

Learner Existence and Eligibility Audits 2005/06

Summary of Findings and Examples of Good Practice

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Leading learning and skills

Executive Summary

1. The aim of the Learner Existence and Eligibility (LEE) audit is to address the risks to the Learning and Skills Council ('LSC'), and to colleges, concerning learner existence and eligibility under the LSC's broad legal powers to fund. These risks are residual following the introduction of plan-led funding and removal of the funding audit for most colleges in 2004/05.
2. The LEE audit approach is to test a college's compliance with sections 2 and 3 of the LSC publication *FE ILR Funding Compliance Advice 2004 to 2006*. These sections detail the main evidential requirements for all learners for all providers and the controls providers should have over their partner provider provision. This advice has been restated for 2006/07 in the successor booklet *FE ILR Funding Compliance Advice 2006/07*. Paragraph 3 of this booklet identifies the need for providers to take account of the lessons learnt during the 2005/06 LEE audits in order to avoid similar problems in any 2006/07 LEE audits.
3. During February to April 2006, LEE audits were undertaken at 47 colleges, by LSC staff and by RSM Robson Rhodes and Tenon on behalf of the LSC. Although positive assurance was gained over learner existence, unsatisfactory conclusions were reached regarding learner eligibility at three colleges. These conclusions were based on a lack of evidence of learners being assessed adequately for eligibility for LSC funded provision. Recommendations in respect of this were also raised at a number of other colleges in the audit.
4. Overall the LEE audit provided positive findings and a number of examples of good practice were identified. Some common issues across the colleges audited were also noted. Both good practice and common issues are summarised in this document. Colleges should have regard to these when reviewing their own policies and procedures.
5. A further programme of LEE audits is being undertaken for 2006-07.

Audit Approach

6. The LEE audit methodology is designed to reach a conclusion on a college's system of controls in respect of the risks presented by learner ineligibility and non-existence, and their potential with regard to risks to the public purse. The detailed audit approach for the 2005-06 audit work is available on the LSC's website.

7. As part of the planning process for each audit, a risk evaluation was made to assess a college's inherent and controls risks. These risk assessments were used to determine the extent of work to be completed as part of the audit programme and to inform the selection of the main substantive sample of learners. The audit approach also included, where relevant, a programme of unannounced visits to provision delivered with partner providers and to direct off-site provision funded through the recurrent LSC funding grant.

8. In addition to the specific LEE audit, separate, concurrent programmes of work were undertaken on Educational Maintenance Allowances (EMAs) and Adult Learning Grants (ALGs) to provide assurance over this funding.

Audit Outcomes

9. All audits have been completed and the results moderated and summarised. Of the 47 audits completed:

- There were no unsatisfactory conclusions on learner existence
- Three reports carried unsatisfactory conclusions in respect of learner eligibility
- Eight conclusions were issued as 'satisfactory', but with a limitation in scope in certain respects where not all the required audit procedures were able to be completed.

10. Some common issues were identified across a number of colleges. There are also lessons and opportunities arising from this work which are relevant to all FE providers. The remainder of this document addresses each of the following in turn, identifying common issues and examples of good practice in the following areas:

- Existence
- Eligibility
- Provision delivered away from the college's main site(s) (off-site direct and provision delivered in conjunction with a partner provider)
- EMAs and ALGs
- General observations on colleges' control frameworks for the capture of learner information

Existence

11. Within the scope of the LEE audit, in respect of checking evidence of learner existence, no substantive issues were identified. Signed enrolment forms and register evidence of attendance were readily available, with only a few isolated incidences noted of missing documents. Further observations about the content and completion of enrolments forms are given in several of the following sections.

Eligibility

12. As noted above, three colleges received unsatisfactory conclusions in respect of learner eligibility. These, along with recommendations raised at other colleges, centred around two key aspects of eligibility:

- The enrolling learner's residency status (Home, EU, asylum etc) and/or their period of residency in the UK before enrolling
- Confirming that funding was not also being drawn down from another (public or private) funding source.

Residency:

13. One or more of the following four issues were identified at many of the colleges audited:

- Standard enrolment forms did not include any questions aimed at assessing an enrolling learner's residency status. In these instances, it was not possible for colleges to evidence that residency had been considered as part of the enrolment process, or that learners were eligible to be enrolled on LSC funded provision
- Questions aimed at determining residency and assessing a learner's eligibility were either unclear or insufficient to be able to make a proper determination
- Learners' failure to answer questions on residency (even where the questions were comprehensive and clearly worded) was not always challenged by college enrolment/MIS staff and the learner assumed to be a British citizen, resident for at least three years, by default
- Where learners had answered the questions in such a way as to indicate that they might be ineligible for funding, this was not always followed up by college enrolment/MIS staff and learners were enrolled as LSC funded.

14. Within those colleges where no, or very few, issues were identified regarding learner eligibility, the following elements of good practice were noted:

- One or more members of staff have significant experience and knowledge of the funding rules and were able to ensure consistent and valid judgments are reached on individual issues of eligibility

- Clear and detailed enrolment procedures were documented and distributed to all staff involved in the enrolment process
- Comprehensive training was provided to all enrolment staff, including guidance on how to assess learner eligibility. In respect of this latter point, examples were noted of the assessment process being translated into a flowchart, which appeared to be a very effective reference guide for staff
- Where a learner's eligibility was not immediately apparent, supporting evidence was either attached directly to the enrolment form, or the form itself annotated by the enrolling staff, as to the reasons for the positive assessment of eligibility.

15. Further guidance on the contents of an enrolment form is provided at appendix 1 to this document

Other sources of funding

16. In 26 of the 47 colleges visited, issues were identified concerning:

- The capturing of other funding sources on the ILR. Colleges should ensure that learners from *all* funding sources are correctly coded in the ILR using the A11 field. In accordance with the ILR manual, it is not acceptable to omit learners from the ILR where either LSC funding is not being claimed or if the funding claimed exceeds the college allocation
- Procedures for ensuring there is no duplication or displacement of funding. Common sources of other funding that gave rise to potential double-funding claims at colleges included WBL, overseas learners and other full cost learners. Routine running and clearing of the LSC DSAT provided and review of other, in-house, monitoring reports should minimise the risk of these errors still remaining in ILR returns submitted to the LSC.

Provision delivered away from college's main site(s)

Off-Site Direct:

17. Forty-two of the audited colleges were delivering some provision at locations other than the main college site(s). No significant issues were identified with this mode of delivery with colleges' standard quality assurance and other control procedures applying as equally to off-site locations as to the main college sites.

18. Examples identified of good practice included spot-checking of class registers to the main ILR database as part of the standard lesson observation routine, and electronically linking all outreach centres to the college's central register system.

Provision delivered with a partner provider:

19. Forty-three colleges had some provision delivered in conjunction with a partner provider, ranging from small, local community provision through to national contracts. Issues identified that were common to a number of colleges included:

- Unannounced spot checks not being undertaken by colleges or records of spot visits undertaken not being maintained to demonstrate that the provision is being frequently monitored as part of an overall quality assurance process
- No agreed procedures and timetable for partner providers to provide the College with up-to-date records of learner enrolments, including complete and accurate documentation supporting learner existence and eligibility, register data for monitoring attendance, and checking for double funding where the partner providers work with more than one FE-funded institution.

20. The majority of colleges audited could demonstrate comprehensive and robust procedures for controlling and monitoring provision delivered with a partner provider. In the most effective instances, these procedures mirrored those for the college's direct provision with an expectation that the partner provider would meet the same high standards of delivery and administration.

EMAs and ALGs

21. All colleges visited were administering EMAs for students, and 16 were also administering ALGs. The two funds are very similar in nature and procedural requirements and the issues identified at colleges were consistent across the two funding streams.

22. Issues identified that were common to a number of colleges included:

Eligibility:

23. The eligibility criteria for EMAs and ALGs differ from those for LSC funding (for example, asylum seekers are eligible for free education, but they are not entitled to receive EMA/ALG). In some colleges, no additional checks were being performed by the relevant team(s) with the result that EMAs and ALGs may be being paid to ineligible students.

24. In some colleges, auditors were informed that colleges were placing reliance on the relevant Assessment and Payment Body¹ for the assessment of learner eligibility under the funding criteria. However responsibility for ensuring eligibility remains with the college under the relevant EMA/ALG funding guidance.

¹ Capita plc for EMAs and Manchester City Council for ALGs.

25. Where colleges were making the eligibility assessments (for EMAs and ALGs), this was being undertaken concurrently with the main student enrolment process and in at least one case was assessed using the flowchart within the EMA national guidance¹.

Payment Decisions:

26. Some colleges were:

- Failing to notify learners of decisions not to pay EMA for a given week, or failing to keep copies of such correspondence
- Making payments based on incomplete or inaccurate data (attendance records, contracts etc) such that students may have been paid incorrect amounts.

27. An example of good practice identified in one large GFE college where EMAs and ALGs were administered by a separate team who had a very detailed understanding of the differential requirements for administering these payments compared to the FE funding criteria. This team had set up individual files for all learners, incorporating copies of signed contracts, attendance record summaries, bonus payment authorisations etc. Whilst this level of detailed record keeping may have resource implications for a college, the records did support the validity of the payments made to all the learners tested during the audit.

General observations on colleges' control frameworks for the capture of learner numbers data

28. Auditors made a number of observations concerning colleges' general control frameworks for learner information. Good practice recommendations that were identified from this additional work include:

- Completion of enrolment forms/learning agreements are an important aspect of ensuring that the learner is receiving good quality, and appropriately targeted, initial guidance and assessment
- Minimising questions and 'form filling' for the learner, while desirable, should not be the primary objective when designing enrolment forms/learning agreements
- Enrolment forms/learning agreements should not normally be handed to learners to complete in isolation. Advice and guidance should be readily available at the time of completion
- Enrolment form/learning agreements are part of a contract between the college and the learner. Consequently they should always be signed by both parties
- Staff responsible for inputting enrolment forms onto the system should perform a final completeness check prior to input. Forms that are not fully completed should not be entered onto the system. Incomplete forms should not be viewed acceptable, but rather as evidence that the enrolment process is not working effectively, with the cause of this being investigated and addressed if the problem is widespread

¹ Appendix 1, "EMA Guidance Annex A: Eligibility and Entitlement 2005/06", version 1.1, issued 24 October 2005.

- A structured and secure filing system should be in place to ensure all completed and input enrolment forms can be accounted for
- The data quality of in-year submissions made to the LSC and, more importantly, used for monitoring by college management, is enhanced if DSAT reports are reviewed and cleared throughout the year rather than only at year end.

Enrolment Forms/ Learning agreements

LSC guidance is not prescriptive¹ as to the exact information to be collected from learners on enrolment forms/ learning agreements. The following should be considered by colleges for inclusion:

- Full name
- Address, including postcode
- Learner contact details
- Date of Birth
- Age on 31 August of relevant year
- Ethnicity details
- Details of learning difficulties and or disabilities
- Details of additional support to be provided to the learner
- Details of initial guidance and assessment received
- Details of the programme of study being undertaken, including:
 - Course code
 - Course title/description
 - Start date
 - End date
 - Annual GLH
 - Weekly GLH
- Question confirming that the learner has been ordinarily resident in the UK for the last 3 years.
- EMA eligibility question confirming that the learner meets the EMA residency criteria (this should either be set out for the learner or should include a question confirming that the learner is aware of the eligibility criteria)
- Space to record the outcome of enquiries with regards to eligibility if the learner has not been ordinarily resident in the UK for the past 3 years and evidence where appropriate that the learner is eligible for LSC funding (asylum seeker/ refugee/ other).
- Details of previous education or employment
- Confirmation that the learner is not enrolled at any other institution.
- Additional ESF data as requested by the LLSC
- Payment of fees details
- Non-payment of fees details including a declaration that College staff have seen fee remission evidence.
- Where provision is delivered by a partner provider, the name of the partner organisation.
- Data Protection act declaration
- Learner signature
- Enrolling college officer signature
- Space for completeness checks and input to be evidenced by College staff

¹ Refer paragraphs 35 to 41 of the FE ILR Funding Compliance Advice for 2006/07.