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Date: 25 June 2025

To accounting officers in colleges

Dear colleague

### College Financial Handbook 2025

I am pleased to inform you that we have published the College Financial Handbook today.

You tell us that publishing the handbook in June gives you time to read, digest and prepare for changes that will come into effect from 1 August when the handbook becomes effective.

The handbook is a principles-based document and supports you by signposting to supplementary guidance covering areas such as:

- Corporate governance
- Management accounting
- Subcontracting

A full list of the main changes to this year's handbook can be found in the summary section. Some areas I would like to draw your attention to are:

- **Procurement** – the section on procurement and spending decisions has been updated to include references to the Procurement Act 2023
- **Corporate governance** – we give advance notice that, with effect from 1 August 2026, the UK Corporate Governance Code will no longer be one of DfE's prescribed governance codes for colleges.
- **Audit and assurance matters** – we have incorporated into the handbook a number of college requirements previously set out in the post-16 audit code of practice.

Please share this letter with your board of governors, chief financial officer and executives, and arrange for it to be discussed at your next board meeting.

Best wishes for your learners' success in their examination results later in the summer.

Yours sincerely

A handwritten signature in black ink that reads "Andrew Thomas". The script is fluid and cursive, with the first letters of "Andrew" and "Thomas" being capitalized and prominent.

**Andrew Thomas**

Director – Funding & Financial Oversight Directorate  
Department for Education