

Funding assurance review

Procedure process flow diagram

This document presents an overview of the Department for Education (DfE) Funding and Financial Oversight approach for the Post-16 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 DfE and from employers' apprenticeship service accounts.

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

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

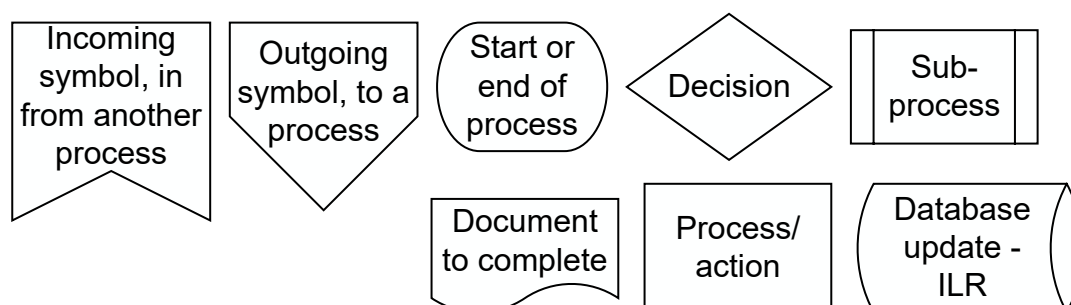
Throughout these process flows "Funding Assurance Review" will be termed as "Audit". Although specific steps are defined within this document, the process steps may flow differently depending on the provider type or auditor but the overall purpose of the process will be maintained.

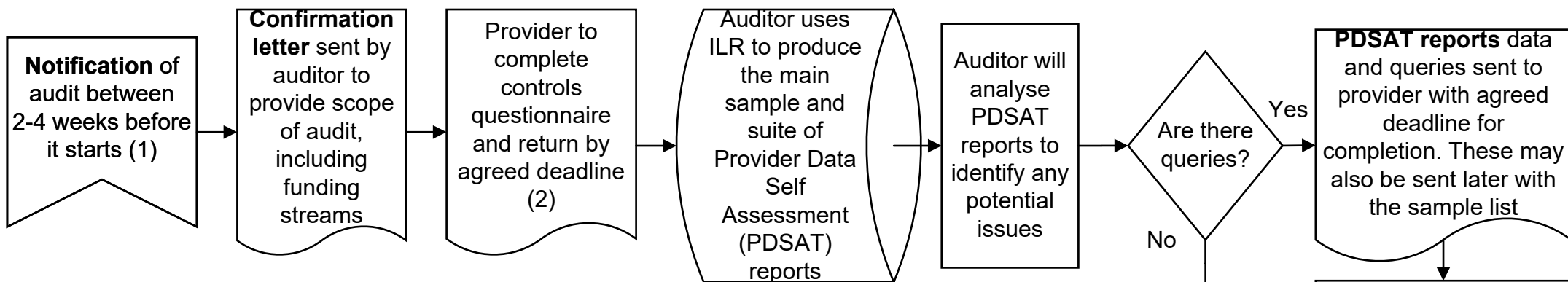
This document supports, and should be read in conjunction with, the DfE Post-16 funding assurance review guidance.

Process flow contents

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

Process flow symbol key





Audit procedure - planning

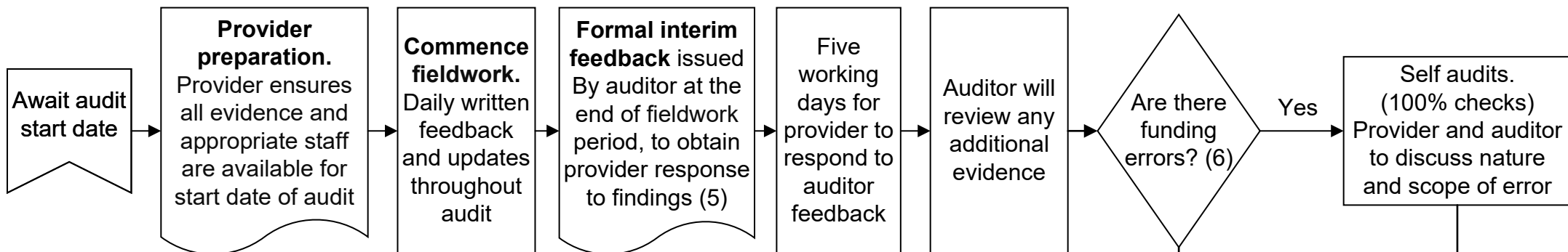
Key:

- (1) The DfE may appoint an audit firm (hereinafter also referred to as “auditor”) to conduct the audit. The provider will be notified by DfE initially, then, if applicable, by the audit firm. The notification period commences at the point of auditor contact.
- (2) New providers must complete a new provider questionnaire and existing providers must 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 - fieldwork

Key:

(5) This will be in the format of a verbal face-to-face meeting on site or video conferencing, as well as written feedback. This will allow time for the provider to obtain additional evidence and to formally respond to audit findings. The auditor will discuss findings with the provider to reach an agreed position on findings, and or errors and or ILR amendments.

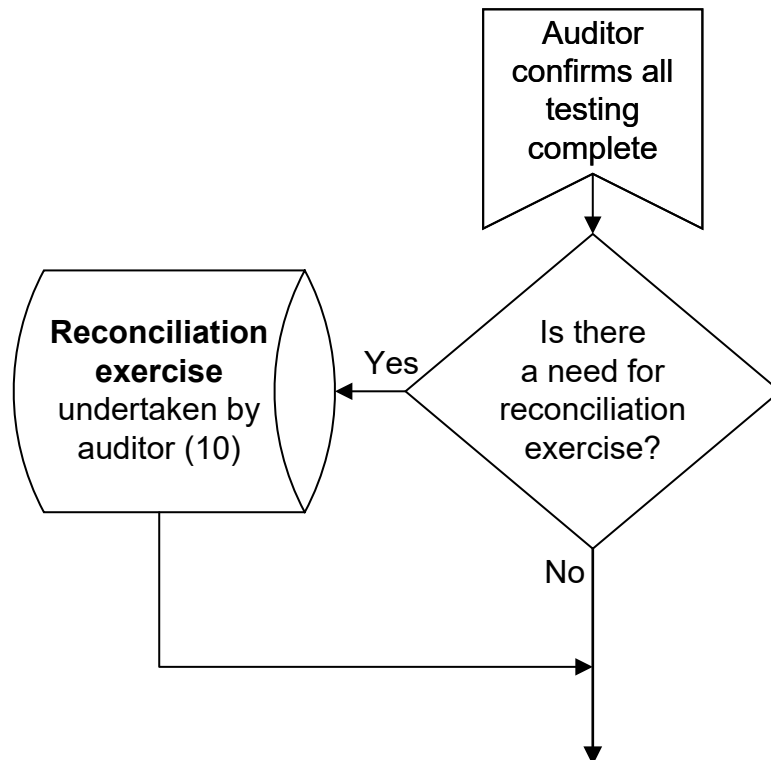
(6) Non-provision of evidence is likely to lead to an error, with possible funding impacts. Also, at this point, and only in exceptional circumstances, extrapolation of error may be used where errors cannot be ringfenced through provider self-audit. This must be approved by DfE.

(7) Depending on volume, this could be between 1-3 weeks deadline. This will focus on learners outside the sample but in the population.

(8) Provider will supply evidence specifically for the purpose of the test in question. If tests fail, the self-audit process will be repeated until assurance is gained.

(9) Auditor will discuss errors, ILR amendments and recovery with the provider, to reach an agreed position. DfE will calculate the value of prior year error and all recovery relating to audit firm action. Providers may have taken this action earlier

Audit procedure - reporting



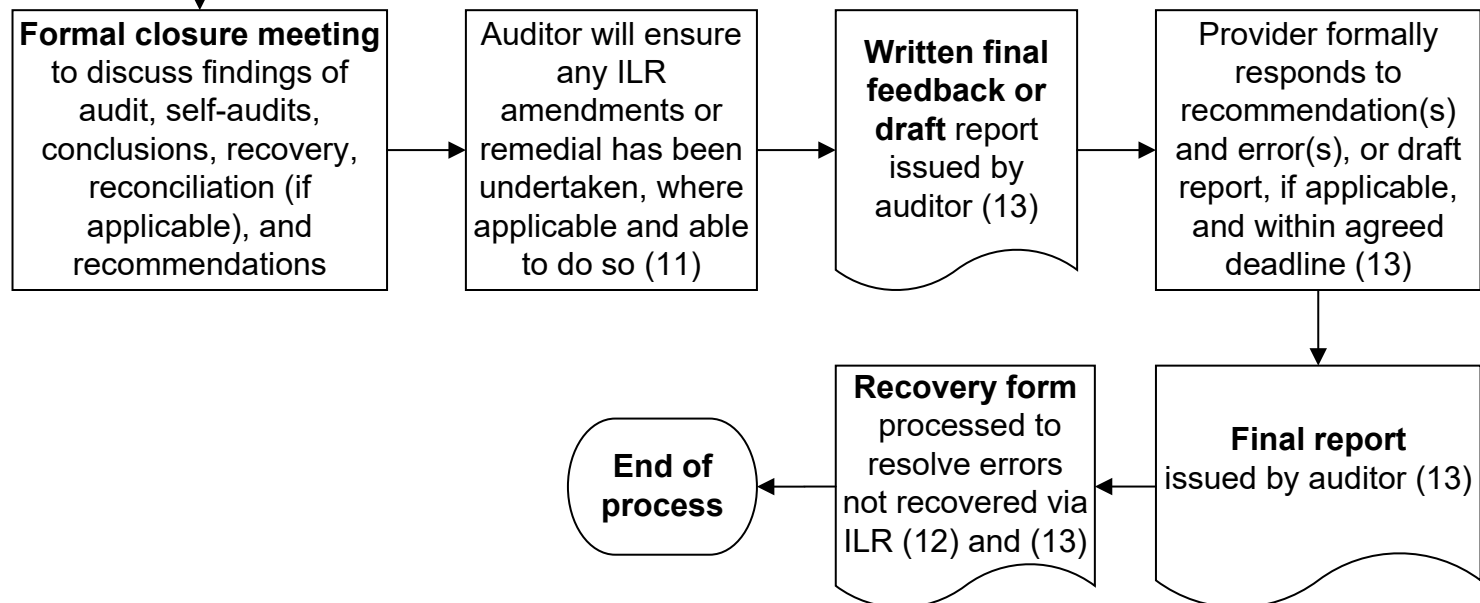
Key:

(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 audit firm, the DfE 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.





Department
for Education

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