

Error Identification and Rectification Policy

Responsibility:	Director of Quality & Compliance	Date doc. created:	1st August 2024
Print name sign off:	Chris Garcia	Last review date of doc:	1 st August 2024
Signature:	Chris Garcia	Next review date:	March 2026

This document must be approved annually by the Senior Leadership Team and presented to the Advisory Board.

Owner and version control

Introduction

Post-16 education, training and skills sector is a very complex environment which is regulated through rules and guidance published by the DfE/ESFA, Ofsted, Awarding Organisations and others. As an organisation we have a duty to comply with relevant rules and guidance and to put in place robust systems to ensure compliance. From time to time, errors will be made and our systems need to be sufficiently robust to identify errors to allow for prompt rectification. It is important to recognise that errors could be made by staff, associates, learners, suppliers, contractors and other organisations. This policy takes into consideration and complies with ESFA's Financial Handbook for Independent Training Providers that came into effect 1st August 2024.

Scope of the Error Identification and Rectification Policy

All staff and associates have a responsibility for addressing/ reporting errors when they are identified. Senior Managers have a responsibility to put in place policies, procedures and training to:

- Prevent errors being made
- Identify errors when they are made
- Rectify errors, where rectification is possible

All staff are encouraged to promote a 'right first time' culture, address minor errors promptly and effectively and alert managers where more significant errors have been identified.

Most Errors identified will be low level, will be discussed with line manager and corrected at the point of identification. Errors that have a more significant impact on funding compliance are expected to be reported and monitored via the Audit and Risk Committee.

Examples of Errors

Minor Errors (need correcting but do not need to be reported)	Significant Errors (need reporting and corrective action agreed with manager)
<ul style="list-style-type: none"> Learners Planned End Date on the BUD has been entered incorrectly (but this error was made in the last few days and the error hasn't been recorded on an ILR returned to the ESFA) 	<ul style="list-style-type: none"> Funding claimed for a learner who we have now identified as being in-eligible to participate in the programme/course
<ul style="list-style-type: none"> Learner was wrongly marked as present for a recent online class. 	<ul style="list-style-type: none"> Certificates claimed from the awarding body when the course has not been completed by the learner
<ul style="list-style-type: none"> The Learner was wrongly exempted for Maths and English prior to compliance check and vice versa. 	<ul style="list-style-type: none"> Incentive payments received from the DfE/ESFA but not passed on to the employer.
<ul style="list-style-type: none"> The Learner has 'Study Continuing' on PLR with another provider and missing evidence of withdrawal/completion from the previous provider. 	<ul style="list-style-type: none"> Any clawbacks over £500. This relates to backdated changes to learner aims and statuses. Check for reason, and accuracy.
<ul style="list-style-type: none"> Provisional Results wrongly accepted as Maths and English exemption evidence. 	<ul style="list-style-type: none"> Backdating withdrawals or breaks of any aims into the previous funding year, thus creating an FRM27 error.
<ul style="list-style-type: none"> Residency evidence not obtained at time of enrollment. 	<ul style="list-style-type: none"> Datalock resolutions which result in loss of funding (e.g. funds secured at a later date, or forced withdrawal due to no funds).

Significant errors should be reported to the Director of Quality and Compliance who will liaise with the Fraud Prevention Lead for further investigation and corrective intervention where applicable. The error will be recorded and the agreed actions in an error log. The error log will be regularly reviewed via the Audit and Risk Committee to help us to improve our policy and procedures.

Risk Identification and Training

As part of our responsibility for minimising the number of errors which happen and the impact those errors have on the organisation we regularly review:

- Where errors are most likely to occur
- The potential consequences of errors occurring
- The training which needs to be in place to prevent the occurrence of errors

The outcomes will be recorded on our risk register and training to mitigate the risk of errors put in place. Staff are also encouraged to identify their own training needs through the appraisal process and in discussions with line managers. All apprenticeship starts undergo a full compliance check via BUD by dedicated compliance officers. BUD is designed to ensure full compliance with the ESFA funding rules and Apprenticeship starts do not have the ILR switched on for funding unless all compliance checks have been completed successfully.

An area where scrutiny will be prioritised relates to:

- PDSAT warnings and errors
- ILR Funding Claims – Apprenticeships, ALS and Functional Skills Aims
- Errors that impact Awarding Organisations and our direct claim status
- Errors that impact learners from entering gateway and have a funding impact such as Co-investment underpayments / timely payments
- Errors related to the transfer of apprentices from other training providers and/or change of employers

Training must extend beyond the data processing team as errors can occur for many reasons including:

- Inaccurate learner eligibility
- Inaccurate adjustments for Prior Learning and Experience
- Inaccurate recording of Off-the-Job Hours for apprentices
- Inaccurate attendance registers
- Deficiencies in the Progress Review process
- Lack of evidence to support learning support claims
- Lack of evidence to support Functional Skills claims
- Recording of monthly activity

Key risk and risk mitigation strategies will be reviewed regularly, and all staff are encouraged to share their thoughts on vulnerability and process improvement.

Monitoring, Review and Evaluation

This policy will be reviewed every 12 months or in response to changes to legislation or best practice, whichever is the sooner. The Director of Quality and Compliance is responsible for monitoring and reviewing this policy.

Annex A

ERROR RESPONSE PLAN

Purpose

This response plan provides a documented framework for the Fraud Prevention Lead (and if necessary other managers) to follow if significant errors are identified.

The response plan is there to ensure that:

- The error is properly investigated
- The corrective actions are agreed, documented and implemented
- We learn from errors and put appropriate measures and procedures in place to ensure these are not repeated

Reporting an error

All staff have a duty to report significant errors to the Quality and Compliance Director. The report should be made on the day the error has been identified. If there is any doubt in the reporter's mind whether the error is 'minor' or 'significant,' it should be shared with the Quality and Compliance Director who will determine the status of the error.

If the Quality and Compliance Director is implicated in the error, then the report should be made directly to the Fraud Prevention Lead (FPL) who shall in turn appoint an Investigating Officer.

All error reports must be comprehensive and detailed and reported within the agreed timescales set.

The Quality and Compliance Director will be responsible for liaising with the FPL and Finance Director if the error could be material to the performance of the organisation.

The Quality and Compliance Director or FPL must also consider whether the error is sufficiently serious to report to the DfE/ESFA or other funding body or awarding organisation.

Initial enquiry

On receiving details of a serious error, the Quality and Compliance Director will undertake an initial review and decide if any further action will be required, liaising immediately with the FPL.

Further action may include referral to the FD, DfE/ESFA, other funder, an awarding body or other third-party agency. In rare circumstances what may be reported as an error may need investigation as potential fraud.

Conducting an Investigation

The Fraud Prevention Lead should decide the remit and scope of any investigation and also determine the investigation timescales, reporting arrangements and deadlines. The purpose of the investigation is to identify:

- Is the reported error a real error
- What are the implications of the error (including financial implications)
- What (if anything) can be done to rectify the error
- A plan for error rectification (including timescales and responsibilities of individuals)

A report must be produced which documents the outcomes of the investigation.

Concluding an error investigation

At the end of the investigation, irrespective of the outcome, the Fraud Prevention Lead should review the position and see what lessons can be learned. Such reviews will help identify any weaknesses in controls that initially led to the error and should highlight any deficiencies that should be addressed.

Best Practice Network's Fraud Prevention Lead is Amy Yorke, Management Accountant –
amyyorke@bestpracticenetwork.co.uk