

FINANCIAL REGULATIONS

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| Valid from | 1 August 2025 |
| to | 31 July 2026 |
| Owner | Principal |
| Committee approval | |
| Approval date Board of governors' Committee | |
| Approval date | Resources Committee |
| Board approval Necessary Date of | 11 March 2025 |
| Board approval | Yes |
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| | <ol style="list-style-type: none"> 1. Interim Director of Finance removed, and Director of Finance added 2. Deputy Principal – Curriculum, Quality & Innovation added and Vice Principal – Curriculum and Quality removed. 3. Tender Waiver Form added to Appendix M 4. Heads of Faculty changed to Director/Head of Faculty 5. Quality Manager changed to Director of Quality, Teaching & Learning 6. Managing Public Money (MPM) framework added to Clause 2.2 (Page 14) 7. The values of official orders authorisation on page 39, Clause 19.2 revised to reflect the Public Procurement Regulation 2023 8. The Procurement Regulation 2023 added to clause 9.5 to reflect the threshold and the 9. MPM threshold added to clause 20.7 Severance and Other Non-Recurring Payments |

Stanmore College

Financial Regulations 2025-26

Policy Statement and Purpose

To conduct its business effectively, an institution needs to ensure that it has sound financial management systems in place and that they are strictly adhered to. Part of this process is the establishment of financial regulations which set out the financial policies of the institution.

Financial regulations make good business sense. These regulations are in place to protect the corporation and its students, staff and stakeholders. They have additional significance as their grant funding depends upon it. The financial memoranda between funding bodies and the institutions they fund makes it a condition of grant that an institution ensures that it has a sound system of internal financial management, and control and financial regulations are a core component of such a system. Similarly, funding body audit services are required to give an assurance that institutions have fully documented financial procedures in place and the funding body may withhold grant where this cannot be shown to be the case.

CIPFA first published its model set of regulations for further and higher education in 1995. The model set has now been fully revised and reflects current best practice and provides a practical source of guidance.

The model set is not intended to be prescriptive and Stanmore College has tailored it to produce financial regulations which are applicable to its own circumstances and structures. Following approval by the Corporation, it will be necessary for the College to consider how they are to be incorporated in its manual of financial procedures and implemented within the institution.

The Further and Higher Education Panel for CIPFA believes that the publication of this updated set of model financial regulations is very timely and is confident that it will be of assistance to all institutions in the sector.

Anjana Jonathan
Director of Finance

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TERMINOLOGY

Owing to the diverse nature of further and higher education institutions, a wide range of terms is in use for committees, staff and other persons connected to institutions. The following general terms have been used in this guide.

AUDIT COMMITTEE

A committee independent of executive responsibility, which advises the Corporation on issues related to internal audit, external audit (including regularity audit) and financial control. It is required to issue an annual report to the Corporation which, *inter alia*, comments on the institution's system of internal control and risk management.

BUDGET HOLDER

The member of staff who has been assigned his or her own budget and is accountable and responsible for it. Budget holders' responsibility and accountability is held by the Director of Finance, Deputy Principal, Assistant Principals, Directors, Heads of Faculty and Curriculum Managers.

DIRECTOR OF FINANCE

The chief financial officer of the institution. He or she has specific delegated responsibilities from the Principal/ Chief Executive for advising on all financial aspects of the College's policy and on its financial administration and for ensuring that the College has satisfactory systems of financial control and management and may hold other responsibilities, such as Business Development and Corporate Governance.

RESOURCES COMMITTEE

This is the committee responsible for the review and approval of strategic financial planning and other financial matters.

FUNDING BODY

In further education, this refers to the relevant funding council. For England, it refers to the Department for Education (DfE) (Education and Skills Funding Agency (ESFA)), Greater London Authority (GLA) and Office for Students (OfS) which provides funding as well as having a wider range of powers than the funding councils.

GOVERNING BODY

The Corporation is ultimately responsible for the affairs of the institution.

THE PRINCIPAL, DIRECTOR OF FINANCE, DEPUTY PRINCIPAL, ASSISTANT PRINCIPALS, DIRECTORS, HEADS OF FACULTY, CURRICULUM MANAGERS AND SUPPORT MANAGERS

The head of an academic or non-academic directorate of the institution is responsible for the financial budget of his or her area. The hierarchy of these persons are Director of Finance, Deputy Principal, Assistant Principals, Directors, Heads of Faculty and Curriculum Managers as specified in the College's Organisational Charts.

PRINCIPAL AND CHIEF EXECUTIVE

The person with the ultimate executive responsibility for the management of the institution. For further education, the role of Accounting officer must be held by the head of the institution. The Principal is also the Chief Accounting Officer and a senior post holder. There are currently 2 additional senior post holders:

- i) Director of Finance
- ii) Deputy Principal – Curriculum, Quality & Innovation

The Corporation may vary the number of senior post holders.

SENIOR MANAGEMENT

The College has an Principalship Team (PT) and Senior Leadership Team (SLT) that assist the Principal / Chief Executive in running the institution:

- i) Deputy Principal – Curriculum, Quality & Innovation (ET) & (SLT)
- ii) Director of Finance (ET) & (SLT)
- iii) Assistant Principals (ET) & (SLT)
- iv) Director of Faculty – Health & Services to Community (HSCO) (SLT)
- v) Director of Faculty – Professional Services (PROF) (SLT)
- vi) Director/Head of Faculty - STEM (SEAS) (SLT)
- vii) Director of Faculty – English, Maths & ESOL (EMES) (SLT)
- viii) Director of Quality (SLT)
- ix) Head of Employer Engagement (SLT)
- x) Director of Student Services (SLT)
- xi) Director of Human Resources (ET) & (SLT)
- xii) Director of MIS, IT & Admissions (SLT)
- xiii) Director of Marketing (SLT)
- xiv) Curriculum Managers

The group meet with the Principal to form the Principalship and the SLT or extended SLT.

FINANCIAL REGULATIONS

A GENERAL PROVISIONS

1 Background

1.1 Further and Higher Education Act 1992

The College is a further education corporation created under the provisions of the Further and Higher Education Act 1992. Its structure of governance is laid down in the instrument and articles of government (as amended from time to time). A revised Instrument and Articles was introduced by the Education Act 2011 (and related regulations) and the Corporation may vary these from time to time. The College is accountable through its Corporation, which has ultimate responsibility for the effectiveness of its management and administration.

1.2 Charitable Status

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011.

1.3 Financial Memorandum

The financial memorandum between the funding body and the College sets out the terms and conditions on which funding allocations and grants are made. The Corporation is responsible for ensuring that conditions of funding allocations and grants are met. As part of this process, the College must adhere to the funding bodies Post-16 audit code of practice (ACOP), 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.

2 Status of Financial Regulations

2.1 Scope of Financial Regulations

This document sets out the College's financial regulations. It translates into practical guidance the College's broad policies relating to financial control. This document was approved by the Corporation in March 2024. It applies to the College and all its subsidiary undertakings.

2.2 College Instruments and Articles of Governance

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

with the funding body and the funding bodies audit code of practice.

2.3 Purpose of Financial Regulations

On the 29 November 2022 the Office for National Statistics (ONS) announced that it was reclassifying English further education colleges into central government sector. Whilst Colleges continue to be self-governing charities regulated by the Secretary of State for Education, they are also now subject to the framework for financial management set out in Managing Public Money (MPM). MPM sets out requirements for everyone working in central government to manage and deploy public resources responsibly in the public interest.

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 institution'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.

2.4 Non-Compliance with Financial Regulations

Compliance with the Financial Regulations is compulsory for all staff connected with the College. Any member of staff who knowingly or by negligence fails to comply with the Financial Regulations, including by failing to report any known or suspected breach, may be subject to disciplinary action under the College's disciplinary policy. Any breach or suspected breach of the Financial Regulations must be reported as soon as possible to the Principal, who will be responsible for investigating the circumstances and recommending further action(s) to be taken, including notifying the College's Audit Committee. The Corporation will be notified of any material breach by the Audit Committee.

2.5 Update of Financial Regulations

The Principal is responsible for maintaining a continuous review of the financial regulations, through the Director of Finance, and for advising the Corporation of any additions or changes necessary.

2.6 Working of Financial Regulations

In exceptional circumstances, the Principal may authorise a departure from the detailed provisions herein following discussions with, and agreement of, the Chairman of the Corporation, such departure to be reported to the Corporation at the earliest opportunity.

2.7 Financial Procedures

The College's detailed financial procedures set out precisely how these regulations will be implemented and are held in the Finance department. A separate financial procedures manual will be prepared for use by departments on such matters as purchase ordering, to augment the training already provided. In accordance with the Finance Department's Service Standards, these will be produced online, so that they may be updated centrally.

CORPORATE GOVERNANCE

3 The Corporation

The Corporation is responsible for the management and administration of the College. Its financial responsibilities are to:

- ensure the solvency of the College and the safeguarding of the institution's assets
- appoint, grade, suspend, dismiss and determine the pay and conditions of service of the Principal and any other senior post-holders
- set and approve a framework for pay and conditions of service of all other staff
- ensure 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
- approve the appointment of external auditors and an internal audit service
- secure 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 institution is not put at risk
- ensure that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution
- plan and conduct 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

- approve an annual budget before the start of each financial year
- determine tuition fees
- ensure that the College complies with the respective funding body's audit code of practice (ACOP)
- approve the College's strategic plan
- approve the annual financial statements.

4 Accounting Officer

The Principal is the College's accounting officer and is responsible for ensuring the financial administration of the College's affairs in accordance with the financial memorandum of the funding bodies. As the accounting 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 (or equivalent bodies in Scotland and Wales).

In particular, the articles of government charge the Principal/Chief Executive with responsibility:

“...for preparation of annual estimates of income and expenditure, for consideration, approval and monitoring by the Corporation, and for the management of budget and resources, within the estimates approved and monitored by the Corporation.”

The Principal shall demonstrate his or her oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements, and appropriate section of the three-year financial forecasts submitted to the funding bodies.

5 Committee Structure

5.1 Corporation Responsibility

The Corporation has ultimate responsibility for the College's finances, but delegates specific powers and processes to the committees detailed below. These committees are accountable to the Corporation. A schedule outlining the committee structure is included at Appendix A.

5.2 Resources Committee

The Committee's aims are to exercise governance by providing financial direction for the

College's financial affairs and business development opportunities.

5.3 Audit Committee

Colleges are required by their financial memorandum with the funding bodies and by the funding bodies audit code of practice to appoint an audit committee. The committee is independent, advisory and reports to the Corporation. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that appropriate arrangements are in place to promote economy, efficiency and effectiveness. A more detailed extract from the audit committee's terms of reference is shown at Appendix C. The audit requirements of the College are set out in the DfE's Audit Code of practice.

5.4 Governance and Search and Remuneration Committees

The College maintains a Governance Committee which is responsible for attracting new governors to the institution and advising on governance matters.

Consideration of senior post-holders' pay and conditions, and that of the Director of Governance to the Corporation, is the responsibility of the Remuneration committee. It has the power to determine the pay and conditions of the Principal and any other senior post-holders who may be designated by the Corporation.

5.5 Curriculum and Quality Committee

The aims of this Committee are to exercise governance by providing oversight of the academic achievement, quality and development of the College.

6 Other Senior Managers with Financial Responsibility

6.1 The Director of Finance

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

- preparing annual capital and revenue budgets and financial plans
- preparing accounts, financial management information, monitoring and control of expenditure against budgets and all financial operations
- preparing the College's annual accounts and other financial statements and accounts which the institution 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
- day-to-day liaison with internal and external auditors in order to achieve efficient processes.

Appendix D shows, for the main areas in which advice is sought, details of the key contacts within the finance department and Appendix B shows the structure of the finance department.

6.2 Deputy Principal, Assistant Principals, Directors, Heads of Faculty and Curriculum Managers

Deputy Principals, Assistant Principals, Directors, Heads of Faculty and Curriculum Managers are responsible to the Principal for financial management of the areas or activities they control. They are advised by the Director of Finance in executing their financial duties. The Director of Finance will also supervise and approve the financial systems operating within their areas, including the form in which accounts and financial records are kept. Deputy Principal, Directors, Heads of Faculty and Curriculum Managers are responsible for establishing and maintaining clear lines of responsibility within their area for all financial matters. Where resources are devolved to budget holders at lower levels, they are accountable to the delegator of that budget for their own budget portion.

Deputy Principal, Assistant Principals, Directors, Heads of Faculty and Curriculum Managers shall provide the Director of Finance with such information as may be required to enable:

- compilation of the College's financial statements
- implementation of financial planning
- implementation of audit and financial reviews, projects and value for money studies.

6.3 All Members of Staff

All members of staff should be aware 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 (see 19.6).

They shall make available any relevant records or information to the Director of Finance or

his or her authorised representative in connection with the implementation of the College's financial policies, these financial regulations and the system of financial control.

They shall provide the 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.

They shall immediately notify the 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 Director of Finance shall take such steps as he or she considers necessary by way of investigation and report.

7 Risk Management

7.1 Level of Risks

The College acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable/unacceptable by the College will be set out in a separate risk management strategy.

7.2 Corporation Responsibility

The Corporation has overall responsibility for ensuring that there is a risk management strategy and a common approach to the management of risk throughout the College through the development, implementation and embedding of a formal, structured risk management process within the organisation. The Audit Committee will monitor the risk strategy and risk profile periodically.

7.3 Risk Management Strategy

In line with this policy, the Corporation requires that the risk management strategy and supporting procedures include:

- the adoption of common terminology in relation to the definition of risk and risk management
- the establishment of College-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence
- a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes (see above)
- a decision on the level of risk to be covered by insurance (see 23.1)

- detailed regular review at department or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas
- development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question
- regular reporting to the Corporation of all risks above established tolerance levels
- an annual review of the implementation of risk management arrangements
- The strategy and procedures must be capable of independent verification.

7.4 Budget Holder Risk Considerations

All staff must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the College may be exposed. The appropriate Deputy Principal, Assistant Principals, Directors, Curriculum Managers and Support Managers advice should be sought to ensure that this is the case.

8 Whistleblowing

8.1 Definition

Whistleblowing in the context of the Public Interest Disclosure Act 1998 (as amended from time to time) is the disclosure by an employee (or other party) about malpractice in the workplace. A whistle-blower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc), 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 Reporting

Normally, any concern about a workplace matter at the College should be raised with the relevant member of staff's immediate line manager or head of department. However, the College recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.

8.3 Disclosure

A member of staff may, therefore, make the disclosure to one of the staff designated for this purpose, for example the Director of Governance to the Corporation. If the member of staff does not wish to raise the matter with this person, or with the Principal or the Chair of the

Corporation, it may be raised with the Chair of the Audit Committee.

8.4 Public Interest Disclosure Act

The full procedure for whistleblowing is set out in the institution's Whistleblowing Policy, which is available through the College intranet under the title "Whistleblowing Policy". Further details of the Public Interest Disclosure Act 1998 are set out at Appendix E.

9 Code of Conduct

9.1 Standards in Public Life

The College is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe. These principles are set out at Appendix F. In addition, the institution expects that staff at all levels will observe its code of conduct, contained in its detailed financial procedures, which covers:

- probity and propriety
- selflessness, objectivity and honesty
- relationships
- declaration of interests

9.2 Register of Interests

Additionally, members of the Corporation, 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 to the Corporation. 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 Restrictions

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 Receiving Gifts or Hospitality

It is an offence under the Prevention of Corruption Act (as amended from time to time) for members of staff 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 guiding principles to be followed by all

members of staff must be:

- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest
- the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the institution would be likely to provide in return.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the Deputy Principal or the Director of Finance. For the protection of those involved, the Finance Department will maintain a register of gifts and hospitality received where the value is deemed to be in excess of £60. Members of staff in receipt of such gifts or hospitality are obliged to notify the Director of Finance (or other designated officer) promptly.

9.5 Bribery Act 2012

The college has a zero-tolerance policy for bribery and corruption. The college's reputation with the community it serves and other stakeholders is underpinned by ethical behaviour, financial probity and honesty. See Appendix G for the Anti-Bribery Act Policy Statement.

FINANCIAL MANAGEMENT AND CONTROL

10 Financial Planning

10.1 Preparation of Financial Forecasts

Director of Finance is responsible for preparing annually a rolling three-year financial plan for approval by the Corporation on the recommendation of the Chairs Group and for preparing financial forecasts for submission to the funding bodies. Financial plans should

be consistent with the strategic plans and property strategy approved by the Corporation.

10.2 Budget Objectives

The Corporation will, from time to time, set budget objectives and key performance indicators for the College. These will help the Director of Finance in preparing his or her more detailed financial plans for the College.

10.3 Resource Allocation

Resources are allocated annually by the Corporation on the recommendation of the Chairs Group, and on the basis of the above objectives. Budget Holders are responsible for the economic, effective and efficient use of resources allocated to them.

10.4 Budget Preparation

The Director of Finance is responsible for preparing an annual revenue budget and capital programme each year, for consideration by the Corporation. The budget should also include monthly cash flow forecasts for the year and a projected year-end balance sheet.

The 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.

During the year, the Director of Finance is responsible for submitting any revised budgets (following virement between areas) to the Corporation for approval.

10.5 Capital Equipment Budget

The Director of Finance is responsible for developing a rolling programme of equipment renewal and improvement, for equipment used across all areas, together with small capital projects not covered by Capital Programmes below.

This programme will be supported by annual capital bidding through the business planning process, through which all budget holders will have the opportunity to new and replacement capital equipment to directly support their work area. The items requested will be validated for priority of need by the Director of Finance to enable some items to be deferred or refused if finance is not available for their inclusion in the budget.

In order to maximize opportunities, this process may involve capital expenditure being incurred in advance of the year for which approval has been given.

10.6 Capital Programmes

Capital expenditure on land, buildings, equipment, furniture and associated costs should be considered as part of the capital programme approved by the Corporation.

The Director of Finance will establish protocols for the inclusion of capital projects in the capital programme for approval by the Corporation. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet. They are summarised at Appendix H and are shown in more detail in the capital projects handbook as defined by the funding bodies.

The Director of Finance is responsible for providing regular statements concerning all capital expenditure to the Corporation for monitoring purposes.

Following completion of a capital project, a post-project evaluation or final report should be submitted to the Corporation including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project by the Director of Finance. Post-project evaluations may also need to be sent to the relevant funding body, as laid down in funding body guidelines.

10.7 Overseas Activity

In planning and undertaking overseas activity, the College must have due regard to the relevant guidelines issued by the funding bodies and the College's Overseas Travel Policy (Please also see 20.6).

10.8 Other Major Developments

Any new aspect of business or proposed establishment of a company or joint venture, **which will require an investment in buildings, resources of more than £20,000** should be presented for approval to the Principal/ Chief Executive.

The Director of Finance will establish protocols for these major developments to enable them to be considered for approval by the Principal/ Chief Executive. These will set out the information that is required for each proposed development as well as the financial criteria that they are required to meet. They are summarised at Appendix H and are shown in more detail in financial procedures.

11 Financial Control

11.1 Budgetary Control

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 Manager for the income and expenditure appropriate to their budget.

Significant departures from agreed budgetary targets must be reported immediately to the Director of Finance by the Budget Holders concerned and, if necessary, corrective action taken.

11.2 Financial Information

The budget holders are assisted in their duties by management information provided by the Director of Finance and his or her team. The types of management information available to the different levels of management are described in the detailed financial procedures, together with the timing at which they can be expected.

The Director of Finance is responsible for supplying budgetary reports on all aspects of the College's finances to the Corporation every month (other than for the month of August) on a basis determined by the Corporation, but subject to any specific requirements of the funding body. These reports are presented to the Corporation, which has overall responsibility for the College's finances.

11.3 Changes to the Approved Budget

Changes proposed to the approved budget, will be first considered by the Business Principalship Team.

11.4 Virement

Where a budget holder is responsible for more than one budget, virement is only permitted between cost centres, provided this has been approved by the Principal.

11.5 Treatment of Year-End Balances

At the year end, budget holders will not have the authority to carry forward a balance on their budget to the following year, unless approved through the business planning process and approved through the normal College Budget approval process.

11.6 General

Any changes to the budget which may result in a detrimental change to the operating surplus\ (deficit) for the year must be referred to the Corporation for approval.

Any isolated redundancy cases\restructuring costs (including severance payments) must be

agreed by the Principal (but see also section 20.7 'Severance and other non-recurring payments').

12 Accounting Arrangements

12.1 Financial Year

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

12.2 Basis of Accounting

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

12.3 Format of the Financial Statements

The financial statements are prepared in accordance with the Statement of Recommended Practice *Accounting for Further and Higher Education*, subject to any specific requirements of the funding body, and in accordance with the provisions of the Companies Act 2006, and the FE Insolvency Regime if that is appropriate.

12.4 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, once the buildings are operational. Freehold land will not be depreciated.

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 can be recorded in the balance sheet where the acquisition cost per item is £5,000 or more or if its useful economic life is more than 1 year. Grouped items (e.g. a suite of computers) with an individual value of less than £1,000 or if its useful economic life is more than 1 year can be capitalised. Capitalised assets other than land and buildings will be depreciated over their anticipated useful lives, commencing in the month following their acquisition.

12.5 Accounting Records

The 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 institution is required by law to retain prime documents for six years. These include:

- official purchase orders
- paid invoices
- accounts raised
- bank statements
- copies of receipts
- paid cheques, BACs listings
- payroll records (pay contracts should be maintained by Human Resources).

The Director of Finance will make appropriate arrangements for the retention of electronic records.

Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as regional development agencies.

Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder.

12.6 Public Access

Under the terms of the Charities Act 2011, the Corporation is required to supply any person with a copy of the College's most recent financial statements (or within the provisions of the Freedom of Information Act 2000), whichever is sooner within two months of a request. The Act enables the Corporation to levy a reasonable fee and this will be charged at the discretion of the Director of Governance to the Corporation.

12.7 Taxation

The 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 to the College, in respect of all taxation issues. Therefore, the 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 Director of Finance is responsible for maintaining the institution's tax records, making

all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

13 Audit Requirements

13.1 General

External financial statement auditors, regularity auditors, internal auditors and funding body auditors shall have authority to:

- access institution 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 institution property under his or her control
- access records belonging to third parties, such as contractors, when required.

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

Following consideration by the Chairs Group, the financial statements should be reviewed by the Audit Committee. On the recommendation of the Audit Committee they will be submitted to the Corporation for approval.

13.2 Financial Statements and Regularity Audit

The appointment of financial statements and regularity auditors for the main financial statements of the institution will take place annually and is the responsibility of the Corporation. The Corporation will be advised by the audit committee.

The primary role of the external audit is to report on the institution's financial statements and regularity matters, carrying 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 funding bodies audit codes of practice and the Auditing Practices Board's statements of auditing standards.

In addition, the funding bodies may appoint separate auditors to carry out an external audit

of the institution's Individualised Learner Record (ILR) return or any serious allegations of fraud. The primary role of this audit is to give assurance to the funding body that the College's funding is accurate within certain agreed tolerances. This work will also help the external auditors of the College in their work on the income elements of the financial statements.

13.3 Internal Audit

The internal auditor is appointed by the Corporation on the recommendation of the audit committee.

The College's financial memorandum with the other funding bodies requires that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in the other funding bodies audit code of practice. The main responsibility of internal audit is to provide the Corporation, 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 but has direct access to the Corporation, Principal and Chair of the Audit Committee. The formal responsibilities of internal audit are detailed at Appendix J. The internal auditor will also comply with the Auditing Practices Board's auditing guideline *Guidance for Internal Auditors and the Audit Code of Practice*.

13.4 Fraud and Corruption

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

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

- he or she will notify the Principal and the Audit 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 funding bodies in accordance with their requirements as set out in the Audit Code of Practice by the Principal.
- the Audit 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 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 Committee direct of their concerns regarding irregularities.

13.5 Value for Money

It is a requirement of the financial memorandum that the Corporation 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 issued from time to time by the funding body, the National Audit Office, the Public Accounts Committee or other relevant bodies.

Internal audit is to have regard to value for money in its programme of work. This will be used to enable the Audit Committee to refer to value for money in its annual report.

13.6 Other Auditors

The College may, be subject to audit or investigation by external bodies such as the other funding bodies, National Audit Office, European Court of Auditors, or HM Revenue and Customs. They have the same rights of access as external and internal auditors.

14 Treasury Management

14.1 Treasury Management Policy/ Reserves Policy

The Corporation is responsible for approving Treasury Management Statement and Reserves Policy setting out a strategy and policies for the cash management, long-term investments and borrowings. Any borrowings will require compliance with other funding bodies rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the financial memorandum. The Corporation has a responsibility to ensure implementation, monitoring and review of such policies.

All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Director of Finance and an appropriate reporting system set up. All borrowing shall be undertaken in the name of the institution and shall

conform to any relevant funding body and Department for Education requirements. The Director of Finance must seek Corporation & Department for Education approval before agreeing any bank borrowings. The Director of Finance and his staff are required to be mindful of CIPFA's *Code of Practice* relating to Treasury matters.

The Director of Finance will report to the Corporation through the management accounts in each year on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him or her.

14.2 Appointment of Bankers and Other Professional Advisers

The Corporation is responsible for the appointment of the institution's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Chairs Group. The appointment shall be given by the Corporation through competitively tendering the service.

14.3 Banking Arrangements

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

Only the Director of Finance may open or close a bank account for dealing with the College's funds. All bank accounts shall be in the name of the College or one of its subsidiary companies.

All cheques drawn on behalf of the College must be signed according to the arrangements approved from time to time by the Corporation, with advice from the audit committee. Cheques up to £500, shall require one signature. Cheques over £500 must be signed by two authorised persons. Details of authorised persons will be reviewed periodically.

All automated transfers on behalf of the institution, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Corporation. The total of the automated transfers is treated as if it was a single cheque, so for example if there were six items which totalled more than £500, two signatures would be required on the BACS authorisation documents.

The Director of Finance is responsible for ensuring that all bank accounts are subject to

regular reconciliation and that large or unusual items are investigated as appropriate.

The Director of Finance will ensure that a quarterly review of college finances is carried out and tested against the bank covenant.

15 Income

15.1 General

The 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 Director of Finance.

A Policy for rents and lettings will be determined by procedures approved by the Director of Finance.

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

The Director of Finance is responsible for ensuring that all grants notified by the DfE and other bodies are received and appropriately recorded in the College's accounts.

The 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 Maximisation of Income

It is the responsibility of all staff to ensure that revenue due 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 Director of Finance of sums due so that collection can be initiated.

15.3 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. Procedures for handling cash and receiving money will be documented in the financial procedures.

All monies received must be paid to the Income section promptly, and in accordance with a timetable prescribed by the 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.

All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous departmental expenses or be paid into the departmental petty cash float. Personal 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 Director of Finance.

15.4 Collection of Debts

The 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 sales 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 debtor's 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 Director of Finance is responsible for implementing credit arrangements and indicating the periods in which different types of invoice must be paid.

Requests to write off individual debts in excess of £1,000 must be referred in writing to the Director of Finance. Individual debts up to £10,000 may be written off on the authority of the Principal and the Director of Finance. A summary of debts written off shall be presented to the Corporation annually.

15.5 Student Fees

The procedures for collecting tuition fees etc must be approved by the Director of Finance. He or she is responsible for ensuring that all tuition 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 shall cease to have membership of the College and shall be prevented from re-enrolling at the College and from using any of the College's facilities until the account is clear, unless the Principal/Chief Executive or the Director of Finance exercises discretion on an exceptional basis in respect of specific individuals.

15.6 Student Loans

Appropriate records will be maintained to support all transactions involving student loans.

15.7 Emergency/Hardship Loans

The College's scheme for emergency/hardship loans must be approved by the other funding bodies grant rules. This will include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made other than in accordance with the approved scheme.

The Director of Finance is responsible for ensuring the adequacy of the systems in place for:

- approving loans in accordance with the scheme
- paying loans that have been approved
- recovering loans that have been paid.

16 Research Contracts and Other Grants

16.1 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 institution 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 and will be charged against directorate budgets.

17 Other Income-Generating Activity

17.1 Private Consultancies and Other Paid Work

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

- outside consultancies or other paid work may not be accepted without the consent of the Principal/Chief Executive.
- senior postholder should seek the permission of the Chair of the Board before accepting and refer any matter to the Governance Committee and the Remuneration Committee.
- Senior postholder and senior managers should declare any matters in their annual declaration of interests
- applications for permission to undertake work as a purely private activity must be submitted to the Principal/Chief Executive, 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) where appropriate
 - an undertaking that the work will not interfere with the teaching and normal College duties of the member(s) of staff concerned.
- An assessment for HMRC IR35 legislation must be performed for all independent contractors which determines the control and direction, substitution, mutuality of obligation and exclusivity in regards of tax and NI obligations connected with the appointment.
- All records of staff undertaking must be kept by the relevant executive and copies provided to HR where the work has been approved.

17.2 Full-Cost Courses

Any staff wishing to run a full-cost course must have the permission of the Deputy Principal – Curriculum, Quality & Innovation and must complete a full-cost course proposal, which shows the anticipated income and costs for the course. The course organiser will be responsible to their Director/Head of Faculty for day-to-day management of the course.

17.3 Collaborative Partnership Provision

Any contract or arrangement whereby the College provides education to students away from the institution's premises, or with the assistance of persons other than the College's own

staff, or with independent contractors (partner organisations), must be subject to the following procedure.

There shall be a contract signed from the Principal or Director of Finance on behalf of the College and any partner organisation, they shall comply with the funding body model contract terms and conditions (as amended from time to time) in place before any provision is made. Contracts for partnership or franchising activity shall be approved in advance by the Corporation.

The form of the contract shall be scrutinised in advance of its operation by the Director of Finance and the Principal and a report theron, approved by the Resources Committee and the Corporation. The contract should be supported by:

- Details of the third-party provider sufficient to judge their ability to deliver the contracted programmes in accordance with the College's quality standards
- A financial evaluation of the contract, together with its impact on revenue plus advice on the impact of alternative plans, especially the possibility of the College delivering the programmes through its own resources
- Contingency plans for the delivery of training in the event that the third-party provider is unable to meet its obligations
- Written confirmation from the third-party provider that it has disclosed to the College all sources of funding relevant to the proposed programmes
- A cash flow forecast for the contract and details of the impact on the College cash flow forecast for the financial year in question
- Consideration of the resources required by the College to monitor the delivery of the programmes by the third-party provider
- A risk assessment to consider any other potential events which could hinder the delivery of the contract and ways to mitigate such occurrences
- The format for regular reports shall be as in funding body guidance.

Where the partnership would represent a significant departure from the College's strategic plan, the Corporation shall approve the departure, and the Principal shall seek the views of and inform the funding body.

17.4 Other Funding from Other Bodies

All grant applications for other public funds shall be authorised by the Principal or the Director of Finance.

Such approval shall be dependent upon the Director of Finance being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of the institution's costing and pricing policy.

Individual applications for funds shall be the subject of a report by the Director of Finance to the Corporation which will set out, amongst other things, the potential risks generated by the project.

If the College sub-contracts such work to external providers, the Director of Finance shall ensure that:

- this is on the basis of a written contract which allows for full audit access to detailed records
- appropriate monitoring procedures are in place to ensure that the outputs are achieved and the provision is of suitable quality
- payments are only made against detailed invoices.

17.5 Profitability and Recovery of Overheads

All other income-generating activities must be self-financing or surplus-generating unless it is intended that a new course is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the Director of Finance or the Deputy Principal.

Other income-generating activities organised by members of staff must be costed and agreed with the Director of Finance before any commitments are made; these are expected to be self-financing and surplus-generating, unless they are part of the College's initiative funding (in which case some initial costs may be spent in order to generate future earnings). Provision must be made for charging both direct and indirect costs in accordance with the College's costing and pricing procedures.

17.6 Deficits

Any unplanned deficits incurred on other income-generating activities will be charged to

the cost centre undertaking the activity.

17.7 Additional Contributions to Departments

Distribution of profits on other income-generating activity between central funds of the College and individual departments will be in accordance with any policy approved by the Chairs Group.

18 Intellectual Property Rights

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 Intellectual Property Rights

The College may decide to become involved in projects that could lead to commercial exploitation of inventions and research. In these cases, matters should then be referred in the first instance to the Director of Finance, who will assist the area involved in drawing up detailed procedures in relation to the individual project. Employees are also bound by their individual contractual arrangements with the College.

19 Expenditure

19.1 General

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

19.2 Scheme of Delegation/Financial Authorities

The Director of Finance, Deputy Principal, Assistant Principals, Directors, Heads of Faculty and Curriculum Managers are responsible for purchases within his or her department. Purchasing authority may be delegated to named individuals within the department. In exercising this delegated authority, budget holders are required to observe the purchasing policies and financial procedures.

The Director of Finance shall maintain a register of authorised signatories and must supply him or her with specimen signatures of those authorised to certify invoices for payment (for paper-based systems). All procurement above £500 requires a minimum of two signatures

for approval, subject to the appropriate signing limit specified below.

Under procedures agreed by the Director of Finance, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits (for electronic systems).

The Director of Finance must be notified immediately of any changes to the authorities to commit expenditure.

Director of Finances, Deputy Principal, Assistant Principals, Directors, Heads of Faculty and Curriculum Managers are not authorised to commit the institution to expenditure without first reserving sufficient funds to meet the purchase cost and ensure an official purchase order is raised beforehand.

Values of Official Purchase Order Authorisation

| | |
|---------------|--|
| over £100,000 | Public Contracts Regulations (PCR) compliant competitive tender process carried out through CPC consortium framework |
| Over £50,000 | Principal and Chair of Corporation – Competitive tender process carried out through CPC framework |
| over £10,000 | Principal and Director of Finance, Deputy Principal (2 Signatures) |
| up to £10,000 | Principal and Director of Finance with Deputy Principal with Assistant Principals, Director or Director/Head of Faculty (2 Signatures) |
| up to £3,000 | Director of Finance and Deputy Principal/Assistant Principals or with Directors, Director/Heads of Faculty / Dept (2 Signatures) |

The values and levels set should be adhered to for all College procurement.

The Principal/Chief Executive may, in his or her absence, delegate their signing authority to the Director of Finance. In exceptional circumstances, the Chair of Corporation may vary the scheme of delegation.

The capital threshold for purchases is £1,000 or lower for goods with a minimum expectancy of three years.

All authority or other limits shown shall refer to amounts inclusive of VAT, unless the College is exceptionally able to recover the VAT. The budget holders authorising the invoice for payment must be different from the member of staff responsible for signing the purchase order form.

19.3 Procurement

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 financial procedures.

19.4 Purchase orders

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

Official institution orders must be placed for the purchase of all goods or services, except examinations and other items approved in advance in writing by the Director of Finance – and those made using the College credit card, or petty cash. In exceptional circumstances, urgent orders may be given with a reserved order number but must be accompanied by a purchase order requisition number endorsed not later than the following working day.

Where the College has agreed with its contractors that they undertake the procurement of goods or services on behalf of the College (this is only likely to happen on major building contracts, where the main contractors sub-contract parcels of activity, or employ specialists for particular elements of the project), then the Director of Finance must obtain from the contractor a schedule of work to be sub-contracted to other third parties and agree that it is within the approved budget.

Whether raised from duly authorised documents sent to the finance department for processing, (or electronically through the College's online finance system). All official orders must be sent out by the finance department in accordance with financial procedures.

Any invoice not matching with an order will be reviewed by the Purchase Ledger Team, who will refer the matter back to the person signing off the invoice before processing.

When transferring goods or services between departments, an internal journal transfer form must be used.

It is the responsibility of the Director of Finance (through the College's Purchasing Team) to ensure that all purchase orders refer to the College's conditions of contract (see 19.8 and Appendix L).

In line with good practice the College should seek to outline the highest level of expenditure with College suppliers over an annual basis and report on this to the Resources Committee

demonstrating value for money and the public benefit test.

19.5 Tenders and Quotations

Threshold

To determine the estimated total value of a contract or purchase, the potential expenditure over the life of the contract or purchase (excluding VAT) must be considered. Where a contract is for less than 4 years and the object of the contract is an ongoing requirement, the value over 4 years should be used.

All tenders will be carried out in line with the Procurement Regulations 2023, that came into force in February 2025 and as amended from time to time.

Delegated budget holders must comply with the institution's tendering procedures contained in the institution's code of tendering practice, which are applicable as follows:

- Up to £5,000 – the budget holder shall take reasonable action to ensure that prices obtained are reasonably competitive.
- over £5,001 – the budget holder should seek three written quotations; value for money must always be obtained
- from £5,001 to £50,000 – the budget holder shall be required to obtain at least three competitive quotations, confirmed in writing. Where no written confirmation is available, a note should be kept of the suppliers contacted and the prices offered; this note - together with any written quotations - should be attached to the requisition form sent to the finance department (if finance department to process the paperwork). Where the department input the requisition details online, then the requisition number should be quoted on the quotation documentation sent to the finance department.
- over £50,000 – all items must go out to tender and comply with Procurement Regulations 2023 limits, rules and regulations.
- The Principal/Chief Executive and Director of Finance together may waive the need for written quotations where particular circumstances indicate these procedures are inappropriate or unnecessary (e.g. the purchase of computer equipment to match existing equipment, or an order is to be placed with a supplier where a recent similar order has been placed which followed the procedures). Tendering processes must be undertaken in accordance with arrangements approved by the Director of Finance and in conjunction with the relevant budget-holder. All tender documents should seek best payment terms for the College.
- The use of market-testing may be considered if it can be demonstrated that a service

provided to the College may be obtained under more favourable terms if the existing supplier extends its normal contract period, rather than through undertaking a formal tendering process. However, it should not be repeated for any subsequent tendering period for the service under review.

- Acceptance of tenders shall be as follows:

| | |
|-----------------------|--|
| - £50,001 to £250,000 | the Principal/Chief Executive and Chair of Governors |
| - over £250,000 | the Principal/Chief Executive and Chair of Governors and any member of the corporation and Director of Governance |

Only partnership arrangements for the supply of goods or services specifically approved by the Corporation will fall outside these arrangements for tenders and quotations.

Where an invoice is for more than £50,000 and covers expenditure already approved by the Corporation, both the Principal and Director of Finance must sign the invoice.

The main points to be covered by the College during tendering practice are described at Appendix L and may be subject to special rules imposed by funding bodies.

At least three tenders must be received unless prior approval for fewer tenders has been given by the Principal or Director of Finance.

Invitations to tender must be accompanied by comprehensive and clearly written specifications.

All tenders received after the closing date must be returned to the tenderer unopened with an explanatory covering letter.

Tenders should be opened by the Principal or the Director of Finance in the presence of the Director of Governance acting as a witness at the appointed time on the day following the closing date. The prices quoted in the tender should be recorded immediately on a pre-prepared document schedule containing the name of the project or item together with the list of those invited to tender. The price should be recorded opposite the name of the appropriate tenderer. If a reply is not received from any of those invited to tender this fact should be recorded on the schedule.

On completion of the tender opening, the Principal or the Director of Finance and the witness should both sign and date the schedule.

The contract should normally be awarded to the tenderer submitting the lower price. However, any final decision regarding the acceptance of a tender must be subject to knowledge of the contractor and quality of their work. Where the lowest tender has not been accepted the reason should be noted on the schedule for this decision.

Up to £50,000 the Principal or Director of Finance may waive the requirement for quotations and tenders where:

- there is no evidence of alternative source of supply
- specialist supply is needed to extend, repair or refurbish
- the use of specialist professional services is indicated
- exceptionally, if an emergency arises.

Over £50,000 the Principal may waive the requirement for quotations and tenders where:

- there is no evidence of alternative source of supply
- specialist supply is needed to extend, repair or refurbish
- the use of specialist professional services is indicated
- exceptionally, if an emergency arises.

The Chair or in her/his absence the Deputy Chair may on the recommendation of the Principal/ Deputy Chair in exceptional circumstances waive the requirement for quotations and tenders. Approval for such action will be applied for in writing to the Chair/ Deputy and reported to the next meeting of the Corporation.

19.6 Post-tender Negotiations

Post-tender negotiations (i.e. after receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms can be entered into, provided:

- it would not put other tenderers at a disadvantage
- it would not affect their confidence and trust in the College's tendering process.

In each case, a statement of justification should be prepared by the appropriate Director of Finance and approved by the Executive Group:

- background to the procurement
- reasons for proposing post-tender negotiations
- demonstration of the improved value for money.

All post-tender negotiations should be reported to the Executive Group: additionally, if the Resources Committee was involved in the original tender process (for items over £50,000), then they should also be appraised of any post-tender negotiations.

19.7 Contracts

Building contracts are administered by the Director of Finance, supported by the Head of Estates, as appropriate.

Routine proposals will normally be initiated by the Director of Finance 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, is too large or too specialised for Estates directorate resources. Appointments shall be subject to tendering and/or other procedures where appropriate.

Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the Director of Finance as appropriate for Corporation approval. Investment appraisals should comply with appropriate funding body guidance.

Following consideration by the Corporation, submissions should be forwarded to the funding bodies where appropriate. If the required agreement is secured from the funding bodies, their procedural rules should be followed. Funding bodies guidance on best practice should be followed even when funding bodies approval is not required.

The achievement of value for money will be an objective in the letting of all contracts.

Conditions of contract for the purchase of goods will be followed as described in the institution's detailed financial procedures. The main points are described at Appendix L.

19.8 Receipt of Goods

All goods shall be received at the College's designated campus goods inwards points. They shall be checked for quantity and quality by the purchase order originator. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods.

All goods received centrally shall be entered onto an appropriate goods received document

or electronic receipting system on the day of receipt. The goods inwards area should hold any packages awaiting distribution in a secure place and advise the relevant department of the arrival of the goods.

The goods (and accompanying delivery note) should be distributed as quickly as possible to the appropriate department after receipt by the College. If the goods are deemed to be unsatisfactory, the delivery note shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified.

It is the responsibility of all budget-holders to forward the purchase invoice to the finance department once an invoice is received for any goods or services ordered against budgets under their control. The notification shall be by attaching a copy of the supplier's delivery note to the invoice. The invoice should be authorised by an approved signatory, to signify that the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory.

Wherever possible, the person receiving goods on behalf of the College should be independent of those who negotiated prices and terms and placed the official order.

19.10 Payment of Invoices

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

The 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 or computer-produced cheques. In exceptional circumstances the Finance Department will prepare cheques manually or a specific BACS run for urgent payments.

The Director of Finance, Deputy Principal, Assistant Principals, Directors and Heads of Faculty are responsible for ensuring that their budget holders' expenditure remains within their budgets and does not exceed funds available.

Suppliers will be instructed on the official order to submit invoices for goods or services initially to the Finance department. The Director of Finance shall be responsible for keeping a record of all registering invoices so received until authorised for payment.

Care must be taken by the budget holder to ensure that discounts receivable is obtained

and that invoices are authorised promptly and returned to the Finance department once they have been authorised.

Payments will only be made by the Director of Finance against invoices that have been authorised for payment by the appropriate budget holder.

Authorisation of an invoice will confirm that:

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory
- it is matched to the order (except exams invoices)
- invoice details (quantity, price discount) are correct
- the invoice is arithmetically correct
- the invoice has not previously been passed for payment
- where appropriate, an entry has been made on a stores record or departmental inventory
- an appropriate full cost code is quoted; this must be one of the cost 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 Staff Reimbursement

The College's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement (see 20.5). Approval for any cash advance must be authorised by an appropriate budget holder and Director/Head of Faculty and approved by the Director of Finance for cash advance up to £1,000. Cash advance in excess of £1,000 must be approved by the Principal.

Where such purchases by staff are planned, the Principal or the Director of Finance may approve cash advances to staff who are going to incur expenditure on the College's behalf. Upon completion of the travel or 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 an individual is still outstanding (See 20.9). Payment for staff reimbursement will usually be made on a Monthly basis by the Payroll team by BACs with the salaries.

19.12 Institution Credit Cards

Where appropriate, only the Principal may approve the issuing of institution credit cards to senior staff. Such credit cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. The Director of Finance will be responsible for monitoring the use of institution credit cards and account for expenses charged through them.

19.13 Petty Cash

Items up to £50 can be paid from petty cash or through payroll on the 25th of the month to avoid cash dispensation thereby minimising contact. It must be supported by receipts or vouchers where available.

The Director of Finance shall make available such imprests as he or she considers 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 must be sent to the Finance Department, together with appropriate receipts or vouchers, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.

The budget holder granted a float is personally responsible for its safe-keeping. They must forward any cash received to the Finance Department or security courier service – without deduction by other expenses (using the College's night safe if necessary). The petty cash box must be kept locked in a secure place in compliance with the requirements of the institution's insurers when not in use and will be subject to periodic checks by the Finance Department or another person nominated by him or her.

Standard College petty cash forms are 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 and counter-signed by the budget-holder.

19.14 Other Payments

Payments for maintenance and other items to students on behalf of sponsoring organisations shall be made on the authority of the Director of Finance, supported by detailed claims approved under systems set out by the Director of Finance.

Individual payments under collaborative partnership provision contracts shall be authorised by the Director of Finance. This authority shall be on the basis that the payment represents a bona fide element of the contract which has been approved under a scheme set out by the Corporation.

All amounts expended from balance sheet accounts, such as tax and pensions payments to statutory authorities, shall be made on the authority of the Director of Finance.

Invoices for examination entries and other assessment-related costs shall be checked against records of entry by the Director of MIS and authorised accordingly.

19.15 Late Payment Rules

The Late Payment of Debts (Interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:

- small businesses can charge interest on overdue invoices
- interest is chargeable on sales made after 1 November 1998
- the rate of interest is currently 8% per annum above the official daily rate of the Bank of England
- the Act also applies to overseas organisations
- the institution can be sued for non-payment.

In view of the penalties in this Act, the Corporation requires that invoices must be passed for payment as soon as they are received unless the invoice is in query.

20 Pay Expenditure

20.1 Remuneration Policy

All College staff will be appointed to the salary scales approved by the Corporation and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Director of Human Resources under the authority of Principal/ Director of Finance

Salaries and other benefits for senior postholders will be determined by the Remuneration committee set up by the Corporation. Any consultancy work undertaken or potential related party transaction or conflict of interest must be reported to the Chair of the Board and the Governance Committee/ Remuneration Committee. The College should be able to

demonstrate the public benefit test as per the DfE's Support and College Oversight Policy Document.

20.2 Appointment of Staff

All contracts of service shall be concluded in accordance with the College's approved personnel practices and procedures and all offers of employment with the institution shall be made in writing by the Principal. The Director of Finance through Human Resources, will ensure the Principal is provided promptly with all information they may require in connection with the appointment, resignation, dismissal or any contract amendments for employees.

20.3 Salaries and Wages

The Director of Finance is responsible for all payments of salaries and wages to all staff including payments for services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, associate lecturers or researchers, will be in a form prescribed or approved by the Director of Finance and authorised by the relevant Director of Finance or Principal as appropriate.

The Director of Human Resources will be responsible for keeping the Principal/Director of Finance informed of all matters relating to personnel for payroll purposes. In particular these include:

- appointments, resignations, dismissals, supervisions, secondments and transfers
- absences from duty for sickness or other reason, apart from approved leave
- changes in remuneration other than normal increments and pay awards
- information necessary to maintain records of service for superannuation, income tax and national insurance.

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

The Director of Finance shall be responsible for keeping all records relating to payroll including those of a statutory nature.

All payments must be made in accordance with the institution's detailed payroll financial procedures and comply with H.M. Revenue & Customs regulations.

20.4 Pension Schemes

The Corporation is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

The Director of Finance is responsible for day-to-day pension matters, including:

- paying contributions to various authorised pension schemes
- preparing the annual return to various pension schemes
- resolution of queries in relation to individuals' contributions.

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

20.5 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 Director of Finance.

Claims by members of staff must be authorised by their budget holder: such approval shall be taken to mean that:

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

Claims for travel by the Principal/Chief Executive or members of the Corporation must be authorised by the Director of Finance. Claims for meeting attendance by governors and the Director of Governance to the Corporation will be limited to travel, subsistence and accommodation expenses.

20.6 Overseas Travel

All overseas trips involving 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 shall be approved by the Chair of the Corporation. Arrangements for travel by the Chair shall be approved by the Corporation.

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 to the Principal. Travel insurance should not be purchased with travel bookings as the College maintains worldwide insurance for governors, staff and learners. This does not extend to spouses, partners or other persons unconnected to the College.

Details of all participants, together with relevant contact names and details, must be sent to the Director of Finance at least two weeks prior to the date of travel as a record for insurance purposes. The details should include an itinerary, methods of travel and contact numbers.

Reference is also made to the International Travel Risk Assessment.

20.7 Severance and Other Non-Recurring Payments

Reorganisation of the College resulting in severance payments to members of staff shall only be made in accordance with relevant legislation and under a scheme approved by the Corporation. Professional advice should be obtained where necessary. All such payments shall be authorised by the Principal/Chief Executive with calculations checked by the Director of Human Resources and the Director of Finance.

As part of MPM consideration needs to be given to the level and types of payment made in relation to restructure and reorganisation. Restructures must be assessed to identify whether they need to be referred to DfE for approval in advance. DfE approval is required for special staff severance payment where any of the following scenarios arise individually or collectively:

- 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 staff severance payment is at or above £100,000.
- The employee earns over £150,000
- Irrespective of the amount of money involved any proposed payment linked to a non-disclosure agreement will require DfE approval.

The responsibility of obtaining DfE approval lies with the Principal.

Any individual amounts which do not fall within the above parameters or are in excess of £20,000 require approval by the Chair and the Vice-Chair of the Corporation in consultation

with the Principal/Chief Executive, to be reported to the next meeting of the Corporation. Amounts paid should be declared in the financial statements.¹

All matters referred to an Employment Tribunal shall be notified to the Corporation at the earliest opportunity in order that budget provision may be made as necessary. All determinations of Tribunals must be similarly notified.

20.8 Engagement of Temporary Staff

The Principal shall approve all arrangements for the engagement of agency or other temporary staff. No agency or temporary staff shall be engaged unless the Principal has authorised the expenditure and term of contract.

20.9 Advances to Staff

On occasions where error or omission by the College has led to a liability from a member of staff, the College may make temporary advances to be recovered by deduction from payroll the following month, based on up to 60% of gross pay outstanding. These payments should be authorised by the Director of Finance or HR Director. All other payroll advances require the approval of the Director of Finance and the HR Director

21 Assets

21.1 Land, Buildings, Fixed Plant and Machinery

The purchase, lease or rent of land and buildings costing in excess of £50,000 can only be undertaken with authority from the Corporation through the Resource Committee and with reference to funding body requirements where exchequer-funded assets or exchequer funds are involved.

The purchase, lease or rent of land or buildings or fixed plant up to £50,000 shall be approved by the Principal and Director of Finance together.

21.2 Fixed Asset Register

The Director of Finance is responsible for maintaining the College's register of land, buildings, fixtures, fittings and equipment. The Head of IT will provide the Director of Finance with any identification numbers and information he or she may need to maintain the register.

¹ A funding body requirement for the further education sector.

21.3 Inventories

In addition to the asset register, the Director of Finance is responsible for ensuring that systems are in place so that all items of equipment, purchased as part of capital expenditure, under their control with a value in excess of £500 are recorded. In addition, certain other items costing less than £500 (PCs and laptops, digital cameras, data projectors & other items which would have a ready resale value if stolen) will also be coded and details contained in the inventory register. All such assets must be kept in a secure environment. All movements of such items should be recorded. The inventory must include items leased, donated or held on trust.

Budget-holders must ensure they maintain inventories including all items of a valuable or desirable nature. Budget-holders should check inventories in their control at least annually, reporting back to the Director of Finance.

When transferring equipment etc. between departments, a transfer record must be kept and the inventories amended accordingly.

The Director of Finance must be advised in writing, using the relevant form, of any disposals of items which are included in the inventory register. The Director of Finance will inform the Principal of asset disposals with or without residual value, included in the fixed asset register.

21.4 Stocks and Stores

Budget holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. The systems used for stores accounting in departments must have the approval of the Director of Finance. The Budget-holder allocated capital equipment is 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.

21.5 Safeguarding Assets

Budget holders are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash etc. under their control. They will consult the 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.

The Director of Finance will ensure that assets owned by the College shall, so far as is

practical, be effectively marked to identify them as institution property.

21.6 Personal Use

Assets owned or leased by the College shall not be subject to personal use without proper authorisation as specified by the Director of Finance.

21.7 Asset Disposal

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

Disposal of land and buildings must only take place with the authorisation of the Corporation. Funding body consent may also be required if exchequer funds were involved in the acquisition of the asset.

21.8 All Other Assets

Each Budget-holder is responsible for establishing adequate arrangements for the safe custody and control of all other assets owned by the College, whether tangible (such as stock – see above) or intangible (such as intellectual property – see section 19), including electronic data.

22 Funds Held on Trust

22.1 Gifts, Benefactions and Donations

The Principal's Personal Assistant & Finance Department 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.

22.2 Student Welfare and Access Funds

The Director of Finance will prescribe the format for recording the use of student welfare funds.

Records of Learner Support and Hardship funds will be maintained according to funding body requirements.

22.3 Trust Funds

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

The Corporation 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.

22.4 Voluntary Funds

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

23 Other

23.1 Insurance

The Director of Finance 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 on an annual basis.

The Director of Finance is responsible for effecting insurance cover as determined by the Corporation. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Director of Finance will keep a register of all insurances effected by the College and the property and risks covered. He or she will also deal with the institution'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 Director of Finance's advice should be sought to ensure that this is the case. Budget holders must give prompt notification to the Director of Finance 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 Director of Finance immediately of any event that may give rise to an insurance claim. The Director of Finance will notify the College's insurers and, if appropriate, prepare a claim in conjunction with the Budget holders for transmission to the insurers.

The Director of Finance is responsible for keeping suitable records of plant and equipment

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 institution shall maintain appropriate insurance cover of business use and ensure that their vehicle is roadworthy, has a current Road Fund Licence, valid driving licence and (where required) a valid MOT Certificate).

23.2 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 institution. Any member of staff considering the use of a company or a joint venture should first seek the advice of the Director of Finance, who should have due regard to guidance issued by the funding body.

Under the Learning and Skills Act 2000, an institution needs the prior approval of the funding body before a company or a joint venture can be established. The Corporation is responsible for ensuring that the required procedures are followed.

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

The directors of companies where the institution is the majority shareholder must submit an annual report to the Corporation. They will also submit business plans or budgets as requested to enable the committee 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 funding body requires that the company's financial year must be consistent with that of the College.

23.3 Security

The Corporation has a general responsibility to ensure the effective management of resources and the safe custody of assets. The following regulations aim to set out how this will be achieved.

The Director of Finance is responsible for maintaining proper security at all times for all buildings, stock, stores, furniture & equipment, cash etc under their control. Budget holders shall consult the 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.

Where the College has installed a safe or similar container, the Director of Finance should nominate key holders for day-to-day operations of the safes/containers. Key holders must ensure they retain the keys in safe storage during office hours and that they retain these keys overnight. The loss of such keys must be reported to the Director of Finance immediately.

The Principal, through the Director of Finance, shall be responsible for maintaining proper security and privacy of information held on the institution'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 General Data Protection Regulation and national data protection Act 2018. The Director of Human Resources has been nominated to ensure compliance with the Act and the safety of documents.

The 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 Director of Finance. All such documents should be held in an appropriately secure, fireproof location and copies held at a separate location by the Director of Finance.

23.4 Use of the College's Seal

Where a deed or document requires the College's seal, it must be sealed by the Director of Governance to the Corporation or, in his or her absence, the Director of Finance, in the presence of a member of the Corporation and or the principal.

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

23.5 Provision of Indemnities

Any member of staff asked to give an indemnity, for whatever purpose, should consult the Director of Finance before any such indemnity is given.

24 Appendices

- Appendix A Committee Structure
- Appendix B Finance Department Structure
- Appendix C Audit Committee Terms of Reference
- Appendix D Key Contacts in the Finance Department
- Appendix E Main Features of the Public Interest Disclosure Act 1998
- Appendix F The Seven Principles of Public Life from the Report of the Committee for Standards in Public Life (The Nolan Report)
- Appendix G Anti-Bribery Policy Statement
- Appendix H Summary of Protocols for Proposed Capital Expenditure
- Appendix I Summary of Protocols for Proposed Major Developments
- Appendix J Internal Audit Responsibilities
- Appendix K Fraud Response Plan
- Appendix L Conditions of Contract for the Purchase of Goods
- Appendix M Main Points included in the Institution's Code of Tendering Practice

APPENDIX A: COMMITTEE STRUCTURE

The Principal and Director of Finance normally attend the committees of the Corporation as follows:

Full Corporation/ Board meetings: Principal (member, with voting rights); Director of Finance as appropriate.

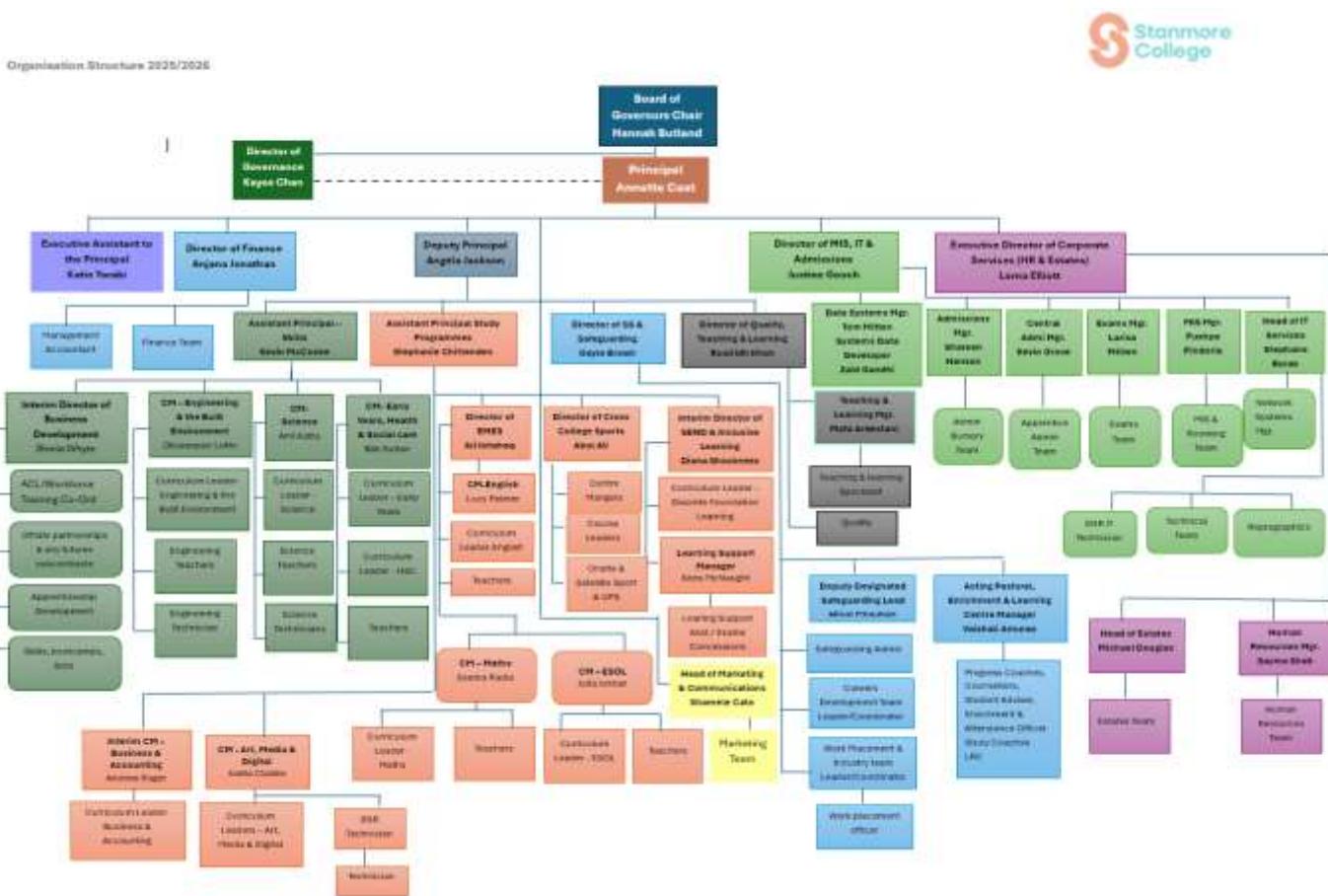
Audit Committee: Principal, Director of Finances as appropriate.

Governance and Remuneration Committee: Principal and Director of Finances as appropriate.

Curriculum and Quality Committee: Principal and Deputy Principal as appropriate.

Resources Committee: Principal and Director of Finance as appropriate.

APPENDIX B: STRUCTURE



APPENDIX C: AUDIT COMMITTEE TERMS OF REFERENCE

AUDIT COMMITTEE

Terms of Reference

1 Constitution

The Corporation has established a committee of the Corporation, to be known as the “Audit Committee”, and formally approves its terms of reference.

2 Membership

- 2.1 The Committee shall comprise up to 4 non-executive members (who may or may not be members of the Corporation). The Committee may invite the Corporation’s advisers or other third parties to attend meetings of the Committee as appropriate (such persons shall not have a vote but shall be entitled to speak at the meeting).
- 2.2 The Principal and other senior post holders may not sit on the Committee but other members of staff may sit on the Committee provided they do not have significant executive, management, financial or budgetary responsibilities.
- 2.3 In order to maximise the Committee’s independence and objectivity, the following people shall not be eligible to sit on the Committee:
 - (a) those with executive responsibilities at senior level;
 - (b) members of the College Finance Committee or equivalent;
 - (c) the Chair of the Corporation; and
 - (d) governors who have significant interests in the College.
- 2.4 Audit committees must include individuals with an appropriate mix of skills and experience, including recent, relevant experience in risk management, finance and assurance
- 2.5 Membership of the Committee is normally for four years and may be renewed. A person shall be ineligible for appointment to the Committee if he or she has served more than 8 years on the Committee.

- 2.6 The Chair of the Committee will be a governor selected by the Corporation.
- 2.7 In making its opinion, the Audit Committee may have reference to 'the board assurance framework' which has been included in the Post 16 Audit Code of Practice

3 Frequency of Meetings

- 3.1 The Committee will meet at least 3 times per year. Auditors may request a meeting of the Committee if they consider that one is necessary, and the Committee will endeavour to comply with such requests.

4 Quorum

- 4.1 The quorum for meetings of the Committee shall be 2 Governors.

5 Attendance at Meetings

- 5.1 The Committee may meet with the internal and external auditors without any officers present as and when required but at least once a year.
- 5.2 If requested by the Committee, any senior member of staff will attend.

6 Authority

- 6.1 The Committee is authorised by the Corporation to investigate any activity within its terms of reference.
- 6.2 Pursuant to 6.1, the Committee is authorised to seek information from the internal audit service, external auditor, governors, committees and employees plus relevant information from sub-contractors and other third parties and to obtain external professional advice.

7 Duties

- 7.1 To consider and advise on the effectiveness of the Corporation's whole system of internal control, including controls for securing economy, efficiency and effectiveness (value for money) and to reinforce their independence, to adopt a risk-based

approach to assessing systems and controls and to monitor the effectiveness of the College's auditors, at least annually.

- 7.2 To advise the Corporation on the appointment, reappointment, dismissal and remuneration of the external auditor, the internal audit service and the scope and objectives of their work and other terms of engagement. The Post 16 Audit Code of Practice 2022-23 has made a mandatory requirement for tender for external audit at least every 5 years. However, there remains no requirement to change external auditor, nor any maximum period for which they can act.
- 7.3 To ensure co-ordination between the internal audit service, the external auditor and any other audit services received by the College.
- 7.4 To advise the Corporation on the scope and objectives of the work of the external auditor, internal auditor, and any other audit services received by the College.
- 7.5 To establish, in conjunction with College management, relevant performance measures and indicators, and to monitor the effectiveness of the internal audit service, external auditor, and any other audit services through these measures and indicators.
- 7.6 To monitor the implementation of agreed audit-based recommendations, from whatever source.
- 7.7 To consider and advise the Corporation on internal audit assignment reports and annual reports and on control issues included in the external auditor's management letters and on any other audit reports received by the College; and on management's response to these.
- 7.8 To oversee the policy on fraud and irregularity, including being notified of any action taken under that policy.
- 7.9 To consider and advise the Corporation on any relevant reports or recommendations by the DfE/ GLA (or their successors) or any other external body and, where appropriate, management's response to these.
- 7.10 To monitor within an agreed timescale, the implementation of agreed

recommendations relating to internal audit assignment reports, internal audit annual reports, external auditor's management letters, and any other action plans arising out of audit activity.

- 7.11 To review, and to advise the Corporation on, risk management control activity undertaken by management, with a view to ensuring that the College is managing all forms of risk effectively and adopting best practice in risk management generally.
- 7.12 To consider the development and training available to the Audit Committee's members.

8 Reporting Procedures

- 8.1 The Minutes of meetings of the Committee will be circulated to all members of the Corporation.
- 8.2 The Committee will produce an annual report which includes the Committee's review of the effectiveness of the Corporation's systems of internal control (including risk management) – the report should incorporate any significant matters arising from the work of the internal audit service, the external auditors and any other auditors who have carried out work in relation to the College. The Audit Committee's annual report should normally be submitted to the Corporation before the members' responsibility statement in the annual financial statements is signed. The audit committee's annual report should include consideration of the independent report on subcontracting (where applicable) and the appointment date/remaining term of the external auditor.

Points to note

The Audit Committee's terms of reference should comply with the Post 16 Audit Code of Practice.

APPENDIX D: KEY CONTACTS IN THE FINANCE DEPARTMENT

See Organisation Chart (App B)

Anjana Jonathan (Interim Director of Finance)

INTRODUCTION

- 1 The Finance Department is located at the Stanmore Campus
- 2 In order to obtain maximum benefit from the finance department, it is important to observe the published deadlines. The deadlines have been established in order to guarantee the delivery of particular services which might not otherwise be achievable.
- 3 The main services are listed on the following pages.
- 4 **Purchase Ledger.** This section pays all sums owed by the College other than payroll items. Payments are made mainly to suppliers of goods and services. For payments queries please contact the Finance Team.
- 5 **Collection of Income.** All income due to the College must be banked through the Finance Department. Payments are received by BACS, cheque, cash, direct debits, credit cards or debit cards. Instalment facilities are available for some categories of student in relation to their tuition fees. Overdue debts are pursued in consultation with departments and, where appropriate, court action is taken. Security arrangements for cash in transit are made for transfers between the campus and the bank. For income queries please contact the Finance.
- 6 **Payroll.** The institution's payrolls are managed by the payroll team. All amendments to standing data and hourly paid claims + travel and subsistence claims are notified by Human Resources to the Payroll Team. The Payroll Team is also responsible for submission of all PAYE & pension returns and payment of expense claims through monthly salary. For payroll queries, please contact HR/ Payroll.
- 7 **Insurance.** All aspects of insurance cover and claims are handled by Finance. 'Permission to Organise Off-site Activities' forms must be approved in advance by the Principal. The requests for approval of trips should be notified to the Deputy Principal, and notification of

insurance claims, should be referred promptly to the Director of Finance, so that they can be processed efficiently. Failure to notify the police in cases of theft or criminal damage can also invalidate cover. For insurance queries please contact Finance.

- 8 **Controlled Stationery.** In order to comply with financial regulations, it should be ensured that the current versions of documents are used and any duplication of control numbers are avoided. They include receipts books. To order supplies of controlled stationery please contact Finance.
- 9 **Financial Accounting.** Many of the functions under this heading will not directly affect faculties and departments. They include maintenance of the accounting system, preparation of final and other accounts, tax returns, etc. Another such function relates to treasury management, which encompasses borrowing and lending, cash flow forecasting and management of the bank accounts. There are, however, several services which are for the specific benefit of users.
- 10 **Other Services Rendered and Projects.** For other services rendered and projects, numbers are allocated on receipt of project/budget forms in association with the Director of Finance so that all income and expenditure can be matched to projects. Advice is available for the preparation of bids for projects, especially in relation to external funding. Arrangements are also made for vetting and auditing various grant claims. For queries relating to other services rendered and research contracts, please contact Director of Finance.
- 11 **Use of System.** Advice and training are provided for users to access and use the data held in the accounting system. For queries relating to the operation of the accounting system, please contact Finance.
- 12 **Major Capital Projects.** Assistance in the preparation of bids for funding, investment appraisals and monitoring of schemes are all included within the finance department. It is mandatory for the negotiation of funding packages to be carried out by the Director of Finance with the assistance of the finance department staff. For queries relating to capital schemes and grant claims please contact Finance.
- 13 **Management Accounting.** The work of this area is split between that at corporate level and the production of monthly management accounts for individual cost centres or groups of cost centres. At the corporate level, this includes the preparation of the financial plan,

consolidation and submission of planning data to the funding council, compilation of the detailed annual budget and production of comparative statistical data. The Director of Finance must also provide regular monitoring statements and financial advice to the Corporation.

- 14 **Budget Monitoring.** At Director, Head of Faculty and Curriculum Manager/Support level, detailed management reports are produced indicating performance against budget at account code level. In accordance with strict procedures, budgets should be regularly reviewed: budget-holders should also receive assistance from the finance department staff to discuss any issues and to ensure that staff are aware of the reports available. For queries relating to budget maintenance please contact Finance.
- 15 **Budget Planning.** Advice is available for all budget managers for the purpose of the preparation of their business plans. This is particularly important in the area of other services rendered and research grant contracts where markets can be volatile. For queries relating to budget planning please contact Finance.
- 16 **Management Control.** A range of services provided by the finance department relate to the overall control of the institution's systems. Some of these are mandatory.
- 17 **Internal Audit.** All institutions must have an independent internal audit function which operates in conjunction with the audit committee. The finance department is responsible for the receipt and co-ordination of responses to audit reports and for the implementation of audit committee projects.
- 18 **Procedures and Regulations.** Financial regulations and detailed financial procedures are maintained and disseminated by the finance department. Again, their existence is a funding council and audit committee requirement. For queries relating to management control matters please contact Finance in the first instance.
- 19 **Purchasing.** The purchasing function is generally devolved, with authority to purchase granted to budget holders within the threshold framework stipulated in the financial regulations.
- 20 **Operational Issues.** Purchasing advice and guidance on the acquisition of goods/services; assistance with compiling specifications; quotations; sourcing of vendors; negotiations; maintenance of the purchasing manual and associated guide notes and the purchasing catalogue.

APPENDIX E: MAIN FEATURES OF THE PUBLIC INTEREST DISCLOSURE

ACT 1998

SUMMARY

The Act came into force on 2 July 1999. It encourages people to blow the whistle about malpractice in the workplace and is designed to ensure that organisations respond by acting on the message rather than against the messenger. The Act applies to employees blowing the whistle about crime, civil offences (including negligence, breach of contract, etc), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It applies whether or not the information is confidential and extends to malpractice occurring in the UK and any other country or territory. In addition to employees, it covers trainees, agency staff, contractors, home workers, trainees and every professional in the NHS. Employment law restrictions on minimum length of service and age do not apply. At present, the Act does not cover the genuinely self-employed, volunteers, the army, intelligence services or police officers. The Act has been described as 'the most far reaching whistle-blower protection in the world'.

INTERNAL DISCLOSURES

A disclosure in good faith to a manager or the employer will be protected if the whistle-blower has a reasonable suspicion that the malpractice has occurred, is occurring or is likely to occur.

REGULATORY DISCLOSURES

The Act protects disclosures made in good faith to prescribed bodies such as the Health and Safety Executive, the Financial Services Authority and HM Revenue & Customs, where the whistle-blower has a reasonable belief that the information and their allegation(s) are substantially true.

WIDER DISCLOSURES

Wider disclosures (e.g. to the police and non-prescribed regulators) are protected if, in addition to the tests for regulatory disclosures, they are reasonable in all the circumstances and they meet one of the three preconditions. Provided they are not made for personal gain, these preconditions are that the whistle-blower:

- reasonably believed they would be victimised if they raised the matter internally or with a designated regulator
- reasonably believed a cover-up was likely and there was no regulator
- had already raised the matter internally or with a prescribed regulator.

An employee who makes a wide, public disclosure is more likely to be protected if there was no internal procedure set up.

FULL PROTECTION

Where the whistle-blower is victimised in breach of the Act they can bring a claim to an employment tribunal for compensation. Awards are uncapped and based on the losses suffered. Additionally, where an employee is sacked, they may apply for an interim order to keep their job. Not all disclosures made by an employee are protected under the Act. Those that are include criminal acts, health and safety violations, breaches of legislation and miscarriages of justice. However, such acts are only protected as long as the disclosure is made in good faith to the employer, or any other person authorised under a procedure set up by the employer for this purpose. (Disclosures can also be made to appropriate regulatory bodies, such as the Health and Safety Executive.) Where an employee reasonably suspects malpractice (and this includes any crime), they will be protected from victimisation where they raise the matter in good faith with a person who is legally responsible for whistleblowing.

QUALIFYING AREAS

The qualifying areas consist of information that the employee reasonably believes tends to show one or more of the following matters is either happening now, took place in the past, or is likely to happen in the future:

- a criminal offence
- the breach of a legal obligation
- a miscarriage of justice
- a danger to the health or safety of any individual
- damage to the environment
- deliberate covering up of information tending to show any of the above five matters.

APPENDIX F: THE SEVEN PRINCIPLES OF PUBLIC LIFE FROM 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 must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

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. They must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

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 act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

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.

Holders of public office should be truthful.

LEADERSHIP

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

APPENDIX G: ANTI-BRIBERY POLICY STATEMENT

The college aims to limit its exposure to bribery by:

- Setting out a clear anti-bribery policy, which is proportionate to risks that the College is exposed to;
- Embedding awareness and understanding of the College's anti-bribery policy amongst all staff, "associated persons" (any person performing services for or on behalf of the College), and external persons/organisations with whom the College

has commercial relations;

- Training staff as appropriate so that they can recognise and avoid the use of bribery by themselves and others;
- Encouraging staff to be vigilant and to report any suspicion of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately;
- Rigorously investigating instances of alleged bribery in accordance with the College disciplinary procedure; and assisting the Police and other appropriate authorities in any resultant prosecution;
- Taking firm and vigorous action against any individual(s) involved in bribery.

APPENDIX H: SUMMARY OF PROTOCOLS FOR PROPOSED CAPITAL EXPENDITURE

Proposed capital projects should be supported by:

- A statement that demonstrates the project's consistency with the strategic plans and property strategy approved by the Corporation.
- An initial budget for the project for submission to the Corporation. The budget should include a breakdown of costs including professional fees, VAT and funding sources.
- A financial evaluation of the plans (together with their impact on revenue) plus advice on the impact of alternative plans.
- An investment appraisal in an approved format which complies with funding body guidance on option and investment appraisal (for building projects only).
- A demonstration of compliance with normal tendering procedures and funding body regulations. This will require careful consideration where partnership arrangements are in place.

- A cash flow forecast for the project and a revised cash flow forecast for the College showing the impact of the project.

APPENDIX I: SUMMARY OF PROTOCOLS FOR PROPOSED MAJOR CURRICULUM & BUSINESS DEVELOPMENTS

The proposal should be supported by the College's Accountability Statement, department business plan or within the College's three-year Strategic Plan which sets out:

- a demonstration of the proposal's consistency with the strategic plans approved by the Corporation and with the institution's powers under current legislation
- details of the market need and the assumptions (based on reference data) of the level of business available
- details of the business and what product or service will be delivered
- an outline plan for promoting the business to the identified market and achieving planned levels of business
- details of the staff required to deliver, promote and manage the business, together with any re-skilling or recruitment issues
- details of any premises and other resources required
- a financial evaluation of the proposal together with its impact on revenue and surplus, plus advice on the impact of possible alternative plans and sensitivity analyses in respect of key assumptions
- contingency plans for managing adverse sensitivities
- consideration of taxation and other legislative or regulatory issues
- a three-year financial forecast for the proposal including a monthly cash flow forecast and details of the impact on the institution cash flow forecast for the financial years in question.

APPENDIX J: INTERNAL AUDIT RESPONSIBILITIES

FROM THE FUNDING BODIES AUDIT CODE OF PRACTICE

The DfE's audit code of practice as published. Internal auditors are required to adopt the Government Internal Audit Standards (GIAS).

The prime responsibility of the internal audit service is to provide the Corporation with assurance on the adequacy and effectiveness of the risk management, control and governance processes. Responsibility for risk management, control and governance processes remains fully with management, who should recognise that internal audit can only provide 'reasonable assurance' and cannot provide any guarantee against material errors, loss or fraud. Internal audit also plays a valuable role in helping management to improve systems of risk management, control and governance processes and so to reduce the potential effects of any significant risks faced by the College. Risk assessment provides the opportunity for internal audit work to be efficient and focused. It does not necessarily imply that internal audit activity has to be increased.

Internal audit can also provide independent and objective consultancy advice specifically to help management improve the risk management, control and governance processes. In such circumstances, internal auditors apply their professional skills in a systematic and disciplined way to contribute to the achievement of corporate objectives. Such advisory work contributes to the opinion that internal audit provides on the overall adequacy and effectiveness of risk management, control and governance processes.

APPENDIX K: 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 institution to:
 - prevent further loss
 - establish and secure evidence necessary for criminal and disciplinary action
 - notify the funding body, 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 institution'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 Any member of staff who believes there is evidence of fraud or irregularity should bring it to the attention of their own line manager or the relevant budget holder, and the Director of Finance. Any concerns in relation to the Finance Department may be reported directly to the Principal.
Actual or suspected incidents should be reported without delay to the Director of Finance. The Principal or Director of Finance should, within 24 hours, hold a meeting of the following project group to decide on the initial response:
 - Director of Human Resources (chair) or Director of Finance
 - a senior representative of internal audit
 - Finance Manager.
- 3 The project group will decide on the action to be taken. This will normally be an investigation, led by internal audit. The decision by the project group to initiate a special investigation shall constitute authority to internal audit to use time provided in the internal audit plan for special investigations, or contingency time, or to switch internal audit resources from planned audits.

PREVENTION OF FURTHER LOSS

- 4 Where initial investigation provides reasonable grounds for suspecting a member or

members of staff of fraud, the project group will decide 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.

- 5 In these circumstances, the suspect(s) should be approached unannounced. They should be supervised at all times before leaving the institution's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the institution. Any security passes and keys to premises, offices and furniture should be returned.
- 6 Advice should be obtained on the best means of denying access to the institution while suspects remain suspended (for example, by changing locks and informing security staff not to admit the individuals to any part of the premises). Similarly, access permissions to the institution's computer systems should be withdrawn without delay.
- 7 Internal audits 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 institution's assets.

ESTABLISHING AND SECURING EVIDENCE

- 8 A major objective in any fraud investigation will be the punishment of the perpetrators, to act as a deterrent to other personnel. The institution will follow disciplinary procedures against any member of staff who has committed fraud. The institution will normally pursue the prosecution of any such individual.
- 9 Internal audits will:
 - maintain familiarity with the institution'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 FUNDING BODY

10 The circumstances in which the institution must inform the funding body about actual or suspected frauds are detailed in the funding body's audit code of practice. The Principal is responsible for informing the funding body of any such incidents.

RECOVERY OF LOSSES

11 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.

12 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 institution would normally expect to recover costs in addition to losses.

REFERENCES FOR EMPLOYEES DISCIPLINED OR PROSECUTED FOR FRAUD

13 Any requests for a reference for a member of staff who has been disciplined or prosecuted for fraud shall be referred to the Director of Human Resources. The Director of Human Resources shall prepare any answer to a request for a reference having regard to employment law.

REPORTING TO GOVERNORS

14 Any incident matching the criteria in the funding body's audit code of practice (as in paragraph 10 above) shall be reported without delay by the Principal to the Chairs of both the Corporation and the Audit Committee.

15 Any variation from the approved fraud response plan, together with reasons for the

variation, shall be reported promptly to the Chairs of both the Board of Governors and the Audit Committee.

16 On completion of a special investigation, a written report shall be submitted to the Audit 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 internal audit.

REPORTING LINES

17 The project group shall provide a confidential report to the Chair of the Corporation, the Chair of the Audit 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.

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 PLAN

20 This plan will be reviewed for fitness of purpose at least annually or after each use. Any need for change will be reported to the Audit Committee for approval.

APPENDIX L: CONTRACT HEADINGS TO CONSIDER WHEN PURCHASING GOODS

LIST OF HEADINGS

- interpretation
- variation of conditions
- specification
- identification of goods
- packaging
- containers and pallets
- forms
- delivery
- property and risk
- rejection of goods
- default by contractor
- force majeure
- price and payment
- indemnity
- insurance
- transfer and sub-contracting
- patents, etc
- confidentiality
- inducements to purchase
- insolvency
- publicity
- law

APPENDIX M: MAIN POINTS TO BE CONSIDERED BY THE INSTITUTION

DURING THE TENDERING PROCESS

- Duty to comply by the institution's staff to their contractual arrangement.
- EU directives to be complied with.
- Competitive tendering procedure, which will:
 - ensure fairness of competition
 - ensure that companies invited to tender are financially and technically able to meet the institution's requirements
 - indicate the terms of the contract
 - outline the appropriate British standards to be complied with.
 - Quotation procedure (see 19.6), which will indicate:
 - the minimum number of firms that should be expected to provide quotations
 - lists of available firms in existence which have been approved by the institution that might undertake the work specified are available from the Finance Department. Specialist procurement lists are subject to negotiation.
- the terms by which the contractors will be paid as specified in the tender document.
- The national requirements concerning good practice should be followed specified by the funding bodies.
- Submission of tenders (e.g. time, date, etc).
- Receipt and safe custody of tenders and records.
- Admissibility and acceptance of tenders.
- Acceptance of tenders/quotations.
- Justification of acceptance of tenders not at the lowest price.

Tender Waiver Form Template

Single Tender / Quotation Waiver

INSTRUCTIONS

This form must be completed where the requirement to obtain competitive tenders or quotations is to be waived. The limits set by the College are as follows:

- Not exceeding £5,000 – the budget holder take reasonable action to ensure that prices obtained are reasonably competitive
- From £5,001 to £50,000 – the budget holder shall be required to obtain at least three competitive quotations, confirmed in writing. Value for money must always be obtained. Where no written confirmation is available, a note should be kept of the suppliers contacted and the prices offered; this note - together with any written quotations - should be attached to the requisition form sent to the finance department (if finance department to process the paperwork).

The Principal/Vice Principal of Finance and Resources together may waive the need for written quotations where particular circumstances indicate these procedures are inappropriate or unnecessary.

- Over £50,000 – all items must go out to tender and comply with OJEU limits, rules and regulations.

Budget holder to forward to Vice Principal – finance & resources who will sign approval, copy for reference to the Board and forward the authorised form to the person nominated at section 8

A copy of this completed authorisation must accompany the Purchase Order sent to Finance.

SECTION 1

In accordance with the College's Financial Regulations Section 19.5 (Tenders and Quotations), I request a waiver of the requirement to obtain competitive *tenders / quotations in respect of the *goods / materials / services / works listed in Sections 2 and 3.

*delete as appropriate

SECTION 2: NAME AND ADDRESS OF SUPPLIER

| | |
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| | |
|--|--|

SECTION 3: COSTS

| | |
|-----------------------------|---|
| Total cost (including VAT): | £ |
| | |

SECTION 4: CURRICULUM AREA / SUPPORT AREA FOR WHICH GOODS / SERVICES ARE REQUIRED

| |
|--|
| |
|--|

SECTION 5 REASON FOR REQUEST TO WAIVE STANDING ORDERS (PLEASE PROVIDE AS MUCH INFORMATION AS POSSIBLE)**Background to requirement (eg. reference to business case / contract / need)****Reason for Waiver**

Compatible with existing equipment/services and not available from more than one supplier

No other equipment/services meets specification requirement**Other (please detail)****SECTION 5 cont'd:****Evidence of supporting reason****Work to be undertaken to avoid the need to request regulations are waived in the future:****SECTION 6: COMMERCIAL REASONABILITY**

I hereby confirm that, to the best of my knowledge, this waiver request is commercially reasonable.

Head of Department**Signed:****Date:****SECTION 7: APPROVAL OF WAIVER**

We hereby approve this waiver.

Director of Finance:**Signed:****(for waivers between £5,000 and £50,000)****Date:****SECTION 8: SUBMISSION OF APPROVED WAIVER**

A copy of this authorisation must accompany the Purchase Order and sent to Finance