

Financial Regulation Framework

1. Introduction

- 1.1. This Financial Regulation Framework (the 'FR Framework') provides the basis for the control, management and accounting of the totality of ICMP's financial resources. It describes how financial resources are governed which is essential to help meet ICMP's business, accountability, legal and regulatory requirements and translates into practical guidance relating to financial control.
- 1.2. The FR Framework outlines an approach to financial management that is integrated with other organisational governance such as audit, accountability, compliance, risk management and business continuity. The requirements of this framework are informed by ICMP's business environment, legislation, strategy, and policies.
- 1.3. The FR Framework describes the cooperation and commitment required from all relevant stakeholders for implementation of effective financial governance across ICMP.
- 1.4. It provides ICMP's governing body with assurance that the resources are being properly applied for the achievement of the strategic plan and business objectives and in line with regulation.

2. Scope

- 2.1. The FR Framework applies to all ICMP staff, contractors, and consultants, regardless of employment terms, position, and location.
- 2.2. The FR Framework applies to all business processes and activities that ICMP undertakes.

3. Principles

The FR Framework sets out a number of principles to guide all staff in managing ICMP's resources:

- 3.1. Financial resources are the key business asset which enables ICMP to conduct its business.
- 3.2. Transparency in financial management allows ICMP to demonstrate accountability at all levels in decision-making and ensures evidence of business activities over time are accurately recorded.
- 3.3. Financial governance is an essential element of ICMP's corporate governance. It must be aligned with other organisational governance such as audit, accountability, compliance, risk management and business continuity.
- 3.4. Financial information is complete, accurate, accessible, and useable by those with a legitimate need.
- 3.5. Financial resources must be managed in an economic, efficient, and effective manner.
- 3.6. The detection of fraud and irregularity in the use of financial resources is a responsibility of all members of ICMP's community.

- 3.7. Financial records must be created, managed and kept for as long as required by any applicable law or regulatory requirement.
- 3.8. ICMP adopts the required accounting directive rules and guidance as provided by the regulatory body, currently the Office for Students (OfS).
- 3.9. ICMP will adopt a risk-based approach to the way it manages financial resources.
- 3.10. ICMP will ensure that staff members are confident and effective in their use of ICMP's financial resources through its commitment in developing their financial awareness.

4. Framework

4.1. Regulation

- 4.1.1. ICMP must be compliant with the regulatory and statutory directives that are attached to its external reporting. Any breach of these standards would place the business at significant risk.
- 4.1.2. External audit of the accounting practices and the external assessment of the company as a going concern should be objective and a good internal audit robust to ensure good governance.

4.2. Asset Management

- 4.2.1. The assets of the company, their management, identification and control is key to ensuring continuing business success and in demonstrating value for money.
- 4.2.2. Company asset tracking alongside regulation around procurement, disposal and depreciation is a critical activity that enables ICMP to meet its business objectives under this framework
- 4.2.3. This framework applies to both tangible and intangible assets.

4.3. Procurement

- 4.3.1. ICMP procures a wide range of resources to undertake its business activity and the company understands that transparency in procurement ensures value for money and accountability in decision making.
- 4.3.2. To ensure transparency in procurement the framework articulates a suite of robust and detailed policies, procedures and guidance that collectively assure the governing body of the good practice in procurement by the agents of the business.

4.4. Fraud and Irregularity

- 4.4.1. ICMP does not condone and will not tolerate any form of bribery, corruption, money-laundering, or fraud. 3333
- 4.4.2. The company understands the need to protect individuals who seek to raise matters of concern regarding fraud and irregularity and is committed to ensure their protection

through appropriate policies.

4.5. **Financial Management**

- 4.5.1. The FR framework articulates the policies, processes and guidance that underpin the operational management of company finance, including levels of authorisation and timeframes.
- 4.5.2. A critical part of business operational control concerns budget preparation. which aids strategic decision making and ensures financial sustainability. Policy and supporting processes for a 5-year forecast model ensure that this information is always available to assist a decision.
- 4.5.3. The ICMP as a registered member of the OfS has a duty to demonstrate value for money to its stakeholders. The three E's; Efficiency, Effectiveness and Economy must be embedded into the FR Framework.
- 4.5.4. ICMP understands that debt and financing arrangements must be considered in context of cost-benefit to the business and with consideration with key financial KPIs.

5. **Responsibility**

5.1. **Corporate Board**

- 5.1.1. The Corporate Board holds the ultimate responsibility for the FR Framework.
- 5.1.2. The Corporate Board, as the governing body, is responsible for the financial sustainability of the business and ensuring that financial risks are assessed before significant institutional decisions are approved.
- 5.1.3. The Chair of the Corporate Board and the Chief Executive approve the annual accounts.
- 5.1.4. The Corporate Board delegates operational financial policies, practices, and guidance to the Executive Committee.
- 5.1.5. The Corporate Board has oversight of the policies for financial management, sustainability, fraud, and irregularity.
- 5.1.6. The Finance Director, as a member of the Corporate Board, is responsible for undertaking a regular review of the financial regulations through the annual quality policy review process.

5.2. **Audit Committee**

- 5.2.1. The Corporate Board delegates the operational review of policies for financial management, sustainability, and fraud and irregularity to the Audit Committee.
- 5.2.2. The Audit Committee approves external auditors and guides internal audit activity

5.3. **Executive Committee**

5.3.1. The Corporate Board delegates operational financial management decisions to the Executive Committee, led by the Chief Executive.

5.3.2. The Executive Committee are responsible for the detailed scrutiny of operational budgets, plans and expenditures.

5.4. **Departmental Heads**

5.4.1. Departmental heads are fully accountable for the accuracy of the departmental budgets, detailed record keeping and therefore the reporting of accurate, detailed financial records.

5.4.2. They are responsible for all financial activity within the department and that all activity meets the expectations set out within this framework.

5.4.3. They must ensure that they and their department fully understand and adhere to ICMP's payment authorisations policy.

5.4.4. They must ensure that all managers within their department are fully aware of the FR framework, and that any staff development needs are supported to ensure compliance with the FR framework

5.5. **Managers**

5.5.1. Managers are responsible for ensuring that all procedures are understood and that all financial activities are appropriately recorded.

5.5.2. They should ensure that they are aware of the relevant financial authority, limits and the values of purchases for which quotations and tenders are required.

5.6. **All Staff**

5.6.1. All members of staff should be aware of their general responsibilities for the security of the property of the ICMP, for avoiding loss and for the economy in the use of all resources.

5.6.2. All staff are obliged to make available any relevant records or information to the Finance Director (FD) or their authorised representative in connection with the implementation and execution of the financial policies, financial regulations, and the systems of financial control.

ICMP – Financial Regulation Framework

