



Skills Funding Agency

Dear colleague,

Financial assurance 2016 to 2017: monitoring the funding rules

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

As part of the SFA's assurance and audit work, it continues to review how the funding system and funding rules are operating. The SFA published [Financial Assurance: Monitoring the Funding Rules 2016 to 2017](#) in August and has developed a new suite of reports to support this document. This is significantly earlier than previous years. The reports are available through the Hub using the 'BI Tools' tab.

You must review the data in these reports and determine whether you need to make any corrections. If the SFA is satisfied that particular data constitutes a funding error, it will communicate this in-year, and you will need to ensure that you comply with this guidance. You must make corrections as explained in the [user guide](#) for the reports. If you think that the claim is correct, you must 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 SFA to have confidence in the funding claim. It is taking this action to ensure we work effectively together 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, the SFA 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

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

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, stylized 'D'.

Dawn Ward CBE

Chair, DMIAG

Chief Executive and Principal, Burton and South Derbyshire College