

# Post May Apprenticeships 2016/17 The Audit...

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## Agenda

- Background to audit
- Overview of audit
- Common errors identified
- The role of DSATs in the new audit approach
- Other areas the new audit approach considers – Hub reports, FaM and subcontracting



## Background to Audit

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- Circa 50 providers were selected for audit in 2016/17
- The selection of providers for audit is a mixture of those considered as a 'risk' and those selected at random. Some providers who were 'risk' last year were selected again as part of the random sample
- Audit work is completed by one of three appointed audit firms or by FAS2T (ESFA own auditors)
- Where a College had post 1 May 2017 Apprenticeship starts these were covered as part of the audit (usually 100%)



## Post May Apprenticeship Starts

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New audit approach – D14 for all starts post May 1<sup>st</sup> 2017

Nine questions = 33 critical factors

No reference to ESF match funding

Some over lap with existing audit arrangements

- |                                    |                                     |
|------------------------------------|-------------------------------------|
| • Eligibility                      | • Duration                          |
| • Age                              | • Delivery location                 |
| • Employed status                  | • Distance learning                 |
| • Employment Hours                 | • Breaks in learning                |
| • Apprenticeship Training Agencies | • Learning Support                  |
| • AGE Grants                       | • Start and end dates plus activity |
|                                    | • Achievement                       |



## New areas for Apprenticeship Audit

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### New areas for audit

- Negotiated Price
- English and maths
- Written agreement and commitment statement
- Payment of employer co-investment
- Payment of price over funding band maximum
- Additional payments for 16-18 or 19-24 with EHCP
- Small Employer – co-investment waiver
- Completion and end point assessment



## Common Errors from funding audit

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Following completion of a number of funding audits the key issues identified were:

- Employers not told about co-investment and no intent to charge/collect
- ACT1 vs ACT2 – incorrect flagging resulting in under claims
- Negotiation – lack of substance to support the numbers
- No declaration in place to confirm employer is eligible for small employer waiver



## Common Errors from audit

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- Incorrect training costs (negotiated fee - TNP) or no training costs recorded on ILR
- Assessment costs incorrectly recorded on ILR when compared to contracts
- Co-investment values not recorded on the ILR
- Refunds to employer recorded on the ILR that were more than the actual co-investment value
- Employers charged co-investment when they were eligible for full funding



## Common Errors from audit

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The Commitment statement is a key document for the process and a range of issues were identified

- 20% Off the Job requirement not quantified – how many hours
- 20% Off the Job requirement not detailed – how it will be delivered
- Commitment statements not signed either prior to or on start date

The Apprenticeship Agreement can no longer be included within the commitment statement as this only requires employer and employee signatures



## Common Errors from audit

- Employment start vs Apprenticeship start
- What contributes to OTJ – when activity takes place and duration of activity
- Evidence of start dates – provision moving pre and post May 2017
- Functional Skills – Evidence of delivery



## DSAT Reporting for new Apprenticeships

New DSAT reports have been specifically developed to look at post May 2017 Apprenticeship starts.

Report Number	Report Title
18A-108	All learners and learning aims within the new apprenticeship programme
18A-207	Apprentices undertaking level 1 or below in English and/or maths within an Apprenticeship
18A-208	Negotiated prices as a proportion of maxima
18A-209	Apprentices funded for English and/or maths within the adult education budget



## DSAT Reporting for new Apprenticeships

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Report Number	Report title
18A-210	Apprentices withdrawing from the programme soon after attracting an additional payment
18A-211	Apprentices that withdraw from existing programmes and restart in funding model 36
18A-212	Recording co-investment payments
18A-213	Functional skills at level 2 or below in an Apprenticeship having already achieved level 2



## Hub Reports

<https://hub.fasst.org.uk>



## Funding and Monitoring

Published October 2017 a number of reports now directly relate to the new Apprenticeship system, not forgetting all reports need to be reviewed!

Report Number	Report title
Report 13	Apprentices withdrawing within 14 days of an additional payment being earned
Report 14	Small Employer Waiver
Report 15	Apprentices withdrawing from existing frameworks or frameworks and restarting in funding model 36



## Funding and Monitoring continued

Report Number	Report title
Report 16	Recording co-investment payments
Report 17	Apprentices who are also being funded for English and/or maths provision in the Adult Education Budget
Report 18	Learners repeating an identical programme (no restarts, match framework, programme type and pathway)
Report 19	Learners undertaking level 2 or below in English and maths within an apprenticeship when they have already achieved a level 2



## Future Thinking

So what might the future hold...

- Audit of new providers
- Implications of non-compliance 20% Off the Job
- The role of the EPA – subject to audit or not?
- Completion versus achievement



## Actions to simplify commitments process

### Stage One

Allow apprentices to be edited by employer and provider up to the point first payment is made

Currently users cannot edit most elements in an apprentice record. This means many data lock issues can only be resolved by stopping the current apprentice and adding another. This approach must adhere to complex rules otherwise it leads to further data lock issues involving the old and new apprentice record

Allowing users to edit apprentices makes correcting data locks easier to do and reduces the need to add a new apprentice record.

### Stage Two

Allow employers to authorise their training provider to add cohorts

Currently an employer must trigger each new cohort; they then add the apprentices or pass to their training provider. This is often reported as a contributing factor in the data lock issues that then have to be resolved.

Allowing an employer to authorise their training provider to add new apprentice cohorts. Employer will

payment will be allowed. This will improve the accuracy of the data, and therefore significantly reduce data-locks, but maintain employer ownership.

### Stage Three

Change the commitment process to pull apprentice data into the AS from the ILR

Currently apprentice data is added into the AS and must be agreed between the employer and the training provider. The ILR data a provider submits is then checked against this and only paid where there is a match.

By pulling the apprentice data from the ILR, and asking the employer to approve this, the need for a data lock is simplified.

This completely changes the current approach and responds to user feedback. However, it requires structural change to the ILR that cannot be delivered until Aug

2018.



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## Apprenticeship Service Roadmap

**Dec 2017**

- **Forecasting** for employers
- **Tasks and activities**  
Changes can be made to apprentices until payment
- **Apprentice search** introduced
- Employers can **download transactions**
- **Accurate start and end date** reporting in employer's account
- Improved visibility of data for support team
- Employers can select their **End Point Assessment Organisation**

**April 2018**

- **Employers can transfer funds**
- **Enhanced content** and guidance for employers and providers
- **Provider search**  
Streamlined process for **new providers**
- **Providers can trigger changes** to live apprentices
- Changes to apprentices can be made without the need to **stop and start**.
- **Additional payments** shown in employers' accounts
- Employers can request **apprentice certification** within their accounts

**July 2018**

- **Pilots begin for non-levy payers**  
Providers will **trigger cohort creation**
- By August, **apprentice data will be taken from the ILR**, improving the double lock process

**Oct 2018**

- **Employers can post vacancies** collaboratively with training providers
- **Improvements to access levels** for employers
- **Sub Accounts** for employers
- Improved access to data for support team

**Apr 2019**

- **Non-levy paying employers can manage funding** through the apprenticeship service
- **Employer feedback** introduced on Find Apprenticeship Training
- **Improved marketing** and dynamic content for employers, providers, apprentices and End Point Assessment Organisations



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