

Guidance Note for Core Funding Financial Reporting Requirements

Transitional Arrangements - Year 1 and 2

Contents

Preface	3
1 Background/introduction.....	3
2. Transitional Financial Reporting Requirements.....	3
3 Roles and responsibilities.....	4
Partner Service.....	4
Accountant.....	4

Preface

This guidance note outlines the process for Partner Services regarding the submission of the Income and Expenditure Template, as the transitional financial reporting requirement for Core Funding, for year 1 and year 2.

Professional accountants should be engaged by Partner Services to facilitate mapping of journal information/extracts from books or records to the Core Funding nominal codes and the submission of the Income and Expenditure Template.¹ This document offers guidance on the required steps for completing the Income and Expenditure Template submission.

1 Background/introduction

Together for Better, the new funding model for early learning and childcare, supports delivery of early learning and childcare for the public good, for quality and affordability for children, parents/guardians and families.

Together for Better brings together three major programmes, the Early Childhood Care and Education (ECCE) programme - including the Access and Inclusion Model (AIM), the National Childcare Scheme (NCS) and Core Funding, with a fourth programme under development – the Equal Participation Model.

Core Funding is a key pillar of funding to early learning and childcare services that forms part of the new funding model as recommended by an Expert Group 2021 in their report, Partnership for the Public Good: A New Funding Model for Early Learning and Care and School-Age Childcare, and approved by Government in December 2021.

Core Funding is supply-side funding directly to Partner Services (providers who sign up) and is designed to improve affordability, accessibility, quality, inclusion and sustainability.

2. Transitional Financial Reporting Requirements

As part of the Core Funding Agreement, Partner Services which had an active Core Funding Partner Service Funding Agreement during the 2022/2023 Programme Year must comply with financial reporting requirements.

For year 1 and 2 of Core Funding (the 2022/23 and 2023/24 programme years) a transitional arrangement is in place with reduced requirements. For these years, the requirement is to provide complete and return through their accountant, an Income and Expenditure Template, which covers the period from 1 September to 31 August for each of the respective programme years.

The Primary Authorised User (PAU) for the partner service shall engage with their accountant on the Income and Expenditure Template. The accountant may add this requirement into their standard letter of engagement.

The Partner Service will prepare the Income and Expenditure information for their accountant. The completeness of these preparations is a matter for the Partner Service and their accountant. In some instances the accountant will be preparing the information from the source documents supplied by the Partner Service and concluding with the mapping of this information onto the Core Funding nominal codes and submission of the Core Funding Income and Expenditure Template on the portal.

¹ A professional accountant is defined as a member of a Prescribed Accountancy Body that comes within the supervisory remit of IAASA. See section 2.

In other circumstances the accountant may just be performing the mapping exercise as the Partner Service will have the information prepared to that stage.

The Service Provider is responsible for fully complying with all financial transparency requirements in accordance with their Core Funding contractual obligations. The accountant relies on information provided by the Service Provider, who is responsible for disclosing all relevant information.

The partner service will confirm that the information they provide is complete and accurate through a declaration on their secure portal on www.cfcrs.ie

3 Roles and responsibilities

Partner Service

The Partner Service takes whole responsibility for furnishing accurate, reliable and factual income and expenditure information related to the operations of Early Learning and Childcare services for the period of 1 September 2022 to 31 August 2023. The accountant will provide them with a report to which the Income and Expenditure Template for submission will be appended. It will be the responsibility of the Partner Service to give approval to the accountant, so that the Income and Expenditure Template can be submitted by the accountant on the Core Funding Contractual Reporting Requirements portal www.cfcrs.ie.

Accountant

The reporting process requires Partner Services to engage their accountants to, at a minimum, map the Core Funding Income and Expenditure codes to their client's journals/extracts from books or records. The accountant will submit the data on the Income and Expenditure Template on the Core Funding Contractual Reporting Requirements portal www.cfcrs.ie², and also, where relevant, expenditure on loan repayments in relation to the premises from which the Client operates its early learning and childcare services. Income for the reporting period from the Department will be provided on the Partner Services' secure portal. Accountants may also prepare the entire Income and Expenditure Template on behalf of the Partner Service if engaged to do so; as noted above this is a matter for agreement between the Partner Service and their accountant.

For the purposes of Core Funding's financial reporting, an accountant is defined as someone who:

- (a) has been admitted as, and is, a member of a prescribed accountancy body,
- (b) is currently practising in the profession of accountancy,
- (c) is not and never has been a principal officer or employee, or an owner or part owner, of the licensee in respect of whom he or she is preparing an accountant's report, and
- (d) is maintaining such minimum level of professional indemnity insurance as is required by the prescribed accountancy body concerned.

The list of prescribed accountancy bodies is as follows:

- Chartered Accountants Ireland. (CAI)
- Association of Chartered Certified Accountants (ACCA)
- CPA Ireland (CPA)
- Chartered Institute of Management Accountants (CIMA)
- Chartered Institute of Public Finance and Accountancy (CIPFA)