

**Hammersmith & Fulham Early Years Funding Audit**

1. **Purpose**

This policy sets out the audit and compliance framework for all providers delivering early years entitlements in Hammersmith and Fulham.

It outlines the responsibilities of early years providers in maintaining compliance with funding regulations and the procedures the Early Years Funding Team will follow to verify appropriate use of public funds.

1. **Scope**

This policy applies to all early year’s providers who claim funding through any of the following:

* Working family entitlement for children aged 9 – 23 months (30 hours)
* Supported family’s entitlement for children aged 2 years old (15 hours)
* Working family entitlement for children aged 2 years old (30 hours)
* Universal entitlement for children aged 3- and 4-year-olds (15 hours)
* Extended entitlement for children aged 3- and 4-year-olds (30 hours)
* Any other locally or nationally funded early education schemes
1. **Policy Statement**

To ensure funding is used appropriately and equitably, the Early Years Funding Team will carry out audits of all providers delivering early years entitlements. Audits are a standard part of our financial oversight process which ensures compliance with funding guidelines and supports the continued delivery of high-quality early education.

Early Years Funding audits are designed to:

* Verify that funding is being claimed appropriately in line with national and local guidance.
* Ensure providers are meeting their statutory duties related to the delivery of early years entitlements.
* Support transparency, accountability and the consistent application of funding criteria across all settings.

Full cooperation with the audit process is a condition of receiving early years funding as per our provider agreement, however the Early Years Funding Team will notify providers in advance of any planned funding audit.

1. **Responsibilities of Providers**

All providers claiming early years entitlement funding must:

* Ensure accurate and timely submissions of headcount and funding data
* Maintain full and accurate attendance records, parental declarations and eligibility codes
* Retain documentation for at least 3 years in accordance with funding guidance
* Cooperate fully with any audit or investigation, including providing requested evidence to relevant staff
* Implement any recommendations or required actions resulting from audit findings within a reasonable timeframe

Failure to meet these responsibilities may result in:

* Repayment of early years funding
* Suspension or withdrawal from the funding schemes
* Referral to other regulatory bodies if appropriate
1. **Audit Process**

Providers may be selected for audit at any time, either through a routine cycle or as a result of specific concerns or anomalies identified in funding claims or records. Audit activities may include:

* Examination of registers and attendance data
* Review of parental declarations and eligibility checks
* Verification of the number of funded hours claimed
* On-site visits or remote audits depending on circumstances

Providers will be given reasonable notice of routine audits except in exceptional circumstances (e.g. suspected fraud), unannounced audits may take place.

1. **Outcomes of Audit**

Following an audit, providers will receive a written report detailing:

* Findings and if any, areas of non-compliance
* Recommendations for improvement
* Actions required and timescales for completion
* Any financial adjustments, including recovery of overclaimed funds

Support may be offered where appropriate to help providers achieve compliance.

1. **Appeals and Disputes**

If a provider disagrees with the outcome of the funding audit and would like to appeal, they may may do so by submitting an appeal via email to EarlyYearsFunding@lbhf.gov.uk within 28 days of receiving the audit outcome.

1. **Review of Policy**

This policy will be reviewed annually or in response to any legislative changes or guidance issued by the Department for Education (DfE).