



Education & Skills  
Funding Agency

Education and Skills Funding Agency  
Sanctuary Buildings  
Westminster, London  
SW1P 3BT  
[www.gov.uk/esfa](http://www.gov.uk/esfa)

Mary McCormack  
Chair of Governors  
Lambeth College  
45 Clapham Common Southside  
London  
SW4 9BL

18<sup>th</sup> December 2017

Dear Mary,

### **Financial Control Notice to Improve**

This letter and its schedule constitute a Notice to Improve (NTI) in line with clauses within the Financial Memorandum and Funding Agreement between the Secretary of State for Education (DfE) acting through the Education and Skills Funding Agency (ESFA) on behalf of the Crown.

It sets out additional conditions of funding that Lambeth College is required to comply with in order that the ESFA can continue to fund. The conditions set out in the schedule of this NTI are in addition to the conditions of funding set out in the Financial Memorandum and Funding Agreement.

I am issuing this NTI because Lambeth College has been rated inadequate for its financial management and control by the ESFA.

Schedule 1, attached, sets out the action required under this NTI.

The conditions of funding specified within this Notice are in addition to those specified in your existing Notice of Concern (issued 28 June 2013) for Financial Health

### **Monitoring**

ESFA will closely monitor progress made towards meeting the additional conditions through the scheduled case conferences and will work with you and wider agencies to secure the best outcome for learners, employers, the local community.

### **Compliance**

If Lambeth College does not comply with the conditions outlined in the schedule within the specified time period, the ESFA will pursue one or more of a range of options outlined in, or incorporated into, the financial memorandum and funding agreement.

In all cases, the removal of the additional conditions will occur when Lambeth College receives a letter from the ESFA indicating that the additional conditions have been met.

## **Complaints**

If you consider that the ESFA has acted unreasonably or not followed a proper procedure in issuing the additional conditions, you can make a complaint under the procedure for dealing with complaints about the ESFA - <https://www.gov.uk/government/organisations/education-and-skills-funding-agency/about/complaints-procedure#complain-about-the-esfas-service>.

## **Publication**

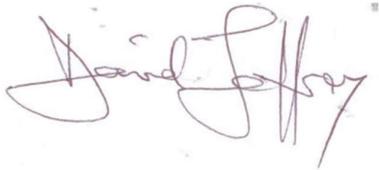
From 1 August 2017, and in accordance with the funding agreement, the ESFA will be publishing all NTIs on .gov.uk

## **Action required**

Please acknowledge receipt of this letter and the schedule below by writing to Steve Bagley (stephen.bagley@education.gov.uk) by 8<sup>th</sup> January 2018.

This Notice is being copied to Ofsted and the FE Commissioner.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Jeffrey', with a stylized, cursive script.

**David Jeffrey**

Deputy Director, Intervention (London and South East)

Cc:

Monica Box, Interim Principal, Lambeth College

Josh Parsons, Ofsted

Richard Atkins, Further Education Commissioner

## Schedule 1

No	Concern	The College is required to:	Timescale
01	Administrative	<ul style="list-style-type: none"> <li data-bbox="613 302 1114 363">• Acknowledge receipt of this Notice of Concern and Schedule</li> </ul>	Within 10 days of receipt of this Notice
02	Financial management and control	<ul style="list-style-type: none"> <li data-bbox="613 432 1195 493">• Enforce the framework of risk management, governance and internal control</li> </ul>	With immediate effect
		<ul style="list-style-type: none"> <li data-bbox="613 592 1195 716">• Update and strengthen the existing financial recovery action plan, to address issues identified in internal audits and ESFA audit opinion.</li> <li data-bbox="613 753 1166 877">• The action plan should have the informed consent and ownership of the college's Governing Body and senior management team.</li> <li data-bbox="613 915 1182 1039">• The plan should include measures and milestones that will enable the College and the ESFA to assess the progress being made.</li> </ul>	08 Feb 2018
		<ul style="list-style-type: none"> <li data-bbox="613 1073 1195 1197">• Improvement in financial management and control should be evidenced by the 2017/18 audited financial statements and finance record submitted in December 2018</li> </ul>	28 Dec 2018
		<ul style="list-style-type: none"> <li data-bbox="613 1262 1185 1352">• Include a Statement of Corporate Governance and Internal Control within the College Financial Statements</li> </ul>	14 Dec 2017 & 28 Dec 2018
		<ul style="list-style-type: none"> <li data-bbox="613 1392 1205 1482">• Obtain an unqualified opinion on its funding claim to the ESFA for 2017/18 (if the College is subject to an ESFA funding audit)</li> </ul>	28 Dec 2018
		<ul style="list-style-type: none"> <li data-bbox="613 1522 1130 1770">• Work towards a satisfactory or better independent opinion on its financial management and control environment confirming issues identified have been addressed and the College's risk management, governance and internal control arrangements are operating effectively.</li> </ul> <p data-bbox="659 1799 1195 1858">This will be evidenced by the audit opinions of the Internal and External Auditors and the</p>	28 Dec 2018

		report from the College Audit Committee to the Corporation.	
03	Financial Reporting	<ul style="list-style-type: none"> <li>Continue to submit management accounts on a monthly basis</li> </ul>	Monthly
04	Risk management	<ul style="list-style-type: none"> <li>Review and update the existing risk management strategy and risk register with key financial control risks. Ensure all the key risks are identified, and prioritised, together with mitigating actions.</li> </ul>	31 Jan 2018 and ongoing
		<ul style="list-style-type: none"> <li>Review, and if necessary, update the process for reviewing and updating the risk register by action owners.</li> </ul>	31 Jan 2018 and ongoing
05	Monitoring	<ul style="list-style-type: none"> <li>The governing body, through the audit committee, scrutinises risk management, governance and internal control arrangements are operating effectively, and progress against agreed actions.</li> </ul>	Ongoing
		<ul style="list-style-type: none"> <li>The College submits progress report (on the action plan) to the ESFA in line with the current ESFA Case Conference timetable</li> <li>The ESFA may undertake termly monitoring visits to gauge progress</li> </ul>	Ongoing Termly as required