

FINANCIAL REGULATIONS

Financial Regulations

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Any Associated Documentation, for Reference:

Fees Policy, Risk Management Policy,
Whistleblowing Policy and Procedure, Procurement Policy

ELT SIGN-OFF: Simon Nixon – Principal & CEX



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A INTRODUCTION

1 Background

- 1.1** The College has a structure of governance laid down in its Instrument and Articles of Government, which may only be amended by application to the Secretary of State for Education. The College is accountable through its Corporation Board, which has ultimate responsibility for the effectiveness of its management and administration.
- 1.2** The College is an exempt charity under Part 3 of the Charities Act 2011 and Schedule 8 Section 69 of the Further and Higher Education Act 1992. The College is incorporated as a Further Education Corporation under the Further & Higher Education Act 1992, as amended by the Learning and Skills Act 2000 and the Apprenticeships, Skills, Children and Learning Act 2009 (ASCL Act 2009) and the Education Act 2011.
- 1.3** The Financial Memorandum between the Education & Skills Funding Agency (ESFA), the Office for Students (OfS) and the College sets out the terms and conditions on which the funding agreements / contracts are made. The Corporation Board is responsible for ensuring that conditions attached to the use of funds are met. As part of this process, the College must adhere to the Education & Skills Funding Agency's Post 16 Audit Code of Practice, which requires it to have sound systems of financial and management control. The Financial Regulations of the College form part of this overall system of accountability.
- 1.4** These Financial Regulations are relevant to all Funding Agency Provision (including ESFA, ESF, & OfS) as well as Non-Agency Funded Provision.

2 Terminology

- 2.1** The Corporation Board – the body ultimately responsible for the affairs of the College.
- 2.2** The Principal – the person with the ultimate executive responsibility for the management of the College. The Principal is the Chief Executive and Accounting Officer to the Education & Skills Funding Agency.
- 2.3** The Executive Director of Finance – the chief financial officer of the College.

- 2.4** Director of Department (DOD) – the person ultimately responsible for the department, this may be the Director of School within curriculum departments, or Manager of Department, where no DOD exists in the structure.
- 2.5** Budget Holder – a member of staff who has been approved by the Executive Director of Finance to manage a budget whether capital or revenue.
- 2.6** Resources Committee – The committee of the Corporation with responsibility for monitoring financial performance.
- 2.7** ESFA – The Education and Skills Funding Agency
- 2.8** The Director of Governance (designation in use at Preston College) and any person acting as Director of Governance is the Clerk to the Corporation as defined by the College's Instrument and Articles.

3 Status of Financial Regulations

- 3.1** This document sets out the College's Financial Regulations. It translates into practical guidance the College's broad policies relating to financial control. It applies to the College and all its subsidiary undertakings where they exist.
- 3.2** These Financial Regulations are subordinate to the College's Instruments and Articles of Government and to any restrictions contained within the College's Financial Memorandum and the Post 16 Audit Code of Practice.
- 3.3** The purpose of these Financial Regulations is to provide control over the totality of the College's resources and provide management with assurances that the resources are being properly applied for the achievement of the College's strategic plan and business objectives:
- financial viability;
 - achieving value for money;
 - fulfilling its responsibility for the provision of effective financial controls over the use of public funds;
 - ensuring that the College complies with all relevant legislation;

- safeguarding the assets of the College.

- 3.4** Compliance with the Financial Regulations is compulsory for all staff (including agency staff) connected with the College. It is the responsibility of budget holders to ensure that their staff are made aware of the existence and content of the College's Financial Regulations. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the College's disciplinary policy. Any such breach will be notified to the Corporation Board through the Audit & Risk Committee.
- 3.5** Any enquiries, omissions and inconsistencies in these Regulations should be referred to the Executive Director of Finance. Where matters come to light which are not covered in this document they shall be resolved in the spirit of these Regulations until such time as the Corporation can amend them.
- 3.6** Amendments to the Financial Regulations must be considered by the Resources Committee and approved by the Corporation Board. However, changes to this document in connection with the College's accounting and management structure can be made by the approval of the Executive Leadership Team (ELT). Ultimate responsibility for ensuring compliance with the Financial Regulations rests with the Principal in his/her position as Accounting Officer.

B CORPORATE GOVERNANCE

4 The Corporation Board

4.1 The Corporation Board is responsible for the management and administration of the College. The financial responsibilities of the Corporation Board include:

- Ensuring the solvency of the College and safeguarding of the College's assets;
- Appointing, grading, suspending, dismissing and determining the pay and conditions of service of the Principal and other senior post-holders;
- Setting a framework for pay and conditions of service of all other staff;
- Ensuring that the financial, planning and other management controls, including controls against fraud and theft, applied by the College are appropriate and sufficient to safeguard public funds;
- Approving the appointment of external auditors and an internal audit service (if required);
- Securing the efficient, economical and effective management of all the College's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in the College is not put at risk;
- Ensuring that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution;
- Planning and conducting its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure;
- Approving an annual revenue and capital budget before the start of each financial year;
- Determine the Fees Policy;
- Ensuring that the College complies with the Joint Audit Code of Practice;
- Approving the College's strategic plan and multi-year financial forecast;
- Approving the annual financial statements.

5 Committee Structure

5.1 The Corporation Board has ultimate responsibility for the College's finances, and has established a Committee structure to support the scrutiny and monitoring of financial matters. The Corporation Board has delegated specific powers and processes to the Committees detailed below. These Committees are accountable to the Corporation Board. The Terms of Reference and Delegated Powers are shown in the Standing

Orders.

5.2 Resources Committee

The functions of this Committee are to advise and, where authorised, take decisions relating to resources, human resources, remuneration, and business planning matters with a view to ensuring that the operations of the College are efficient, effective and prudent.

5.3 Audit & Risk Committee

The College is required by its Financial Memorandum with the Education & Skills Funding Agency and by the Education & Skills Funding Agency's Joint Audit Code of Practice to appoint a Committee to carry out the 'Audit function'.

The functions of this Committee are to help to ensure the effectiveness of the College's internal control and management systems, including those relating to risk.

6 Managers with Financial Responsibilities

6.1 The Principal

The Principal is the College's designated officer and is responsible for ensuring the financial administration of the College's affairs in accordance with the Financial Memorandum with the Education & Skills Funding Agency. As the designated officer, the Principal may be required to justify any of the College's financial matters to the Public Accounts Committee at the House of Commons.

6.2 In particular, the Articles of Government 3(2)(e) charge the Principal with responsibility:

“...for preparing annual estimates of income and expenditure, for consideration and approval by the Corporation Board, and for the management of budget and resources, within the estimates approved by the Corporation Board.

6.3 The Principal shall demonstrate his or her oversight of financial matters by signing the balance sheet and the statement of corporate governance and internal control within the annual financial statements, and the accounting officer's statement within the multi-year

financial plan submitted to the Education & Skills Funding Agency.

6.4 Executive Director of Finance

Day-to-day financial administration is managed by the Executive Director of Finance, who is responsible to the Principal for:

- preparing annual capital and revenue budgets and financial plans;
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
- preparing the College's annual accounts and other financial statements which the College is required to submit to other authorities;
- ensuring that the College maintains satisfactory financial systems;
- providing professional advice on all matters relating to financial policies and procedures;
- issuing and keeping up to date, detailed financial procedures for the implementation of these Financial Regulations.

6.5 The Executive Leadership Team (ELT) and College Management Team (CMT)

The College's senior and middle management teams - the Executive Leadership Team (ELT, also sometimes referred to as the Executive) and College Management Team (CMT) - play a key role in monitoring and challenging the financial performance of the College. In addition, individual members of those teams may have delegated financial management responsibilities (thereby becoming budget holders) with the approval of the Executive Director of Finance (see below).

6.6 Budget holders

Budget holders are responsible to the Principal for financial management of the areas or activities they control. They are advised by the Executive Director of Finance in executing their financial duties. The Executive Director of Finance will also supervise and approve the financial systems operating within their departments, including the form in which accounts and financial records are kept.

Budget holders are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters and they are expected to comply with the procedures set out in the Financial Regulations.

Budget holders shall provide the Executive Director of Finance with such information as may be required to enable:

- Compilation of the College's financial statements;
- Implementation of the Business Planning and Performance Framework;
- Implementation of audit and financial reviews, projects and value for money studies.

Levels of financial limits (budgetary authority) are set out in detail at Appendix E.

6.7 All members of staff

All members of staff should be aware of, and have a general responsibility for, the security of the College's property, for avoiding loss and for due economy in the use of resources.

They should ensure that they are aware of the College's financial authority limits (see 19.2) and the values of purchases for which quotations and tenders are required (Appendix C).

They shall make available any relevant records or information to the Executive Director of Finance (or his/her authorised representative) as required in connection with the implementation of the College's financial policies, these Financial Regulations and the system of financial control.

They shall provide the Executive Director of Finance with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the Corporation Board.

They shall immediately notify the Executive Director of Finance whenever any matter arises which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the College. The Executive Director of Finance shall take such steps as he or she considers necessary by way of investigation and report. These are explained in more detail within the fraud response plan (Appendix B).

7 Risk Management

- 7.1** The Vice Principal Corporate Services (on behalf of the Executive Leadership Team) is responsible for developing a risk management strategy in order to identify the risks facing the College and types of protection required to cover these risks. The strategy should cover important potential liabilities and be sufficient to meet any potential risk to all assets.
- 7.2** Detailed guidance on the level of risk considered to be acceptable/unacceptable by the College is set out in a separate risk management policy. The Vice Principal Corporate Services is responsible for producing a risk register, which contains all known material risks, risk ratings and action to mitigate/reduce each risk. This is considered and approved by the Audit & Risk Committee three times per annum. The Risk Register is also regularly reviewed by the Corporation Board.

8 Whistleblowing

- 8.1** Whistleblowing, in the context of the Public Interest Disclosure Act 1998, is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence, breach of contract), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.
- 8.2** The detailed policy and procedure may be found on the College's website.

9 Code of Conduct

- 9.1** The College expects that staff and members of the Corporation Board will act in the best interests of the College and observe the College's code of conduct which reflects the seven principles of public life:
- Selflessness

- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

9.2 Additionally, members of the Corporation Board, senior management or those involved in procurement are required to disclose interests in the College's register of interests maintained by the Director of Governance for Board members and the Executive Director of Finance for all other employees. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the financial procedures.

9.3 In particular, no person shall be a signatory to a College contract where he or she also has an interest in the activities of the other party.

9.4 Gifts and Hospitality

Staff entertaining guests from outside bodies at lunch-time should normally use the College's catering facilities.

The limits concerning acceptable expenditure for entertaining guests are set out in the College's Business Expenses Policy and procedures.

Gifts other than items of very small intrinsic value such as business diaries, calendars, telephone pads etc., shall not be accepted, neither should items for personal use.

Modest hospitality is an accepted courtesy of a business relationship. The recipient should, however, be conscious of the need to avoid a position where they might be or appear to be influenced in making a business decision by such hospitality. The frequency and scale of hospitality should not be significantly greater than the Corporation would be

likely to provide in return.

Personal inducement in any form from suppliers of goods and services must never be accepted. Any such offers should be reported to the Executive Director of Finance immediately.

Where a situation arises where an employee is uncertain of whether it would be appropriate to accept an offer of a gift or hospitality, the offer should be declined or advice should be sought from the Executive Director of Finance or Principal. For the protection of those involved, the Executive Assistant (or other designated officer) will maintain a register of gifts and hospitality received where the value is in excess of £50. Members of staff in receipt of such gifts or hospitality are obliged to notify the Executive Assistant, (or other designated officer) promptly by email to registerofgifts@preston.ac.uk. The register will be reviewed annually by the Executive Director of Finance.

The College's agreed policy for gifts and hospitality should be followed at all times; this includes compliance with the College's Anti-Fraud, Bribery and Corruption Policy.

The College is also legally responsible for ensuring that it has in place adequate procedures to prevent bribery. In determining what is termed adequate the College must have regard to the risks that it faces, as determined by six key principles: proportionality; top level commitment; risk assessment; due diligence; communication; and monitoring and review.

10 Bribery

- 10.1 Under the Bribery Act 2010, which came into force in July 2011 and which replaced the Prevention of Corruption Act 1906, it is an offence for members of staff or members of the Corporation Board to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The College prohibits staff and Corporation members from offering, giving, soliciting or accepting any bribe. The bribe might include cash, a gift or other inducement, to or from any person or organisation, wherever they are situated and irrespective of whether or not they are a public official/body or private person or company, by any individual governor, employee, agent

or other person or body acting on the College's behalf. The bribe might be made in order to:

- Gain any commercial, contractual or regulatory advantage for the College in a way which is unethical;
- Gain any personal advantage, pecuniary, or otherwise, for the individual or anyone connected with the individual.

10.2 This regulation is not intended to prohibit appropriate corporate entertainment and/or hospitality undertaken in connection with the College's business activities, provided the activity is customary under the circumstances, is proportionate, and is properly recorded/disclosed to the College in accordance with its procedures – all such activities being reported to the Executive Director of Finance for all staff, and the Director of Governance in the case of Corporation members.

10.3 Staff and Corporation members are requested to remain vigilant in preventing, detecting and reporting bribery. Staff and Corporation members are expected to report any concerns regarding any suspected bribery in accordance with the College's Anti-Fraud, Bribery and Corruption Policy.

C FINANCIAL MANAGEMENT AND CONTROL

11 Financial Planning

11.1 The Executive Director of Finance is responsible for preparing annually, for the Principal, a multi-year financial plan for approval by the Corporation Board on the recommendation of the Resources Committee, prior to submission to the Education & Skills Funding Agency.

11.2 Financial Plans should be consistent with the strategic plans and estates strategy approved by the Corporation.

11.3 Resource allocation

Resources are allocated annually by Senior Managers, under direction of the Principal, following approval of the College budget by the Corporation Board. Budget holders are responsible for the economic, effective and efficient use of resources allocated to them.

11.4 Budget preparation

The Principal is responsible for preparing annual revenue and capital budgets for consideration by the Resources Committee before submission to the Corporation Board. This will be based upon a Business Planning cycle established with the Executive, who will collectively review departmental plans and determine priorities. The budget should also include a cash flow statement and a projected year-end balance sheet for the new financial year. The Executive Director of Finance must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to budget holders as soon as possible following their approval by the Corporation Board.

During the year, the Executive Director of Finance is responsible for preparing monthly management accounts and quarterly reports on performance monitoring to the Resources Committee before submission to the Corporation Board as part of the performance monitoring process.

11.5 Capital Programmes

The Capital programme includes all expenditure on land, buildings, equipment, furniture and associated costs whether or not they are funded from capital grants or capitalised for inclusion in the College's financial statements. Expenditure of this type can only be considered as part of the capital allocation approved by the Corporation Board.

The Executive Director of Finance is responsible for providing regular statements concerning all capital expenditure as part of the monthly management accounts reporting to the Corporation Board for monitoring purposes.

No overspend is permitted against the cash allocation approved by the Board as part of the annual budget setting process. Any individual project costing in excess of £100,000 requires explicit Board approval. Projects below this amount, providing they are contained within the overall allocation available, can be approved by ELT, and reported through the monthly management accounts.

Following completion of a significant capital project, a post-project evaluation or final report should be submitted to the Resources Committee including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Post-project evaluations may also need to be sent to the Education & Skills Funding Agency, as laid down in their guidelines.

12 Financial Control

12.1 Budgetary control

The Principal is responsible for managing the College within the budget approved by the Corporation Board.

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively. Budget holders are responsible to their line manager for the income and expenditure appropriate to their budget.

Performance is managed in the current year through scheduled periodic reviews of progress against the agreed Business Plans or Budgets. Significant departures from agreed budgetary targets must be reported immediately to the Executive Director of Finance by the Director of Department concerned and, if necessary, corrective action taken.

12.2 Financial information

The budget holders are assisted in their duties by management information provided by the Executive Director of Finance. Reports will normally be prepared within 10 workings days of the month end.

The Executive Director of Finance is responsible for supplying management accounts reports on all aspects of the College's finances to the Corporation Board but subject to any specific requirements of the Education & Skills Funding Agency.

12.3 Virement

The Principal is empowered to exercise virement between all cost centres provided:

- The virement does not affect the budgeted surplus or deficit approved by the Corporation Board;
- The action does not involve the College in any additional financial commitments in respect of any subsequent years.

All virements must be approved by the Director of Department, and a member of the Executive for those above £1,000, before being processed through the Finance team.

Where monies are allocated from the College's Capital budget for a specific purpose, the monies must be used for that purpose.

13 Accounting Arrangements

13.1 Financial year

The College's financial year will run from 1 August until 31 July the following year.

13.2 Basis of accounting

The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

13.3 Format of the financial statements

The financial statements are prepared in the format required by the Education & Skills Funding Agency and in accordance with the provisions of the relevant Companies Act legislation, if that is appropriate.

13.4 Capitalisation and depreciation

New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Land will not be depreciated. An annual review for impairment purposes is carried out on capital assets to establish if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item is £1,000 or more. Grouped items (e.g. a suite of computers) with an individual value of less than £1,000 but a group value of £2,000 or more may be capitalised. Capitalised assets other than land and buildings will be depreciated as follows:

- Motor vehicles and general equipment – 5 years
- Computer hardware – 5 years
- Computer software – 3 years

13.5 Accounting returns

The Executive Director of Finance is responsible for consolidating and dispatching financial returns and other periodic financial reports to the Education & Skills Funding Agency and other agencies as required. The Executive Director of Finance is also responsible for ensuring that all grants notified by the funding agency or other bodies are received.

13.6 Accounting records

The Executive Director of Finance is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.

The College is required by law to retain prime documents for current financial year plus six years. These include:

- official purchase orders;
- paid invoices;
- accounts raised;
- bank statements;
- copies of receipts;
- a complete record of transactions for each year from the computerised accounting system.

The College will retain all records supporting the audit trail relating to the College's Individualised Learner Record (ILR) return for a minimum of 6 years.

The College will maintain such data securely and other procedures in relation to computer and manual records to comply with the relevant data protection legislation and best practice.

Additionally, for auditing and other purposes, other financial documents should be retained for 7 years.

13.7 Taxation

The Executive Director of Finance is responsible for advising budget holders, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the College. Therefore the Executive Director of Finance will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.

The Executive Director of Finance is responsible for maintaining the College's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

Value Added Tax (VAT)

The Corporation Board must meet statutory requirements in relation to VAT registration and comply with HM Revenue and Customs requirements, including making returns, as appropriate. The Executive Director of Finance shall ensure the maintenance of VAT records for the Corporation Board and shall ensure the processing of all VAT payments and receipt of all VAT credits as appropriate.

Corporation Tax

The Corporation Board may be liable for Corporation Tax on any profit-making activities that it undertakes. The Executive Director of Finance will be responsible for ensuring that any liabilities in this area are identified and reported accurately to the HM Revenue and Customs.

13.8 Management Accounts

The Executive Director of Finance shall be responsible for ensuring the prompt and accurate preparation of monthly management accounts and the accompanying commentary. This report should address all aspects of the College's finances with an income & expenditure account, a balance sheet and a twelve month rolling cash flow forecast. Variances and a forecast out-turn should also be included. It should include any subsidiary companies and provide sufficient analysis of any trading activities and capital projects.

These will be completed by the tenth working day of the following month and, after review by the Executive, shall be considered by the Resources Committee before being presented to the Board as agreed and made available to the funding agency and banks (as required). Detailed cost centre reports will be made available to all budget holders at

the same time.

14 Audit Requirements

14.1 General

External and internal auditors shall have authority to:

- access College premises at reasonable times;
- access all assets, records, documents and correspondence relating to any financial and other transactions of the College;
- require and receive such explanations as are necessary concerning any matter under examination;
- require any employee of the College to account for cash, stores or any other College property under his or her control;
- access records belonging to third parties, such as contractors, when required.

The Executive Director of Finance is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

The Audit & Risk Committee is responsible for recommending to the Corporation Board that the audit process has provided suitable assurance to allow formal approval of the financial statements. The Resources Committee must also review and approve the financial statements, and recommend approval of the statements to the Board based on its own review and opinion of the Audit & Risk Committee.

14.2 External audit

The appointment of external auditors for the main financial statements of the College is reviewed annually, and is the responsibility of the Corporation Board. The Corporation Board will be advised by the Audit & Risk Committee.

The primary role of external audit is to report on the College's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the

appropriate use of funds. Their duties will be in accordance with advice set out in the Education & Skills Funding Agency's Joint Audit Code of Practice and the Auditing Practices Board's standards.

14.3 Internal audit

The appointment of an independent internal audit service to carry out the evaluation 'of internal financial and other control[s]' is neither mandatory under the Articles of Government, nor under the Financial Memorandum. However, as from 1 August 2013, it is not mandatory under the Joint Audit Code of Practice for any college corporation to have to appoint an internal audit service. It is for each college corporation, on the advice of its Audit Committee, to determine for itself how best to fulfil its obligations to secure the proper economic, efficient and effective use of resources and to safeguard the college's assets. The Joint Code of Practice requires the Audit Committee to assess and provide the corporation with an opinion on the adequacy and effectiveness of the college's audit arrangements, framework of governance, risk management and control, and processes for the effective and efficient use of resources, the solvency of the institution and the safeguarding of its assets. The internal auditor is appointed by the Corporation Board on the recommendation of the Audit Committee where appropriate under the conditions set out under supplement A to the ESFA's Joint Audit Code of Practice.

The College's Financial Memorandum with the Funding Council requires that it has an effective internal audit function. The main responsibility of internal audit is to provide the Corporation Board, the Principal and senior management with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation and has direct access to the Corporation Board, Principal and Chair of the Audit & Risk Committee.

14.4 Other auditors

The College may, from time to time, be subject to audit or investigation by external bodies such as the Education & Skills Funding Agency, National Audit Office, European Court of Auditors and Her Majesty's Revenue and Customs. These auditors have the same

rights of access as external and internal auditors.

14.5 Anti-fraud and corruption

It is the duty of all members of staff, management and the Corporation Board to notify the Executive Director of Finance immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

The Executive Director of Finance shall immediately invoke the fraud response plan, which incorporates the following key elements (see Appendix B for more details):

- he or she will notify the Principal and the Audit & Risk Committee (through its Chair) of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report;
- the Principal shall inform the police if a criminal offence is suspected of having been committed;
- any significant cases of fraud or irregularity shall be reported to the Education & Skills Funding Agency in accordance with their requirements as set out in the audit code of practice;
- the Audit & Risk Committee shall commission such investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate;
- the internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the Audit & Risk Committee on the suspected irregularity. Such report shall include advice on preventative measures.

If the suspected fraud is thought to involve the Director of Finance and/or the Principal, the member of staff shall notify the Chair of the Audit & Risk Committee directly of their concerns regarding irregularities.

14.6 Value for money

It is a requirement of the Financial Memorandum that the Corporation Board of the College is responsible for delivering value for money from public funds. It should keep

under review its arrangements for managing all the resources under its control, taking into account guidance on good practice contained in HM Treasury Managing Public Money (MPM) guidance issued from time to time by the Education & Skills Funding Agency, the National Audit Office, the Public Accounts Committee or other relevant bodies.

15 Income and banking

15.1 General

The Executive Director of Finance is responsible for ensuring that appropriate procedures are in operation to enable the College to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the Executive Director of Finance.

The Executive Director of Finance must be promptly notified by budget holders within the College of all income, grants and other funds due to the College.

The Fee Policy is approved annually by the Corporation Board.

The Executive Director of Finance is responsible for the prompt collection, security and banking of all income received.

The Executive Director of Finance is responsible for ensuring that all grants notified by the Education & Skills Funding Agency and other bodies are received and appropriately recorded in the College's accounts.

The Executive Director of Finance is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

15.2 Appointment of bankers

The Corporation Board is responsible for the appointment of the College's bankers. The appointment shall be monitored by the Resources Committee with consideration being given to competitively tendering the service.

15.3 Banking arrangements

The Executive Director of Finance is responsible, on behalf of the Corporation Board, for liaising with the College's bankers in relation to the College's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the Executive Director of Finance, who shall make proper arrangements for their safe custody.

Only the Executive Director of Finance may open or close a bank account or an internet based Payment Services Provider account (PSP) for dealing with the College's funds. All bank accounts and PSP accounts shall be in the name of the College or one of its subsidiary companies.

The Executive Director of Finance is responsible for establishing appropriate safeguards and procedures for administering the College's bank and PSP accounts, including internet banking.

All cheques drawn on behalf of the College must be signed in the form approved by the Corporation Board. Cheques will be paid in accordance with the bank and payroll authorisations detailed in Appendix D.

The authorised signatories will be determined by the Corporation Board with any changes subject to Corporation Board approval.

All automated transfers on behalf of the College, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Corporation Board.

The Executive Director of Finance is responsible for ensuring that all bank and PSP accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

Where required, overdraft or loan facilities shall be arranged only on the specific direction of the Corporation Board, and only after seeking and obtaining specific approval from the Department for Education (DfE) in line with MPM guidance.

15.4 Maximisation of income

It is the responsibility of all staff to ensure that revenue to the College is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to the Executive Director of Finance of sums due so that collection can be initiated.

15.5 Receipt of cash, cheques and other negotiable instruments

All monies received within departments from whatever source must be recorded by the department on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments.

An official College receipt, in a format approved by the Executive Director of Finance, must be issued to every cash payee at the time of payment. Receipt books are controlled stationery and shall be issued on request by the Executive Director of Finance.

All monies received must be paid promptly to the Finance Department, and in accordance with a timetable prescribed by the Executive Director of Finance and set out in financial procedures. The custody and transit of all monies received must comply with the requirements of the College's insurers.

No deductions may be made from any cash collected on behalf of the College prior to paying into the Finance Department. Personal or other cheques must not be cashed out of money received on behalf of the College.

Receipts by credit or debit card: the College may only receive payments by debit or credit card using procedures approved by the Executive Director of Finance.

15.6 Collection of debts

The Executive Director of Finance should ensure that:

- debtor invoices are raised promptly on official invoices, in respect of all income due to the College;
- invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account;

- any credits granted are valid, properly authorised and completely recorded;
- VAT is correctly charged where appropriate, and accounted for;
- monies received are posted to the correct debtors account;
- swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the financial procedures;
- outstanding debts are monitored and reports prepared for management.

The Executive Director of Finance is responsible for ensuring appropriate credit arrangements and indicating a period in which different types of invoice must be paid.

Requests to write off debts in excess of £10,000 must be referred in writing to the Executive Director of Finance for submission to the Corporation Board for consideration. Debts below this level may be written off in accordance with the schedule of delegated authorities set out at Appendix C. The Executive Director of Finance will provide the Audit & Risk Committee with an annual review of debts written off.

Additionally, following reclassification of colleges as public sector organisations in November 2022, explicit DfE consent must be sought if:

- the write off exceeds 1% of annual income or £45k individually (whichever is smaller); or
- the write off takes the College's cumulative total write offs for the financial year beyond 5% of annual income or £250k (whichever is smaller).

Any student who has not paid an account for fees or any other item owing to the College risks being excluded from attending classes and may have services withdrawn until all outstanding debts have been cleared. Such students shall be prevented from re-enrolling at the College and from using any of the College's facilities.

15.7 Student fees

The procedures for collecting tuition and other fees must be approved by the Executive Director of Finance. He or she is responsible for ensuring that all student fees due to the College are received.

Any student who has not paid an account for fees or any other item owing to the College risks being excluded from attending classes and may have services withdrawn until all outstanding debts have been cleared. Such students shall be prevented from re-enrolling at the College and from using any of the College's facilities unless appropriate arrangements have been made.

15.8 Security of documents

The Executive Director of Finance is responsible for the safekeeping of official and legal documents relating to the College. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Executive Director of Finance. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

16 Research Grants and Contracts

16.1 General

Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective. It can use existing knowledge in experimental development to produce new or substantially improved materials, devices, products and processes including design and construction. It excludes routine testing and analysis of materials, components and processes.

The term 'research grant' is restricted to research projects funded by the UK research councils, charities and the funding bodies.

All other externally financed research projects are classified as 'research contracts'.

Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the head of department to ensure that the financial implications have been appraised by the Executive Director of Finance. This will include obtaining a set of grant terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance.

The Executive Director of Finance is responsible for examining every formal application for grant and shall ensure that there is adequate provision of resources to meet all commitments. The Executive Director of Finance should ensure that the full cost of research contracts is established. The research agreement must be in line with the College's policy with regard to indirect costs and other expenses and taking account of different procedures for the pricing of research projects depending on the nature of the funding body.

Research grants and contracts shall be accepted on behalf of the College by the Principal or other staff specifically authorised to do so.

The Executive Director of Finance shall maintain all financial records relating to research grants and contracts and shall initiate all claims for reimbursement from sponsoring bodies by the due date.

Each grant or contract will have a named supervisor or grant holder and will be assigned to a specific cost centre.

Control of pay and non-pay expenditure will be contained within the cost centre.

16.2 Grant and contract conditions

Many grant-awarding bodies and contracting organisations stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. Failure to respond to these conditions often means that the College will suffer a significant financial penalty. It is the responsibility of the named supervisor or grant holder to ensure that conditions of funding are met.

Any loss to the College resulting from a failure to meet conditions of funding is the responsibility of the budget holder.

17 Other Income-Generating Activity

17.1 Courses and services rendered

Any staff wishing to run a course must have the permission of their budget holder. The course organiser will be responsible to the Director of Department for day-to-day management of the course.

The term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information.

Courses or conferences organised by members of staff must be approved by the Executive Leadership Team (ELT) before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the College's fees policy.

17.2 Subcontracting

Any contract or arrangement whereby the College provides education to students away from College premises, or with the assistance of persons other than the College's own staff or with independent contractors, must be subject to the following procedure and monitoring arrangements.

There shall be a contract signed by the Principal (or anyone specifically designated by the Principal) and on behalf of any partner organisation that shall comply at least with the Education & Skills Funding Agency requirements (as amended from time to time) in place before any provision is made. Contracts will only be awarded to legal entities that the Corporation and Principal determine are of high quality and low risk. If the legal entity is a registered company, it must be recorded as 'Active' on the Companies House database. Contracts will not be awarded if:

- It has an above average risk warning from a credit agency;
- It has passed a resolution (or the court has made an order) to wind up or liquidate the company, or administrators have been appointed; or
- The statutory accounts are overdue.

The Corporation must be satisfied that all subcontracting meets the College's strategic aims and enhances the quality of the offer to students . The College must robustly

manage and monitor all of the subcontractors to ensure that high-quality delivery is taking place that meets the specific funding requirements for each programme being delivered.

The College will remain ultimately responsible for all provision subcontracted. This includes students funded by the Education & Skills Funding Agency or through an Advanced Learning Loan. If the sub-contractor fails to deliver, the College will be responsible for making alternative arrangements for the delivery of education and training and/or repaying the Education & Skills Funding Agency or Loan Funding.

The College will ensure that students and employers supported through subcontracting arrangements know about the College's and the subcontractor's roles and responsibilities in providing the learning. Monitoring and compliance checks will be in accordance with guidance provided by the Education & Skills Funding Agency.

18 Intellectual Property Rights and Patents

18.1 General

Certain activities undertaken within the College including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.

18.2 Patents

The Corporation Board is responsible for establishing procedures to deal with any patents accruing to the College from inventions and discoveries made by staff in the course of their research.

18.3 Intellectual property rights

In the event of the College deciding to become involved in the commercial exploitation of inventions and research, the matter should be referred to the Executive Director of Finance.

19 Expenditure

19.1 General

The Executive Director of Finance is responsible for ensuring appropriate arrangements to making payments to suppliers of goods and services to the College.

19.2 Scheme of delegation / financial authorities

The Director of each Department is responsible for purchases within his or her area. Purchasing authority may be delegated to named individuals within the department with the prior approval of the Executive Director of Finance. In exercising this delegated authority, budget holders are required to observe the purchasing policies and financial procedures. Only budget holders are authorised to certify invoices for payment.

The Executive Director of Finance shall maintain a register of authorised signatories and budget holders must supply him or her with specimen signatures of those with delegated authority to commit expenditure on behalf of the College. Under procedures agreed by the Executive Director of Finance, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits.

Any employee of the College who has any pecuniary, family or other interest, direct or indirect, in any supplier of goods or services to the College, shall be responsible for making a declaration of interest to the Principal.

Budget holders are not authorised to commit the College to expenditure without first reserving sufficient funds to meet the purchase cost in the current budget year and, where appropriate, ensuring continued provision in projected budget years.

The member of staff (or budget holder) authorising the expenditure must be different from the member of staff responsible for inputting the purchase order.

Expenditure on a single item in excess of £5,000 shall require the approval of the relevant member of the Executive (£10,000 for the Director of HR). Expenditure on items in excess of £50,000 shall require the approval of the Principal. Expenditure on items in

excess of £100,000 shall require approval of the Chair of the Corporation Board. The summary of financial limits is detailed in Appendix C.

19.3 Procurement

All procurement related rules, procedures and financial limits are detailed within the College's Procurement Policy.

The Procurement Policy may be found on the College's website and will be reviewed every three years by the Senior Procurement Officer.

The Procurement Policy fully complies with the legislative requirements and procurement principles contained in the Procurement Act 2023.

The College requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice. Factors to be considered in determining lowest cost are noted in the Procurement Policy.

The Senior Procurement Officer is responsible to the Executive Director of Finance (or other designated officer) for:

- ensuring that the College's Procurement Policy is known and observed by all involved in purchasing for the College;
- advising on matters of College purchasing procedures and practice;
- advising and assisting departments where required on specific departmental purchases;
- developing appropriate standing supply arrangements on behalf of the College to assist budget holders in meeting their value for money obligations;
- vetting all orders above £10,000 before they are approved;
- the drafting and negotiation of all large scale purchase contracts (generally in excess of £50,000) undertaken by the College, in collaboration with the responsible department;

19.4 Purchase orders

The ordering of goods and services shall be in accordance with the College's detailed financial procedures/purchasing policies.

Official College orders must be used for the purchase of all works, goods or services, except those made using purchasing cards, company credit cards, petty cash payments, or other exemptions approved by the Executive Director of Finance. In exceptional circumstances, urgent orders may be given orally, but must be confirmed by an official purchase order not later than the following working day.

Official orders shall not be raised for any personal or private purchases, nor shall personal or private use be made of College contracts.

All contracts or orders entered into on behalf of the College must be authorised as specified in Appendix C of these regulations.

19.5 Purchasing cards

The operation and control of the College's purchasing cards is the responsibility of the Executive Director of Finance. The cards are usually limited to employees whose roles require the flexibility that a purchasing card offers. Directors of Department should discuss possible requirements with the Senior Procurement Officer before applying for card holders within their specific departments.

The Executive Director of Finance will approve the issuing of purchasing cards to staff. Each procurement card has a set transaction limit, with a maximum monthly limit relevant to the requirement of the card holder. Individual maximum monthly limits will not exceed £10,000. The only exception being the College Corporate card which is held by the Executive Director of Finance, and has a monthly limit of £25,000.

The Senior Procurement Officer maintains a register of all cardholders, card numbers and locations. This is managed through the Barclaycard online portal. The Senior Procurement Officer and Executive Director of Finance have access to the portal. Any changes to these details must be notified to the Senior Procurement Officer. Card holders must sign the standard declaration form to acknowledge receipt of the card and confirm acceptance of the financial procedures.

Holders of purchasing cards must use them only for the purposes for which they have been issued. The College purchasing card may not be used for the purchase of fuel for journeys on College business. Fuel and travel claims will be reimbursed in the normal way and in accordance with the Business Expenses protocol. Cards must not be loaned to another person, nor should they be used for personal or private purchases and the misuse of such cards shall be grounds for disciplinary action.

Cardholders should obtain approval to purchase from the relevant budget holder who should firstly ensure that there is sufficient budget available to meet the costs. All expenditure on College cards must be supported by bona fide receipts, and the card statement should be cross checked and authorised by the card holder's line manager, or in the case of the Principal, the Chair of the Corporation Board.

19.6 Tenders and quotations

Budget holders must comply with the College's tendering procedures set out in the Procurement Policy, and may be subject to special rules imposed by funding bodies. Appendix C specifies the financial limits for purchasing.

19.7 Capital & Building Contracts

Significant capital schemes (over the value of £500,000) will be approved by the Board and are administered by the Vice Principal Corporate Services.

Proposals will normally be initiated by the Estates & Facilities Manager in respect of planned replacements, general improvement schemes, space planning or in response to requests from departments.

Consultants may be appointed if the project, as determined by the Corporation Board, is too large or too specialised for the Estates & Facilities Manager. Appointments shall be subject to tendering and other procedures where appropriate.

Proposals shall be presented in the form of costings or investment appraisals as appropriate for consideration by the Corporation Board or a committee if deemed appropriate. Investment appraisals should comply with appropriate Education & Skills Funding Agency guidance.

Following approval by the Corporation Board, submissions should be forwarded to the Education & Skills Funding Agency where appropriate. If required, agreement is secured from the Funding Agency and Funding Agency procedural rules should be followed. Education & Skills Funding Agency guidance on best practice should be followed even when their approval is not required.

All contracts will attempt to ensure best value for money.

Budget holders are not authorised to commit expenditure for the refurbishment, redecoration or purchases of furniture for their offices without the prior approval of the Vice Principal Corporate Services.

19.8 Contracts

Conditions of contract for the purchase of goods or services will be followed as described in the College's detailed financial procedures.

All contracts, agreements, leases or other forms of contractual documentation will be the responsibility of the Principal who will ensure the acceptability of their terms and provisions in relations to College policy, the Financial Memorandum, relevant legislation and the Financial Regulations.

No contract, or similar document, will be binding upon the College unless authorised in accordance with Appendix C of these Regulations.

19.9 Procurement Act 2023

The Executive Director of Finance is responsible for ensuring the College complies with its legal obligations concerning the Procurement Act 2023. The Procurement Act 2023 applies to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value.

The Executive Director of Finance will advise Directors of Department on the thresholds that are currently in operation ([Guidance: Thresholds \(HTML\) - GOV.UK](#)) A breach of the Procurement Act 2023 is actionable by a supplier or potential supplier.

It is not permissible to avoid the provisions of the Procurement Act 2023 by breaking down orders into smaller quantities/values or by letting contracts of shorter durations which would result in a commitment value below the relevant threshold level.

It is the responsibility of Directors of Department to ensure that their members of staff comply with the Procurement Act 2023 by notifying the Senior Procurement Officer of any purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisement on the Find a Tender website (<https://www.gov.uk/find-tender>)

19.10 Payment of invoices

The procedures for making all payments shall be in a form specified by the Executive Director of Finance.

The Executive Director of Finance is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by BACS transfer at least once a month, with cheques used occasionally if BACS is not possible. Budget holders are responsible for ensuring that expenditure within their departments does not exceed funds available.

Suppliers should be instructed by the budget holder to submit invoices for goods or services directly to the finance department.

Payments will only be made by the Executive Director of Finance against invoices that can be matched to a receipted order (electronic system).

Receipting of an electronic order will ensure that:

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;

- where appropriate, it is matched to the order;
- invoice details (quantity, price discount) are correct;
- the invoice is arithmetically correct;
- the invoice has not previously been passed for payment;
- an appropriate cost centre is quoted; this must be one of the cost centre codes included in the budget holder's areas of responsibility and must correspond with the types of goods or service described on the invoice.

19.11 eBay/PayPal

The College may, in exceptional circumstances and subject to normal procurement/value for money criteria, make use of internet auction sites, such as eBay, to buy or sell goods on behalf of the College. The College has an eBay account which is monitored and administered within the Finance Department by the Senior Procurement Officer.

Any purchases made through internet auction houses must be authorised in advance of expenditure being committed. Accounts with auction sites other than eBay may only be created with the express permission of the Executive Director of Finance. Budget holders must not use personal eBay accounts for College business, or vice versa.

Accounts with payment transaction services, such as PayPal, may only be set up with the authorisation of the Executive Director of Finance and must be administered within the Finance Department.

The College's Paypal account is linked to the College eBay account, a College purchasing card and the main College bank account. The PayPal element of eBay transactions that are operated through the College eBay account is managed solely by one of: the Executive Director of Finance,, and members of the Finance team with cashiering responsibilities.

19.12 Petty cash

Where the College needs to make a low value purchase up to the value of £50, the cost can be reclaimed using the Petty Cash procedure. The procedure allows for a department to purchase the goods and reclaim the cost back from College on the

specified dates. The Budget Holder must approve the spend before the purchase is made and receipts should be obtained.

Payments to individuals for services rendered must not be made from petty cash.

The Executive Director of Finance may establish such imprests to departments as are considered necessary for the disbursements of petty cash expenses. However, it is important for security purposes that petty cash imprest floats are kept to a minimum.

Requisitions for reimbursements to floats must be sent to the Finance Department together with appropriate receipts, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.

The member of staff granted a float is personally responsible for its safe-keeping. The petty cash box must be kept in a secure place in compliance with the requirements of the College's insurers when not in use and will be subject to periodic checks by the Head of Department or another person nominated by them.

Standard College petty cash stationery is supplied by the Finance Department and must be used for recording all imprest accounts.

At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float, counter-signed by the budget holder and submitted to the Finance Department.

19.13 Project advances

The Executive Director of Finance and the relevant Director of Department may jointly approve cash advances for projects carried out away from the College where cash expenditure may be unavoidable. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or a College purchasing card.

Receipts or paid invoices will be retained for all sums expended in this way. Upon completion of the project to which the advance relates, within one month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to a project or individual is outstanding.

20 Pay Expenditure

20.1 Remuneration policy

All College staff will be appointed to the salary scales approved by the Principal under delegated authority from the Corporation Board and in accordance with appropriate conditions of service. All letters of appointment or variations in conditions of service must be issued by the Human Resource department.

Salaries and other benefits for senior post holders will be determined by the Corporation Board.

20.2 Appointment of staff

All contracts of service shall be concluded in accordance with the College's approved human resource practices and procedures and all offers of employment with the College shall be made in writing by the Head of Human Resources. Budget holders shall ensure that the Executive Director of Finance and the Head of Human Resources are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

20.3 Salaries and wages

The Principal is responsible for ensuring correct payments of salaries and wages to all staff including payments for overtime or services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Principal.

The Executive Director of Finance is responsible for ensuring correct payments to non-payroll workers and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.

The Principal shall be responsible for keeping all records relating to payroll including those of a statutory nature, are properly kept.

All payments must be made in accordance with the College's detailed payroll financial procedures and comply with Her Majesty's Revenue and Customs regulations.

20.4 Superannuation schemes

The Head of Human Resources is responsible for day-to-day superannuation matters, including:

- paying contributions to various authorised superannuation schemes
- preparing the annual return to various superannuation schemes
- administering the College's pension fund.

The Head of Human Resources is responsible for administering eligibility to pension arrangements and for informing the Executive Director of Finance when deductions should begin or cease for staff.

20.5 Agency staff

Orders for agency staff should only be made to the contracted agencies and by the written approval of the Director of Department, following Executive approval. Other members of staff must not place orders directly with a supplier of agency staff.

20.6 Travel, subsistence and other allowances

All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Executive Director of Finance and in accordance with the rules set out in the College's business expenses policy.

Claims by members of staff must be authorised by their Director of Department (or Principal in the case of executive post holders). The certification by the Director of Department shall be taken to mean that:

- the journeys were authorised;
- the expenses were properly and necessarily incurred;
- the allowances are properly payable by the College;
- consideration has been given to value for money in choosing the mode of transport.

All claims for payment of subsistence allowances, travelling and incidental expenses for members of the Board shall be submitted on a Governor Expenses Claim Form in accordance with the rules set out in the Policy and Procedure on Payment/ reimbursements of allowances and expenses to members of the Board as specified in Appendix E.

Arrangements for reimbursement for travel by the Principal or members of the Corporation Board shall be approved by the Corporation Board.

20.7 Overseas travel

All arrangements for overseas travel must be approved by the Principal in advance of committing the College to those arrangements or confirmation of any travel bookings. Arrangements for overseas travel by the Principal or members of the Corporation Board shall be approved by the Chair of the Corporation Board. Arrangements for overseas travel by the Chair shall be approved by the Corporation Board.

Where spouses, partners or other persons unconnected with the College intend to participate in a trip, this must be clearly identified in the approval request. The College must receive reimbursement for the expected costs it may be asked to cover for those persons in advance of confirming travel bookings.

20.8 Severance and other non-recurring payments

The Financial Memorandum requires the College to demonstrate that any payments made in respect of termination of employment are regular, secure value for money and

have not been made where disciplinary action would have been taken. Such payments must be authorised by the Principal and shall be brought to the attention of the College's financial statements auditors.

Colleges have delegated authority to approve individual compensation payments, provided any non-statutory/non-contractual element is < £50,000. Where the college is considering a non-statutory/non-contractual payment of £50,000 or more DfE prior approval is required.

Any proposed payments of whatever value that are linked to a non-disclosure agreement will also require DfE approval and, where supported, we will refer them to HMT for final consent.

In accordance with current Guidance on Public Sector Exit Payments, colleges must obtain prior DfE approval before making a special staff severance payment where:

- the proposed special staff severance payment is for £50,000 or more (gross, before income tax or other deductions)
- the proposed special staff severance payment is equivalent to 3 months' salary or more (gross, before income tax or other deductions)
- an exit package which includes a special severance payment is at, or above, £100,000,
- and/or the employee earns over £150,000.

Any special severance payment which is novel, contentious or repercussive, of whatever value, must be referred to DfE for approval and, where supported, we will refer to HMT for final consent.

Ex-gratia payments and other types of special payment require DfE approval.

20.9 Private consultancies and other paid work

Unless otherwise stated in a full time member of staff's contract:

- outside consultancies or other paid work may not be accepted without the consent of the Principal
- applications for permission to undertake work as a purely private activity must be submitted to the Director of Department or Principal, as appropriate, and include the following information:
 - the name of the member(s) of staff concerned;
 - the title of the project and a brief description of the work involved;
 - the proposed start date and duration of the work;
 - full details of any College resources required (for the calculation of the full economic cost);
 - an undertaking that the work will not interfere with the teaching and normal College duties of the member(s) of staff concerned.

21 Assets

21.1 Land, buildings, fixed plant and machinery

The College shall properly manage and develop its property with regard to good practice guidance in the further education sector.

The commitment to purchase, lease or rent land or buildings or fixed plant at costs in excess of £100,000 can only be undertaken with authority from the Corporation Board. Contracts for the acquisition, disposal or leasing of land and property will be authorised as specified in Appendix C of the Regulations.

21.2 Fixed asset register

The Executive Director of Finance is responsible for maintaining the College's register of land, buildings, fixed plant and machinery. Budget holders will provide the Executive Director of Finance with any information he or she may need to maintain the register.

21.3 Inventories

Budget holders are responsible for maintaining inventories, for all plant, equipment, furniture and stores in their departments with a value in excess of £500. The inventory

must include items donated or held on trust.

Inventories must be checked at least annually and retained in the form prescribed within the College's detailed financial procedures.

21.4 Stocks and stores

Director of Department are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their areas. The systems used for stores accounting in departments must have the approval of the Executive Director of Finance.

Directors of Department are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.

Those Directors of Department whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the executive Director of Finance and that instructions to appropriate staff within their departments are issued in accordance with advice contained in the College's detailed financial procedures.

21.5 Security

Directors of Department are responsible for the care, custody and security of the buildings, stock, stores, furniture and cash under their control. They will consult the Executive Director of Finance in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Keys to safes or other similar containers are to be stored in a key safe or carried on the person of those responsible at all times. The loss of such keys must be reported to the Executive Director of Finance immediately.

An officer shall be responsible for maintaining proper security and privacy of information held on the College's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to

the provisions of the Data Protection Act. A data protection officer shall be nominated to ensure compliance with the Act and the safety of documents.

College property shall not be removed from the College premises unless in accordance with the ordinary course of the College's activities or otherwise used for the purposes except when authorised by a specific instruction of the Principal or Vice Principal Corporate Services .

Assets owned by the College shall, so far as is practical, be effectively marked to identify them as College property.

21.6 Personal use

Personal use of assets owned or leased by the College is allowed only where such use has received prior approval by the Principal or Vice Principal Corporate Services.

21.7 Asset disposal

Disposal of land and buildings must only take place with the authorisation of the Corporation Board. Where the College proposes to dispose of, lease or rent land and/or buildings which have been acquired, developed and/or refurbished with the help of capital grants from the Education & Skills Funding Agency and predecessor bodies the relevant funding body shall be notified in writing of such transactions. The Financial Memorandum states that the Education & Skills Funding Agency reserves the right to require repayment of some, or all, of the associated grant.

Disposal of equipment and furniture must be in accordance with procedures approved by the Corporation Board and contained in the College's detailed financial procedures.

The disposal of fixed assets or surplus materials shall be authorised as specified in Appendix C of these Regulations.

22 Treasury Management

22.1 Investments

The Corporation Board is responsible for approving a treasury management policy setting out a strategy and policies for cash management, long-term investments and borrowings. The Resources Committee has a responsibility to ensure implementation, monitoring and review of these policies.

All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Executive Director of Finance and an appropriate reporting system set up. All borrowing shall be undertaken in the name of the College and shall conform to any relevant Education & Skills Funding Agency requirements.

The Executive Director of Finance will report to the Corporation Board annually on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him or her.

22.2 Borrowings

All overdraft facilities shall be approved by the Corporation Board and Department for Education (DfE) under HM Treasury MPM guidance. The Executive Director of Finance may draw against the facility (if approved) as required for revenue or capital expenditure within the agreed budget limits.

Short term borrowings for temporary revenue shall be authorised by the Principal after seeking DfE approval. The Executive Director of Finance shall report such short term borrowing to the Corporation Board at the earliest opportunity.

Borrowing for periods in excess of twelve months shall require the authorisation of the Corporation Board and DfE.

22.3 Leasing and Hire Purchase

Purchase involving finance leases, operating leases or hire purchase agreements shall be authorised as specified in Appendix C of these Regulations.

23 Funds Held on Trust

23.1 Gifts, benefactions and donations

The Executive Director of Finance is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the College and initiating claims for recovery of tax where appropriate.

23.2 Student welfare and access funds

The Executive Director of Finance will prescribe the format for recording the use of grants for student welfare funds, when received.

Records of access funds will be maintained according to the Education & Skills Funding Agency requirements.

23.3 Trust funds

The Executive Director of Finance is responsible for maintaining a record of the requirements for each trust fund and for advising the Corporation Board on the control and investment of fund balances.

The Corporation Board is responsible for ensuring that all the College's trust funds are operated within any relevant legislation and the specific requirements for each trust. They will also be responsible for investment of fund balances.

23.4 Voluntary funds

The Executive Director of Finance shall be informed of any fund that is not an official fund of the College which is controlled wholly or in part by a member of staff in relation to their function in the College.

The accounts of any such fund shall be audited by an independent external person and shall be submitted with a certificate of audit to the appropriate body. The Executive Director of Finance shall be entitled to verify that this has been done.

23.5 Bursaries, grants and other authorised expenditure

Payments may be made to students for bursaries, grants and other authorised

expenditure. All payments must be supported by detailed claims or other appropriate evidence and approved by Student Services personnel or the Budget Holder as appropriate.

24 Money Laundering

In response to the Proceeds of Crime Act 2002 and Money Laundering Regulations 2023 the College and its employees must comply with the legislation and that the highest standards of due diligence are applied in relation to 'know your customer' principles. Legislation has broadened the definition of money laundering and the range of activities where this can apply. Staff are required to follow the College policy if money laundering is suspected. This policy also defines the responsibility of individual employees in the process.

25 Data Protection Act

The Principal shall be responsible to the Corporation for maintaining proper security and compliance with the Data Protection Act in respect of information held by the College. It shall be released only to those officers authorised by the Principal.

26 Other

26.1 Student Records

College management is responsible for the timely and accurate reporting of key targets. These reports will include appropriate comparatives and projections. They will be considered by the Corporation Board on a regular basis.

Staff are responsible for complying with College procedures relating to student records and ensuring the integrity and security of audit evidence for funding claims such as registers and enrolment forms. Staff must ensure that all students complete an accurate enrolment form, and that student attendance is accurately recorded on the College registers; staff must ensure that changes in the learning programmes of students are recorded.

26.2 Insurance

The Vice Principal Corporate Services is responsible for the College's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be considered and approved by the Corporation Board at least every three years.

The Vice Principal Corporate Services is responsible for effecting insurance cover as determined by the Corporation Board. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Vice Principal Corporate Services will keep a register of all insurances affected by the College and the property and risks covered. He or she will also deal with the College's insurers and advisers about specific insurance problems.

Budget holders must ensure that any agreements negotiated within their areas with external bodies cover any legal liabilities to which the College may be exposed. The Vice Principal Corporate Services advice should be sought to ensure that this is the case. Budget holders must give prompt notification to the Vice Principal Corporate Services of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks.

Budget holders must advise the Vice Principal Corporate Services immediately, of any event that may give rise to an insurance claim. The Vice Principal Corporate Services will notify the College's insurers and, if appropriate, prepare a claim in conjunction with the Director of department for transmission to the insurers.

The Estates & Facilities Manager is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

All staff using their own vehicles on behalf of the College shall maintain appropriate insurance cover for business use.

26.3 Companies and joint ventures

In certain circumstances it may be advantageous to the College to establish a company or a joint venture to undertake services on behalf of the College.

It is the responsibility of the Corporation Board to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the College. These and other arrangements will be set out in a memorandum of understanding.

The directors of companies where the College is the majority shareholder must submit an annual report to the Corporation Board. They will also submit business plans or budgets as requested to enable the Corporation Board to assess the risk to the College. The College's internal and external auditors shall also be appointed to such companies.

Where the College is the majority shareholder in a company, the Education & Skills Funding Agency requires that the company's financial year must be consistent with that of the College.

26.4 Use of the Corporation Seal

Where a deed or document requires the College's seal, it must be sealed by the Director of Governance or, in his or her absence, the Principal, in the presence of two members of the Corporation.

The Director of Governance is responsible for submitting a report to each meeting of the Corporation Board detailing the use of the College's seal since the last meeting.

The Corporation Seal shall be kept in a secure place in the custody of the Director of Governance .

The procedure for the application, recording and reporting of the Corporation Seal is detailed in the Standing Orders, with financial limits set out in Appendix C.

26.5 Education & Skills Funding Agency information requirements

Under the terms of the Financial Memorandum the College is required, when requested by the Education and & Skills funding Agency, to provide them with information on

funding and student numbers generated and other information in a form which the Agency specifies.

Every manager is responsible for ensuring that information requested by the Agency is provided in an accurate and timely manner. The Principal is ultimately responsible for ensuring that the College meets the deadline for the Agency information requirements.

Additionally, since public sector reclassification in November 2022, specific DfE approval mechanisms are in place for a number of financial transactions as detailed throughout the Regulations.

APPENDICES

APPENDIX A

THE SEVEN PRINCIPLES OF PUBLIC LIFE

THE REPORT OF THE COMMITTEE FOR STANDARDS IN PUBLIC LIFE (THE NOLAN REPORT)

SELFLESSNESS

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

INTEGRITY

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.

OBJECTIVITY

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS

Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

HONESTY

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP

Holders of public office should promote and support these principles by leadership and example.

FRAUD RESPONSE PLAN**Purpose**

1. The purpose of this plan is to define authority levels, responsibilities for action and reporting lines in the event of a suspected fraud or irregularity. The use of the plan should enable the College to:
 - prevent further loss
 - establish and secure evidence necessary for criminal and disciplinary action
 - notify the Education & Skills Funding Agency, if the circumstances are covered by the mandatory requirements of the audit code of practice
 - recover losses
 - punish the culprits
 - deal with requests for references for employees disciplined or prosecuted for fraud
 - review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud
 - keep all personnel with a need to know suitably informed about the incident and the College's response
 - inform the police
 - assign responsibility for investigating the incident
 - establish circumstances in which external specialists should be involved
 - establish lines of communication with the police.

Initiating action

2. All actual or suspected incidents should be reported without delay to the Executive Director of Finance. The Executive Director of Finance should consult with the Principal, agree the initial response and determine the most appropriate course of action.

Prevention of further loss

3. Where initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the Executive Director of Finance will consult with relevant staff before deciding how to prevent further loss. This may require the suspension, with or without pay, of the suspects. It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.
4. In these circumstances, the suspect(s) should be approached unannounced. They should be supervised at all times before leaving the College's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the College. Any security passes and keys to premises, offices and furniture should be returned.
5. Advice should be obtained on the best means of denying access to the College while suspects remain suspended (for example, by changing locks and informing staff not to admit the individuals to any part of the premises). Similarly, access permissions to the College's computer systems should be withdrawn without delay.
6. Internal audit shall consider whether it is necessary to investigate systems, other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the College's assets.

Establishing and securing evidence

7. A major objective in any fraud investigation will be the punishment of the perpetrators, to act as a deterrent to other personnel. The College will follow disciplinary procedures against any member of staff who has committed fraud. The College will normally pursue the prosecution of any such individual.
8. Internal audit will:
 - maintain familiarity with the College's disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation
 - establish and maintain contact with the police where appropriate
 - establish whether there is a need for audit staff to be trained in the evidence rules

for interviews under the Police and Criminal Evidence Act

- ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

Notifying the Education & Skills Funding Agency

9. The Principal, and where appropriate (subject to the requirements of the Proceeds of Crime Act 2003), the funding auditor, the financial statements auditor or the Internal Audit Service must report to the Education & Skills Funding Agency's Principal, without delay, serious weaknesses, significant frauds, major accounting and other control breakdowns of which they are aware. A serious weakness would be one which may result in a significant fraud or irregularity, and may include cases of irregularities in expenditure which could lead to suspicions of fraud. Significant fraud is usually where one or more of the following factors are involved:

- the sums of money are in excess of £10,000
- the particulars of the fraud are novel, unusual or complex
- there is likely to be great public interest because of the nature of the fraud or the people involved.

Recovery of losses

10. Recovering losses is a major objective of any fraud investigation. Internal audit shall ensure that in all fraud investigations, the amount of any loss will be quantified. Repayment of losses should be sought in all cases.
11. Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice should also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The College would normally expect to recover costs in addition to losses.

References for employees disciplined or prosecuted for fraud

12. Any request for a reference for a member of staff who has been disciplined or prosecuted

for fraud shall be referred to the Head of Human Resources, who shall prepare any answer to a request for a reference having regard to employment law.

Reporting to governors

13. Any incident matching the criteria in the Education & Skills Funding Agency's audit code of practice (as in paragraph 9 above) shall be reported without delay by the Principal to the Chairs of both the Corporation Board and the Audit & Risk Committee.
14. Any variation from the approved fraud response plan, together with reasons for the variation, shall be reported promptly to the Chairs of both the Corporation Board and the Audit & Risk Committee.
15. On completion of a special investigation, a written report shall be submitted to the Audit & Risk Committee containing:
 - a description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud
 - the measures taken to prevent a recurrence
 - any action needed to strengthen future responses to fraud, with a follow-up report on whether or not the actions have been taken.

This report will normally be prepared by an external auditor.

Reporting lines

16. The project group shall provide a report to the Chair of the Corporation Board, the Chair of the Audit & Risk Committee, the Principal and the external audit partner at least monthly, unless the report recipients request a lesser frequency. The scope of the report shall include:
 - quantification of losses
 - progress with recovery action
 - progress with disciplinary action
 - progress with criminal action
 - estimate of resources required to conclude the investigation
 - actions taken to prevent and detect similar incidents.

17. The Chair of the Audit Committee will report to the Corporation Board on behalf of the Committee.

Responsibility for investigation

18. All special investigations shall normally be led by internal audit. Special investigations shall not be undertaken by management, although management should co-operate with requests for assistance from internal audit.
19. Some special investigations may require the use of technical expertise which internal audit does not possess. In these circumstances, the project group may approve the appointment of external specialists to lead or contribute to the special investigation.

Review of fraud response policy

20. This policy will be reviewed for fitness of purpose every three years or after each use. Any need for change will be reported to the Audit & Risk Committee for approval.

APPENDIX C

SUMMARY OF FINANCIAL LIMITS

Purchasing Limits applicable to goods and services

Total value over contract period (or 4 years)	Minimum Tendering Requirement	Authority for Approval (Fin Regs para 20.2)
Up to £5,000	A minimum of one quotation should be sought (verbal or written)	Budget Holder
£5,001 - £20,000	A minimum of two written quotations should be sought	Vice Principal, Executive Director of Finance or Principal
£20,001 - £50,000	A minimum of three written quotations should be sought (refer to the Senior Procurement Officer for advice and guidance prior to supplier engagement)	Vice Principal, Executive Director of Finance or Principal
> £50,000	Full tender process applies, including use of framework arrangements where appropriate. Use of a framework without further competition would only be used when: a) the supplier offer contained within the framework is such that the best value supplier for the requirement can be identified without the need for further competition b) there are exceptional circumstances, and only with Board approval. Relevant situations would include potential commercial advantage and/or risk of funding being lost if tight deadlines for spending exist that would preclude normal tendering. (refer to the Senior Procurement Officer	Principal & Chief Executive (between £50,000 - £100,000) Principal & Chief Executive and Chair of the Corporation Board (over £100,000)

	for advice and guidance prior to supplier engagement)	
> £214,904	Procurement regulations for the supply of goods and services applies (Procurement Act 2023)	Principal & Chief Executive and Chair of the Corporation Board
> £5,372,609	Procurement regulations for works applies (Procurement Act 2023)	Principal & Chief Executive and Chair of the Corporation Board

All amounts are inclusive of VAT at the applicable rate (Standard rate currently 20%)

Waiver of the financial regulations can be approved in exceptional circumstances by either the Principal and Chief Executive or the Executive Director Finance. The Principal and Chief Executive shall approve any waiver requests pertaining to the budgetary responsibilities of the Executive Director Finance.

Total value of the waiver	Authority to approve
≤£50,000	Executive Director of Finance or Principal and Chief Executive
>£50,000 -	Principal and Chief Executive

In all cases where a waiver to the financial regulations is granted, the waiver must be documented using the appropriate Waiver of Financial Regulations form. The Senior

Procurement Officer shall retain a copy of all authorised waiver forms.

The circumstances in which a waiver may be granted are:

1. A particular supplier having intellectual property rights or other exclusive rights, only that supplier can supply the goods, services or works required, and there are no reasonable alternatives to those goods, services or works.
2. There is an absence of competition for technical reasons, only a particular supplier can supply the goods, services or works required, and there are no reasonable alternatives to those goods, services or works.
3. The contract concerns the supply of goods, services or works by the existing supplier which are intended as an extension to, or partial replacement of, existing goods, services or works in circumstances where:
 - (a) a change in supplier would result in the college receiving goods, services or works that are different from, or incompatible with, the existing goods, services or works, and
 - (b) the difference or incompatibility would result in disproportionate technical difficulties in operation or maintenance.
4. The contract concerns the supply of goods, services or works by the existing supplier that are similar to existing goods, services or works where:
 - (a) the existing goods, services or works were supplied under a contract that was awarded in accordance with a competitive tendering procedure within the period of five years
 - (b) the tender notice or any tender document in respect of that earlier contract set out the college's intention to carry out a subsequent procurement of similar goods, services or works in reliance on this direct award justification
5. The award of the contract will ensure terms particularly advantageous due to the fact that a supplier, whether or not the one to whom the contract is to be awarded, is undergoing insolvency proceedings. A supplier is "undergoing insolvency proceedings" if it has—

- (a) become bankrupt
 - (b) become subject to insolvency or winding-up proceedings
 - (c) had its assets subject to administration or receivership, including by a liquidator or court
 - (d) entered into an arrangement with its creditors
 - (e) become subject to a petition or application for any such procedures or arrangements
6. Where the goods, services or works to be supplied under the contract are strictly necessary for reasons of extreme and unavoidable urgency, and as a result the contract cannot be awarded on the basis of a competitive tendering procedure. Urgency is unavoidable if it:
- (a) is not attributable to any act or omission of the contracting authority, and
 - (b) could not have been foreseen by the contracting authority.
7. Creation or acquisition of a unique work of art or artistic performance.
8. Production of a prototype, or supply of other novel goods or services, for the purpose of:
- (a) testing the suitability of the goods or services,
 - (b) researching the viability of producing or supplying the goods or services at scale and developing them for that purpose, or
 - (c) other research, experiment, study or development.
9. The contract concerns goods purchased on a commodity market.

A file on all such exceptions will be maintained by the Executive Director of Finance (or other delegated officer) and be available for inspection by the members of the Corporation Board.

Signing Contracts

18.3	<=£50,000	Executive Director of Finance or Principal
	>£50,000 and <=£500,000	Any 2 from Principal, Executive Director of Finance, & Chair of the Corporation Board
	>£500,000 and <=£1 million	Any 2 governors (excl. staff & students), normally Principal and Chair of the Board
	>£1 million	Application of College Seal

Losses, Write Offs and Compensation

16.4	(a) Bad Debts	
	<=£5,000	Executive Director of Finance
	>£5,000 and <=£10,000	Principal
	>£10,000	Corporation Board
	>£45,000 individually, or £250k cumulatively	DfE approval
Appx E	(b) Losses and cash due to theft, fraud, overpayment and damage to buildings, fittings, furniture and equipment and property	
	<=£5,000	Executive Director of Finance
	>£5,000	Report to Board by Executive Director of Finance
<i>None</i>	(c) Waiver of Fees	See Fees Policy for current year

Purchasing Cards

20.5	Approval of issue of Company Purchasing cards (all levels)	Executive Director of Finance
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Cash Advances

20.13	<£2000	Executive Director of Finance
	>£2000	Appropriate member of the Executive

Petty Cash

20.15	Up to £50 per claim	Budget Holder
20.15	Above £50	Executive Director of Finance
20.15	Request temporary / permanent top up to petty cash float, above agreed limits (by exception)	Executive Director of Finance

Travel & Subsistence

21.5	Payment of expenses	Refer to Business Expenses Policy
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Disposal of Assets

Fin. Regs para	Description Value relates to the Purchase Cost or Net Book Value (NBV) for those assets held on the College's Fixed Asset Register	Authority for Approval
22.7	<=£10,000	Executive Director of Finance or Principal
	>£10,000 and <=£50,000	Vice Principal Finance or Principal and Chair of the Corporation Board
	>£50,000	Board of the Corporation
	>£1.5m (land & buildings) or 5% of annual revenue (whichever is least)	Board of the Corporation and ESFA approval

Leasing and Hire Purchase Commitments

Fin Regs para	Equivalent Purchase Price	Authority for Approval
	<=£25,000	Executive Director of Finance
	>£25,000 and <=250,000	Any 2 from Principal, Executive Director of Finance, & Chair of the Corporation Board
	>£250,000	Board of the Corporation
	>£1.5m (land & buildings) or 5% of annual revenue (whichever is least)	Board of the Corporation and ESFA approval

When applying the above limits, the ‘value of order’ for those orders which relate to the continuous supply of goods or services over several years should be taken as the annual order value.

BANK AND PAYROLL AUTHORISATIONS**Bank Account**

Description	Requirement
Cheques up to £5,000	Any two authorised signatories
Cheques in Excess of £5,000	Two authorised signatories, one of whom must be the Executive Director of Finance or the Principal

Bank account authorised signatories are as follows:

- Principal
- Executive Director of Finance
- Vice Principal: Curriculum Delivery & Planning
- Vice Principal: Quality Teaching, Learning, & Learner Support
- Vice Principal: Corporate Services
- Finance Manager

BACS Payments

All BACS payments must be signed by any two bank signatories. ...

Payroll

Payroll authorised signatories are: any two from the Head of HR, the Executive Director of Finance, the Principal or one of the Vice Principals.

POLICY AND PROCEDURE ON PAYMENT / REIMBURSEMENT OF ALLOWANCES AND EXPENSES TO MEMBERS OF THE BOARD

1. The Purpose of the Policy

The aims of this Policy are to

- minimise the circumstances in which a Member of the Corporation (or Co-opted members) would be obliged to be out of pocket as a result of freely giving of his/her time to the work of the Corporation;
- re-affirm the Corporation's commitment to ensuring equality of participation for all Members.

2. The Policy

2.1 Remuneration

Except as detailed below, Members of the Corporation will not be paid for any kind of service to the College, or attendance allowances or be reimbursed for any loss of earnings.

2.2 Travel and subsistence

All Members are allowed to receive expenses (Charity Commission permission is not required) for costs incurred when fulfilling their role. As governors are not employed by the College (unless they are student or staff governors or the Principal), HMRC does not regard the College as their workplace. The College is therefore able to reimburse governors for the expenses they incur in travelling between their homes and the College, or between their homes and other locations where they may be required to undertake their duties as governors, without the governors concerned becoming liable for tax or national insurance contributions. During holiday periods, when they would not normally be at the College, student governors may claim travel expenses on the same

basis as other governors.

Travelling expenses will be paid for:

- bus and second class rail travel (or first class rail travel where there is evidence that this is cheaper than second class);
- taxi fares, where there is no realistic public transport alternative and taxi transfer home may be paid for student governors, where there may be limited evening public transport or concerns about the welfare and safety of the student;
- parking charges or
- payment of mileage related expenses for use of their own car in respect of journeys from and to home (or place of work, whichever is the lesser distance) for:
 - attendance at Corporation and Committee meetings;
 - attendance at approved Governor training courses, either at the College or elsewhere;
 - visits to the College on Corporation business;
 - attendance at meetings away from College premises, but on Corporation business.
- for student governors travel to and from College on days they are not in College.

The mileage allowance will be in accordance with the College's scheme for staff travelling expenses (currently 45p per mile).

Where applicable, meals and overnight accommodation will be provided free by the College to Members attending College organised meetings or events. The cost of alcoholic drinks will not be reimbursed.

Conference and training event fees will either be paid in advance or reimbursed.

2.3 Carer's allowance

Members may claim a carer's allowance to cover the costs incurred in the care of a dependant whilst they attend Board or committee meetings, training or other meetings or duties on behalf of the College.

2.4 Claiming

Claims are to be made on appropriate College forms and must be supported by appropriate documentation, e.g. tickets or receipts, as appropriate.

Members are asked to claim monthly, in arrears, and prior to the end of the financial year in question. Claims should be sent to the Director of Governance.

The Vice Chair can approve the expenses claims of the Chair of the Governing Body and the Director of Governance can approve expenses claims of all other governors and co-opted members. A report on expenses claimed should be considered by the Board annually.