



# YMCA **Wales** Community College



## Financial Strategy





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## **1. Introduction**

This strategy sets out the means by which YMCA Wales Community College (the College) will organise resources and develop processes in order to achieve the aims and objectives outlined in the College's Strategic Planning Document for 2010 – 2013 as follows:

- to operate within the regulations set by the Welsh Assembly Government for governance and management
- to maintain financial viability
- to position the College as a provider of co-ordinated education initiatives that address:
  - offender management learning needs
  - youth work related training needs
- to collaborate and work in partnership with organisations that will enable the College to deliver the mission
- to develop and maintain a staff team that will enable the College to deliver the mission
- to maintain and develop College performance
- to maintain effective systems of control
- to value and promote the Welsh language.

## **2. Context**

The College acknowledges its high dependency on government funding.

The College seeks to raise the level of non-government funding by 1% per year through contracts with small organisations to manage their accreditation processes.

## **3. Financial Planning**

Financial planning is fully integrated within the College's planning cycle as indicated in the Provision Planning Framework Policy, the Financial Regulations, the Financial Policy, the Financial Monitoring Control, Procurement Strategy and Procurement Policy.

## **4. Financial Reporting**

All reports are produced to ensure effective monitoring and control of all aspects of the College's finances and reflect the requirements of the Financial Monitoring Control and Procurement Policy.

Three year financial forecasts are produced annually and presented to the Governing Body for approval prior to submission to WAG.

A mid-year financial return is produced giving an updated forecast of the current year and presented to the Governing Body for approval prior to submission to WAG.

An end of year financial return is produced and presented to the Governing Body for approval prior to submission to WAG.

A 12 month forecast cash flow statement is produced as part of the annual budgeting process.

Monthly cash flow statements are produced alongside a rolling 12 month cash flow forecast. These are reviewed by the Head of College monthly and by the Governing Body each term.

Annual accounts are prepared by an external accountant and presented to the Governing Body at the Annual General Meeting.

## **5. Financial Monitoring**

The College prides itself on the rigour of its financial monitoring control procedures.

The College is subject to a financial review by its External Auditors and one control review by its Internal Auditors during the academic year.

The College has an Audit Committee that receives reports from the External and Internal Auditors.

All income and expenditure, balance sheets, spreadsheets, estimates, accounts and financial forecasts are scrutinised by the Governing Body each term.

Day to day financial control is in the hands of the Head of College who receives guidance from the Finance Officer.

Cheques can only be issued with two signatures, that of the Head of College and one other of two nominated officers.

## **6. Cash Management Processes**

The College operates a sweep system between its Current Account and its Business Premium Account ensuring that opportunities to earn interest are maximised.

At the end of each academic year any surplus above 5% of annual operating costs is transferred into the College's reserves.

## **7. Investment and Borrowing**

The College invests its reserves in bank deposit accounts over the short term negotiating the best market return rate.

The College currently has no borrowing requirements, however, should the need arise the Governing Body will determine a course of action.

## **8. Reserves Strategy**

The College has identified a year's annual running costs as an appropriate minimum reserve.

Any surplus accrued on a year will be used to build/maintain the minimum reserve.

Any reserves above the defined minimum will be used to support the development of new projects.

The value of the reserve does not include the College's fixed Assets i.e. the building (Unit 6 Cleeve House), any motor vehicles owned by the College and any other fixed assets such as furniture and I.T. equipment;

The Reserves Policy will be reviewed annually.

## **9. Value for Money Strategies**

The College operates a Procurement Strategy which ensures that all procurement activities follow appropriate value for money practices, including use of the Welsh Further Education Procurement Consortium.

## **10. Performance Indicators**

The following performance indicators are used to measure the College's efficiency :

- To pay all creditors within 14 days of receipt of invoices.
- To process all pay claims by 26<sup>th</sup> of each month.
- To work within the financial forecasts.
- To maintain an overall reserve of one year's operating costs.
- To receive a clean financial audit report.

## **11. Self Assessment of Financial Health**

The College annually carries out a self assessment of its financial health.

## **12. Contingency Planning**

The College has a Risk Register incorporating plans for maintaining financial viability.

The College's reserve is a buffer to minimise the impact of economic downturns.

The College works collaboratively in all areas of activity to maximise value for money