



Education & Skills
Funding Agency

Dear colleague,

Financial assurance 2017 to 2018: monitoring the funding rules

I am writing to you in my role as chair of the Education and Skills Funding Agency's (ESFA's) data and management information advisory group (DMIAG). This is a sector-led group that is committed to ensuring that the ESFA's data requirements remain open and transparent.

I am sure you are aware that as part of the ESFA's assurance and audit work, it continues to review how the funding system and funding rules are operating. The ESFA has now published **Financial Assurance: Monitoring the Funding Rules 2017 to 2018** and has developed additional reports to support this document. The reports will be available on the Hub following the R03 ILR submission in 2017 to 2018.

As you know, it is your responsibility to review the data in these reports and determine whether you need to make any corrections. If the ESFA is satisfied that particular data constitutes a funding error, it will communicate this with you in-year, and you will need to ensure that you comply with this guidance.

Please ensure that you make corrections as explained in the **user guide** for the reports. An updated version for 2017 to 2018 will be available end of October 2017.

If you think that the claim is correct, you will need to ensure that you have the evidence to justify the funding claimed, including your subcontractors' data, data from the learning records service or learner declarations.

It is important for the ESFA to have confidence in the funding claim. It is taking this action to ensure it works effectively with the sector to reduce the volume of data errors in-year. If you have data errors or a higher volume of queries at the end of the funding year following the closure of R14 ILR return, please remember that the ESFA may:

- recover funding where there is confidence the claim has been made in error
- conduct assurance visits for specific issues before the end-of-year reconciliation statements are issued - even if that delays your reconciliation statements
- ensure these issues inform the process for selecting providers for audit in future funding years.

Where you identify that the data or funding claim is incorrect, you need to correct these records before the close of the R14 ILR data submission. To support you in correcting any identified data issues prior to your next submission, you can continue to use the existing provider data self-assessment toolkit.

If you have any queries, please contact your Business Operations Provider Manager.

Yours sincerely

A handwritten signature in black ink that reads "Dawn Ward". The signature is written in a cursive style with a large, sweeping initial 'D'.

Dawn Ward CBE

Chair, DMIAG

Chief Executive and Principal, Burton and South Derbyshire College