

ANNEX D (ii) – Guidance for Funded Early Education (FEEE)

Financial auditing process

In line with the Provider Agreement: Terms and conditions for the provision of Funded Early Education Entitlement places – Autumn 2020 (Section 3 Parts 3.10 to 3.18 and other relevant clauses 2.25, 3.46, 3.55 and 3.58):

Leicester City Council will use an audit process to check that all providers in receipt of FEEE funding are administering the funding in line with these terms and conditions and legal requirements. Audits will be carried out each term for a random sample of providers, or may be initiated as a result of a complaint regarding the provision of FEEE places. Audits may be unannounced.

The auditing officer will look at the following key areas: -

1. Funded Early Education Entitlement (FEEE)

As outlined in the Provider Agreement September 2018 and Section A2 of the Early Education and Childcare Statutory guidance for Local Authorities.

2. Nursery Charges and Invoices

Government funding is intended to cover the cost to deliver 15 or 30 hours a week of free, high quality, flexible childcare so that families are able to access their FEEE place at any registered provider of their choice. It is not intended to cover the cost of meals, consumables, additional hours or additional services.

The provider cannot charge parents 'top up' fees (the difference between a providers' usual fee and the funding they receive from Leicester City Council to deliver free places).

The provider is not allowed to insist on any conditions for the child accessing a FEEE place. This includes items such as registration fees, pre-payment of fees, uniforms, meals and snacks, additional activities and additional hours. Parents are free to purchase additional services if they require them and choose to do so.

For children that attend over lunch time there must be a way for the child to access a lunch without incurring a charge, such being allowed to bring a packed lunch.

The provider can charge parents a deposit to secure their child's free place but should refund the deposit in full within a reasonable time after the child takes up their place. No deposit may be charged for a child accessing the free entitlement for 2 year olds

The provider must ensure their invoices and receipts are clear, transparent and itemised, allowing parents to see that they have received their free entitlement completely free of charge and understand fees paid for additional hours. The provider will also ensure that receipts contain their full details so that they can be identified as coming from a specific provider.

Providers must supply all parents with an invoice that clearly shows the FEEE hours accessed up to a maximum of 570 or 1140 per year, along with any additional hours or services that the parent has chosen to pay.

3. Verification of Age and Identity of Children

The provider should check original copies of documentation (birth certificates or passports) to confirm a child has reached the eligible age on initial registration for all free

entitlements. The provider must retain paper or digital copies of documentation to enable Leicester City Council to carry out audits and fraud investigations. Providers must store either paper or digital copies of documentation securely and delete or dispose of them when there is no longer a good reason to keep the data

The parental declaration form at Annex B of the 'Provider Agreement' should be completed, which asks the parent for the necessary information and consents.

Leicester City Council will confirm the validity of 30 hour eligibility codes to allow providers to offer the 30 hour places for eligible three and four year olds. Leicester City Council will provide a validity checking service to providers to enable them to verify the 30 hours eligibility codes swiftly and efficiently.

4. Registers

Settings must keep an accurate register of all children in attendance. This register must be made available for inspection on demand by Leicester City Council. All funding for children for whom no accurate record of attendance exists, or for whom an incorrect amount of FEEE hours has been claimed will be recovered.

Children who are absent e.g. on long-term holiday or sickness should still be included on registers (as absent) if the funding is still being claimed for them and a place is being kept open for them.

Children whose whereabouts is unknown but for whom the funding has been claimed on the understanding that they were expected to attend should also be included on the register. If a place is not kept open for children then the funding should not be claimed for them. Efforts should also be made to ascertain the whereabouts of these children and to establish whether they intend to take up their place if they fail to attend as expected.

It is recommended that Settings inform parents that their funding entitlement cannot be kept open should there be a prolonged absence without informing the Setting of their intention of retaining their place or not.

The Setting must *reasonably expect* a child to attend the number of FEEE hours that are being claimed for.

At the audit visit the local authority officer will go through registers of children attending the Setting.

5. Attendance Monitoring and Recording Absences

The provider must contact the parent/carer in the event that a child is absent without explanation for a prolonged period (more than 5 days).

Funded places must be used regularly and providers should explain this responsibility to parents when the place is offered.

In the event that a parent/carer cannot be contacted and an absence continues, providers should send a letter explaining that the place will no longer be kept open. All correspondence should be recorded and noted when funding is claimed. Leicester City Council will take into account individual circumstances but may withdraw and reclaim funding where absences have not been actively managed by the provider. Leicester City Council will only pay for up to 4 weeks for absences.

Children may be absent due to extended family holidays but parents must inform the provider in advance of the dates the child will be absent. During an extended absence the place will be funded for a maximum of 4 weeks. If the holiday is longer than 4 weeks or the

child does not return, the provider should notify the Funding & Grants FEEE Team as the funding may be reduced

Where a Setting has to close for training, the FEEE should be offered at an alternative time to compensate. However, there is no obligation to offer alternative provision due to public holiday closure. Providers should make parents aware of this during the registration process.

Where possible, providers should make every effort to provide the funded children with additional hours to replace those hours they have missed during any period of closure. (This will need to be demonstrated when audited).

6. Attendance at other settings

All parents will need to complete and sign a parental declaration form (see Annex B of the 'Provider Agreement'). The form should be completed alongside the provider(s) to ensure that all agreements are clear between the provider and the parent.

All details of the hours and providers that are being attended must be recorded accurately on the parental declaration form.

7. Senco

All Settings must have a named SENCO Officer.

Providers claiming the full FEEE funding for children with SEND who are not attending for the full 15 or 30 hours, must supply a statement from their named Special Educational Needs Coordinator (SENCo) to support the claim and identify how the additional money will be/has been spent to support the child concerned.

8. Ofsted and Insurance Certificates

All Settings must have on display a valid Ofsted registration certificate and a valid Liability Insurance certificate.

The provider must comply with all its legal obligations including all relevant legislation and insurance requirements.

9. Information Commissioner's Office

The provider must comply with all its legal obligations including the requirement to notify their processing of personal data to the Information Commissioner's Office (ICO).

10. Other Information

All documents relating to funding must be made available to the Local Authority on request. The following documents will be required and inspected during the audit:

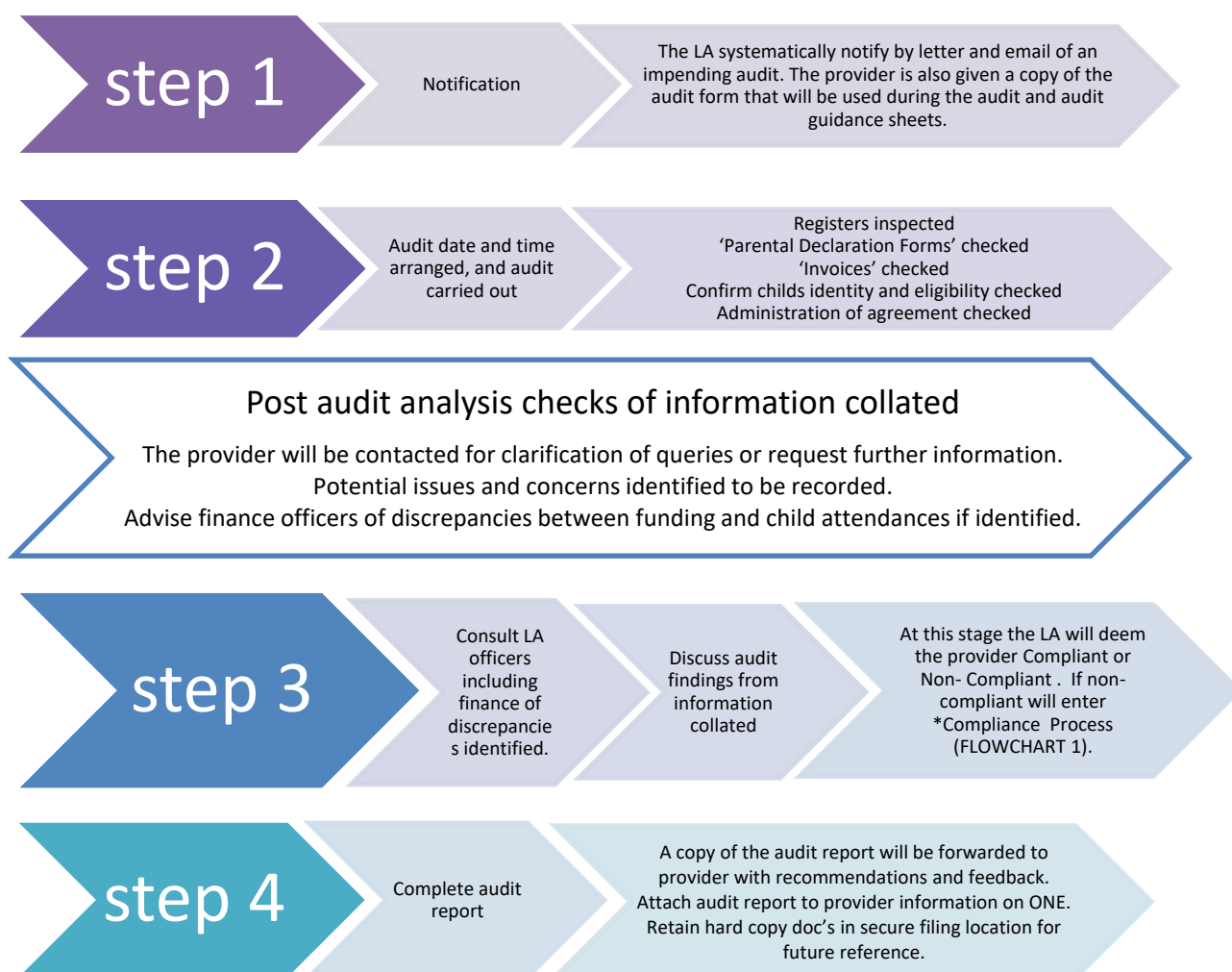
- Registers for the term for which the audit is applicable
- Parental Declaration Forms/Registration forms for all Free Early Education Entitlement claiming children
- Evidence that the identity of children has been checked
- Evidence that checks have been made as to whether children are attending other provisions
- Evidence that parents are receiving their Free Early Education Entitlement for free

- Evidence of how fees are being administered
- Evidence that parents have received their total financial Free Early Education Entitlement
- Admission criteria/Policy
- Ofsted Certificate
- Insurance Certificate
- Information Commissioner's Office (ICO) registration certificate

It is recommended that all relevant records for eligible children should be kept for a minimum of 7 years.

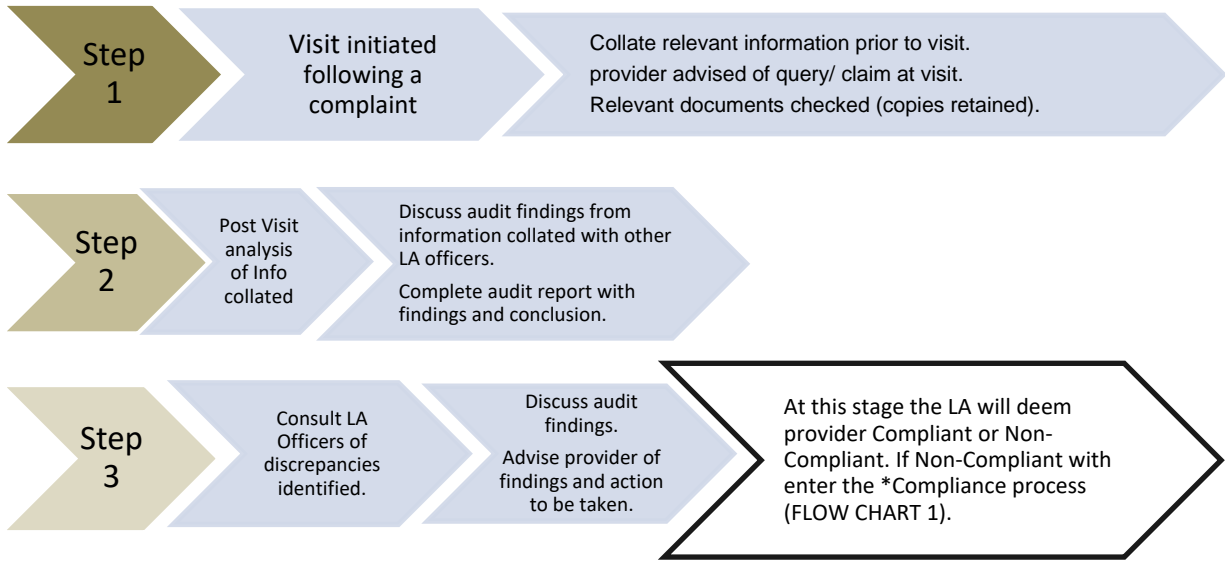
Sample copies of the following documents may be taken at the audit as evidence of the providers procedures in place:

11. Flow chart 2 - Audit process and procedures:



12. Unannounced audit process and procedures

LA will carry out an Unannounced audit, based on a formal complaint being received or concerns highlighted by LA Officers



*For Compliance process – refer to Annex D (i)

13. Financial non-compliance

Please note: refer to Annex D (i) – Compliance process in relation to Finance Audit process. Available at families.leicester.gov.uk/provideragreement