



# Funding assurance review

## Procedure process flow diagram

This document presents an overview of the Education and Skills Funding Agency's (ESFA) Corporate, Assurance and Restructuring Directorate's approach for the funding assurance review procedure.

The core emphasis of the assurance approach will be coverage of learners returned in providers' individualised learner record (ILR) and funded under recurrent funding grants and contracts allocated by the Department for Education (DfE) and from employers' apprenticeship service accounts.

The funding assurance review process is defined by three steps; planning, fieldwork and reporting. The ESFA funding assurance review process may be undertaken by an ESFA auditor or appointed external firm.

This guidance is for all providers that return ILR data, or others that wish to understand the assurance process. It relates to all funding provision which the ESFA audits.

These process flow diagrams are a diagrammatic depiction of the processes described in document Funding Assurance Review \_ step by step procedure process flow.

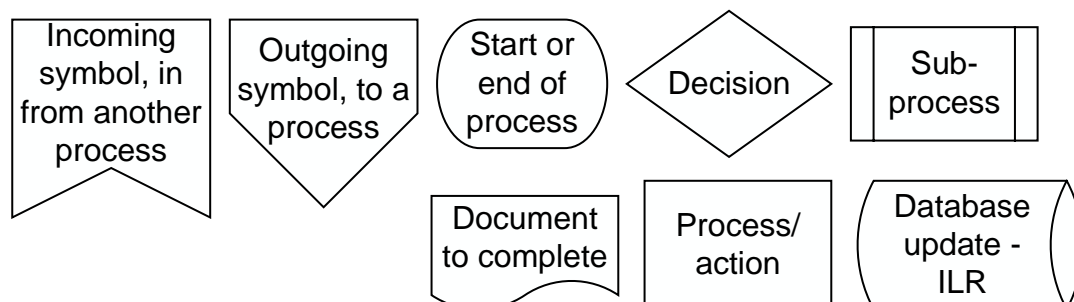
Throughout these process flows "Funding Assurance Review" will be termed as "Audit". Although specific steps are defined within this document, the process steps may flow differently depending on the provider type or auditor but the overall purpose of the process will be maintained.

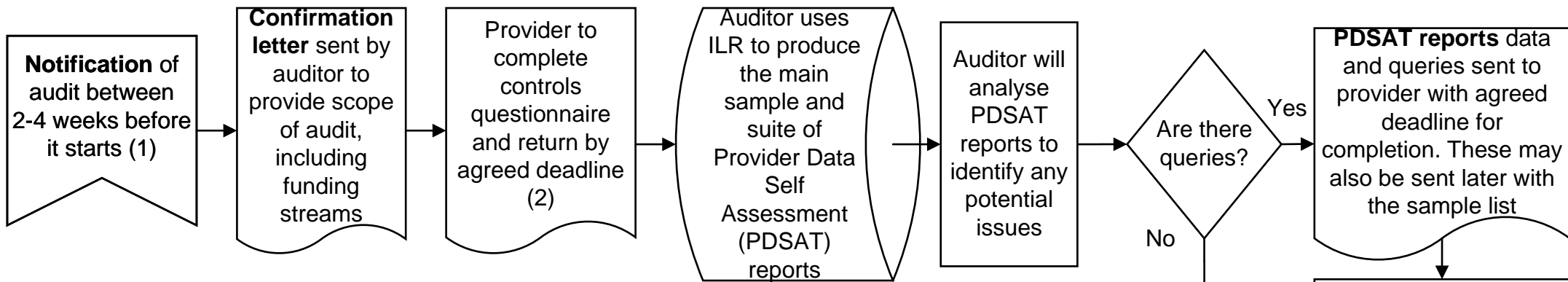
This document supports, and should be read in conjunction with, the ESFA Post-16 funding assurance review guidance.

## Process flow contents

- Audit procedure: planning
- Audit procedure: fieldwork
- Audit procedure: reporting

## Process flow symbol key





## Audit procedure - planning

### Key:

(1) The ESFA may appoint an external audit firm (hereinafter also referred to as “auditor”) to conduct the audit. The provider will be notified by ESFA initially, then by the audit firm. The notification period commences at the point of auditor contact.

(2) New providers will complete a new provider questionnaire and existing providers will complete an internal controls questionnaire. Any queries will be raised during the audit.

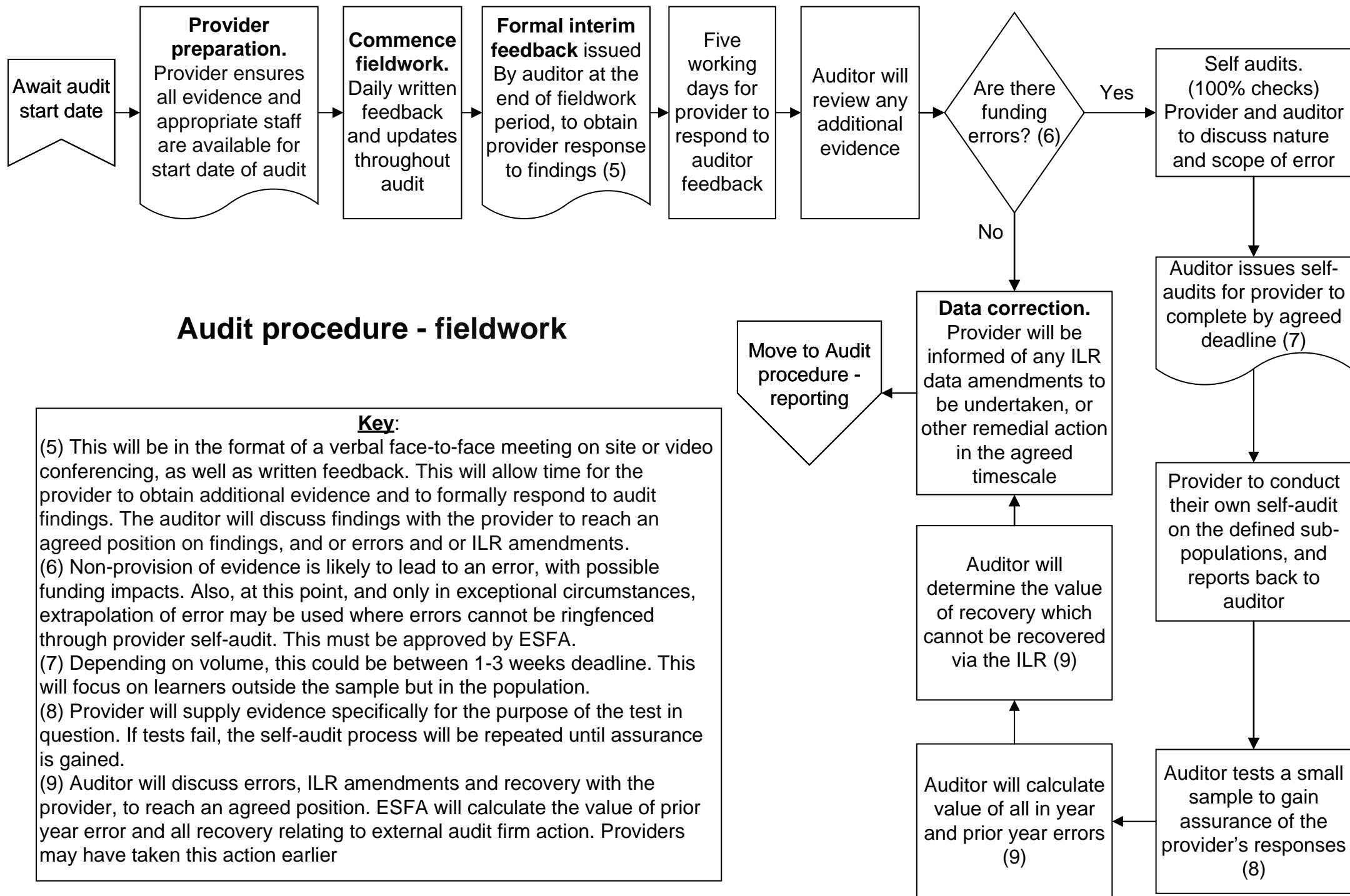
(3) Usual practice is 1 week notice but can be negotiated dependent on, for example, audit complexity, subcontracting or management systems used.

(4) This step can occur any point after confirmation letter and before the fieldwork period, at either the request of the auditor or provider.

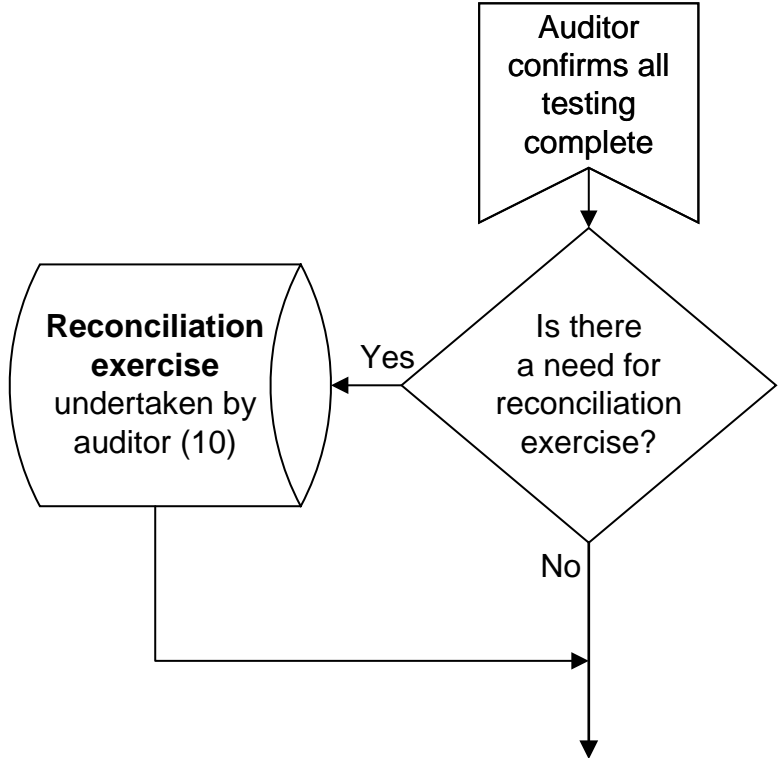
**Sample list**  
shared with provider, with 1-2 weeks notice of audit start. PDSAT sample may be sent at a later date if not resolved at this point (3)

**Evidence requirements.**  
A conversation on evidence expectations between auditor and provider is recommended. (4)

Move to Audit procedure - fieldwork



# Audit procedure - reporting



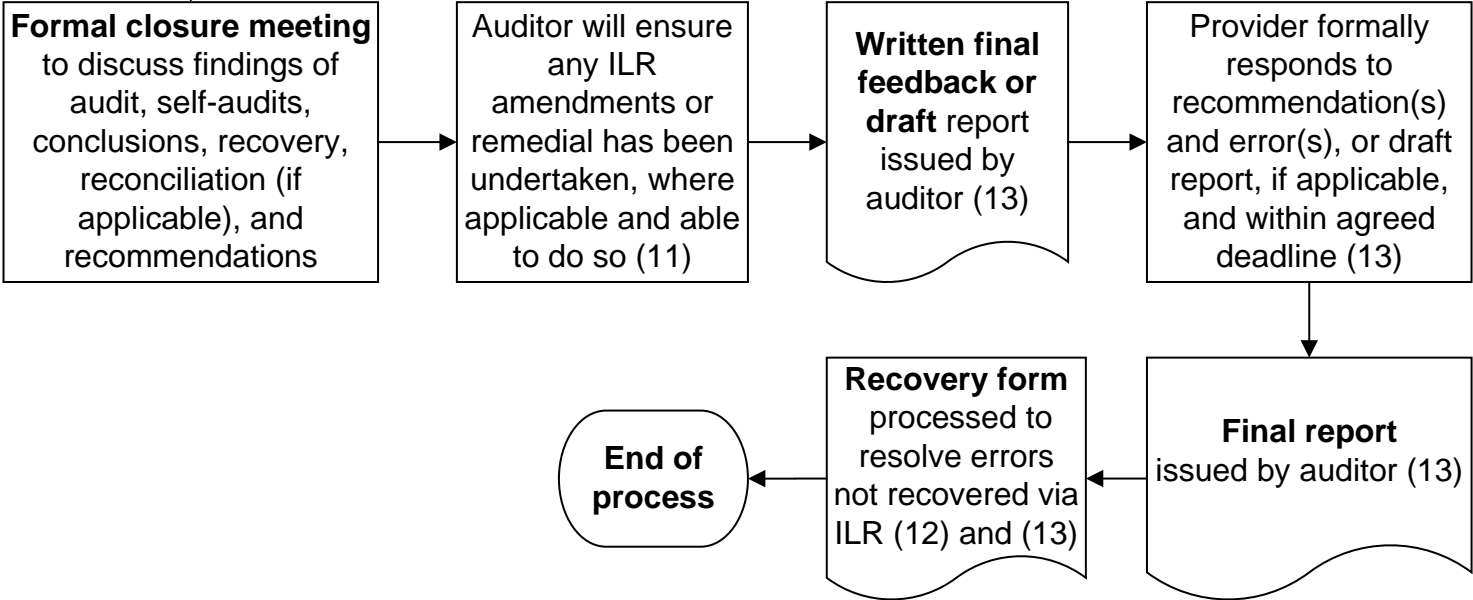
**Key:**

(10) Comparison of data movements resulting from data amendments between the ILR used for the assurance review and the final R14 ILR return that forms the basis of the final funding claims (where applicable). Further testing may occur on material changes.

(11) This process can be completed at any point by the provider but the auditor will have validated completion by this point, if applicable.

(12) Payment plans will be discussed with the provider to determine which offset option to take, to recover the value identified. Where the audit has been undertaken by an external audit firm, the ESFA will lead on this action. This will include calculation of recovery and any interaction required with the provider's Contract Manager.

(13) Timelines for action will be determined depending on the volume and complexity of the action required. The auditor and provider will determine the appropriate timelines for implementing agreed actions.





Education & Skills  
Funding Agency

© Crown copyright 2024

This publication is licensed under the terms of the Open Government Licence v3.0, except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3).

Where we have identified any third-party copyright information, you will need to obtain permission from the copyright holders concerned.

About this publication:

enquiries <https://www.gov.uk/contact-dfe>

download [www.gov.uk/government/publications](https://www.gov.uk/government/publications)

Follow us on Twitter: [@educationgovuk](https://twitter.com/educationgovuk)

Connect with us on Facebook: [facebook.com/educationgovuk](https://facebook.com/educationgovuk)