)

3.14 We use the **D5** working paper for testing samples of loans learners and perform substantive testing at learner level. Where the sample includes a learner attracting loans bursary funding, the transaction value is the total year-to-date loans bursary funding value for the learner's entire programme of learning. For each loans learner, we consider each of their learning aims as listed in the sample when testing, as the provider will need to correct any errors identified, both in the ILR and in the Student Loans Company's (SLC) Learning Provider Portal ("loans portal"). The **D5** working paper contains all the critical factors that we consider in each test. In addition, the D1 to D6 working paper file in the assurance programme contains a worksheet called *Loans references* containing, for each critical factor, references to the respective funding rules.

3.15 Note that the SLC is responsible for assessing whether learners are eligible to receive a loan. As a result, testing learner eligibility is outside the scope of this review. However, we must consider whether learning aims are fundable by a loan for eligible learners, as per the *Learner eligibility* section of the *Advanced learner loans funding rules*.

- 1) Do learner and programme details as recorded in the *learning and funding information letter*, the loans portal, the learning agreement and the ILR agree?
- 2) Is the learner's programme and the learner's attendance as recorded in the ILR and on the loans portal consistent with the underlying records?
- 3) Where the learner has received Advanced Learner Loans Bursary Fund support, is the learner eligible for the funding as coded in the ILR?

FM25: 16 to 19 (D6)

3.16 We use the D3 and D6 working papers to test samples of learners funded within ILR funding model 25 (FM25). We use D3 for adult skills funded learners and D6 for 16

to 19 learners. The tests for 16 to 19 learners are the same as adult skills (see paragraph 3.8 above)

16 to 19 financial support (D7)

3.17 The elements of 16 to 19 financial support within the scope of the assurance programme are the 16 to 19 Bursary Fund and free meals in further education. Where an assurance review requires testing of these 16 to 19 financial support funds, we perform this substantive testing at learner level. We check to ensure that testing of these funds is within the scope of the assurance review.

3.18 The tests are:

- 1) Is there evidence confirming that the student satisfies the general eligibility criteria?
- 2) Is there a fully completed application form, signed by all parties?
- 3) Is there evidence that the student has seen and agreed to the conditions of the bursary?

Bursary for vulnerable groups

- 4) Is there evidence confirming that the student satisfies the specific eligibility criteria for receipt of a bursary for vulnerable groups?
- 5) Is there evidence of an assessment of financial need, based on the amount the learner actually needs in order to participate?
- 6) Has the provider awarded the bursary for vulnerable groups in accordance with the funding guidance?
- 7) Is the bursary for vulnerable groups award for eligible items?
- 8) Has the provider paid the bursary for vulnerable groups to the student as agreed?

Discretionary bursary

- 9) Is there evidence confirming that the student satisfies the provider's specific eligibility criteria for receipt of a discretionary bursary, as per its bursary policy?
- 10) Is there evidence of the provider's individual assessment of the student's financial need?
- 11) Is the discretionary bursary award for eligible items?
- 12) Has the provider given the value of the discretionary bursary to the student (in cash or in kind) as agreed?
- 13) Has the provider used the discretionary bursary to provide emergency food support?

Free meals in further education

- 14) Is there evidence confirming that the student is, or has parents that are, in receipt of one or more of the eligible benefits listed in the funding guidance?
- 15) Has the provider given the value of the free meals to the student as agreed?
- 16) Does the evidence of the student's attendance support the value of payments?
- 17) Has the provider recorded the Learner funding and monitoring type code value FME2 in the ILR?



Education & Skills
Funding Agency

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