



Education & Skills
Funding Agency

Education and Skills Funding Agency
3 Glass Wharf
Avon Street
Bristol
BS2 0EL

Tel: 0370 000 2288
[Customer Help Portal](#)

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To accounting officers in colleges

Dear colleague

Today ESFA publishes for the first time a [College financial handbook](#). The handbook represents the outcome of extensive joint work with the sector and aims to bring together the key elements of the financial management and governance framework for colleges.

The handbook comprises elements that have been in place for a number of years, combined with the new elements arising from the reclassification of the sector in late 2022, which I communicated to you in my [letter of 29 November 2022](#). The handbook doesn't introduce any new significant requirements but draws on those already communicated to you and included in the series of 'bite size' guides, published in early 2023.

The handbook will come into force from 1 August 2024 and will form part of your accountability agreement from that point. However, we are publishing the handbook in March so that you have adequate time to ensure that the financial regulations and procedures within your college comply with the handbook. This will also give you the opportunity to ensure that the existence of the handbook and its requirements are shared with those in your college, who need to know – your finance professionals, your procurement teams, your finance committee, your audit committee, your governance professional and others – so that they can use it to support them to deliver their financial governance and management responsibilities. I hope that early publication provides you with certainty to support your planning.

The handbook is intended to be a helpful resource to colleagues throughout the FE College sector. Inevitably however, it is particularly important for you as the accounting officer as it emphasises the fundamental importance of the accounting officer to the whole framework of accountability under which colleges must now operate. That is a framework in which both you and I (as the ESFA Accounting Officer) are central and it is important that we work together to ensure that the system of accountability is operating effectively.

Of course, the responsibilities of the accounting officer are not new, and the notion of accountability has long been the hallmark of leaders of complex organisations. But, for probably the first time, the handbook identifies this quality as the cornerstone of the financial control and governance regime in colleges.

ESFA has produced a [webinar](#) to enable colleges to help ensure their full compliance with the handbook. Details of the webinar and where you can find it will also be in the weekly ESFA Update on 20 March 2024.

I must thank all of those who worked with us to develop this handbook. In particular I'd like to thank members of the working group including a group of college chief financial officers from a range of colleges of differing sizes and types, college governance professionals, sector associations and auditors active in the sector. It was always intended that this handbook would be a useful resource for the sector, rather than just a set of rules, and the advice of that working group has hopefully helped achieve that.

However, this is the first edition of the handbook and we will likely update it on a regular basis so if you have any observations or suggestions to make it even more useful then please contact the ESFA using the [customer help portal](#).

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Withey', with a stylized, cursive script.

David Withey
Chief Executive
Education and Skills Funding Agency