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Guide to completing local authorities' stage 2 grant returns and use of funds statements 2014 to 2015

Updated 9 September 2015

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Introduction

The Education Funding Agency (EFA) funded local authorities (LAs) for the financial year 1 April 2014 to 31 March 2015 to provide learning for young people in England. For learners over the age of 16, LA chief financial officers (CFOs) are required to submit a grant return and use of funds statement to EFA. This requirement is specified in part 1 of the [Joint Audit Code of Practice](#) (JACOP) between LAs, EFA and the Skills Funding Agency (SFA).

This process is in two stages:

- In April 2015, LAs completed the first-stage grant return covering EFA and SFA funds received in 2014 to 2015. This return required a general statement of assurance and EFA and SFA used the assurances provided to prepare their financial and annual assurance statements.
- LA CFOs need to complete a second-stage grant return and use of funds statement, covering EFA funds only, on or before 30 October 2015. In September 2015, EFA will send each LA its specific use of funds statement, showing amounts paid by the EFA. This return requires CFOs to provide confirmation of the amounts paid to, and the use of funds received by, the LA. CFOs are required to certify the grant return and use of funds statement and submit to EFA on or before 30 October 2015.

EFA looks to align the submission of these 16 to 19 returns with the separate Dedicated Schools Grant returns in the future.

Guide to completing the returns

LA CFOs are required to submit a signed copy of the second stage returns to EFA at externalassurance.EFA@education.gsi.gov.uk on or before 30 October 2015.

There are two forms to complete:

- the grant return (Annex 1), and
- the use of funds statement detailing the funds EFA paid to the LA (Annex 2)

The CFO must certify the grant return and the use of funds statement.

Annex 1: Second-stage grant return

Within the 'Exceptions' section of Annex 1, please confirm whether there have been any exceptions by selecting 'Yes' or 'No'. If 'Yes', please provide details of the exception(s); this should detail the funding streams, providers' names, values of funding affected including reasons for the exception and any other relevant information.

Annex 2: Use of funds statement

The statement will be populated with details of the payments made by EFA to LAs. The LA should in turn complete the 'Authority Received Total' with the actual amounts received from EFA. If this figure does not match the EFA figure then the 'Data Reconciliation' column will return 'Data does not reconcile'. The difference between the EFA and the LA data should be explained in the 'Explanation of Variance (1)' column. The LA should also complete the 'Authority Transfer of Funds' column with the amounts paid to LA controlled learning providers and maintained school sixth forms. Any instances where the amount has not been transferred in full should be explained in the 'Explanation of Variance (2)' column.

Please do not alter the wording of the grant return or the figures included in the use of funds statement. Instead, add any extra narrative you wish to include within the 'Additional Comments' box on the use of funds statement.

Scope

The payments made by EFA to LAs within the scope of this return are for 16 to 18 provision in LA-controlled providers and maintained schools with sixth forms, together with any funding provided for 14 to 19 partnerships. LAs are the assurance lead for these organisations and are therefore responsible for the assurance of these funds.

Under JACOP, LAs are also responsible for the assurance of other funds paid to LA-controlled providers and schools with sixth forms.

A small number of LAs have collaborated to operate shared service arrangements for the payment and financial performance management of providers. For these arrangements, it is expected that the CFO of the host authority for the shared service will sign the returns on behalf of all the authorities for which the service is provided. However, which CFO signs the return is for the relevant LA to decide.

The second-stage grant return and use of funds statement differs from the first-stage return as it requires the certification of actual amounts received from EFA and a positive statement of assurance.

EFA does not require the figures contained in this return and use of funds statement to be audited, but the return may be subject to review by LA external auditors, at their discretion.

EFA has produced [financial management and assurance guidance](#) to assist LAs in obtaining assurance over funding paid to them, which includes

guidance for financial assurance on funding relating to [local authority-maintained institutions with sixth forms](#) and [16 to 19 Bursary Funds](#).

Additional information

If the LA CFO is unable to make the required certification or meet the deadline, they should email EFA at the address below as soon as possible and provide details of the reason(s).

If, after reading this guide, you need further information on this process, please email EFA at the address below, marking your email for the attention of Melanie Grimwood or Diane Ross.

EFA risk analysis

Email

[externalassurance.EFA@education.g](mailto:externalassurance.EFA@education.gov.uk)

si.gov.uk

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