

Title: Financial Policy and Regulations

Type: Financial Policy and Regulations

Purpose: To inform Governors and staff, of the Financial Policy and Regulations for Solihull College & University Centre.

Scope: The policy applies to College Governors and staff

Responsibility: The Deputy Principal is responsible for this Policy.

Legal Context Further and Higher Education Act 1992

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SOLIHULL COLLEGE & UNIVERSITY CENTRE FINANCIAL REGULATIONS

1. INTRODUCTION

1.1. General

- 1.1.1. Solihull College & University Centre (the College) is a Further Education corporation incorporated under the Further and Higher Education Act 1992. The College is conducted in accordance with the provisions of its Instrument and Articles of Government and with the terms of the Grant Funding Agreements and Contracts between the College and the Education and Skills Funding Agency (ESFA), and the Terms and Conditions of Funding for Further Education and Sixth Form Colleges (Office for Students).
- 1.1.2. The College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education as Principal Regulator for all Further Education (FE) Corporations in England.
- 1.1.3. These Financial Regulations are consistent with but are subordinate to the Instrument and Articles of Government.

1.2. Responsibility for the Financial Affairs of the College

- 1.2.1. The responsibilities of the Corporation and the Principal for the management, including the financial management, of the College are set out in the Instrument and Articles of Government and the Funding Agreement with the ESFA.

The Corporation's financial responsibilities are to:

- Ensure the solvency of the College and the safeguarding of the College's assets;
- Appoint, grade, suspend, dismiss and determine the pay and conditions of service of the Principal and other senior post-holders;
- Set a framework for the 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 if required;
- 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 College is not put at risk;
- Approve an annual budget before the start of each financial year;
- Approve the Fee Policy;
- Ensure that the College complies with the ESFA post 16 Audit code of Practice; and
- Approve the annual financial statements.

- 1.2.2. The Corporation has overall responsibility for ensuring the solvency of the College and safeguarding its assets. The Principal and the Executive Management Team (EMT) are responsible for the day-to-day management of the College. The Principal is responsible, as accounting officer, for the College's application of public funds and for ensuring that these Financial Regulations are observed.
- 1.2.3. The Principal is the College's designated officer for ensuring the financial administration of the College's affairs in accordance with the financial memorandum of the ESFA. As the designated officer, the Principal may be required to justify any of the College's financial matters to the Public Accounts Committee at the House of Commons.

1.3. Scope of the Financial Regulations

- 1.3.1. All Corporation activities, trading activities and the activities of wholly owned subsidiary companies will be conducted in accordance with these Financial Regulations.
- 1.3.2. Compliance with the Financial Regulations is compulsory for all staff connected with the College, including staff with contracts of employment, contracts for service and agency staff. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the College's disciplinary procedure.
- 1.3.3. The Director of Finance may approve changes to the detailed procedures made under these Financial Regulations. Changes to the Regulations must be approved by the Corporation. Revisions to the Financial Regulations will be made available to the Audit Committee for information.
- 1.3.4. The Principal can delegate authority to other members of EMT to act as Principal in their absence. This delegation needs to be in writing from the Principal or in their absence, from the Chair of the Corporation.

2. PREPARATION OF BUDGETS

2.1. Budget Objectives

- 2.1.1. The Corporation will in the context of its overall objectives set financial targets for the College in line with ESFA guidance which will be reviewed on an annual basis. These will assist the Deputy Principal in preparing the more detailed financial plan for the College.

2.2. Revenue Budget

- 2.2.1. The Director of Finance will be responsible for agreeing a timetable for the production, review and approval of the budget, taking account of the requirement that the budget must be approved by the Corporation prior to the beginning of the financial period to which it relates and the requirements of the ESFA.
- 2.2.2. Annual estimates of income and expenditure will be prepared by the Director of Finance from proposals developed in business planning meetings held with budget holders, Deputy Principal and Vice Principal HR and Student Services. These will be informed by the Strategic Goals and Annual Priorities approved by the Corporation and learner participation targets agreed with the ESFA.
- 2.2.3. The estimates of income and expenditure will be prepared in a format which is consistent with the requirements of the Corporation for financial control purposes and, the format of the financial returns required by the ESFA. The budget will include an income and expenditure account, balance sheet, monthly cashflow forecast, contribution analysis and corresponding

commentary including sensitivity analysis. The estimates will also include, where possible, comparative figures for the previous accounting period.

- 2.2.4. After approval by the Corporation, the Director of Finance notifies budget holders of their annual budgets which will be subject to review during the year.

2.3. Property Strategy and Capital Investment Plan

- 2.3.1. The Capital Budget includes all expenditure on land, buildings, equipment, and furniture and associated costs whether or not they are funded from capital grants or capitalised for inclusion in the College's financial statements, This is prepared by the Director of Finance. Expenditure of this type can only be considered as part of the capital budget approved by the Corporation.

2.4. Financial Returns

- 2.4.1. Under the direction of the Deputy Principal the Director of Finance will complete the financial returns for the ESFA which must be prepared and approved in accordance with ESFA guidelines.

2.5. Variations to the Budget

- 2.5.1. The Corporation may, from time to time, approve revised estimates of income and expenditure for both revenue and capital purposes.
- 2.5.2. During the year, the Director of Finance in preparing the Performance Monitoring Report (PMR), will reduce/increase the income and expenditure and capital programme to reflect variations in the budget as agreed by the Deputy Principal and Principal.
- 2.5.3. The Corporation is presented with a reforecast position for the College in January / February and an outturn position in April / May.

2.6. Student Records

- 2.6.1. Data on student numbers, enrolments and funding will be reported to the Principal by the Director of Funding and Information Services in a regular, accurate and timely manner as part of the monthly Finance Performance Monitoring Report (PMR).
- 2.6.2. All staff will comply with College procedures relating to student records. It is the responsibility of staff to ensure the integrity and security of audit evidence, such as registers and enrolment records, so that there is a basis for verifying funding claims and financial returns.

3. BUDGETARY CONTROL

3.1. Responsibility for Budgetary Control

- 3.1.1. The Principal will be responsible for effective financial control within the budget approved by the Corporation.
- 3.1.2. To assist them to discharge their responsibilities the Principal is empowered to designate members of staff as budget holders. Delegation to budget holders shall be in writing.
- 3.1.3. Each budget holder will be personally responsible for the keeping within budgeted levels of expenditure and achieving budgeted levels of income.
- 3.1.4. The Director of Finance will be responsible for the day to day monitoring of the budgetary control process.

- 3.1.5. Budget holder will be required to provide explanations and information as required by the Director of Finance on variances to income and expenditure delegated to them.
- 3.1.6. At the year end, budget holders will not normally have the authority to carry forward overspends or underspends on their budget to the following year. In exceptional circumstances, the Director of Finance may authorise the carrying forward of balances on budgets.

3.2. Management Information

- 3.2.1. The PMRs will be prepared and issued to the Corporation each month. These statements will compare the actual income and expenditure for all College activities with the budgeted levels and will highlight variances and give a projected year-end outturn based on actual and committed to date. The PMR includes Key Performance Indicators of student data, staffing data, balance sheet, a cashflow statement and a monthly cashflow forecast with a commentary explaining significant variances.
- 3.2.2. Information is also provided on separate governance and management dashboards that monitor the KPIs and targets for the College.
- 3.2.3. The College's PMR will be prepared using the going concern basis and applying the accruals concept.
- 3.2.4. The Corporation will consider the most recent PMR at each of their finance themed meetings (at least once per term).
- 3.2.5. Monthly reports will be distributed to budget holders, showing the annual and year to date budget and the committed expenditure for their budget. Monthly reports will also be produced for those budget holders who generate income and they will be required to explain variances as per 3.1.5. The Director of Finance will report significant variances to the Principal explaining the reasons for the variances as part of the PMR.
- 3.2.6. Following the completion of a capital project or significant revenue funded project, a post project evaluation or final report will be submitted to Corporation including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues effecting completion of the project. Post project evaluations may also need to be sent to the relevant funding body, as laid down in the funding body guidelines.

3.3. Financial Control

- 3.3.1. The Director of Finance is responsible for determining the reasons for any variances from approved budgets, for agreeing corrective action with the budget holders and for reporting such matters to the Principal and, where appropriate, to the Corporation.
- 3.3.2. New ventures/projects are defined as any substantial arrangement entered into for business purposes, whether for extending the College's provision or of a commercial nature. Before proceeding with new ventures or projects, thorough business planning and due diligence will be undertaken.
- 3.3.3. An investment appraisal including Net Present Value (NPV), whole life costs and payback period will be prepared for all projects over £250,000. An abridged investment appraisal with simple payback and contribution will be prepared for projects between £100,000 and £250,000.
- 3.3.4. All new ventures or projects (capital or revenue) must be approved by the Principal.
- 3.3.5. Any project (both capital and revenue) which is either over £250,000 or which could expose the College to financial or other risk shall be approved by Corporation and reported at least termly.

4. ACCOUNTING PROCEDURES

4.1. Financial Year

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

4.2. Normal Accounting Practice

4.2.1. The College and all subsidiaries of the College will comply with the accounting policies for the FE sector and with the provisions of these Financial Regulations. The consolidated financial statements will be prepared on a historical cost basis of accounting, adjusted for revaluations.

4.3. Year End Financial Statements

4.3.1. The Director of Finance is responsible for the preparation of the year-end financial statements.

4.3.2. Following their preparation, the year-end financial statements will be reviewed at the annual Joint Audit/Corporation Meeting. The Audit Committee recommends the financial statements and external audit management letter to the Corporation for approval. The Audit Committee and the Corporation request the attendance of the external auditors at this meeting.

4.4. Other Financial Returns

4.4.1. The Director of Finance is responsible for the timely preparation of all financial returns required by the ESFA and other funding bodies.

4.5. Retention of Records

4.5.1. 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, in line with the College's Data Archiving and Retention Policy.

4.5.2. For other information, members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations and are as stated in the College's Data Archiving and Retention Policy.

4.6. Public Access

4.6.1. The Corporation is required to make the College's financial statements available on its website.

4.6.2. The College's Freedom of Information Publication Scheme is available on the College website.

5. STAFFING AND RELATED COSTS

5.1. Staffing Levels

5.1.1. Permanent staff (full time and part time) and temporary staff may be employed only if adequate financial provision has been made and the budget has been approved by the Corporation. Each request for permanent additional staff (new posts) must be approved by the Principal.

5.1.2. Part time hourly paid teaching staff are authorised by the relevant Head of School subject to budget being available to cover this expenditure.

5.1.3. Other part time temporary staff are authorised by the Vice Principal HR & Students and the Director of Finance subject to budget being available to cover this expenditure.

- 5.1.4. Personnel records will be maintained of all full and part time of staff, recording personal details and containing the authority for their appointment, where the appointment was made after 1 April 1993.
- 5.1.5. The Principal is responsible for ensuring that the appropriate records are maintained and that letters of appointment are issued. Day to day responsibility will rest with the Vice Principal HR and Student Services.

5.2. Payroll Procedures

- 5.2.1. Staff will be paid in accordance with their contracts of employment. There are detailed operating procedures for payroll which are subsidiary to the Financial Regulations.
- 5.2.2. Before payments are made, the payroll must be signed by two signatories. This is normally the Principal and Deputy Principal however it is signed by members of EMT or the Director of Finance in their absence,
- 5.2.3. Expenses and other allowances paid through the payroll must be authorised by the appropriate budget holder.

5.3. Travel and Other Expenses

- 5.3.1. All payments of travel and other expenses due from the College will be made in line with the Business Travel, Expenses and Benefits Policy and Procedure and approved by the Corporation. The rates for the payment of travel and other expenses will be set having regard to the rates in other public sector organisations and to securing the proper and reasonable use of public funds and compliance with tax legislation.
- 5.3.2. By submitting and signing an expense form for car mileage the member of staff is confirming that they have appropriate business insurance in place
- 5.3.3. All claims for payment must be submitted in line with the Business Travel, Expenses and Benefits Policy and Procedure and must be authorised by the claimant's line manager or the line manager's budget holder. Claimants may be required to provide such additional information as is necessary to verify the claim.
- 5.3.4. The authorisation of a claim will be taken to mean that the authorising officer is satisfied that the expenses:
 - Were properly and necessarily incurred on the College's behalf
 - Have been correctly calculated
 - Comply with the College's rates, regulations and procedures
 - Have not previously been passed for payment.
- 5.3.5. Claims for the payment of expenses made by members of the EMT (other than the Principal) will be approved by the Principal. Claims made by the Principal and by governors (other than the Chair) will be approved by the Chair of the Corporation. Claims made by the Chair of the Corporation will be approved by the Vice-Chair. The Director of Corporate Governance, Risk and Compliance will send approved claims to the Vice Principal HR and Student Services for payment.
- 5.3.6. The Corporation's normal policy on the payment of expenses for governors is set out in the Business Travel, Expenses and Benefits Policy and Procedure.

5.4. Overseas Activities, including Travel Outside the United Kingdom

- 5.4.1. The Corporation shall annually approve an International Strategy and if applicable a budget.
- 5.4.2. The Corporation shall receive termly reports on the development of the International Strategy and budget if activity is taking place.
- 5.4.3. All expenditure on overseas activities and visits, including arrangements for the payment of travel and other expenses will be in accordance with the College's International Strategy and budget and the Overseas Travel Procedures approved by the Corporation.

6. NON-PAYROLL EXPENDITURE

6.1. Introduction

- 6.1.1. Non-payroll expenditure may be incurred only within the level of approved budgets and in accordance with approved policies and procedures.
- 6.1.2. In all cases except where credit cards are used items of expenditure are to be subject to the issue of an official order.
- 6.1.3. Staff responsible for ordering goods and services must ensure that the best value for money is obtained for the College.
- 6.1.4. Occasionally 'Call off' / 'blanket purchase orders' are permitted to be raised where best value can be obtained or where there is clear College benefit of doing so i.e. from reduced ongoing internal processing costs. A 'Call off' or 'blanket purchase order' is where one purchase order is raised for total quoted or estimated amount over a set period of time. 'Call offs' from this purchase order can be spread out over the period as required by the College without the requirement to obtain further quotes. These 'call off' / 'blanket' -purchase orders are managed by the budget holder.
- 6.1.5. For the avoidance of doubt all expenditure thresholds are inclusive of VAT unless otherwise stipulated.

6.2. Authority to Incur Liabilities and Commit Expenditure

- 6.2.1. All budget holders will be allocated an agreed budget at the beginning of the financial period and will be authorised to raise orders within the level of their budget, subject to following authorisation limits:

Under £2,000 and within agreed budget	the budget holder following a procurement check and review by management accountant team
Between £2,000 and £5,000 and over or outside the agreed budget	the budget holder following a procurement check and review by management accountant team and approved by the Director of Finance
£5,000 and over	the budget holder following a procurement check and review by management accountant team, to be approved by the Deputy Principal
For orders over £50,000	in addition to the above approved by the Principal (or delegated member of EMT in their absence)

- 6.2.2. On receiving a properly authorised requisition, the finance system will generate an official order to be issued to the supplier.

6.3. Method of Purchasing

- 6.3.1. Where an order is likely to cost under £5,000 the budget holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained.
- 6.3.2. For new orders or contracts of more than £5,000 and less than £50,000, written quotations must be obtained from at least three suppliers, able and willing to supply, within the required timeframes. Where three quotes cannot be obtained, for example, in the event of a sole supplier or despite all best-efforts suppliers decline to quote (and this can be evidenced) a procurement exception is required. The reasons for requesting a procurement exception waiving the requirement must be recorded on the online system. Where there is a contract in place the contract reference number must be entered onto the finance system against the order. This will then be reviewed and approved by the Director of Finance.
- 6.3.3. For orders or contracts in excess of £50,000 the formal competitive tendering procedure (see section 9) must be followed.

6.4. Certification of Invoices

- 6.4.1. When the goods are delivered, they will be sent to the administration office for the relevant budget holder, and a designated member of staff will goods receipt them on the finance system to confirm they have been delivered in good condition and in accordance with the official order and the delivery note.
- 6.4.2. All invoices should be submitted electronically by the supplier to the Finance Office via finance.info@solihull.ac.uk to enable the invoice to be registered on the finance system.
- 6.4.3. The invoice will be electronically authorised by the budget holder.
- 6.4.4. Where there are discrepancies between the original order value and the Invoice a discrepancy transaction is raised which is authorised in line with the normal order authorising process. If the discrepancy on the order is over £1,000 on an individual line this is also authorised by the Director of Finance.

6.5. Servicing

- 6.5.1. Where costs are to be recharged between cost centres to another budget holder within the College, including any subsidiary of the College, the method of recharge must be agreed by the Director of Finance and the respective budget holder. This agreement should incorporate expected service levels, where appropriate. Both budget holders must agree the expenditure prior to it being incurred and then it must be authorised by the Management Accountant or Director of Finance.

6.6. Credit Cards

- 6.6.1. All Cardholders must be approved by the Director of Finance.
- 6.6.2. The Director of Finance will set the monthly and individual transaction limit for each card and the categories of spend.
- 6.6.3. Cardholders have a duty and responsibility, to both the College and the College bankers for the correct and proper use of the card. All cardholders must sign an Application Form to confirm that they agree to comply with the terms and conditions of card use.

- 6.6.4. Cardholders must not allow anyone else to use the card on their behalf.
- 6.6.5. Cardholders or their nominated administrator must attach scanned receipts and identify the cost code for all items, which are then authorised in line with normal ordering authorisation levels
- 6.6.6. The Director of Finance has the discretion to withdraw or put on hold a card where there is misuse or if the procedures are not followed.

7. INCOME

7.1. Introduction

- 7.1.1. 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.
- 7.1.2. Tuition Fee Policies including the structure for charging fees and services and remission of fees are reviewed at least every three years and approved by the Corporation.
- 7.1.3. The tuition fees will be approved annually by the Principal and reported to the Corporation.
- 7.1.4. All contracts for services provided by the College will be authorised by the Principal (or Deputy Principal in their absence), following a finance and legal risk assessment.
- 7.1.5. Copies of all contracts will be sent to the Contracts and Bids Administrator and logged on the central contract register.
- 7.1.6. The progress of all contracts that relate to sub-contracts or partnerships for the delivery of educational or training provision as defined by the ESFA will be reported to the Corporation each term. See also section 10.
- 7.1.7. The Director of Finance is responsible for ensuring that all grants notified by the ESFA and other funding bodies are received and appropriately recorded in the College's accounts. The Director of Funding and Information Services is responsible for ensuring that all claims for funds are made by the due date.
- 7.1.8. It is the responsibility of all staff to ensure that revenue to the College is maximised by the efficient application of agreed procedures for 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.

7.2. Bids

- 7.2.1. The College may be subject to the submission of bids for grants from a variety of funding bodies, frequently within a short time scale.
- 7.2.2. All bids must be authorised by the Principal (or the Deputy Principal in their absence) following an appropriate financial and risk assessment before the bid is submitted. Any bids over £100,000 or which may subject the College to financial risk and other risks should be reported to Corporation.

7.3. Collection of Income

7.3.1. The Director of Finance should ensure that:

- Debtor's invoices are raised promptly on official invoices, in respect to all income due to the College.
- Invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account
- Any credits granted are valid, properly authorised and completely recorded
- VAT is correctly charged where appropriate and accounted for
- Monies received are posted to the correct debtor account
- Swift and effective action is taken in collecting overdue debts in line with agreed procedures
- Outstanding debts are monitored

7.3.2. The Finance Office will be responsible for preparing and despatching sales invoices from the online finance system. The preparation of the invoice through the computer system will initiate the credit control procedures. Invoices are subject the following authorisation limits:

Under £5,000	the budget holder
£5,000 and over	the budget holder and the Director of Finance (or the Management Accountant in their absence)

7.3.3. The Director of Finance can implement credit arrangements and indicate the periods in which different types of invoices must be paid. Standard terms of business will allow 30 days credit.

7.3.4. Any student who has not paid an account for fees or any other item owing to the College despite several reminders shall not be allowed to continue on their course without the approval of the Deputy Principal. They will also not be able to receive any assessment until all outstanding debts have been cleared. Such students shall be prevented from re-enrolling at the College and from using any of the College's facilities unless appropriate arrangements have been made.

7.4. Bad and doubtful debts

7.4.1. When a debt has been outstanding for more than six months, the Director of Finance will recommend the appropriate action.

7.4.2. Requests to write off bad debts under £50,000 can be written off by the Director of Finance and debts over £50,000 by the Deputy Principal. All bad debts either individual or cumulative for the year over £50,000 will be reported to Corporation annually.

7.4.3. The Deputy Principal is authorised to accept a lower amount than the value invoiced to any customer, provided the shortfall does not exceed £50,000. Amounts in excess of £50,000 are written off by the Principal and will also be reported to the Corporation.

7.5. Credit Notes

7.5.1. Requests for credit notes are subject the following authorisation limits:

Under £5,000	Director of Finance
£5,000 - £50,000	Deputy Principal
£50,000 and over	Principal

7.5.2. Credit notes may only be raised in the following circumstances:

- the invoice was raised incorrectly;
- a reduction / refund of fees has been approved by the Deputy Principal; and
- goods / services no longer to be provided.

7.5.3. Credit notes must not be used to write off bad debts – these must be dealt with under section 7.4 above.

7.6. Discounts

7.6.1. Discounts may only be given at the discretion of the Principal in conjunction with the Deputy Principal and Director of Finance.

8. BANKING AND CASH

8.1. Introduction

8.1.1. The provision of banking services to the College will be approved by Corporation.

8.1.2. All arrangements with the College's bankers concerning bank accounts shall be made by the Director of Finance on behalf of the Corporation.

8.1.3. The names of the signatories for all College bank accounts must be approved by the Corporation and reviewed periodically.

8.1.4. The provision of banking services to the College should be subject to a review at least every five years.

8.2. Cash Management

8.2.1. The annual budget prepared for the College will incorporate detailed cash flow projections, both for College and for ESFA purposes.

8.2.2. Actual cash flow will be monitored against budget on, at least, a monthly basis, so that, where appropriate, corrective action is taken.

8.2.3. Bank account balances will be monitored on a daily basis.

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

8.2.5. The Director of Finance shall conduct overdraft facilities in accordance with Financial Regulation 8.6.

8.3. Cheques

8.3.1. Cheques will be produced only in response to validated and authorised documentation.

8.3.2. The signatories of cheques will be presented with authorised documentation when required to sign cheques.

8.3.3. Cheques with a value up to £100 require one authorised signatory.

8.3.4. Cheques in excess of £100 and under £5,000 require two authorised signatories.

- 8.3.5. Where the value exceeds £5,000, one of the signatories must be a member of EMT or the Director of Finance in accordance with the bank mandate.
- 8.3.6. The signatory of a cheque must not be the same person who authorised the request.
- 8.3.7. The Director of Finance is responsible for making proper arrangements for the safe custody of cheques issued to the College.

8.4. Automated Transfers

- 8.4.1. The BACs processing list, CHAPS payment schedules faster payments or direct debit listing must be authorised by the Deputy Principal (or the Director of Finance in their absence).
- 8.4.2. All transfers will then be processed by another authorised signatory in line with the bank mandate.

8.5. Income

- 8.5.1. Only members of staff designated by the Director of Finance will be allowed to receive monies on behalf of the College.
- 8.5.2. Any students who wish to make a payment to the College must be directed to the appropriate designated member of staff who record the payment and issue a receipt. Members of staff without specific responsibility must not handle receipts of monies on behalf of students.
- 8.5.3. Any cheques received within departments from whatever source must be passed immediately to the Finance Office.
- 8.5.4. Under no circumstances may income be collected from students and used to meet materials costs, educational visit costs or miscellaneous departmental expenses.
- 8.5.5. Income must not be collected and paid into the Director of Finance departmental petty cash float.
- 8.5.6. All receipts are to be banked intact. The Director of Finance is responsible for the prompt collection, security and banking of all income received.
- 8.5.7. When payments are made by debit or credit card these must follow procedures approved by the Director of Finance.

8.6. Borrowing

- 8.6.1. All borrowing must be authorised by the Corporation and reported to the Corporation on a regular basis.

8.7. Investments

- 8.7.1. Surplus funds will be invested by the Director of Finance in accordance with the Treasury Management Policy agreed by the Corporation. Surplus funds will be invested taking account of the reserves policy, especially for higher risk or longer-term investments.

8.8. Reserves

- 8.8.1. The College has a reserves policy agreed by the Corporation, which sets out the minimum cash balance.

8.9. Petty Cash

- 8.9.1. Petty cash may be maintained for minor disbursements at the discretion of the Director of Finance and where normal purchase ledger payments cannot be made. Purchases will be limited to minor items of expenditure not exceeding £100 in any one case. In exceptional circumstances if payment in excess of £100 is required this shall be authorised by the Director of Finance.
- 8.9.2. The floats will be maintained on an imprest basis. Signed evidence of disbursement, together with authorisation by the budget holder bearing the expenditure, is required to support a payment.
- 8.9.3. A nominated officer granted a cash float is personally responsible for the safe custody of the float. The level of float held shall be determined by the Director of Finance and is checked by a member of the Finance Team on an annual basis.
- 8.9.4. The Director of Finance should ensure that where a nominated officer leaves the employment of the College, the petty cash float is properly returned to the Finance Office.
- 8.9.5. The College does not provide cheque encashment facilities for staff or students.
- 8.9.6. Any cash floats/cash advances issued to college staff i.e. to cover educational visits must be authorised by the Director of Finance and be for no more than £1,000. The Director of Finance is responsible for ensuring cash floats are reconciled on a regular basis and returned to the Finance Office when they are no longer needed.

9. CONTRACTS AND LEASING

9.1. Contracts

- 9.1.1. No contract shall be made for the execution of any work or the procurement of goods or services where the amount is likely to exceed £100,000, unless the Corporation has given prior approval for the expenditure. This is normally agreed as part of the approval of the annual budget. To accommodate a statutory procurement timetable, this exercise may be commenced in advance of this approval as long as commencing the process does not commit the College to expenditure and does not breach statutory requirements.
- 9.1.2. The Tendering Group which comprises of the Principal, Deputy Principal, other members of EMT as appropriate and the Chair of Corporation (or another member of the Corporation as delegated by the Chair) will oversee the tender processes.
- 9.1.3. The Principal and Deputy Principal will approve all tenders under £100,000.
- 9.1.4. The tendering process will be competitive unless there are exceptional circumstances and the Tendering Group has considered the circumstances and has given prior approval for the requirement to be waived. This must be approved by the Principal and Deputy Principal and where expenditure is between 50K and £100K, the Tendering Group will approve if over £100,000.
- 9.1.5. If such a tendering process is expected the Director of Corporate Governance, Risk and Compliance should be notified.
- 9.1.6. If it is necessary to engage specialist contractors, where the normal rules of competition are difficult to apply, it will be necessary to obtain an independent statement, for example, from the appointed architect, or a qualified quantity surveyor, to the effect that the appointment has taken

account of the need to demonstrate value for money and probity. This needs to be approved in line with 9.1.4 above.

- 9.1.7. Any procurement where the total value is anticipated to be 90% of the applicable Public Contracts Regulations threshold must comply with The Public Contracts Regulations 2015 (PCR). Any process in relation to such procurement should commence well in advance of the date required to place the contract to allow for mandatory periods to be met. It is the responsibility of the Director of Finance to ensure that the Director of Corporate Governance, Risk and Compliance is notified of any purchases likely to exceed the thresholds.
- 9.1.8. In the event of any conflict between the Financial Regulations and The Public Contracts Regulations, The Public Contracts Regulations shall prevail.
- 9.1.9. The College must seek legal advice prior to a decision not to follow The Public Contracts Regulations.
- 9.1.10. The value of a contract is the total value of payments to be made under that contractor and not the annual payment.
- 9.1.11. The award of contracts over £100,000 shall be reported to the Corporation.
- 9.1.12. These Financial Regulations may also be subject to any specific requirements imposed by funding bodies.

9.2. General Procurement Principles

- 9.2.1. The College requires all authorised persons in respect of all procurement undertaken on behalf of the College, irrespective of value or the source of funds to:
 - Obtain value for money (VFM) from all supplies, equipment and services. VFM is defined as taking account of the mix of the cost, quality, resource use, fitness for purpose, timeliness and convenience of a product or service to judge whether or not, when taken together, good value has been achieved.
 - Prioritise whole life cost over initial cost to include consideration for items including but not limited to; installation, required building alternations, ongoing maintenance, running costs, safe decommissioning and the cost of the procurement process itself, which should not be disproportionately high in relation to the value or importance of the subject matter.
 - Take account of all relevant social value, ethical, sustainability objectives and College targets.
- 9.2.2. The budget holder is responsible for the management of purchases within their department in accordance with these Financial Regulations. Procurement authority may be delegated to named individuals within the department. In exercising this delated authority, budget holders remain responsible for compliance to these financial regulations.
- 9.2.3. Where possible other College departments who could be impacted by the operation of the supplies, equipment or services should be engaged prior to commencement of any procurement to ensure that all risks of the requirement are taken account of.
- 9.2.4. All procurement requirements exceeding £50,000 over the term of the contract must be reported to the Director of Finance for procurement engagement.
- 9.2.5 The College will not normally pay for goods in advance. The main exception to this is:
 - Small value purchases such as journal subscriptions and goods or services that may be paid for in advance by credit card;

- Large value contracts with stage payments tied to milestones of achievement and/or protected by a bank guarantee.

Special cases, not falling within one of these exceptions, should be approved by the Director of Finance.

9.3. Open Tendering

9.3.1. Except as provided under the Restricted List Tendering (Section 9.4 below), no contract which exceeds £50,000 in expenditure and is below the Public Contracts Regulations 2015 (PCR) threshold for the supply of any goods, services, materials or the execution of any work shall be made unless at least 7 days' notice has been given using the College's e-tendering system. These procedures cannot be waived unless there are exceptional circumstances and prior approval has been given. These procedures, (in line with regulation 9.1.6), cannot be waived for procurement in excess of the PCR threshold or where not permitted by funding rules for example; DfE requirement for capital grant funding to be advertised using Contracts Finder.

9.4. Restricted List Tendering

9.4.1. This Financial Regulation shall apply where the Principal determines that it is appropriate to have a restricted list of Contractors to be invited to tender for contracts for the supply of goods, services, materials or for the execution of work of specified categories. The Principal shall ensure that clear and appropriate selection criteria are in place for inclusion of suppliers on the restricted list.

9.4.2. Restricted list tendering must not be used for contracts which exceed the applicable PCR thresholds or where not permitted by funding rules, for example; DfE requirement for capital grant funding to be advertised using Contracts Finder.

9.5. Framework Agreements

9.5.1. Where framework agreements by the College are to be used for tendering, these should be approved by the Principal/Deputy Principal if below £100K and the Tendering Group (see 9.1.2) if over £100,000 and comply with The PCR if the total value exceeds the threshold in place at the time.

9.5.2. Where such framework agreements are used the College will obtain quotations in line with the terms and conditions of the framework agreement following a review by the Legal Counsel.

9.6. Electronic tendering (e-tendering)

9.6.1. Tenders will be managed through the College's e-tendering portal except in exceptional circumstances when agreed in advance by the Deputy Principal.

9.6.2. Through the e-tendering system the Director of Corporate Governance, Risk and Compliance can review the audit trail of submissions, responses and clarifications.

9.6.3. The Director of Finance will approve the tender closing date and opening timescales on the e-tendering portal and the Director of Corporate Governance, Risk and Compliance to Corporation will oversee the publication and opening of all tenders which will be managed by the procurement team.

9.6.4. All correspondence between the College and tenderers will be via the e-tendering portal.

9.6.5. Tenders will only be accepted through the e-tendering portal.

- 9.6.6. The Deputy Principal approves all tender documentation before it goes live on the e-tendering system.
- 9.6.7. At the closing date for the Tender process the Procurement and Contracts Officer (or a member of the procurement team), (or their nominee) will log onto the e-tendering system to complete the opening ceremony.
- 9.6.8. The Principal/ Deputy Principal reserves the right to amend tender return dates prior to the closing date and reject late submissions.
- 9.6.9. If it is felt that discounting a late submission would adversely impact on the College's ability to demonstrate a compliant process or ensure value for money the Principal/Deputy Principal may agree to extend the deadline or rerun the tender process. Any approvals will be subject to the PCR if the procurement exceeds these thresholds.

9.7. Submission of Paper Tenders (Exceptional Circumstances)

- 9.7.1. All tenders subject to the PCR must be advertised electronically. Electronic tender submissions are preferred; however, in exceptional circumstances paper submissions can be authorised by the Principal/Deputy Principal where appropriate.
- 9.7.2. All tenders received shall be kept in a secure place in the custody of the Administrator for Governance until the time appointed for their opening.
- 9.7.3. Tenders should be opened by any two members of EMT in the presence of the Director of Corporate Governance, Risk and Compliance or their nominee.
- 9.7.4. All tenders received after the closing date and time for the return of tenders may be rejected and excluded from the evaluation. Late tenders should be opened by two members of EMT and the Director of Corporate Governance, Risk and Compliance. The Director of Corporate Governance, Risk and Compliance will notify the bidder that their tender submission was received late. If it is felt that discounting a late submission would adversely impact on the College's ability to demonstrate a compliant process or ensure value for money the Principal or Deputy Principal may agree to extend the deadline or re-run the tender process.

9.8. Evaluation and Reporting

- 9.8.1. The College shall not be bound to accept the lowest tender (if payment is to be made by the College) or highest (if payment is to be received by the College) but on the basis of the tender which offers the best overall value for money to the College. The criteria for the award must be agreed prior to invitation.
- 9.8.2. The Legal Counsel will review any amendments to the Colleges standard terms and conditions before a tender is awarded.
- 9.8.3. Post-tender negotiations or clarification (i.e; after the 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:
- the process for shortlisting for and undertaking post tender negotiations or clarifications is fair and transparent
 - it would not affect a tendering organisation's confidence or trust in the College's tendering process.
- 9.8.4. A report of the tender outcome including details of post tender negotiations or clarifications will be prepared by the Director of Finance in consultation with the procurement team and budget

holder, this will be approved by the Deputy Principal and Principal and reported to the Corporation.

9.8.5. The Tendering Group may request at the Tender approval stage that they wish to approve the final tender outcome prior to award or be involved in the process as appropriate.

9.9. Contracts

9.9.1. Contracts must be authorised in line with the following regulations:

Under £50,000	Signed by Deputy Principal or Principal
Over £50,000	Signed by Principal

9.9.2. Every contract shall be in writing and shall specify:

- the goods, materials, or services supplied, or the work to be undertaken.
- the price to be paid, or the rates, on which the price is to be calculated, and a statement of discounts or other deductions.
- the time or times within which the contract is to be performed.

9.9.3. before contracts for building works are entered into, it is necessary for the College management to comply with the terms of the Financial Memorandum with the ESFA.

9.10. Corporation

9.10.1. No member of the Corporation shall enter either orally or in writing into any contract on the Corporation's behalf.

9.11. Liquidated Damages – building contracts

9.11.1. If direct loss and/or additional expense is likely to be incurred as a result of a failure by a contractor to perform the contract and the contract value exceeds £100,000 in value or amount, then a provision for liquidated damages or other indemnification shall be included in the contract terms. Any value inserted needs to be a genuine pre-estimate of the likely loss and or additional expense.

9.12. Equal Opportunities

9.12.1. Every contract must include statements relating to equality, diversity & inclusion.

9.13. Leases, rental, maintenance and hire purchase agreements

9.13.1. All leases of land (or real property) must be authorised in accordance with the levels in 9.13.2 below and forwarded to the Director of Corporate Governance, Risk and Compliance for signature under seal in accordance with the College procedures.

9.13.2. All other leases, rental agreements and all hire purchase and maintenance agreements must be signed by the Principal. Where the total value exceeds £100,000 the Corporation must have given prior approval for the expenditure.

9.13.3. Where a purchase order is for, or connected with any maintenance, hire purchase, rental or any lease agreement (or similar) leads to an associated lease or maintenance agreement which may involve obligations for the College, this must be highlighted to the Deputy Principal as part of the approval process.

10. COLLEGE COMPANIES, SUB-CONTRACTING AND OTHER JOINT VENTURES

10.1. College Companies, Trusts and Joint Ventures

10.1.1. Before proceeding with College Companies or new ventures, thorough business planning will be undertaken. The authorisation of the Corporation will be obtained for any College investment in new ventures, joint ventures and College companies including Trusts.

10.1.2. Joint ventures are considered to be any arrangement entered into formally with another organisation for business purposes.

10.1.3. Before authorising a new College company, Trust or Joint Venture, the Corporation will be satisfied that there is:

- a business plan that sets out the principal objectives of the company or joint venture and how these link to the mission and objectives of the College;
- a description of the management arrangements;
- appropriate financial projections;
- an assessment of the operational risks facing the company trust or joint venture and how it is intended to manage these risks.

10.1.4. The Corporation is responsible for approving the shareholding arrangements and trust deed and appointing directors / trustees of organisations wholly or partly owned by the College, if appropriate.

10.1.5. College companies, trusts and joint ventures will be required to have adequate systems in place to enable their financial performance to be monitored; to have arrangements for adequate internal audit review and reporting; and to have Financial Regulations and procedures which provide for regulating the authorisation of expenditure, the collection of income and the control of assets.

10.1.6. The Corporation will receive reports at least termly on the progress of such ventures, trusts and companies.

10.2. Sub-Contracting

10.2.1. All sub-contracting arrangements must comply with ESFA, WMCA and other funding body guidance (as amended from time to time).

10.2.2. The provision must be in line with the Sub-Contracting Strategy approved by Corporation. The Sub-Contracting Plan will be reported termly to the Corporation.

10.2.3. Sub-contracting partners must be selected through a fair, open and transparent process in accordance with the Public Contracts Regulations 2015, ESFA, WMCA and other funding body rules and College Financial Regulations. Contracts over £100,000 require approval by Corporation.

10.2.4. Contracts must be signed by the Principal and on behalf of any partner organisation and shall comply at least with the ESFA, WMCA and other funding body guidance and be subject to a legal review. The contract must be in place before any provision is entered into.

11. CONTROL OF COLLEGE ASSETS

11.1. General

- 11.1.1. The Principal is accountable for maintaining proper security over all buildings, furniture, equipment, plant, stores and other assets of the College. They may delegate the management of security matters to an appropriate manager.
- 11.1.2. The Principal is responsible for ensuring that all land and buildings are maintained so far as is reasonably possible to meet any legislative or insurance requirements and to prevent any unnecessary reduction in value or use.
- 11.1.3. The Deputy Principal will be responsible for maintaining an up-to-date survey of the condition of College buildings, and reporting to Corporation on the requirements or repairs, maintenance and improvements and the financial consequences of these.
- 11.1.4. Each budget holder will be responsible for maintaining proper security of all furniture, equipment, plant, stores and all other assets of the College under their control.

11.2. Security

- 11.2.1. No College assets may be removed from College premises either temporarily or permanently without the prior written agreement of a member of EMT.

11.3. Asset Register

- 11.3.1. The Director of Finance is responsible for maintaining a fixed asset register which records assets as defined by the Corporation. Purchases of furniture and equipment with an individual value of more than £2,500 and an estimated useful life of more than one year will be capitalised and included in the fixed asset register.

- 11.3.2. Land and Buildings will be depreciated on the following basis:

Freehold buildings	Straight line over 50 years;
Leasehold premises	Straight line over the lower of the remaining term of the lease or 50 years;

- 11.3.3. Land was valued on a depreciated replacement cost basis on incorporation and is not routinely revalued.
- 11.3.4. Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:
- market value of the fixed asset has subsequently improved;
 - assets capacity increases;
 - substantial improvement in the quality of output or reduction in operating costs; and
 - significant extension of the assets life beyond that conferred by repairs and maintenance

This expenditure is depreciated over its estimated useful life.

- 11.3.5. Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. They are not depreciated until they are brought into use.

11.3.6. Other Fixed Assets will be depreciated on the following basis:

IT Equipment	Straight line over 3 to 5 years;
All other equipment	Straight line over 5 to 10 years;
Vehicles	Straight Line over 3 years

11.3.7. The Corporation may approve changes to the rates of depreciation of different types of asset, after consultation with the external auditors.

11.3.8. The Director of Finance will ensure that an annual check of the fixed asset register is completed.

11.3.9. Designated budget holders are also responsible for maintaining inventories, in a form prescribed by the Director of Finance, for all inventory items valued under £2,500 and ensure an annual check is completed of all such items.

11.4. Consumables and Stock

11.4.1. The security of consumables is the responsibility of the relevant budget holder.

11.4.2. Budget holders shall maintain a record of stocks held in a format agreed by the Director of Finance. A stock check should be carried out at least annually in accordance with instructions issued by the Director of Finance.

11.4.3. Budget holders shall submit a written report to the Director of Finance to support the write off of stock. All such write offs shall be authorised by the Director of Finance.

11.5. Disposal of Assets

11.5.1. The disposal of land or buildings requires the approval of the Corporation. If public funds were involved in the acquisition of the asset, ESFA or the funding bodies approval may be required.

11.5.2. The disposal of other assets (e.g; plant, equipment and furniture) is approved as below. The Deputy Principal will be responsible for ensuring that the best consideration is received in line with the following authorisation levels (based on original cost):

Up to £5,000	Director of Finance
£5,000 to £50,000	Deputy Principal
£50,000 to £100,000	Principal
Over £100,000	Principal and following approval, by the Corporation

11.5.3. Budget holders shall submit a written report to the Director of Finance to support the write off of any assets. All such write offs shall be authorised by the Deputy Principal.

11.5.4. Any disposals must take into account of:

- any specific contractual requirements of the original funding body;
- the College's environmental and sustainability targets and policy

11.5.5. The use of online auction houses and or internet-based transaction companies must be approved in advance by the Director of Finance in accordance with the use of online auction houses and or internet-based transaction companies' policy.

12. ESTATES

12.1. Property Holdings

- 12.1.1. Full records of the College's property holdings will be held by the Director of Corporate Governance, Risk and Compliance. These records will be reviewed at least annually to ensure that they are up to date.
- 12.1.2. The deeds relating to the College's property holdings will be kept secure by the Director of Corporate Governance, Risk and Compliance or an appropriate designated external body as determined by the Director of Corporate Governance, Risk and Compliance.

12.2. Property Transactions

- 12.2.1. All property transactions require the approval of the Corporation having taken account of ESFA or other funding body requirements.

13. INSURANCE

13.1. Insurance Strategy

- 13.1.1. The Director of Corporate Governance, Risk and Compliance will develop an insurance strategy based on an assessment of the risks facing the College, identifying the types of insurance cover to protect against those risks and the level of cover proposed. The strategy will be reviewed regularly.
- 13.1.2. The Director of Corporate Governance, Risk and Compliance will keep a register of all insurances affected by the College and the property and risks covered. They will also deal with the College's insurers and advisers about specific insurance problems.
- 13.1.3. The Director of Corporate Governance, Risk and Compliance in consultation with the Principal has the authority to authorise additional insurance to meet further risks that may arise. The Director of Corporate Governance, Risk and Compliance will hold all College insurance policies and requests for alterations to policies or for new policies will be sent to them.
- 13.1.4. Insurance summaries will be sent to senior members of staff to ensure that they are aware of when insurance claims should be submitted.
- 13.1.5. There are detailed procedures setting out how claims will be dealt with: these procedures will be administered by the Director of Corporate Governance, Risk and Compliance. Staff shall notify Director of Corporate Governance, Risk and Compliance in writing and as soon as practicable of any loss, liability or damage or any event likely to lead to a claim.
- 13.1.6. The responsibility for informing insurers of potential claims are:
 - Health and Safety, Property or Procurement – Deputy Principal
 - Employment claims – Vice Principal HR & Student Services
 - Student complaints – Vice Principal Quality & Curriculum
 - Any other potential claims – Director of Corporate Governance, Risk and Compliance
- 13.1.7. For settlement of claims which require negotiation, the settlement must be approved by the Principal and reported to Corporation. If the cost exceeds £100,000, the settlement must also be approved by the Chair of Corporation.

14. INTERNAL AND EXTERNAL AUDIT

14.1. General

- 14.1.1. The Corporation is responsible for ensuring that the College has appropriate financial and management controls and has established an Audit Committee.
- 14.1.2. The internal and external audit arrangements for the College will take account of the requirements of the ESFA, the Office for Students (OfS) and the annual board assurance report.
- 14.1.3. The Audit Committee and the Corporation may request the attendance of the auditors at their meetings.

14.2. Independent Internal audit

- 14.2.1. The Corporation following advice from the Audit Committee may decide to appoint an internal audit service with reporting lines directly to the Principal and to the Audit Committee.
- 14.2.2. The Internal Auditor must be approved and appointed by the Corporation on the recommendation of the Audit Committee.
- 14.2.3. Members of the Corporation and staff of the College are required to provide the internal auditors with any information records, correspondence and official documents as may be reasonably required to enable the auditors to carry out their responsibilities.
- 14.2.4. The duties and responsibilities of the internal auditor must be in accordance with advice set out in the Post 16 ESFA Audit Code of Practice. The main responsibility of internal audit is to provide the Corporation, the Principal and senior management with the assurances on the adequacy of the internal control system. The engagement letter and performance indicators for the internal audit service are available from the Director of Corporate Governance, Risk and Compliance.

14.3. External Audit

- 14.3.1. In accordance with the Articles 17 of Government, OfS and ESFA requirements, the annual financial statements of the College are subject to external audit.
- 14.3.2. External auditors will have the same access to College staff and information as specified for the internal auditors in paragraph 14.2.3 above.
- 14.3.3. The appointment of the external auditors will take place annually and is the responsibility of the Corporation. The Corporation will be advised by the Audit Committee.

14.4. Other Bodies

- 14.4.1. The College may be subject to audit or investigation by other external bodies such as the ESFA, OfS and WMCA. National Audit Office, European Court of Auditors, His Majesty's Revenue and Customs (HMRC). They have same rights of access as external and internal auditors.

14.5. Fraud and Irregularity

- 14.5.1. The College has a Policy and Procedure to prevent and respond to Fraud, Corruption and Bribery which has been approved by the Corporation, setting out the process to be followed when evidence of potential irregularity, including fraud, corruption, bribery or any impropriety, is discovered.

- 14.5.2. It is the duty of all members of staff, management and the Corporation to notify the Principal immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption, bribery or any other impropriety. If the Principal is implicated further guidance is available in the Anti-Fraud Bribery and Corruption Policy.
- 14.5.3. The Principal shall immediately invoke the Anti-Fraud, Bribery and Corruption Policy to prevent and respond to fraud, corruption and bribery.

14.6. Whistleblowing

- 14.6.1. Whistleblowing in the context of the Public Interest Disclosure Act 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.
- 14.6.2. Normally any concern about a workplace matter at the College should be raised with the relevant members of staff 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.
- 14.6.3. A member of staff may, therefore, make the disclosure to the Director of Corporate Governance, Risk and Compliance. If it is suggested that the Director of Corporate Governance, Risk and Compliance is involved in the malpractice, then the Principal should be the first point of contact. Similarly, if it is suspected that both the Principal and the Director of Corporate Governance, Risk and Compliance are involved the Chair of the Corporation should be the first point of contact.
- 14.6.4. The full procedure for whistleblowing is set out in the College's Whistleblowing Policy, which is available on the staff hub or from the Director of Corporate Governance, Risk and Compliance or the Human Resources Department.

14.7. Value for Money

- 14.7.1. It is a requirement of the College's Funding Agreement with the ESFA that the Corporation is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing resources under its control, taking into account guidance on good practice issued from time to time by the ESFA, the National Audit Office, the Public Accounts Committee and other relevant bodies.
- 14.7.2. Where appointed, 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.
- 14.7.3. An annual report on Value for Money will be prepared for the Corporation at the joint Audit/Corporation meeting held in November.

15. BOARD ASSURANCE AND RISK MANAGEMENT

- 15.1. 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 and Board Assurance Policy and Strategy, which must also include details on disaster recovery plans.

- 15.2.** The Risk Management and Board Assurance Policy and Strategy is approved by Corporation on an annual basis. Regular reports on risk management and board assurance are presented to the Audit Committee
- 15.3.** The Corporation has overall responsibility for ensuring there is a Risk Management Strategy and a common approach to the management of risk throughout the College through the development, implementation and embedment within the organisation of a formal, structured risk management process. The Corporation has designated the Director of Corporate Governance, Risk and Compliance to be the Risk Management Champion who will ensure that the risk management procedures are followed.
- 15.4.** 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 threats to their potential impact and the likelihood of their occurrence together with the sensitivity analysis
 - a decision on the level of risk to be accepted, the Colleges risk appetite expressed in terms of measurable outcomes
 - a decision on the level of risk to be covered by insurance
 - detailed regular review at departmental 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
- 15.5.** The strategy and procedures must be capable of independent verification.
- 15.6.** Managers must ensure that any agreements negotiated within their department with external bodies cover any legal liabilities to which the College may be exposed. Advice of the Legal Counsel should be sought to ensure this is the case.

16. TAXATION

- 16.1.** The Director of Finance is responsible for advising all other taxation issues including compliance with the statutory requirements on VAT, corporation tax and import duty and making payments on a timely basis.
- 16.2.** The Vice Principal HR & Student Services is responsible for advising on compliance with the statutory requirements on PAYE and national insurance and notifying the Director of Finance on timely basis so payments can be made.

17. GIFTS AND GRATUITIES

- 17.1.** Staff and governors should take care not to be influenced (nor give the impression of being influenced) by the offer or any gift, favour or hospitality when engaged on College business.
- 17.2.** Any gifts, rewards or benefits offered (either directly or indirectly) by students, the public or on behalf of other organisations in connection with the work of the College must be refused, except for:

- a) small, occasional gifts up to a value of £10 (e.g; calendars and diaries) and
- b) gifts up to a value of £30 offered to staff to acknowledge their contribution as part of their duties to particular events (e.g. acting as host to recognised visitors to the College).

- 17.3.** Gifts are defined as items of value other than monetary payments. Any gift received above the value of £10 should be reported to the Director Finance to determine how the gift should be treated. This should include similar / regular gifts of a cumulative value above £10 within a 12-month period. (In relation to governors this should be communicated to the Director of Corporate Governance, Risk and Compliance).
- 17.4.** Gratuities or inducements should not be accepted or solicited under any circumstances. Gratuities are monetary payments other than fees.
- 17.5.** Any offer of hospitality over £50.00 (or cumulative with one supplier over £100.00p.a) received or offered by staff should be reported to the Principal (or to the Chair for hospitality for the Principal, Director of Corporate Governance, Risk and Compliance and the governors) and logged in the Hospitality Register. It should only be accepted provided that it is reasonable, proportionate, and occasional and does not unfairly influence or could be seen to influence decisions on for example placing orders or contracts.
- 17.6.** A register will be kept by the PA to the Director of Corporate Governance, Risk and Compliance of all business hospitality. It will be reviewed annually by the Director of Corporate Governance, Risk and Compliance, Principal, Deputy Principal and reported to Audit Committee.
- 17.7.** Staff and governors should not offer or give anyone any gifts, rewards, improper benefits or inducements in connection with the work of the College or seek in any way to encourage anyone to carry out their functions or activities improperly except for small gifts properly authorised by a member of the EMT or the Chair / Vice-Chair of the governors as appropriate. College policy on standards of conduct for governors and staff, including policies on gifts, gratuities and hospitality, Code of Conduct and Ethics for Staff and Governors.

18. CONFLICTS OF INTEREST

- 18.1.** If a member of staff is related to a contractor, supplier, consultant or anyone providing services or potential services to the College or has any pecuniary interest, direct or indirect, in connection with any supplier, contract, proposed contract, transaction or other matter, the potential conflict of interest must be notified immediately in writing to the Director of Corporate Governance, Risk and Compliance. If a transaction could provide a personal benefit to an employee or trustee, this must be independently and appropriately authorised. The member of staff must not take any part in the matter.
- 18.2.** College policy on the disclosure of interests by staff is set out in the Conflict and Declaration of Pecuniary and Personal Interest Policy and the Code of Conduct and Ethics for Staff and Governors. The disclosure of interests by governors will be in accordance with the provisions of the Instrument and Articles of Government and with the Corporation's policy statement on the declaration of governors' interests.
- 18.3.** Members of the Corporation, senior postholders, budget holders and other staff, with financial responsibility or involvement in awarding contracts for services to the College will be required to complete an annual declaration which is recorded in the College's register of interests maintained by the Director of Corporate Governance, Risk and Compliance. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly.

19. OFFICIAL SEAL OF THE CORPORATION

- 19.1.** The Chair of Corporation or Vice Chair of Corporation, together with the Principal, has authority to sign documents requiring the College seal.
- 19.2.** Where the Chair of Corporation, Vice-Chair of Corporation or the Principal are unavailable a Chair of a committee will sign.
- 19.3.** The Director of Corporate Governance, Risk and Compliance is responsible for submitting a report to each meeting of the Corporation detailing the use of the College's seal since the last meeting.
- 19.4.** The Corporation seal shall be kept by the Director of Corporate Governance, Risk and Compliance in a safe place.

20. FUNDS HELD ON TRUST

20.1. Gifts, benefactions and donations

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

20.2. Student Welfare, Access Funds and Bursaries

- 20.2.1. The Vice Principal HR & Student Services will prescribe the format of recording the use of student welfare funds, access funds and bursaries and these should be administered in line with the procedures agreed, according to the appropriate funding body.
- 20.2.2. No emergency/hardship loans shall be entered into by the College.

20.3. Trust Funds

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

20.4. Voluntary Funds

- 20.4.1. The Deputy Principal shall be informed of any fund that is not an official fund of the College which is controlled wholly or partly by a member of staff in relation to their function in the College.
- 20.4.2. The accounts of any such fund shall be audited by an independent external person and shall be submitted with a certificate of audit to the appropriate body. The Deputy Principal shall be entitled to verify that this has been done.

21. SECURITY

21.1. Cash

21.1.1. Safes should be digital wherever practicable. Codes should be restricted and changed on a regular basis and when staff leave. Where keys are used, they must be carried on the person responsible at all times and at least 2 staff should be key holders to cover cases of absence. The loss of such keys must be reported to the Director of Finance immediately.

21.1.2. Maximum limits for cash held on College premises shall be determined by the Director Finance in line with insurance policies and not be exceeded without their permission.

21.2. Computer Systems

21.2.1. No system for the automatic processing, update etc of the main financial, student and personnel data of the College shall be introduced without the prior approval of the Principal.

21.2.2. An officer shall be responsible for maintaining proper security and privacy of information held on the College's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the UK General Data Protection Regulations (GDPR) and the UK's Data Protection Act 2018. A Director of Corporate Governance, Risk and Compliance shall be nominated by the Principal to ensure compliance with the Act and the safety of documents.

21.2.3. Members of staff are responsible for ensuring the security of their account in order to prevent unauthorised access to the College's computer systems. Members of staff should ensure they adhere to the College's IT Security Policy.

21.2.4. Wilful unauthorised access, or attempted unauthorised access, to any computer system will be treated as misconduct, and disciplinary procedures will be instigated.

21.3. Other

21.3.1. The majority of contracts and other legal agreements are stored electronically by the PA to the Deputy Principal. The Director of Corporate Governance, Risk and Compliance is responsible for the safekeeping of official and legal paper documents relating to the College. Signed copies of deeds and leases must, therefore, be forwarded to the Director of Corporate Governance, Risk and Compliance. All such documents shall be held in an appropriate secure fireproof location and copies held at a separate location.

22. PROVISION OF INDEMNITIES

22.1. No guarantees, letters of comfort or indemnities incurring contingent liabilities can be given other than in the normal course of commercial business dealings. Any member of staff asked to give an indemnity, for whatever purpose, should consult with the Deputy Principal and the Legal Counsel before such indemnity is given.

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