Adult Skills Fund

Assurance Framework

Supporting accountability, transparency and value for money.

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Amendments made from the previous version 6.0	Chapter One – Governance & Decision-Making: Changes to governance arrangements following to align with Integrated Settlement and the updated Apprenticeships, Skills and Children Learning Act 2009. Chapter Two – Audit and Assurance: New sub-section added at 2.8 Fraud Awareness. Chapter Seven – Adult Skills Fund Assurance Framework Appendices: The appendices have been removed in line with the changes in Chapter One. Minor factual and formatting changes throughout.
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Contents

1. Governance and Decision Making 5

1.1 Governance and Decision Making 5

1.2 Accountable and Transparent Decision Making 10

1.3 Use of Independent Scrutiny 134

1.4 Risk Management 134

1.5 Equality and Diversity 145

2. Financial Assurance and Auditing 16

2.1 Use of Independent Scrutiny 16

2.2 Internal and External Audit Arrangements 16

2.3 Corporate Governance Framework 16

2.4 Monitoring and Evaluation 17

2.5 Decision Making 17

2.6 ASF Provider Audit 18

2.7 Financial Due Diligence 18

2.8 Fraud Awareness 19

3. Data management 20

3.1 Data Collection 20

3.2 Data Processing 21

3.3 Data Storage and Security 21

3.4 Data Publication 212

4. ASF Policy: Funding Rules and Learner Eligibility 223

4.1 Key Documents 223

4.2 Entitlement 223

4.3 GLA-specific Changes to Funding Rules 233

4.4 Performance Management 234

5. Grant-Funded Provision Paid on Profile 25

5.1 Approach to Allocating Grant Funding 25

5.2 Delivery and Grant Management Approach 25

5.3 Subcontracting 26

5.4 Intervention 26

5.5 Allocation & Payments 28

6. Commissioning and Managing Grant Providers paid on Actual Levels of Delivery 29

6.1 Delivery and Grant Management 29

6.2 Intervention and Subcontracting for ASF Providers Paid on Actual Levels of Delivery 30

Introduction

The Adult Skills Fund (ASF)[1] Assurance Framework sets out the Greater London Authority's (GLA) governance and management approach for London's ASF under the skills & employment support pillar of the Integrated Settlement. The GLA voluntarily publishes this document as part of leading the way in terms of our commitment to openness and transparency in our policy and decision making.

The Assurance Framework aims to demonstrate to key stakeholders that the GLA has the necessary systems and processes in place to effectively manage ASF functions. Furthermore, it sets out and supports the GLA's best practice approach to providers and partners responsible for delivering grant funded and commissioned provision.

The Assurance Framework supports the delivery of the outcomes, indicators and targets for the Integrated Settlement established between the GLA and the Ministry of Housing, Communities & Local Government in the Integrated Settlement Outcomes Framework[2].

This Assurance Framework also builds on the English Devolution Accountability Framework[3] for Mayoral Strategic Authorities (MSAs).

The Assurance Framework is reviewed annually to ensure the GLA's governance arrangements for delivering the ASF remain compliant with national and GLA policy and processes as well as stakeholder expectations.

[1] From 1 August 2024 the Adult Education Budget became known as the Adult Skills Fund.
[2] The adoption of the MHCLG Integrated Settlement Outcomes Framework as the basis for monitoring, evaluation, and reporting for all programmes supported by the integrated settlement (including the ASF) was approved under cover of MD3486.
[3] The English Devolution Accountability Framework sets out how the mayoral combined authorities and the Greater London Authority (GLA) will be scrutinised and held to account by the UK Government, local politicians and business leaders, and by the residents and voters of their area.

1. Governance and Decision Making

This Framework provides assurance that the Greater London Authority (GLA) has in place the necessary systems and processes to manage devolved functions and funding relating to the ASF effectively.

This section sets out the governance and decision-making arrangements, including how and when decisions are taken, and by whom.

1.1 Governance and Decision Making

Devolution of Functions

1.1.1 The English Devolution and Community Empowerment Act 2026 (the 2006 Act) received Royal Assent on 29 April 2026. Schedule 13 of the 2026 Act amends the Apprenticeships, Skills and Children Learning Act 2009 which provides for the Mayor and the GLA to directly assume responsibility for functions that were previously delegated by the Secretary of State of Education (SSE)[4]. This is in line with the approach set out in the English Devolution White Paper which advised the provision of Integrated Settlements for established Mayoral Strategic Authorities (MSAs) to consolidate funding and increase flexibility to deliver local priorities.

1.1.2 The Skills & Employment pillar of the Integrated Settlement (IS) aims to ensure that those aged 19 and over and are eligible for funding, have access to appropriate education and training. It seeks to encourage and provide adults with the skills and learning they need to equip them to progress into, or within, work; or equip them for an apprenticeship or other learning.

1.1.3 From April 2026, the ASF was incorporated into the IS under the joint skills and employment pillar. The GLA is now in receipt of consolidated funding for adult skills and employment support for the Spending Review period to April 2029. As the Mayor now has devolved functions and powers for adult education rather than only being able to exercise these under the section 39A GLA Act 1999 delegation the broader governance approach for the ASF and the wider skills & employment support pillar has been reviewed.

Governance Structure

1.1.4 The Mayor approved the governance arrangements for implementing and managing the statutory functions relating to the ASF in July 2018 under Mayoral Decision (MD)2328 – Governance arrangements for statutory functions relating to AEB. This included the establishment of key decision-making bodies for ensuring that these functions are implemented and delivered effectively. MD2255 – Devolution of the Adult Education Budget to

[4] The delegation was previously agreed between the Mayor and the Secretary of State for Education in January 2019 via a delegation letter and Memorandum of Understanding. These documents confirmed the delegation of certain statutory functions and funding relating to the transfer of the Adult Education Budget (now ASF) to the Mayor of London from the 2019-20 academic year. An additional delegation letter and updated MoU were agreed in September 2025 and have now also been superceded.

the Mayor provides further information on the Mayor's decision to accept the ASF functions.

1.1.5 As a consequence of Schedule 13 of the English Devolution and Community Empowerment Act 2026 and the IS, there is no longer a necessity for ASF-specific governance arrangements and enables alignment with existing GLA processes while maintaining appropriate Mayoral oversight and assurance.

Adult Skills Fund Mayoral Board

1.1.6 The Adult Skills Fund Mayoral Board ('the Board") is the key forum for setting the strategic direction and funding priorities in relation to the ASF, and ensuring they are implemented and delivered effectively.

1.1.7 This Board provides an opportunity for the Mayor to actively consider and set the overall strategic direction and funding priorities for the ASF in London. In particular, ensuring delivery aligns to the aims and commitments set out in the London Growth Plan, the Inclusive Talent Strategy and programmes within the Mayor's mandate portfolio.

Board membership

1.1.8 The ASF Mayoral Board comprises the following members:

- Mayor of London – Chair;
- Deputy Mayor for Business and Growth;
- Mayor's Deputy Chief of Staff;
- Chief Finance Officer; and
- any other appointment that the Mayor deems to be in furtherance of the Board's aims.

Roles and responsibilities

1.1.9 The purpose of the ASF Mayoral Board is to consider proposals in relation to:

- the strategic priorities and funding requirements for the ASF, including alignment to the Mayor's strategic priorities, including but not limited to those set out in the London Growth Plan and Inclusive Talent Strategy, and the delivery plans for the Supporting Londoners to Benefit from Growth (SLBG) Supporting & Inspiring Young Londoners (SIYL) programmes; and
- any other area that the Mayor determines is needed in order to exercise his authority.

1.1.10 The ASF Mayoral Board constitution sets out further details on how the Board operates, including its membership and terms of reference.

1.1.11 Although accountability for all decision-making sits with the Mayor, the GLA recognises the need to engage with key stakeholders including London's boroughs, Further Education Colleges and Independent Training Providers, as well as business/employer representatives, particularly in relation to ensuring strategic priorities are being met and are addressing the local need.

The ASF Mayoral Board is informed by the recommendations of other GLA Skills & Employment stakeholder advisory groups as set out below.

Stakeholder advisory boards

1.1.12 The Inclusive Talent Delivery Group[5] (the "Delivery Group") is a strategic and operational group of the London Growth Mission.

1.1.13 It is responsible for the coordination and delivery of London's overarching workforce development framework, which includes implementing the Inclusive Talent Strategy, the Get London Working Plan and London's Local Skills Improvement Plan. As such it advises the Mayor and key partners on the use of Integrated Settlement funding to support the delivery of such.

1.1.14 The Delivery Group's objectives are to:

- advise on London's workforce development approach, reporting progress and performance to the Growth Mission Board, helping to shape the Board's agenda on workforce development issues;
- act as a single body with both strategic and delivery responsibility, bringing together London government, Skills England, employers, providers and city-wide partners to achieve system change and new ways of working between partners to develop a diverse talent pipeline for the sectors critical to London's inclusive growth and to embed lasting system change;
- consider priorities for London's skills, employment and careers ecosystem and advise the Mayor on funding and investment decisions, making sure investment and training match what employers and sectors need now and in the future, and enable Londoners on the lowest incomes to secure jobs and progress in work; and
- work in close partnership with the Sector Talent Boards and Hubs to use their insights and advice to inform recommendations for future funding or programming; and

1.1.15 The terms of reference and membership of the Delivery Group are available on request.

Governance Structure Chart

1.1.16 An ASF governance structure chart is available on request and will be published on the GLA website once updated governance arrangements are confirmed.

Conduct of Board Members

1.1.17 All non-GLA Board Members (and members of any subordinate bodies) are required to sign terms of appointment which include a requirement to

[5] The Delivery Group is the successor body to the Skills for Londoners Board and the Jobs & Skills Business Partnership.

observe the seven principles of public life ('The Nolan Principles')[6] and a Code of Conduct is issued by the GLA following appointment.

1.1.18 Board members who are also GLA staff are required to adhere to the GLA Code of Ethics and Standards for Staff, which sets out the role of the Authority's staff in assisting the Mayor and Assembly and details expectations in relation to declarations of interest, as well as confidence and trust.

Diversity

1.1.19 London's diversity is its biggest asset and the Mayor of London strives to reflect London's diversity in all Board appointments. In undertaking work in connection with our boards, members are asked to ensure that the diversity of London's communities and economy is acknowledged and embedded in all aspects of the Board's work.

1.1.20 In addition, a dedicated and time-compensated position for a Deaf and Disabled People's Organisations' (DDPO) representative on the Inclusive Talent Delivery Group will ensure that the lived experience of deaf and disabled Londoners is embedded in London's skills and employment programmes. This action has been included in the Mayor's Action Plan for Deaf & Disabled Londoners.

1.1.21 The Mayor has published his Equality, Diversity and Inclusion Strategy that sets out how he will work to create a fairer, more equal, integrated city where all people feel welcome and able to fulfil their potential.

1.1.22 Equality comments are required on every report presented at the above-Board meetings, and on every formal decision form, demonstrating how equality issues have been considered in the process of arriving at the recommended decision.

1.1.23 Where a report concerns commissioning activities, report authors are required to demonstrate that they have considered the Skills & Employment Unit's Inclusive Commissioning Protocol. Where the protocol has not been applied, justification for this must be provided.

Officer Support

1.1.24 The ASF programme is supported by staff within the GLA's existing structures.

1.1.25 The Executive Director for Communities & Skills or their nominee acts as the Senior Responsible Owner (SRO) for the SLBG programme[7], and the GLA's Chief Finance Officer is responsible for ensuring proper financial administration. Programme and project support is provided by the Skills & Employment Unit policy and delivery teams. GLA corporate support services (e.g. Finance and Human Resources) are also provided from within the GLA's existing support arrangements.

[6] With the exception of members who hold public office as they are automatically bound by these principles.
[7] The majority of the ASF sits under the Supporting Londoners to Benefit from Growth programme for which the Executive Director – Communities & Skills is the Senior Responsible Owner.

1.1.26 Governance arrangements consist of the Supporting Londoners to Benefit from Growth Project Board, which is an officer-led internal board chaired by the Assistant Director – Skills & Employment. It includes officers from TfL Legal and GLA Finance as standing attendees and considers reports and recommendations, including those from Senior Manager led Delivery and Performance groups. The delivery and performance groups meet regularly to review, monitor and challenge performance, issues and risks of all programmes delivered by the Skills & Employment unit. Performance is also reported upwards through the Supporting Londoners to Benefit from Growth Programme Board chaired by the SRO.

1.1.27 ASF processes that are purely operational, such as those associated with entering into contracts/grant agreements, payment profiling, non-significant variations and making provider payments are managed by GLA officers led by the Assistant Director – Skills and Employment on the Mayor's behalf via the SLBG programme governance arrangements. The table below sets out the thresholds at which variations are considered 'significant', and are based on a percentage of the overall contract/ grant value:

Table of value changes considered to be Non-Significant

Commitment Value	Max Change in Value (%)	Maximum Change
<£300k	30	N/A
£300k to £1m	20	£100,000
£1m to £3m	15	£300,000
>£3m	10	£500,000

1.1.28 Where a variation exceeds the thresholds outlined in the table above such will be referred to the Executive Director – Communities & Skills for approval via the SLBG Programme Board.

Use of Resources

1.1.29 Resources are managed in line with programme requirements (including targets set under the IS Outcomes Framework) and in line with the priorities established by the ASF Mayoral Board and appropriate approvals as set out in the GLA's decision making processes.

1.1.30 The GLA's Financial Framework is contained within the GLA's Financial Regulations and applies to all ASF funding.

1.1.31 Under the Financial Regulations, the GLA's Chief Finance Officer has statutory duties in relation to the financial administration and stewardship of the GLA. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 127 of the GLA Act 1999;
- The Local Government Finance Act 1988;

- The Local Government and Housing Act 1989;
- The Local Government Act 2003; and
- Accounts and Audit (Amendment) (England) Regulations 2006.

1.2 Accountable and Transparent Decision Making

1.2.1 The Mayor is committed to openness and transparency in his administration and will make sure the work of the Boards set out above are in line with Mayoral policy and stakeholder expectations wherever possible.

GLA Website

1.2.2 The primary source of information relating to the ASF in London is in the GLA website at www.london.gov.uk/what-we-do/jobs-and-skills. The web pages contain key documents and information relating to the delivery of the ASF.

Making and Recording Decisions

1.2.3 The ASF Mayoral Board (in conjunction with the relevant stakeholder advisory forum or subordinate body as appropriate) provides strategic guidance on the ASF (as outlined at paragraph 1.1.9 above), including:

1.2.3.1 Strategic or financially significant policy and funding proposals;

1.2.3.2 Strategic direction and priorities (including those identified through stakeholder consultation activities).

1.2.3.3 Policy decisions that cannot be aligned with the overall strategic direction.

1.2.3.4 matters which could be considered Novel, Contentious or Repercussive and annual ASF commissioning approach and budget

1.2.4 Decision-making for the ASF takes place at the appropriate level in line with the standard processes as set-out in the GLA's Mayoral Decision-Making Framework (MDMF).

1.2.5 A specific delegation is in place around variations to the value of contract/grant agreements as detailed at paragraphs 1.1.27 and 1.1.28 above.

1.2.6 All decisions will also be taken in line with the programme governance principles set out under SLBG and SIYL programmes.

1.2.7 Wherever possible, agendas and reports for the ASF Mayoral Board are published on the GLA's website five clear working days before the meeting to which they relate. Only in exceptional circumstances will the agenda and reports be tabled at the meeting or circulated within the five clear working day period.

1.2.8 All reports are released with the agenda except in those cases where officers reasonably consider that information may be exempt from disclosure under an

applicable exemption under the Freedom of Information Act 2000 (FOIA). These reports will be classed as 'reserved from publication'.

1.2.9 The main exemptions that are likely to make information reserved relate to the following (although others may be applicable under the FOIA):

- commercial sensitivity;
- information provided in confidence;
- personal data;
- legal professional privilege; and
- information intended for publication at a future date.

1.2.10 Board meetings are not held in public, reflecting the accountability arrangements Parliament has put in place for the GLA, in that the Mayor's decisions are scrutinised by the London Assembly, including through Mayor's Question Time only after he has taken decisions.

1.2.11 Summary minutes of the meetings of the Board are usually posted on the GLA's website within two weeks of the meeting to which they relate, with a final version published within ten clear working days of approval, which would normally take place at the following meeting.

In Taking Forward Advice from the ASF Mayoral Board

1.2.12 Where the ASF Mayoral Board has provided advice on proposals, these will be subject to the formal decision-making process and GLA officers conducting due diligence, including financial appraisal where applicable. Transparency in taking this forward is assured through the GLA's decision making processes and through publication of ASF Mayoral Board reports as well as all GLA decision forms.

Freedom of Information and Environmental Information Regulations requests

1.2.13 The Mayor of London is committed to complying with the Freedom of Information Act 2000 and Environmental Information Regulations 2004.

1.2.14 Reports that are reserved from publication can be requested under the relevant legislation, at which stage the GLA will consider these requests on a case-by-case basis (taking into consideration such factors as timing, any applicable exemptions and the public interest test).

1.2.15 The GLA website includes a link on every page of the website to a dedicated Freedom of Information page which outlines how to make requests and complaints.

Managing Conflicts of Interest, Gifts and Hospitality and Complaints

1.2.16 When undertaking work in connection with the ASF, Members are required to agree to comply with the standards and processes relating to conduct as detailed in their Terms of Appointment and the Code of Conduct ('the Code')

as set out in letters of appointment, and any relevant applicable provisions of the GLA Group's Corporate Governance Framework Agreement. The Code includes provisions in relation to adhering to the seven principles of public life ('the Nolan principles') and the potential disclosure and registration of personal interests. The Code acts to ensure the probity of those appointed to the boards.

1.2.17 Members are also required to disclose the receipt of gifts or hospitality valued over £50 in the course of their work for the Board.

Complaints and Whistleblowing

1.2.18 The Jobs and Skills webpages on the GLA website provide information on how Learners, Parents, authorised representatives of learners and employers can complain about the ASF programme in London via the GLA complaints procedure. Members of the public who are unsatisfied with the first stage of the complaints procedure can escalate their complaint to stage two of the GLA complaints procedure. The procedure includes a link to a secure form through which confidential complaints can be made.

1.2.19 The GLA has set out guidance on how staff can raise concerns about wrongdoing in the workplace where they believe the public interest is not being served. Although primarily for staff, the Whistleblowing Policy and associated guidance also explain how others can raise concerns about the GLA's work.

Local Engagement

1.2.20 While decision making in relation to the ASF programme sits directly with the Mayor (or senior staff as delegated), the GLA is committed to working closely with stakeholders, including London's boroughs, Further Education colleges, independent training providers and businesses to enable collective engagement in decision making on skills priorities, including the ASF.

1.2.21 Stakeholders are engaged through a range of informal meetings, briefings and events, as well as through formal meetings of the Inclusive Talent Delivery Group. London Councils (the umbrella organisation for the boroughs and the City of London Corporation), and BusinessLDN, (and Employer Representative Body) are represented on the Delivery Group and individual employer/business members are also appointed to ensure employer voice is represented.

1.2.22 Stakeholders are engaged during the process of designing new policies and will continue to be consulted as these arise.

Arrangements for Project Delivery

1.2.23 All contracts/grants are subject to the GLA's procurement and associated financial management processes. The GLA takes responsibility for ensuring effective delivery including where subcontractor delivery bodies have been appointed.

Priorities and Mechanisms for Enhancing Social Value

1.2.24 The GLA also uses its Responsible Procurement Policy that guides procurement to enhance social value. In addition, the inclusive commissioning protocol developed by the Skills & Employment Unit ensures that supplier diversity is encouraged.

1.3 Use of Independent Scrutiny

1.3.1 The GLA operates several structures to ensure that ASF decision making is subject to independent scrutiny. Arrangements include scrutiny by the London Assembly in line with its role described in the Greater London Act 1999 and specifically its Economy, Culture and Skills Committee and Budget and Performance Committee.

1.3.2 Sign-off is also sought at the appropriate officer level on all ASF decision forms in line with the GLA's Mayoral Decision-Making framework.

1.3.3 The ASF is included in the annual Mayor's Office for Policing and Crime (MOPAC)[8] audit schedule allowing for MOPAC auditors to scrutinise ASF management and allocation processes. MOPAC audit reports are reported to the London Assembly Audit Panel who scrutinise the recommendations. The GLA's external auditors are also able to review the ASF payments and financial information.

1.3.4 The devolved funding from HM Government is held and managed by the Greater London Authority and subject to financial management arrangements and subject to Internal Audit in accordance with the Accounts and Audit Regulations (2015) and in compliance with the mandatory Public Sector Internal Audit Standards. This will provide independent and objective assurance regarding the effectiveness of the GLA's risk management, control and governance processes.

1.4 Risk Management

1.4.1 The GLA has a Risk Management Framework that all GLA funding is subject to. A senior officer (Executive Director of Communities & Skills) is the Senior Responsible Owner (SRO) responsible for overseeing officers in identifying and managing risk for the ASF.

1.4.2 The Skills & Employment Unit has implemented a Risk and Issue management protocol in line with the GLA framework. The protocol describes how the Unit manages risks and issues in its portfolio, including ASF risks, through the Unit's governance structures. This includes escalation to the ASF Mayoral Board and separately through GLA corporate governance processes to the London Assembly, including reporting in the corporate tier two risk register. Further detail in relation to governance and decision making for the ASF in London is available at: london.gov.uk/what-we-do/jobs-and-skills/jobs-and-skills-governance-and-partners.

[8] MOPAC's Directorate of Audit, Risk and Assurance (DARA) provides a shared internal audit service to the GLA.

1.5 Equality and Diversity

1.5.1 In his Equality, Diversity and Inclusion strategy published in 2022, the Mayor set out how all his policies and programmes will help to create a fairer and more inclusive city where all people feel welcome and able to achieve their full potential. Delivery of the ASF takes this into consideration and makes assurances that providers do as well:

- Grant providers are required to have criteria for how they will administer and distribute ASF funds; these must reflect the principles of equality and diversity;
- Grant providers are required to adhere to the Equality Act 2010 and to promote principles that support equality of opportunity for all;
- In their bid, commissioned providers are required to explain how they, as organisations, are representative of the communities they seek to serve. This includes positively promoting and encouraging diversity and equality at all levels within their organisations and eliminating unlawful discrimination, harassment and victimisation.

1.5.2 The education inspection framework (EIF) published by Ofsted in 2025 aims to eliminate discrimination and advance equality of opportunity. All providers are subject to inspections by Ofsted and therefore must adhere to the terms of the EIF.

2. Financial Assurance and Auditing

The GLA has robust arrangements in place to ensure effective delivery of the ASF. This section summarises the GLA's existing processes and outlines the GLA's Financial Assurance and Auditing approach.

2.1 Use of Independent Scrutiny

2.1.1 The London Assembly Audit Panel has clearly defined terms of reference and plays a key role in enhancing public confidence in the governance of the GLA. The Panel is concerned with ensuring; the security and monitoring of financial systems; there is an anti-fraud culture; and the promotion of probity and good practice within the core GLA. The Panel works in liaison with the external auditors over their annual programme and, with the Mayor as appropriate, approves the internal audit annual plan. It deals with matters arising from external and internal audit activity and reviews GLA's risk management framework.

2.1.2 The Panel meets on a quarterly basis receiving and considering appropriate reports from GLA officers and internal and external audit to effectively discharge its responsibilities as defined within its terms of reference.

2.2 Internal and External Audit Arrangements

2.2.1 The GLA is required by the Accounts and Audit Regulations 2015 to undertake effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, considering public sector internal auditing standards.

2.2.2 The Head of Audit provides an independent and objective annual opinion on the effectiveness of risk management, control and governance arrangements for the GLA, which is published alongside the annual accounts in the public domain.

2.2.3 The external auditors for the GLA were appointed by the Public Sector Audit Appointments (PSAA). Both internal and external audit report to the London Assembly Audit Panel at each of its meetings and have direct access to the Chair in line with best practice.

2.3 Corporate Governance Framework

2.3.1 The GLA has a clearly defined corporate governance framework which is regularly reviewed to ensure it is in line with best practice and to meet statutory requirements. An updated GLA Scheme of Delegation, Financial Regulations and Contracts Code are in place.[9]

[9] All available at: https://www.london.gov.uk/who-we-are/governance-and-spending/promoting-good-governance/our-procedures

2.4 Monitoring and Evaluation

2.4.1 The GLA is compliant with the Local Audit and Accountability Act 2014. The London Assembly Audit Panel is concerned with ensuring the security and monitoring of financial systems. Terms of reference, details of committee members and minutes are publicly available.

2.4.2 The Internal Audit Charter sets out the roles and responsibilities in place to ensure an adequate and effective internal audit function is operating and for reporting to the Mayor and London Assembly should the possibility arise of a failure to maintain this requirement.

2.4.3 At a local level, the Skills & Employment Unit ensure appropriate and proportionate arrangements are in place for monitoring. Performance and spend is monitored on a regular basis for expenditure, output and outcome performance, and risks and issues as a minimum.

2.4.4 The specific outcomes that will be monitored and measured will differ depending on the type of intervention. Monitoring and evaluation focus on those outcomes that are most relevant to the impact of the ASF programme objectives.

2.4.5 As mentioned in Chapter 1 of this Assurance Framework, the ASF is included on the annual MOPAC audit schedule allowing for auditors to scrutinise ASF processes.

2.4.6 Programme level evaluations are undertaken as appropriate.

2.4.7 The officer-level SLBG Project Board monitors project level performance in line with GLA reporting schedules. Additional programme level oversight is provided by the SLBG Programme Board. Details of ASF governance arrangements can be found in Chapter 1 of this Assurance Framework.

2.5 Decision Making

2.5.1 The GLA has a clear and transparent basis against which projects and programmes are initially identified, commissioned, appraised and prioritised. This basis is applied to all ASF finances.

2.5.2 ASF decision-making is aligned to the GLA's established decision-making processes as set out in the MDMF. Further information about ASF governance arrangements is set out in Chapter 1 and further details can be found here: https://www.london.gov.uk/programmes-strategies/jobs-and-skills/governance-and-partners

2.5.3 The Chief Finance Officer has overall responsibility for funding and sits on the ASF Mayoral Board.

2.6 ASF Provider Audit

2.6.1 The GLA's Audit and Assurance approach has evolved since the initial devolution of adult education functions and continues to be reviewed annually to ensure it remains proportionate, risk-based and aligned to funding and assurance requirements. The Mayor approved a five-year budget to implement a new adult skills approach under cover of MD3165 in October 2023.

2.6.2 GLA officers work with DfE and Strategic Authorities to support consistent audit and assurance arrangements across the sector informed by the Framework for auditors and reporting accountants of colleges for further education and six-form colleges and the financial handbook for independent training providers for other training providers.

2.6.3 Two organisations were awarded five-year audit contracts through a competitive procurement process, effective from September 2024. A further organisation was subsequently awarded a contract through a direct award mini competition to undertake audits where conflicts of interest exist with the primary audit providers

2.6.4 The 2025-26 provider audit programme commenced in June 2025 and is expected to conclude in November 2026 following completion of audit fieldwork and submission of final reports. Findings from provider audits are used to inform risk assessments, provider management activity and future assurance planning.

2.6.5 The GLA operates a risk-based provider audit programme. Providers are selected for audit based on an assessment of risk, informed by factors including funding values, financial health, previous audit findings, subcontracting activity, provider performance and other relevant intelligence.

2.7 Financial Due Diligence

2.7.1 The following arrangements were applied to ensure appropriate financial checks and due diligence as part of the grant allocation and procurement processes.

2.7.2 The GLA receives financial information from the DfE Regional Improvement Team about the financial health of providers following each national finance return.

2.7.3 All financial health assessments received are reviewed as part of the ongoing provider monitoring and intervention arrangements.

2.7.4 With respect to funded providers, the GLA has set out performance management arrangements including action to address weakness in financial health where this impacts on the funds devolved to the Mayor. This approach is outlined in the Managing Provider Performance Policy for Colleges and Local Authorities, and the Managing Provider Performance Policy for Independent Training Providers.

2.7.5 Financial due diligence forms part of a broader suite of risk assessment measures applied to ASF funded providers. Information obtained through financial health assessments, provider performance monitoring, audit findings and other intelligence sources informs the GLA's risk-based audit and assurance programme and provider selection process.

2.8 Fraud Awareness

2.8.1 In order to address the risk of fraud and economic crime GLA officers receive Fraud Awareness Training. This supports officers to recognise warning signs of fraud, build understanding of the preventative controls in place and the best practice approach for escalating suspected cases of fraud.

2.8.2 The above aligns with and contributes to the GLA's wider Anti-Fraud and Corruption Strategy which sets out the organisation's approach to preventing fraud and upholding it's legal requirement to protect public money.

3. Data management

To enable the development and maintenance of the adult education functions devolved to the GLA has devised a framework for the collection, processing and storage of data. This section sets out the approach to data management of the ASF to ensure processes are standardised, compliant and clear.

3.1 Data Collection

3.1.1 The GLA and DfE will continue to maintain a Data Sharing Agreement (DSA) permitting the monthly transfer of ASF delivery data collected by providers in the Individualised Learner Record (ILR). The ILR is an ongoing, nationally specified collection of data about learners and the learning undertaken by them from providers. Data are transferred between parties using securely encrypted processes, with password-protected access to DfE systems, and a two-factor verification process to access DfE systems.

3.1.2 To carry out the devolved functions, the GLA receives some supplementary data directly from ASF providers for validation purposes, uploaded to GLA ShareFile, a file sharing server; and supplementary data uploaded to the GLA Open Project System (GLA OPS), or its Skills Gateway platform. Uploads require password protected login access by providers and include:

- Monthly learner aggregated data in funding reports;
- Supporting evidence for funding claims;
- Detailed subcontracting plans;
- Financial Health Assessments;
- Detailed delivery plans; and
- Funding Claim data returns.

3.1.3 The GLA will continue to work proactively with DfE through the monthly Devolution Data Governance Group to identify data needs. Where it is recognised that additional data requirements go beyond what is currently collected in the ILR, the GLA and the DfE will work together to manage potential changes to the system and minimise new data provision demands on providers, and to ensure efforts are not duplicated between commissioning bodies.

3.1.4 The GLA will continue to gather intelligence through provider engagement work on the most useful data to support the GLA initiatives outlined in the Inclusive Talent Strategy and the Supporting Londoners to Benefit from Growth delivery plan. Implementation of this work will be informed by the stakeholder advisory forum outlined in Chapter 1; undertaken in consultation with providers; and incremental to balance the impact on providers with the possible benefits to be realised by gathering data.

3.1.5 Data collected through ILR returns, funding claims and supplementary returns supports payment validation, performance monitoring, audit activity, fraud

prevention and compliance assurance.

3.2 Data Processing

3.2.1 Data will be utilised by the GLA for operational use associated with the adult skills delegation process. This will include business processes such as:

- Calculating funding earned by providers to enable accurate payments;
- Monitoring and performance: managing provider delivery against allocation or contract, and evaluating quality and effectiveness of provision;
- Informing funding and commissioning decisions, research for policy development and modelling; and
- Conducting programme evaluation and impact analysis.

3.2.2. Recipients of operational data will be restricted to GLA officers with a genuine business need to undertake any processing or analysis.

3.2.3. Data analytics and exception reporting may be used to identify anomalies, emerging risks and areas requiring further investigation through provider management, audit or assurance activity. The GLA may also utilise data analysis techniques to support the detection of potential fraud, irregularity, error or non-compliance with funding requirements.

3.3 Data Storage and Security

3.3.1. His Majesty's Government (HMG) security framework policy outlines the mandatory security outcomes expected of the GLA in handling HMG information. Alongside this, data handling will meet the conditions set out in the rules and guidelines for sharing information.

3.3.2. As a Data Controller, it is the responsibility of the GLA to maintain adequate organisational and other technical measures to ensure compliance with the obligations under the General Data Protection Regulation (GDPR). This will be overseen by the Senior Information Risk Owner with the monitoring of compliance overseen by the Data Protection Officer. The GLA will ensure a full auditable governance of data from data collection to payment and analysis. Payments will be made based on funding calculations made from the ILR Occupancy and Funding Summary reports, which will be received monthly from the DfE and reconciled against a formal Funding Claim statement from providers at year end. This funding data will be stored securely on the GLA systems under the terms of the data sharing agreement.

3.3.3. The GLA will continue to maintain technical documentation of data governance arrangements including, but not limited to, Data Sharing and Processing agreements, Information Asset registers, data owner and user logs, Data Protection Impact Assessments and other relevant information governance policies and procedures.

3.3.4. Appropriate data sharing agreements will be in place between the GLA and DfE to enable the sharing of ILR and other national data with the GLA, and for

the GLA to share locally collected, processed data to the DfE to inform nationally published reports and performance measures.

3.3.5. The GLA may choose to commission external parties to conduct research and analysis on its behalf. Where the department agrees for the GLA to share data with named individuals in other organisations, the GLA will operate as a data controller of the shared data, and the other organisation will operate as its data processor. The GLA will ensure there is a contract with the data processor which outlines the terms and conditions, to include safeguarding and the restriction of data processing.

3.3.6. Data will be retained and disposed of in accordance with GLA records management policies, applicable legislation and data sharing agreements

3.3.7. Systems and processes maintain appropriate audit trails to support assurance activity, monitoring of access and investigation or potential data incidents

3.4 Data Publication

3.4.1. Any data provided to other external entities (such as training providers) will be aggregated and no confidential, personal or identifiable material will be shared. Data will be made available on the London Datastore.

3.4.2. Publication of data by the GLA will be compliant with the rules and regulations set out by the UK statistics authority and agreed with the DfE.

3.4.3. The GLA will work jointly with the DfE to respond to Freedom of Information requests.

4. ASF Policy: Funding Rules and Learner Eligibility

This section provides a summary of the ASF policy on funding and learner eligibility, approved by the Mayor of London.

The ASF policy seeks to support delivery of the Mayor's strategic priorities in relation to adult skills while also minimising the impact on providers and maintaining stability in the sector.

4.1 Key Documents

4.1.1 The following documents set out the full details of the funding rules and rates for the ASF in London. All documents are updated annually and can be found on the Information for GLA ASF Providers webpage:

- GLA ASF Funding and Performance Management Rules for Grant-funded Providers
- GLA ASF Funding Rates and Formula for All Providers
- GLA ASF Grant-Funded Provision Managing Provider Performance Policy for Colleges and Local Authorities
- GLA ASF Grant-Funded Provision Managing Provider Performance Policy for Independent Training Providers.

4.2 Entitlement

4.2.1 The ASF entitlements, pursuant to the Apprenticeships, Skills, Children and Learning Act 2009, associated regulations and the DfE list enable eligible learners to be fully funded for:[10]

- 'English and maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A* - C or grade 4 or above, or have been assessed as having an existing skill level lower than grade 4 (even if they have previously achieved a GCSE or equivalent qualification in English and maths); and/or
- first full qualification at level 2 for individuals aged 19 to 23; and/or
- first full qualification at level 3 for individuals aged 19 to 23.'
- Essential Digital Skills qualifications (EDSQs) or Digital Functional Skills qualifications (FSQs), up to and including level 1, for individuals aged 19 and over, who have digital skills assessed at below level 1

4.2.2 The Mayor will ensure equal access to English and Maths provision under the entitlement for people with relevant protected characteristics under the

[10] Department for Education (2026) *Adult skills fund: funding and performance management rules 2026 to 2027* , available at: Adult skills fund: funding and performance management rules 2026 to 2027 - GOV.UK

Equality Act 2010. This may include access to provision of English for Speakers of Other Languages (ESOL) courses.[11]

4.2.3 The Secretary of State will continue to be responsible for determining which qualifications are covered by the entitlement but that the Mayor of London may choose to fund other provision (in addition to those specific entitlement qualifications), using the ASF.

4.2.4 Providers are responsible for checking learner eligibility and claiming funding only for eligible learners in accordance with the criteria specified in the funding rules and rates documents.

4.3 GLA-Specific Changes to Funding Rules

4.3.1 Tables summarising the main changes to funding rules can be found in the Grant Funding and Performance Management rules for 2026-27. This document can be found as part of the Information for GLA ASF Providers section of the london.gov.uk.

4.4 Performance Management

4.4.1 The approach to performance managing delivery of funded and subcontracted provision can be found in Chapters 5 and 6 of the Assurance Framework, which includes further detail about commissioned and grant funded ASF provision.

[11] Ibid.

5 Grant-Funded Provision Paid on Profile

This section sets out a summary of the approach approved by the Mayor of London to managing grants with providers, in line with his strategic priorities for adult skills. This includes performance management and intervention; subcontracting; reporting; and ensuring compliance.

5.1 Approach to Allocating Grant Funding

5.1.1 The approach to allocating grant funding can be found in section 6.5 - Allocation and Payments.

5.2 Delivery and Grant Management Approach

5.2.1 The GLA will ensure appropriate and proportionate arrangements are in place for monitoring and evaluating delivery. Performance and spending will be monitored by a named Provider Manager for each provider. The Provider Manager will conduct termly meetings with the provider to monitor progress against delivery plans, expenditure, output and outcome performance and risks and issues as a minimum.

5.2.2 For providers in receipt of grant funding, in addition to the monitoring set out in this document, it is anticipated that the assessment of performance will consider the following:

- Progress against agreed delivery plans and funding performance at the mid-year claim, end-year claim and final claim date;
- Receipt of ILR data to review performance and forecast for delivery for the remainder of the year;
- An assessment of the quality of provision based on educational performance data; and
- Overall performance of the provider such as financial health, governance and Ofsted grades.

5.2.3 Provider Managers will monitor any underspend against grant values. Where appropriate, provider managers may work with providers to adjust grant amounts to better align with performance levels.

5.2.4 Any growth request process for an academic year will be considered in line with governance arrangements at the appropriate stage. Any variations to funding will be subject to the availability of funding and the capacity and capability of a provider to deliver the outputs/outcomes. An assessment criterion to determine the increase or decrease in grant value will be developed and outlined in the ASF Funding Rules when published.

5.2.5 The GLA will undertake a reconciliation of actual funding earned at the end of the funding year based on providers' annual final funding claims and evidence provided. Payments may be adjusted following this reconciliation and may include recovering any overpayment.

5.2.6 Further information on monitoring and performance management for colleges and local authorities and independent training providers is available on the Information for ASF Providers page on the GLA website.

5.3 Subcontracting

5.3.1 The GLA approach to subcontracting is set out in the GLA ASF Grant Funding and Performance Management Rules. To provide additional assurance and satisfy requirements for achieving value for money, the GLA has adopted the following additional measures:

- Providers are asked to outline their plans to use subcontracting arrangements at the beginning of each funding year;
- Approval is required for any in-year changes to subcontracting arrangements; and
- A 20 per cent cap is applied to subcontracted funding retained, unless a provider can demonstrate that a retention fee exceeding this level of cap can be justified.
- Sub-contracting is capped at 25 per cent of ASF grant providers' maximum annual allocation value (with the exception of Local Authorities in recognition of their commissioning role)

5.3.2 The GLA will continue the requirement for providers to obtain an annual report from an external auditor that provides assurance on their arrangements to manage and control their delivery subcontractors as set out in the GLA arrangements. The GLA ASF Funding Rules set out that the provider must send a copy of the certificate to the GLA each year, to confirm that the external assurance work has been completed and that there are no assurance issues. The GLA may request a copy of the report. An externally assured subcontracting standard was established by the DfE that replaced the external assurance report. For providers funded both by the GLA and DfE that have been awarded the DfE subcontracting standard the GLA will accept the external auditor's subcontracting standard report where GLA funded subcontracted provision has been included in the auditors' work, to avoid duplication while ensuring optimal subcontracted delivery quality assurance. The GLA has received legal advice and support on the development of documentation required for the delivery of ASF grant funding.

5.4 Intervention

5.4.1 The GLA arrangements for intervention support are published in Managing Provider Performance for Colleges and Other Grant-funded Providers. The GLA will work closely with providers to ensure that their delivery and performance meet the criteria agreed in the grant agreement.

5.4.2 Where issues with performance and/or the quality of delivery are identified, the provider will develop an improvement action plan address the issues

identified as part of the targeted support process that the GLA will assess and approve.

5.4.3 If the provider fails to agree to an improvement action plan, does not implement the action plan as agreed, or does not meet the agreed milestones, the GLA may, at its discretion, implement further measures of intervention including, but not limited to, reducing the allocation value or suspending payments.

5.4.4 The GLA will implement targeted and intensive support and intervention measures for colleges and other grant funded providers where any of the following conditions arise:

- Failure to comply with informal intervention measures as described in the 'escalation' process above;
- Quality of the provider's provision is evidenced as below acceptable levels, as evidenced by:
  - Ofsted inspection determines that the overall effectiveness of a provider requires urgent improvement or safeguarding is not met
  - Further Education Commissioner diagnostic assessment determines that a provider requires urgent escalation to formal intervention;
  - A significant decline in the provider's educational performance data.
- Financial health assurance:
  - GLA or ESFA financial health assessment gives an assessment of high risk or inadequate;
  - The provider is considering structural change, including via an Independent Business Review (IBR), or Structure and Prospects Appraisal (SPA); and/or
  - If a provider enters the FE insolvency regime, as defined by the Technical and Further Education Act 2017.[12]
- Audit, assurance, fraud and investigations:
  - A qualified opinion resulting from a funding audit;
  - A fraud or financial irregularity investigation produces evidence to support suspicion or allegations; and/or
  - A provider fails to provide audit and assurance documents required by the GLA (to be set out in an audit code of practice).

5.4.5 The GLA will work with a provider to identify ways for improving on performance, achievements and quality standards before implementing further measures of intervention. This includes but is not limited to, further performance management points, suspension of payments against grant value, a reduction in the grant value, and regular submission of detailed

[12] Technical and Further Education Act 2017 (TEFA 2017) available at http://www.legislation.gov.uk/ukpga/2017/19/contents

information such as management accounts or governing body minutes. All of which will be agreed upon in an action plan with SMART objectives.

5.4.6 The Managing Provider Performance Policy for colleges and local authorities sets out intervention triggers and mitigations for grant-funded provision paid on profile.

5.5 Allocation & Payments

Allocation of Grant Funding

5.5.1 The Mayor will agree the annual ASF budget including the main budget categories including grant provision, commissioned provision; and management & administration.

5.5.2 The approach for awarding grants to eligible providers will be agreed by officers in line with the strategic direction set by the ASF Mayoral Board.

5.5.3 The grant allocation approach has been developed based on the following key principles:

- to maintain funding stability for providers;
- to align allocations with actual performance levels; and
- to ensure the process is fair, efficient and transparent.

5.5.4 To ensure value for money in grant allocation administration, City Hall only allocated an ASF grant to grant-funded providers delivering adult education services to London residents where providers are located within London and its fringe area or a business case for continued funding was approved.

5.5.5 Final 2026-27 academic year allocations were considered by the Mayor and issued to grant-funded providers in March 2026. Final allocations were published by the GLA in July 2026.

Payment and Monitoring Process

5.5.6 The payment process is specified in the Skills for Londoners ASF Funding and Performance Management Rules for Grant Providers. Further details can be found in Chapter 4 of this Framework. The Funding and Performance Management Rules for Grant Providers can be found on the Information for ASF Providers page on the GLA website.

6. Commissioning and Managing Grant Providers paid on Actual Levels of Delivery

This section sets out a summary of the approach approved by the Mayor of London to manage grant-funded providers paid on actual levels of delivery.

This includes all funding competitively awarded through the London Talent Pathways programme (LTP) Fund approved by the Mayor for delivery from 2026 to 2028.

6.1 Delivery and Grant Management

Delivery and Grant Management for ASF Providers Paid on Actual Levels of Delivery

6.1.1 From the 2026-27 academic year, the GLA funded new projects through the London Talent Pathways (LTP) Fund.

6.1.2 Providers funded under the LTP Fund will need to comply with the GLA ASF Funding and Performance and Management Rules. Providers are paid in arrears based on actual levels of delivery.

6.1.3 Grant agreements include delivery targets to be delivered over the course of the agreement. Provider Managers will monitor the performance of providers against their delivery targets. Grant allocation values can be reduced or terminated if the GLA considers provider performance to be unsatisfactory.

6.1.4 Delivery under LTP commenced from the 1 August 2026 and at the point of award, grant awards were made for two academic years with the scope to extend for a further year.

Delivery and Grant Management Approach for ASF Providers Paid on Actual Levels of Delivery

6.1.5 The GLA will ensure appropriate and proportionate arrangements are in place for monitoring and evaluating the delivery of grant providers paid on actual levels of delivery in line with Mayoral priorities.

6.1.6 Performance and spending will be monitored by a named Provider Manager for each provider. The Provider Manager will conduct termly review meetings with the provider that will, as a minimum, include:

- Monitoring of performance against annual and lifetime financial and output and outcome profiles;
- A review of risks and issues;
- A review of the quality of delivery and management systems.

6.1.7 Where underperformance is identified under each annual allocation, which may lead to a reduction in the provider's lifetime grant value. In addition, as described in the intervention section below, grants may be terminated or

reduced by the GLA if we consider performance or other elements of delivery as unsatisfactory.

6.1.8 Providers may also request a reduction in the value of the grant allocation. Increases in grant value will be subject to guidance arrangements published by the GLA in line with Funding and Performance Management Rules for Providers.[13]

6.1.9 The GLA will undertake a reconciliation of actual funding earned at the end of the funding year based on providers' annual final funding claims and evidence provided. Payments may be adjusted following this reconciliation and may include recovering any overpayments for ineligible delivery.

6.2 Intervention and Subcontracting for Providers Paid on Actual Levels of Delivery

6.2.1 The GLA has published Managing Provider Performance for Independent Training Providers. Where the delivery provider paid on actuals is a college or local authority, then the arrangements in Section 5 apply. Provider managers will monitor delivery and performance across all aspects of the grant and where issues are identified the GLA will require the provider to develop an improvement action plan. The plan must be approved by the GLA. Where a provider fails to agree on a recovery plan or does not implement the plan as agreed the GLA may, at its discretion, implement further measures of intervention including, but not limited to, reducing the grant value, suspending payments, or ultimately termination.

6.2.2 In addition to the exercise of its broader contractual rights concerning breach of the grant funding agreements the GLA may implement targeted or intensive support intervention measures when any of the following conditions arise:

- the quality of the providers' provision is considered below standards, as evidenced by:
    - Ofsted inspection or monitoring determines that the overall effectiveness requires urgent improvement or safeguarding is not met
    - a decline in the provider's educational performance data such as qualification achievement rates or other outcomes
    - escalation by the GLA Provider Manager due to local intelligence, such as complaints or poor-quality data returns.
- Financial health assurance:
    - GLA or DfE Financial health assessment is deemed inadequate or high risk;
- Poor audit or assurance findings

[13] Guidance documents for providers, include the GLA ASF Funding and Performance Management Rules, for colleges, local authorities and a separate publication for independent training providers are published at: https://www.london.gov.uk/what-we-do/jobs-and-skills/adult-education-budget/information-gla-aeb-providers

- a qualified opinion following a funding review;
- a fraud or financial irregularity investigation that reveals evidence to support suspicion or allegations; and/or
- a provider failing to provide audit and assurance documents required by the GLA (to be set out in an audit code of practice).

- GLA is notified that the DfE or other funding bodies considers the provider a high-risk organisation.

6.2.3 The GLA will work with the provider to support for improving performance, achievements and quality. The GLA may, at its discretion, implement further measures of intervention including, but not limited to, reducing the allocation value or suspending payments or terminating the grant agreement.

6.2.4 Providers are required to detail their subcontracting arrangements in their tenders, these are assessed as part of the tender evaluation and any changes to these during the grant agreement lifetime will require GLA approval.

6.2.5 As with the grant-funded ASF provision, a 20 per cent cap is applied to funding of subcontracts retained by lead providers. Sub-contracting is capped at 25 per cent of a provider's maximum annual allocation value, and providers will also need to obtain an annual external audit report that provides assurance on the management and controls of their subcontracting arrangements, unless a DfE subcontracting standard has been awarded, in which case this will be accepted where the GLA funded subcontracted delivery has been included in the external auditor's work (see 5.3.2)