

# **A Model Set of Financial Regulations for Further and Higher Education**

## **FOREWORD**

To conduct its business effectively, an institution needs to ensure that it has sound financial management systems in place and that they are strictly adhered to. Part of this process is the establishment of financial regulations which set out the financial policies of the institution.

Financial regulations make good business sense, and for further and higher education institutions, they have additional significance as their grant funding depends upon it. The financial memoranda between funding bodies and the institutions they fund makes it a condition of grant that an institution ensures that it has a sound system of internal financial management, and control and financial regulations are a core component of such a system. Similarly, funding body audit services are required to give an assurance that institutions have fully documented financial procedures in place and the funding body may withhold grant where this cannot be shown to be the case. The Higher Education Funding Council for England has further highlighted the need for institutions to “publish financial regulations which govern the conduct of all their financial affairs” in its publication *The Financial Health of Higher Education Institutions in England: A Report on Good Practice*.

CIPFA first published its model set of regulations for further and higher education in 1995. The model set has now been fully revised and reflects current best practice and provides a practical source of guidance. This edition includes new sections on issues such as the use of institution credit cards and whistleblowing. The new draft covers three principal types of institution – ‘old’ universities, ‘new’ universities/colleges of higher education and further education institutions. Where differences in the financial regulations are required in these different types of institution, options are shown as (a), (b) and (c) respectively. The model set is not intended to be prescriptive and each institution will need to tailor it to produce financial regulations which are applicable to its own circumstances and structures. This model set has, therefore, been written in a format that will enable institutions to modify the regulations to their own requirements before being presented to their governing bodies. Following approval by the governing body, it will be necessary for the institution to consider how they are to be incorporated in its manual of financial procedures and implemented within the institution.

The Further and Higher Education Panel believes that the publication of this updated set of model financial regulations is very timely and is confident that it will be of assistance to all institutions in the sector.

**Eric Morgan**

**Director of Finance, Nottingham Trent University**

**Chairman of CIPFA’s Further and Higher Education Panel**