

# FINANCIAL DELEGATION AND FINANCIAL REGULATIONS

<b>Owner:</b> Executive Director of Finance	<b>Related Strategies:</b>
<b>Relevant to:</b> All staff	

*Office Use only:*

Corporate Intranet Family:	Approval Board/Committee/Group:	Approval/Re-approval Date:	Implementation Date:	Next Review Date:
Finance	GB/FEGP Executive Owner: EDF	Oct 2018 Reapproved Oct 2019, Oct 2020, Sept 2021, Sept 2022, Nov 2022 and Feb 2023	October 2018	September 2023

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## New Policy or Substantive Policy Review

Version	Date	Policy Development Agreed by (Executive Owner)	Policy Development Author	Draft Policy Verified by	Policy Approval	Impact Assessment (if applicable)
V.1	October 2018	EDFR	EDFR	ELT	GB	No

<b>Rationale for new or substantive policy review</b>	
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## Periodic Policy Review / Change History

Version	Date of Review / Revision	Description of Change	Reviewed By	Approved By (Executive Owner)
V.2	15.9.21	<ul style="list-style-type: none"> <li>Put into standard Policy Template</li> <li>Language has been amended throughout the document to remove any non-binary terms to be more inclusive.</li> <li>The requirement for expenditure contracts and leases agreements to be signed by either the Principal and CEO or the Executive Director - Finance regardless of value</li> <li>Any direct debit arrangements to include the signature of the Executive Director – Finance as one of the two bank mandate signatories</li> <li>Section 3.4 a new Principle has been added to ensure that the environmental impact and Health, Safety and Welfare are considered when applying the regulations.</li> <li>Section 5.2.1 includes the following statement “ensure that the College complies with the Education &amp; Skills Funding Agency Audit Code of Practice and College Accounts direction including reporting to the ESFA if there is an issue with going concern”;</li> <li>Section 5.3.11 new clause “Where there is a change in the designated accounting officer, there is a requirement for the outgoing designated accounting officer to provide a statement to the corporation on regularity, propriety and compliance covering the reporting period up until their date of departure, alongside all relevant minutes and reports during the period covered by the statement.”</li> <li>Section 5.6.2 amendment to the reflect the requirement that GB must ensure objectivity and independence when appointing members to the Audit and Risk Assurance Committee (ARA) and</li> </ul>	Clerk and Governance Advisor	EDF

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		<p>ensure members have regular training and development (required by ESFA ACOP)</p> <ul style="list-style-type: none"> <li>• Section 5.6.5 amendment to the responsibilities of to clarify the committee’s duty to prepare an annual report for submission to the ESFA with the annual accounts</li> <li>• Section 6.12.5 for external audit appointments/reappointments “Competitive tendering of the service is required at least every five years with their performance reviewed annually prior to reappointment. The date of appointment and remaining terms will be included in the ARA Committee annual report.”</li> <li>• Section 6.12.13 in relation to changes of external auditors “Where changes are made to auditors either through resignation or removal by the corporation the ARA Committee must ensure that the ESFA are informed. A change of auditor who has come to the natural end of their period of appointment does not require notification to the ESFA.”</li> <li>• Section 6.17.54 amended for value and revised arrangements “Any contract for goods and services valued in excess of current procurement thresholds £189,330 from 1 Jan 2021 must be advertised through the Find a Tender (FTS) unless it is an exception specifically defined in the regulations”</li> <li>• Section 6.12.10 amended to clarify that the ARA Committee Annual Report, which is submitted to ESFA, rather than the Internal Audit Annual Report (which is not a requirement).</li> <li>• Section 6.18.31 adding consideration of environmental impact and carbon use when agreeing mode of transport for business travel.</li> </ul>		
V3	21.09.22	<p>Annual Review resulting in the following additions/amendments:</p> <ul style="list-style-type: none"> <li>• Section 4.3 – addition of the SYMCA as funders</li> <li>• Section 6.2.3 – inclusion of role of Academy Director in the whistleblowing arrangements</li> <li>• Section 6.12.3 – extension of arrangements with Financial Statements/External Auditors in relation to services permitted to be provided including Appendix 3 providing a list of these services</li> <li>• Section 6.17.17 – clarification of values applying to multiple year arrangements</li> <li>• Section 6.17.76 – clarification on value used for new supplier threshold to ensure value for money (needs to be over £500)</li> <li>• Section 6.17.92 and 6.17.93 - replace Business Development Steering Group with Subcontractor Performance Management Committee</li> </ul>	Clerk and Governance Advisor	EDF
V3.1	23.11.22	<p>Minor amendments in section 6.12 relating to internal audit (6.12.2, 6.12.9 and 6.12.11)</p>	Clerk and Governance Advisor	EDF
V3.2		<p>Adjustments required due to ONS Reclassification in relation to “Managing Public Money” guidance: Definitions: Addition of sections 2.3, 2.4 and 2.5</p>		

		<p>5.2.1 Managing public money included as one of the related documents</p> <p>6.16.27 adjustment to write off thresholds for approval including external approval required</p> <p>6.18.3 inclusion of external approval required for salaries above thresholds</p> <p>6.18.7 reference to the college Master Vendor Agreement for Agency services</p> <p>6.18.15 deletion of sentence as covered in previous point</p> <p>6.18.41 inclusion of additional approvals required for severance payments</p> <p>6.18.42 and 6.18.43 additional approvals required for compensation payments and ex-gratia payments</p> <p>6.19.1, 6.19.5 and 6.19.6 amended to reflect changes to borrowing approvals</p> <p>6.20.20 amended to reflect changes required for fixed asset disposal proceeds</p> <p>6.24.8 DfE approval added for new subsidiary companies</p> <p>6.27.1 additional note regarding indemnities</p> <p>Section 8 8.1, 8.2 and 8.3 inclusion of related documents for amendments made</p>		
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## Communication

To be agreed by Executive Leadership Team

Announcement on hub	<input checked="" type="checkbox"/>	SLT email	<input type="checkbox"/>
College newsletter	<input type="checkbox"/>	A12.3, 2.4 and 2.5I staff email	
SLT meeting	<input type="checkbox"/>		
External website	<input checked="" type="checkbox"/>	Cascade brief	<input type="checkbox"/>
		Training needed (specify who)	<input type="checkbox"/>

## 1. POLICY STATEMENT

- 1.1 The funding agreements between funding bodies and the college set out the terms and conditions on which grants are made. The Governing Body is responsible for ensuring that conditions of grants are met. As part of this process, the college must adhere to the Education & Skills Funding Agency (ESFA) Audit Code of Practice, which requires providers to have sound systems of financial and management control. The financial regulations of the college form part of this overall system of accountability.
- 1.2 The purpose of these financial regulations is to provide control over the totality of the college's resources and provide governors and management with assurance that resources are being properly applied for the achievement of the college's strategic plan and business objectives on a sustainable basis, including:
- maintaining financial viability
  - achieving value for money
  - fulfilling its responsibility for the provision of effective financial controls over the use of public funds
  - ensuring that funds are used properly and the college complies with all relevant legislation, including charity law, and endeavours to demonstrate best practice
  - safeguarding the assets of the college.

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## 2. DEFINITIONS

- 2.1 The Sheffield College is a further education corporation created under the provisions of the Further and Higher Education Act 1992, as amended by the Education Act 2011. Its structure of governance is laid down in the Instrument and Articles of Government, which can be amended by the Governing Body. The college is accountable through its Governing Body, which has ultimate responsibility for the effectiveness of its management and administration.
- 2.2 The college is an exempt charity by virtue of the Charities Act 2011.
- 2.3 Novel transactions are those of which the college has no experience or are outside the normal range of its business.
- 2.4 Contentious transactions are those that might cause criticism of the Governing Body by Parliament, the public or the media.
- 2.5 Repercussive transactions are those likely to cause pressure on other colleges or other parts of the public sector to take a similar approach and hence have wider financial implications.

## 3. PRINCIPLES

- 3.1 This document sets out the college's financial regulations. It sets out the college's broad policies relating to financial control, specific rules that staff must observe and guidance on ensuring compliance. This document was most recently approved by the Finance, Employment and General Purposes Committee (FEGP) of the Governing Body on 21 September 2022, with minor update approved on 23 November 2022.
- 3.2 Compliance with the financial regulations is compulsory for all staff connected with the college (see Scope 4.2). It is a condition of becoming a budget holder that these regulations are read and understood. **Any member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the college's Disciplinary Procedure.** The Governing Body will be notified of any such breach through the Audit and Risk Assurance Committee (ARAC).
- 3.3 Waivers of the financial regulations can be approved in exceptional circumstances by either the Chief Executive and Principal or the Executive Director Finance. The Chief Executive and Principal shall approve any waiver requests pertaining to the budgetary responsibilities of the Executive Director Finance. In all cases, where a waiver to the financial regulations is granted, the waiver must be documented using the appropriate Waiver of Financial Regulations form available from the Finance Department, and copies of the documentation retained by those requesting the waiver. The Executive Director Finance shall also retain a copy of all authorised waiver forms and make a termly report to the Finance, Employment and General Purposes Committee (FEGP) of all waivers granted since the previous report.
- 3.4 For all transactions undertaken by the college, consideration will be given to the impact on the environment in both the short and longer term and the Health, Safety and Welfare of all.

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## **4. SCOPE AND LIMITATIONS**

- 4.1 Throughout the document, the use of the term 'college' refers to The Sheffield College and its wholly owned subsidiaries.
- 4.2 These regulations apply to the college and to any subsidiary companies wholly owned or controlled by the college. All members of staff employed by the college and its subsidiary companies (whether employed directly or via an employment agency) are required, to comply with the financial regulations, as are officers of the Student Union. These regulations do not apply to any schools or academies sponsored by the college, which will have their own financial regulations and associated management processes.
- 4.3 These financial regulations are subordinate to the college's Instruments and Articles of Government and to any restrictions contained within the college's financial agreements with the funding bodies including the conditions of funding issued by the Office for Students, the South Yorkshire Mayoral Combined Authority (SYMCA) and the ESFA Audit Code of Practice, revised from time to time.
- 4.4 The regulations provide the mandatory policy for staff employed by the college who have responsibility for the management of resources or the control of income and expenditure.

## **5. RESPONSIBILITIES**

- 5.1 It is the responsibility of the college Chief Executive and Principal and Executive Leadership Team to ensure that staff are made aware of the existence and content of the college's financial regulations.

### **5.2 Governing Body**

- 5.2.1 The Governing Body is responsible for the effective and efficient use of resources, the solvency of the college and for safeguarding its assets. The Governing Body is also responsible for approving annual estimates of income and expenditure. It also has the responsibility for the management and administration of the college. Its financial responsibilities are to:
- ensure the solvency of the college and the safeguarding of the college's assets including ensuring that expenditure made by the college is consistent with the college's plans
  - appoint, grade, suspend, dismiss and determine the pay and conditions of service of the Chief Executive and Principal and other senior post-holders
  - set a framework for pay and conditions of service of all other staff undertaking the role of the employer in relation to the appropriate pension arrangement for employees
  - 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 and the college's assets
  - approve the appointment of external auditors and an internal audit service
  - secure the efficient, economical and effective management of all college's resources and expenditure, capital assets and equipment and staff, so that investment of public funds in the college is not put at risk

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- ensure that the funds provided by the principal funding bodies are used in accordance with any and all terms and conditions, including delivering value for money from public funds
- ensure that appropriate financial considerations are taken into account at all stages in reaching decisions and their execution
- plan and conduct the college’s financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meets its total expenditure
- approve an annual budget prior to the start of each financial year;
- determine tuition fees
- ensure that the college complies with the ESFA Audit Code of Practice and College Accounts Direction, including reporting to the ESFA if there is an issue with going concern
- approve the college’s strategic plan
- review the performance of college against agreed budgets and financial targets
- approve the annual financial statements
- ensure any potential conflicts of interest, which may exist in financial relationships with third parties, are disclosed to the Clerk to the Corporation
- ensure the college complies with its legal obligations concerning government procurement legislation and Managing Public Money
- ensure that there is a risk management strategy and common approach to the management of risk throughout the college through the development, implementation and embedding within the organisation of a formal structured risk management process.

## 5.3 Designated Accounting Officer

5.3.1 The Chief Executive and Principal is the college’s designated Accounting Officer and is responsible for ensuring the financial administration of the college’s affairs in accordance with the funding agreements with funding bodies.

5.3.2 As the designated Accounting Officer, the Chief Executive and Principal may be required to justify any of the college’s financial matters to the Public Accounts Committee at the House of Commons. Article of Government 3(2)(c) charges the Chief Executive and Principal with responsibility:

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

5.3.3 The Chief Executive and Principal shall demonstrate their oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements, and the relevant form of the financial forecasts submitted annually to the ESFA.

5.3.4 The Chief Executive and Principal is also responsible to the Governing Body for:

- the organisation, direction and management of the college and the leadership of its staff
- preparing annual estimates of income and expenditure
- preparation of a capital expenditure programme including expenditure on land, buildings, equipment, furniture and associated costs whether they are funded by capital grants or capitalised for inclusion in the financial statements
- the management of the college within the approved budget

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- preparing and monitoring operational procedures to govern the administration of the college, specifically in the areas of finance administration and salaries; and
  - for all contracts and payments made by or on behalf of the college.
- 5.3.5 The Governing Body delegates, to the Chief Executive and Principal, responsibility for ensuring that tender conditions imposed either by law or by funding bodies are complied with.
- 5.3.6 The Chief Executive and Principal is responsible for ensuring that the college's arrangements for managing sub-contracted provision comply with ESFA requirements, including contracting, controls of provision and reporting to the Governing Body and its committees.
- 5.3.7 The Chief Executive and Principal or nominee shall be responsible for the maintenance of all personnel records and for the provision of relevant information, to enable all salaries, wages, pensions and other emoluments to be paid.
- 5.3.8 The Chief Executive and Principal or Executive Director Finance (if nominated by the Chief Executive and Principal) has responsibility within the policies determined by the Governing Body to effect such insurances as are from time to time considered necessary to cover risks to which the college is exposed and shall negotiate and recover claims. This will include obtaining advice on the types of cover available.
- 5.3.9 To assist the discharge of these responsibilities, the Chief Executive and Principal is empowered to designate members of staff as budget holders. Budget holders shall be responsible for the control and monitoring of expenditure within budgets allocated to them. Designation of budget holders and any delegation of their responsibilities to others shall be in writing. Budget holders are responsible to the Chief Executive and Principal for ensuring that the action they take is in accordance with financial regulations.
- 5.3.10 The Chief Executive and Principal, or an authorised representative, shall, in pursuance of their duties, have authority to:
- enter at all reasonable times the college premises or land subject to consultation with the appropriate budget holder
  - have access to all records, documents and correspondence relating to the financial transactions of the college
  - require and receive such explanations as are necessary concerning any matter under examination and
  - require any employees of the college to produce cash, stores or any other property under their control.
- 5.3.11 Where there is a change in the designated accounting officer, there is a requirement for the outgoing designated accounting officer to provide a statement to the corporation on regularity, propriety and compliance covering the reporting period up until their date of departure, alongside all relevant minutes and reports during the period covered by the statement.

## 5.4 Committee structure

- 5.4.1 The Governing Body 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 Governing Body.

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## 5.5 Finance, Employment and General Purposes Committee (FEGP)

- 5.5.1 FEGP is responsible for maintaining oversight of the effectiveness of the financial regulations, through the Executive Director Finance, and for advising the Governing Body, at the earliest opportunity, of any issues arising or of any amendments made or proposed.
- 5.5.2 The FEGP Committee advises the Governing Body on all matters relating to employment policy and finance and ensures that the requirements of the financial agreements with the ESFA and funding terms of the Office for Students are fulfilled. The FEGP Committee will also consider any other matters relevant to the financial duties of the Governing Body and make recommendations accordingly, ensuring that the Governing Body has adequate information to enable it to discharge its financial responsibilities. The Governing Body has delegated authority to FEGP to determine the framework for the pay and conditions of staff, other than Senior Post Holders, and human resources related policies including terms to be offered in the case of early retirement or redundancy for all posts below Senior Post Holder level and grievance, capability, disciplinary and collective dispute procedures.
- 5.5.3 The FEGP Committee's Terms of Reference are published on the college website.

## 5.6 Audit and Risk Assurance Committee (ARA)

- 5.6.1 Colleges are required by the Instrument and Articles of Government, their financial agreements with the funding body and by the funding body's audit code of practice, to appoint an audit committee. The college's Audit and Risk Assurance Committee (ARA) fulfils this obligation.
- 5.6.2 The purpose of the ARA Committee is to provide the Governing Body with independent authoritative advice on matters related to risk management, audit and internal control. This includes responsibility for the regular review of the adequacy of risk management arrangements. In appointing members, the Governing Body must maintain the committee's independence and objectivity and ensure members receive regular training and development.
- 5.6.3 The ARA Committee has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors.
- 5.6.4 The audit requirements of the college are set out in the funding body's Audit Code of Practice.
- 5.6.5 The ARA Committee shall ensure that the internal control systems, risk management, control and governance processes, including audit activities, of the college and its subsidiaries are monitored actively, independently and objectively in order to;
- advise the Governing Body on the adequacy and effectiveness of the college's assurance framework and systems of internal control and determine the annual assurance plan
  - advise and support the Governing Body in explaining, in its annual accounts, the measures taken to ensure it has fulfilled its statutory and regulatory responsibilities, including the production of an annual report for submission to the ESFA with the annual accounts
  - advise the Governing Body on the appointment, reappointment, dismissal and remuneration of the external auditor, reporting accountant, internal audit and other assurance providers and establish that all such assurance providers adhere to relevant professional standards

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- approve any additional services provided by the external auditor, reporting accountant, internal audit and other assurance providers and explain how independence and objectivity are safeguarded
- review and consider the reports of external auditor, reporting accountant, internal audit and other assurance providers, and monitor the implementation of recommendations to agreed timescales
- advise on the reliability of the college’s corporate data
- oversee the college’s policies on and processes for fraud, irregularity, impropriety and whistleblowing and ensure
  - the proper, proportionate and independent investigation of all allegations and instances of fraud and irregularity
  - that investigation outcomes are reported to the committee
  - that the external auditor and internal auditor are informed of investigation outcomes and other matters of fraud, irregularity and impropriety and that appropriate follow-up action has been planned/actioned
  - that all significant cases of fraud or suspected fraud, theft, bribery, corruption or irregularity, major weakness or breakdown in the accounting or other control framework are reported to ESFA as soon as possible
  - risks around fraud have been identified and controls put in place to mitigate them.

5.6.6 The ARA Committee’s Terms of Reference are published on the college website.

## **5.7 Teaching, Learning, Quality and Student Experience Committee (TLQSE)**

5.7.1 The TLQSE Committee’s responsibilities relevant to the financial regulations are to develop and review the policies and/or strategies to achieve continuous improvement in the quality of the college’s provision and review the effectiveness of actions in the College Development Plan. This would include the TLQSE Committee having regard to the effectiveness of expenditure and investment in such strategies, policies and improvement actions. TLQSE has delegated authority to approve reports and returns to the Office for Students, which may include information on fees, bursaries and student support.

5.7.2 The TLQSE Committee’s Terms of Reference are published on the college website.

## **5.8 Search, Remuneration and Governance Committee (SRG)**

5.8.1 The SRG Committee’s responsibilities relevant to the financial regulations are in monitoring and advising the Governing Body on the effectiveness of corporate governance, recruiting sufficient governors with financial expertise, ensuring compliance with the Governing Body’s chosen corporate code, advising on the framework for appraising and remunerating staff who are Senior Post Holders and making decisions about the remuneration of Senior Post Holders, within the framework, on behalf of Governing Body.

5.8.2 The SRG Committee’s Terms of Reference are published on the college website.

## **5.9 Executive Director Finance**

5.9.1 The post holder is responsible to, and shall act as financial adviser to, the Chief Executive and Principal and the Governing Body and its committees. They are responsible for:

- Advising on the financial aspect of the college’s policies and
- Advising on the financial administration of the college.

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5.9.2 Day-to-day financial administration is controlled by the Executive Director Finance, who is responsible to the Chief Executive and Principal for:

- preparing annual capital and revenue budgets and financial plans, ensuring that they are consistent with the college's approved strategic plan
- preparation of financial management information, to support the monitoring and control of income and expenditure against budgets and all financial operations
- ensuring that the college has satisfactory systems of financial control and management
- ensuring that the college maintains satisfactory financial systems including records and documentation and a general ledger in accordance with regulatory or other statutory requirements including the general ledger coding structure
- preparing annual statements of account for the college as required, to submit to other authorities. The accounts will be prepared in accordance with guidelines issued and will conform to recommended accounting practice. They are to be presented by the Executive Director Finance to the Governing Body for formal approval and for signature
- preparing and submitting all financial statements, returns to pension funds and claims and returns to funding bodies in accordance with the appropriate deadlines
- ensuring that appropriate procedures are in operation to enable the college to receive all income for which it is entitled and this is appropriately recorded in the college's accounts
- the security and prompt banking of monies received
- claims for funds are made by their due date and funds received
- day-to-day liaison with internal and external auditors in order to achieve efficient processes and
- providing professional advice on all matters relating to financial policies and procedures.

5.9.3 The Executive Director Finance is responsible for preparing annually a three-year financial plan for approval by the Governing Body on the recommendation of the FEGP Committee, and for preparing financial forecasts for submission to the ESFA. Preparation of a longer term financial plan may be required at the request of the ESFA. Financial plans should be consistent with the strategic plans and estates strategy approved by the Governing Body.

5.9.4 The Executive Director Finance is responsible for providing to the FEGP Committee regular statements concerning all capital expenditure for monitoring purposes.

5.9.5 The Executive Director Finance is responsible for the retention of financial documents and records (both physical and electronic) which are kept in a form acceptable to the relevant authorities.

5.9.6 The Executive Director Finance is responsible for maintaining the college fixed asset register.

5.9.7 The purchasing function is the responsibility of the Executive Director Finance. They, or a nominee, are responsible for:

- ensuring that the college's purchasing policy is known and observed by all involved in purchasing for the college
- providing advice on matters of college purchasing policy and practice
- providing advice to assist departments on specific departmental purchases
- developing appropriate standing supply arrangements on behalf of the college to assist budget holders in meeting their value for money obligations

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- drafting all large scale purchase contracts undertaken by the college (assistance may be received from a nominee) where the total contract value is in excess of £50,000 (incl. VAT)
- reviewing all orders before they leave the college (other than those from preferred suppliers whose catalogue has been imported into the Finance system)
- ensuring that the college complies with government regulations and UK law on public purchasing policy
- ensuring that all purchases are made using official college purchase orders unless specific contractual documentation is being used and
- the operation and control of the corporate credit card system.

5.9.8 The Executive Director Finance is responsible for advising budget holders on all taxation issues, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies to the college.

## 5.10 Executive Director Commercial & Operations

5.10.1 The Executive Director Commercial & Operations is responsible for the management of Apprenticeship contracts, including agreeing provision within the contracts and ensuring that the income is received in a timely manner.

5.10.2 The Executive Director Commercial & Operations is responsible for monitoring the financial performance of subcontracted provision and ensuring that this is reported to Governors in a timely and accurate manner.

## 5.11 Executive Director People

5.11.1 The preparation of payroll and the payment of salaries, wages and other emoluments to employees of the college is the responsibility of the Executive Director People and shall be undertaken in accordance with arrangements approved by the Governing Body.

5.11.2 The Executive Director People is responsible for day -to-day superannuation matters including:

- Paying contributions to various authorised superannuation schemes
- Preparing the annual return to various superannuation schemes
- Administration related to membership of the college's pension funds including eligibility to enrol in a pension and deductions for staff.

## 5.12 Executive Director Strategy and Systems Improvement

5.12.1 Day-to-day IT systems administration is controlled by the Executive Director Strategy and Systems Improvement, who is responsible to the Chief Executive and Principal for:

- maintaining a secure corporate environment in respect of the college's reporting systems (this will encompass on-going testing and development, physical security, limited access to operations data and systems via a strictly controlled password hierarchy and adequate back up and disaster recovery procedures and,
- maintaining the security of all computer systems employed by the college. Access will be strictly controlled and individual permissions will be maintained in accordance with the financial and IT procedures (this can be delegated to a nominee).

5.12.2 The Executive Director – Strategy and Systems Improvement is responsible for the administration of the risk management policy, procedures and risk register.

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## 5.13 Deputy Chief Executive/Deputy Principal (DCE/DP) and members of Executive Leadership Team

- 5.13.1 The DCE/DP and members of Executive Leadership Team are responsible for:
- achieving all financial targets in the areas that they are responsible for set by the Governing Body
  - the efficient and effective use of resources at their disposal in their areas of responsibility after consulting with the college Executive Leadership Team, College Leadership Team, staff, learners and other stakeholders
  - the management of the college within the approved budget
  - maintaining clear lines of financial responsibility within the college and
  - ensuring compliance with the financial regulations within their area of responsibility in the college.

## 5.14 Budget Holders

5.14.1 The Chief Executive and Principal shall determine who may act as budget holders in the college. Designation of budget holders and any delegation of their responsibilities to others shall be in writing.

5.14.2 Budget holders may delegate resources within their area of responsibility by contacting Finance by email, but they maintain overall responsibility for the proper control of these and the achievement of agreed targets.

5.14.3 The Executive Director Finance will advise them in executing their financial duties including supervising and approving the financial systems operating within their departments including the form in which accounts and financial records are kept.

- 5.14.4 Budget holders are responsible for:
- the control and monitoring of resources within agreed targets
  - financial management of their own areas which includes a requirement to sign an undertaking accepting responsibility of the budget and compliance with financial regulations and procedures
  - maintaining clear lines of financial responsibility in their own areas
  - day to day operation of financial procedures in their own areas including the authorisation of expenditure against budgets
  - day to day management of budgets including monitoring of expenditure during the year and reporting as soon as possible to the Executive Director Finance if it is foreseen that the budget will be overspent (challenge will be made of any overspend by the Executive Leadership Team during business review meetings
  - ensuring compliance with Government procurement legislation and
  - ensuring that the action that they take and those of the staff that they are responsible for is in accordance with the financial regulations.

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

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

## 5.15 All Members of Staff

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

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- 5.15.2 It is the responsibility of all staff to ensure that the revenue of the college is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. They should ensure that they are aware of the college’s financial authority limits and the values of purchases for which quotations and tenders are required (see **Appendix 1**).
- 5.15.3 They shall make available any relevant records or information to the Executive Director Finance or their authorised representative in connection with the implementation of the college’s financial policies, these financial regulations and the system of financial control.
- 5.15.4 They shall provide the Executive Director Finance with such financial and other information, as deemed necessary, from time to time, to carry out the requirements of the Governing Body.
- 5.15.5 They shall immediately notify the Executive Director Finance whenever any matter arises which involves, or is thought to involve, irregularities concerning among other things, the cash or property of the college. The Executive Director Finance shall take such steps as they consider necessary by way of investigation and report. Section 6.13 refers to the college’s responsibility in respect of Fraud.

## **6. IMPLEMENTATION ARRANGEMENTS**

### **6.1 Risk Management**

- 6.1.1 Risk management can be defined as coordinated activities to direct and control an organisation with regard to risk. The college acknowledges the risks inherent in its business and is committed to managing those risks which 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 or otherwise by the college is set out in a separate Risk Management Policy.
- 6.1.2 The Governing Body requires that the risk management strategy and supporting procedures include:
- use of common terminology to define risk and risk management
  - establishing college-wide criteria for measuring risk, linking the threats to their potential impact and the likelihood of occurrence.
- 6.1.3 The risk management policy enables:
- a decision to be made on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes
  - decision-making on what risks and the level of risk to be covered by insurance
  - detailed regular reviews at department level to identify significant risk associated with the achievement of key objectives and other relevant areas
  - development of risk management and contingency plans for all significant risks, each of which has a designated ‘risk owner’ who is responsible and accountable for that risk
  - regular reporting to the Governing Body of all risks above established tolerance levels
  - an annual review of implementation of risk management arrangements; and
  - the college to commission independent assurance, as necessary.

### **6.2 Whistleblowing**

- 6.2.1 Whistleblowing is when a report is made about a suspected wrongdoing which is in the public interest. This is referred to as making a disclosure in the public interest. A

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whistle-blower is someone who raises serious concern about wrongdoing or malpractice so that problems can be identified and resolved quickly.

6.2.2 Under the Public Interest Disclosure Act 1998 and the Enterprise and Regularity Reform Act 2013, the disclosure of confidential information in the public interest is a lawful act and a worker cannot be dismissed, disciplined or unfavourably treated provided the worker has:

- followed the whistleblowing procedure to raise the concerns;
- has acted in the public interest and not for personal gain or out of personal motives.

6.2.3 Information which a worker reasonably believes to show wrongdoing as outlined in the definition of a protected or qualifying disclosure in the policy should be disclosed promptly to their line manager so that any appropriate action can be taken. If it is inappropriate to make such a disclosure to a line manager, a worker can raise the issue with an Assistant Principal, Vice Principal, Executive Director, Academy Director or Head of Department/Section.

6.2.4 If the disclosure relates to the Chief Executive and Principal, a worker can raise the issue with the Governance Advisor and Clerk to the Governing Body. If the disclosure relates to the Governance Advisor and Clerk to the Governing Body, a worker can raise the issue with the Chair of the Governing Body.

6.2.5 The full procedure for whistleblowing is set out in the college's **Whistleblowing Policy**.

## 6.3 Code of Conduct

6.3.1 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 of selflessness, integrity, objectivity, accountability, openness, honesty, leadership, established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which the Governing Body and members of staff at all levels are expected to observe. In addition, the college expects that staff at all levels will observe the **Code of Conduct for Staff**.

6.3.2 Additionally, members of the Governing Body, budget holders or those involved in procurement and financial advice are required to disclose interests in the college's register of interests. This is maintained by the Governance Advisor and Clerk to the Governing Body and is updated on an annual basis.

6.3.3 No member of the Governing Body or member of staff shall be a signatory to a college contract or procure services from a contractor or supplier where they also have an interest in the activities of the other party. This extends to budget holders using a college contractor or supplier to undertake work or the supply of goods in a private capacity for themselves or any member of their family. Where budget holders or staff with any influence over the procurement of goods or services use any college contractor or supplier in a private capacity, they must disclose this to the Governance Advisor and Clerk to the Governing Body.

## 6.4 Conflicts of Interest

6.4.1 The college has a policy for minimising and managing potential conflicts of interest for individuals involved in college decision making. This policy is available to all staff on the college website. The policy is primarily directed at Governors and senior staff involved in Governing Body decision making but it also applies to all staff with significant budget responsibility.

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## 6.5 Receiving Gifts and Hospitality

- 6.5.1 The college has a zero tolerance policy towards bribery and corruption. It is an offence, under the Bribery Act 2010 and the Prevention of Corruption Act 1906, 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 penalties are severe for any employee convicted under the Act, which could mean a criminal record with ten years imprisonment and unlimited fines.
- 6.5.2 The guiding principles to be followed by all members of staff are:
- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest and
  - 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.
- 6.5.3 Members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation (including potential suppliers) 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.
- 6.5.4 No member of college staff should accept gifts, rewards or hospitality (or have them given to members of their families) from suppliers or any other individual or organisation where acceptance might be construed as instrumental in the furtherance of business with the college, i.e. for 'commercial or academic gain' or which are valued in excess of the value specified in **Appendix 1** in any one financial year.
- 6.5.5 Hospitality may be accepted by college staff where clearly provided in conjunction with events relevant to the furtherance of the college's business (e.g. conferences, seminars, training and networking events). The frequency and scale of hospitality accepted should not be significantly greater than that which the college would be likely to provide in return.
- 6.5.6 All gifts and hospitality received by Governors and staff with a value of £50 or more should be recorded in a register maintained by the Governance Advisor and Clerk to the Governing Body. The ARA Committee shall review the gifts and hospitality register at least annually.
- 6.5.7 The offer of any gift or hospitality to a member of staff should be disclosed immediately to the Chief Executive and Principal, Deputy Chief Executive/Deputy Principal or member of Executive Leadership Team. 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 Governance Advisor and Clerk to the Governing Body or the Executive Director Finance.
- 6.5.7 For the protection of those involved, the Governance Advisor and Clerk to the Governing Body will maintain a register of gifts and hospitality received by the Governors and members of staff with significant budget responsibility. Governors and relevant staff in receipt of gifts or hospitality are obliged to notify the Governance Advisor and Clerk to the Governing Body of gifts and hospitality received with a value of £50 or more as soon as reasonably practicable and, if applicable, in the annual update to the Register of Interests.

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- 6.5.8 The guiding principles in respect of the receipt of gifts and hospitality should also be considered when deciding whether to offer gifts or hospitality to others. Where it is reasonable to offer a small gift or hospitality as a proper part of furthering the college's business, for example hospitality for employers giving up their time to support the college's student and stakeholder engagement events, it should not be lavish. The provision of gifts and hospitality with a value of £50 per person or more should be approved by the Chief Executive and Principal or the Executive Director Finance and reported to the Governance Advisor and Clerk to the Governing Body for inclusion in the gifts and hospitality register.
- 6.5.9 Staff can find additional guidance in the college's **Anti-Bribery policy**.

## **6.6 Operational Procedures**

- 6.6.1 The Executive Director Finance will maintain and update, at an appropriate frequency, the financial and administrative procedure manuals to be used by staff to ensure the efficient and effective management of the financial function of the college. The Executive Director Finance will ensure that any finance manuals are consistent with other procedural manuals.
- 6.6.2 The Executive Director of People will maintain and update at an appropriate frequency, a payroll procedures manual.

## **6.7 FINANCIAL MANAGEMENT AND CONTROL**

### **Financial Planning**

- 6.7.1 The annual estimates will be prepared by delegated budget holders in consultation with the Executive Director Finance or nominee and in accordance with any criteria and timetable approved by the FEGP Committee. These will be included as part of the three year plan.
- 6.7.2 The annual estimates will be presented by the Chief Executive and Principal to the Governing Body in a form approved by the Governing Body. They will be in accordance with a timescale determined by the members and with such information as is necessary to support the estimates.
- 6.7.3 Proposals, which if approved, commit the college to a level of expenditure greater than that provided in the budget, will be reported to the FEGP Committee in such a manner that clearly shows the future level of commitment.

### **Budget Objectives**

- 6.7.4 As part of the strategic planning process, the Governing Body will, each year, determine a series of financial objectives for the college. These will help the Executive Director Finance in preparing the more detailed financial plans for the college.

### **Resource Allocation**

- 6.7.5 Resources are allocated annually by the Governing Body on the recommendation of the FEGP Committee. This allocation of budget is given on the basis that all budget holders are responsible for the economic, effective and efficient use of resources allocated to them.

### **Budget Preparation**

- 6.7.6 Before commencement of the relevant financial year, the budget and plan are presented to the FEGP Committee for consideration before submission to the Governing Body for approval.

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- 6.7.7 The budget should also include monthly cash flow forecasts for the year and projected yearend balance sheet. The Executive Director Finance must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to the Budget Holders as soon as possible following their approval by the Governing Body.
- 6.7.8 The Executive Director Finance has the authority to require any member of college staff to provide information of any nature, as necessary.
- 6.7.9 The college has a planning process which involves all budget holders who are required to generate a budget for the following year. Planned income and expenditure are allocated across the whole year to aid performance monitoring and cash flow management. The proposals are scrutinised by the Executive Leadership Team at formal presentation meetings on a periodic basis prior to the preparation of the whole college budget.

## Approval

- 6.7.10 The Governing Body will not delegate the approval of the annual estimate of income and expenditure. The Board will be asked to determine, by resolution, the approval of the budget.
- 6.7.11 Once set and approved by the Governing Body, the budget for the year cannot be changed.

## Capital Expenditure

- 6.7.12 Any request to undertake capital expenditure in excess of £50,000 must be supported by a comprehensive business case for consideration by the Executive Director Finance.
- 6.7.13 The Executive Director Finance will establish protocols for the inclusion of capital projects in the capital programme for approval by the Governing Body. These will set out the information that is required for each proposed project as well as the financial criteria they are required to meet. The Executive Director Finance will also establish procedures for the approval of variation, including the notification of large variations to the funding body as laid down in funding body guidelines.
- 6.7.14 Reference should be made to the Capital Expenditure Policy. This policy covers the process for non-capital investment spend as well as capital expenditure. Financial authority limits are summarised at **Appendix 1** and are shown in more detail in financial procedures.
- 6.7.15 The capital programme shall be considered in detail by the FEGP Committee before consideration and final approval by the Governing Body. Inclusion in the capital programme does not in itself confer authority to incur expenditure before;
- An Investment Projects approval form has been completed by the Project Owner, reviewed by the Investment Projects Steering Group, and signed by the Executive Director Finance. This document outlines any variations between proposed spend and the project scope approved by the Governing Body as part of the capital programme. A summary of proposals will be presented to the FEGP Committee on a termly basis;
  - A tender or quotation has been received which does not exceed the amount included in the programme and any other relevant cost limits;
  - All necessary statutory approvals have been received; and
  - There is provision in the cash flow budget approved by the Governing Body.

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- 6.7.16 The Governing Body will determine if a project management board is required to oversee any capital project. If this is the case, the board will include both the Chief Executive and Principal and the Executive Director Finance. The board will make regular reports to the FEGP Committee on the progress of the capital project.
- 6.7.17 The size, content or specification of a scheme shall not significantly be changed without the approval of the FEGP Committee. Any consequent change in the cost of the scheme shall be approved by the FEGP Committee and must be reflected in the cash flow budget.
- 6.7.18 The estimated final cost of each major scheme shall be reported to the next appropriate committee meeting.
- 6.7.19 Following completion of a capital project with a budget of £250,000 or greater, a post-project evaluation or final report should be submitted to the FEGP Committee including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. This report should explicitly consider whether the project has achieved its anticipated financial return. Post-project evaluations may also need to be sent to the relevant funding body, as laid down in funding body guidelines.

### **Authority to undertake capital expenditure**

- 6.7.20 Budget managers have authority, within their agreed capital budgets, to purchase individual items of equipment costing in excess of £2,000 (incl. VAT) and with an anticipated life exceeding 5 years. Such purchases shall be regarded as capital expenditure for accounting purposes.

### **Overseas Activity**

- 6.7.21 In planning and undertaking overseas activity, the college must have due regard to the relevant guidelines issued by the appropriate funding body.

### **New Contracts & Major Developments**

- 6.7.22 Any new potential funding opportunity or new aspect of business which will require an investment must be discussed with the Executive Director Finance before any application is made and/or any contract is signed.
- 6.7.23 Any new aspect of business which will require an investment in buildings or resources of more than £250,000 should be presented for approval to the FEGP Committee.
- 6.7.24 The Executive Director Finance will establish protocols for these major developments to enable them to be considered for approval by the Governing Body. These protocols will operate alongside college groups including Business Development and with the Executive Director Commercial & Operations. 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.

### **Budgetary Control**

- 6.7.25 The approval of an annual revenue budget shall constitute authority to the relevant budget holder for incurring expenditure in the budget year within the limits of the estimates, targets for income and agreed expenditure profiles, except where items are included which have approval in principle only and are subject to further financial appraisal. Expenditure should only be incurred if the goods or services acquired are essential for day to day operation of the college and value for money must be a priority.

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- 6.7.26 The control of income and expenditure within the agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively. Budget holders are responsible to their line manager for the income and expenditure appropriate to their budget.
- 6.7.27 Budget holders will manage their budget where possible in accordance with the phasing of the expenditure as agreed during planning to ensure effective monitoring. They will also notify the Finance Team in a timely manner if there are any significant changes to expectations.
- 6.7.28 The Executive Director Finance shall periodically review the financial position of the budgets held by budget holders. Budget holders shall provide explanations where necessary as to the current and future financial health of their area of responsibility. A detailed recovery plan should be prepared by budget holders, if required by the Executive Director Finance.
- 6.7.29 Where a budget holder fails to achieve the agreed target, the Executive Director Finance may require such deficit to be carried forward and set against the budget provision for the following year. The Executive Director Finance may also, from time to time, agree a scheme that would enable budget holders to carry forward all or part of their surplus in any financial year.
- 6.7.30 Each month, management accounts will be prepared to include a statement from the Executive Director Finance highlighting any significant changes to the business plan which may impact on the full year outturn. This will be discussed by Executive Leadership Team to ensure that, if required, mitigating actions are taken to ensure the budget is delivered.
- 6.7.31 The college has a quarterly business review process which involves all budget holders presenting the financial performance for their area of responsibility. The performance is scrutinised by the Executive Leadership Team at formal presentation meetings where budget holders will be held to account for delivery of their budgets. Where budget holders indicate there will be a shortfall in income they are required to identify actions that will resolve the issue and bring the budget back in line.
- 6.7.32 Board approved Key Performance Indicators (KPIs) and management accounts will be presented to the FEGP Committee on a regular basis.
- 6.7.33 Changes proposed to the approved budget will be first considered by the FEGP Committee, which will make recommendations to the Governing Body.

## **Financial Information**

- 6.7.34 Budget holders are assisted in their duties by the provision of monthly management information, in the form of income and expenditure reports, which shall be available approximately 10 working days after each month end. These accounts shall be in a form approved by the Executive Director Finance and distributed to budget managers.
- 6.7.35 College level management accounts will be produced in a format determined by the Executive Director Finance, for presentation to the ELT, FEGP Committee and Governing Body.
- 6.7.36 The Executive Director Finance will provide budgetary reports on all aspects of the college's finances to FEGP Committee on a basis determined by the FEGP Committee (and endorsed by the Governing Body) but subject to any specific requirements of the funding body.
- 6.7.37 Significant departures from agreed budgets must be reported immediately to the Executive Director Finance by the budget holder concerned and if necessary corrective action taken. The Executive Director Finance shall be accountable to the

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Governing Body for effective budgetary control within the approved capital and revenue budgets. It is the responsibility of the Chief Executive and Principal to manage and direct resources to achieve the objectives of the college within the budget.

## 6.8 Accounting Arrangements

### Financial year

6.8.1 The college's financial year will run from 1 August to 31 July of the following year.

### Basis of Accounting

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

### Format of the Financial Statements

6.8.3 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 where appropriate.

### The Accounts

6.8.4 Changes to the general ledger coding structure must be authorised by the Executive Director Finance or their nominee.

6.8.5 General ledger journal entries will be authorised by the Executive Director Finance or their nominee. Journals are not printed out, with the review being performed of the supporting excel files and approved in the workflow in the Agresso system. Journals which are posting standard monthly transactions are not included in this check; these include payroll, internal recharges, funding allocation, cashbook and other cash transaction postings.

6.8.6 Each month end the Executive Director Finance, or a designated nominee will perform a detailed review of the management accounts. This will include a comparison of balance sheet account balances compared to the previous month.

6.8.7 Each month the general ledger will be the generation source for the following reports:

- Cash flow and projections;
- Actual and budget comparisons for income and expenditure and the balance sheet;
- Aged debtors report; and
- Committed expenditure (which will be accrued at each month end).

6.8.8 Reports will be at college or budget holder level as required.

6.8.9 A checklist will be maintained by the Finance Manager detailing the work to be completed, by whom and the target date. Each task will be initialled and dated when complete.

6.8.10 These reports will be completed within 10 working days of the end of each calendar month. The latest available reports will be presented on a quarterly basis to the FEGP Committee and the Governing Body.

6.8.11 The Executive Director Finance or nominee will review all designated control account reconciliations monthly and evidence that review.

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## 6.9 Accounting records

6.9.1 The college is required by law to retain key financial documents for the current financial year plus six years. Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder. Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations. Reference should be made to the college Document Retention Policy kept by the college's Data Protection Officer.

## 6.10 Public access

6.10.1 Under the terms of the funding agreement, the college's most recent financial statements are uploaded onto the college's website for public access within one month of the date of signature of the financial statements, maintained there for a period of three years and available on request to members of the public, for which a fee may be payable for printing and postage costs, under the college's publication scheme.

## 6.11 Taxation

6.11.1 The Executive Director Finance will issue instructions to the relevant departments on compliance with statutory requirements including those concerning VAT, PAYE, National Insurance, Corporation Tax and Import Duty.

6.11.2 The Executive Director Finance will maintain the college's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

## 6.12 Audit requirements

6.12.1 The college's accounts, financial records, operations and systems shall be subject to audit in accordance with best audit practice, the provisions of the Further and Higher Education Act 1992 and the directives and requirements of the ESFA.

6.12.2 The college shall appoint an internal audit service (if it is deemed this is required for assurance) and external auditors. Internal audit and external auditors shall have authority to:

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

6.12.3 The ARA Committee shall be informed of all additional services undertaken by the internal audit service and funding auditors, where appointed. For external auditors the college is committed to best practice and adopts the same standards adhered to by UK Public Interest Entities in line with the recommendations set out in the Financial Reporting Council's (FRC) Guidance on Audit Committees (2016) and the requirements of the FRC's Revised Ethical Standard (2019). In line with these recommendations and requirements an external audit firm is only appointed to perform a service when doing so would be consistent with both the requirements and overarching principles of the Ethical Standard, and when the skills and experience make it the most suitable supplier. The Ethical Standard requires an assessment of whether it is probable that an objective, reasonable and informed third party would conclude independence is not compromised. The college will avoid the purchase of

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non-audit services wherever feasible and will only make use of them in exceptional circumstances with the approval by the ARA Committee. Appendix 3 shows a table of permitted and unpermitted services. For non-audit services assurance is sought from the external auditors that they have made suitable arrangements to ensure the ethical standards are met.

- 6.12.4 The Executive Director Finance will draw up a timetable for final accounts purposes and will advise staff and the external auditors accordingly. The financial statements should be reviewed by the FEGP Committee. On the recommendation of the FEGP Committee they will be submitted to the Governing Body for approval.

## **External audit**

- 6.12.5 The appointment of external auditors for the main financial statements of the college will take place annually and is the responsibility of the Governing Body. The Governing Body will be advised by the ARA Committee. External auditors shall be recommended for appointment by the ARA Committee to the Governing Body in accordance with the provisions of the Further and Higher Education Act 1992 and the directives and requirements of the ESFA. Competitive tendering of the service is required at least every five years with their performance reviewed annually prior to reappointment. The date of appointment and remaining terms will be included in the ARA Committee annual report.
- 6.12.6 The primary role of external audit is to report on the college's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the funding body's Audit Code of Practice and the Auditing Practices Board's (APB) statements of Auditing Standards.
- 6.12.7 In addition, the funding body may appoint auditors to carry out an external audit of 'Regularity Audit' as per ESFA requirements. The primary role of this audit is to assess that in all material respects, the college's expenditure and income for the year of the audit have been applied to purposes intended by Parliament and the financial transactions conform to the authorities, which govern them.
- 6.12.8 At the conclusion of their audit, an audit opinion on the college's accounts shall be submitted to the Governing Body. In addition, a detailed management letter shall be prepared for consideration by the ARA Committee and Governing Body.

## **Internal audit**

- 6.12.9 The Internal Audit service is appointed by the Governing Body on the recommendation of the ARA Committee. The college's Internal Audit function is to provide independent assurance that the college is meeting its responsibilities under its funding agreements and other regulations. The main responsibility of internal audit is to provide the Governing Body, via the ARA Committee, the Chief Executive and Principal and college Executive with assurances on risk, governance, control and value for money.
- 6.12.10 Internal audit is required by the college, through the Chief Executive and Principal, for maintaining an audit of all aspects of the college's financial affairs. Internal audit has the right of access to any minutes, books, documents or other information kept by the college, and also has the right of access to the Chair of the Governing Body and any college officers. Internal audit will report on the college's activities to the ARA Committee, including an annual report which informs the Audit Committee annual report submitted to the ESFA.

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6.12.11 An Audit Code of Practice for the FE sector was published in 2022. As and when changes to audit requirements are adopted by the Governing Body, these financial regulations will be updated.

6.12.12 The internal audit service remains independent in its planning and operation but has direct access to the Governing Body, Chief Executive and Principal and Chair of the ARA Committee.

### **Changes to Auditors**

6.12.13 Where changes are made to auditors either through resignation or removal by the corporation the ARA Committee must ensure that the ESFA are informed. A change of auditor who has come to the natural end of their period of appointment does not require notification to the ESFA.

## **6.13 Fraud and corruption**

6.13.1 It is the duty of all members of staff, management and the Governing Body to notify the Executive Director Finance immediately whenever any matter arises which involves, or is thought to involve irregularity including fraud, corruption or any other impropriety. The college will apply its Anti-Fraud or Anti-Bribery policies, as relevant in pursuing the matter and will refer to the ESFA, and the police through Action Fraud for matters within their ambit.

## **6.14 Value for money**

6.14.1 The Governing Body 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.

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

## **6.15 Other auditors**

6.15.1 The college may, from time to time, be subject to audit or investigation by external bodies such as ESFA (student records), National Audit Office, European Court of Auditors, HM Revenue and Customs. They have the same rights of access as external auditors and internal auditors.

## **6.16 Income**

6.16.1 All receipt forms, invoices, tickets or other official documentation in use and electronic collection systems must have the prior approval of the Executive Director Finance.

6.16.2 The Executive Director Finance shall have the right to inspect any documents or other evidence as they may decide is appropriate.

### **Funding Agreements, contracts and grants**

6.16.4 The college's proposed annual funding agreements with principal funding bodies (the Education & Skills Funding Agency, and the Office for Students) will be determined each year by the Chief Executive and Principal. The funding agreement will be consistent with the college's approved strategic plan and must be signed by the Chief Executive and Principal.

6.16.5 Other funding agreements and contracts including agreements may be authorised within the conditions specified in Appendix 1. The terms of such agreements, and fees and prices embodied therein, will be determined by the Executive Director Finance.

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6.16.6 Proposals to enter into such agreements should be made in accordance with the college's detailed project management procedures.

6.16.7 Copies of all contracts for income should be lodged with the Executive Director Finance or nominee.

### **Trading activities**

6.16.8 Prices and terms relating to the goods and services supplied by the college in the course of any non-teaching activity will be determined by the Chief Executive and Principal or relevant Executive Director, having regard to guidance issued from time to time by the Executive Director Finance.

### **Tuition Fees and Student Support**

6.16.9 Levels of tuition fees and charges, together with all discretionary fee waivers and refund policies are determined by procedures approved by the FEGP Committee and the Governing Body. Full details of the levels of tuition fees and charges, together with all discretionary fee waivers and refund policies can be found in the Fees and Charges Policy.

### **Credit control**

6.16.10 Prior to entering into any new income-generating contract or agreement, the Executive Director Finance or nominee is responsible for establishing the credit-worthiness of parties contracting with the college utilising, where this is considered to be appropriate, credit referencing agencies to assist in the evaluation.

6.16.11 The Executive Director Finance is responsible for formulating debt write-off procedures for the college. In the context of the procedures, debt write-offs must be authorised within the conditions specified in Appendix 1.

### **Receipts**

6.16.12 All monies received within departments from whatever source must be recorded via a till on a daily basis, together with details of the payment method (for example credit or debit card, cash, or cheque).

6.16.13 All money received shall be banked intact and at regular intervals (at least weekly), having regard to the limitation on holding cash in respect of insurance and security. All monies received must be paid to the cashier promptly, and in accordance with finance procedures for cash handling and transportation. Where cash exceeding £1,000 is being moved, the employee must be accompanied by a security contractor, or a second member of staff. All cash transfers from the Refectory to the main safe at the City and Hillsborough sites must be carried out by two members of refectory staff. The custody and transit of all monies received must comply with the requirements of the college's insurers.

6.16.14 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 any departmental float. Personal or other cheques must not be cashed out of money received on behalf of the college.

### **Receipts by credit or debit card**

6.16.15 The college may receive payments by debit or credit card using the merchant terminals provided. Merchant terminals are also available for use in the refectory, restaurant, salon, student services and nurseries as well as during enrolment and the same rules will apply. Payments can be taken over the phone in the finance office, with the details being entered into the merchant terminal.

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6.16.16 In operating this facility, the college is bound to the Payment Card Industry Data Security Standard (PCI DSS), which is designed to ensure cardholder information is stored, processed and transmitted securely.

### Internet receipts

6.16.17 The college offers an online payment facility to students, staff and customers for secure payment of various fees. Access is via secure login through an external portal. Once a successful payment has been made, a receipt will be generated electronically to the email specified when lodging the cardholder details. The receipt should be retained to support evidence of payment.

6.16.18 In operating this facility the college is subject to continuous risk assessment.

### Third Party and Personal Cheques

6.16.19 Third party cheques must not be cashed from official funds.

### Invoicing and Debt Collection

6.16.20 All requests for payment for goods or services provided by the college should be by official college invoice in a form agreed by the Executive Director Finance or nominee.

6.16.21 The Executive Director Finance should ensure that:

- debtor invoices are raised promptly on official invoices in respect of all income due to the college;
- invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account;
- any credits granted are valid, properly authorised and completely recorded;
- VAT is correctly charged where appropriate and accounted for;
- monies received are posted to the correct debtor account;
- swift and effective action is taken to collect overdue debts, in accordance with the protocols noted in the financial procedures; and
- outstanding debts are monitored and reports prepared for management.

6.16.22 Budget holders and others concerned with the generation of income should ensure that notification of the need for a sales invoice is provided to the Finance Department for all income due to the college as soon as the service is provided, or earlier if circumstances permit. The approval of the Executive Director Finance or nominee is required for any departure from the college's invoicing system.

6.16.23 Where a credit note is raised, it must be authorised by the budget holder.

6.16.24 Appropriate debt recovery procedures shall be determined by the Chief Executive and Principal in discussion with the Executive Director Finance and shall be subject to approval by the FEGP Committee.

6.16.25 A general reserve will be made at each July 31st on the following basis:

- 100% of Student debt is provided for, where the balance has been outstanding for over 30 days;
- 100% of Sponsors and Student Loans are provided for where the balance has been outstanding for over 30 days after the invoice date. The only exception to this being the Advanced Learner Loans where the provision for bad debt will be calculated at 25% of the outstanding Advanced Learner Loans.

6.16.26 On an annual basis, a specific bad debt provision is made for trade debts, based on a review of debts and an assessment of the likely recoverability.

6.16.27 The authority for writing off bad debts is as follows:

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- Individual debts up to and including £10,000, the Executive Director Finance
- Individual debts up to and including £45,000, the Chief Executive and Principal
- Individual debts in excess of £45,000, Chair of Governing Body, on recommendation of FEGP Committee for submission to the Department for Education for approval..

6.16.28 All write-offs will be detailed in writing with any supporting documentation.

6.16.29 All debts written off will be reported to the FEGP Committee.

6.16.30 If an organisation or individual seeks credit the Executive Director Finance or Head of Finance or nominee will be responsible for undertaking an appropriate level of risk assessment prior to the credit being provided. This does not apply to Advanced Learner Loans.

## Student fees

6.16.31 The procedure for collecting tuition fees must be approved by the Executive Director Finance. They are responsible for ensuring that all student fees due to the college are received. Any student who has not paid an amount owing shall be prevented from re-enrolling at the college and from using any of the college's facilities unless appropriate arrangements have been made.

## Refunds

6.16.32 The college seeks to minimise the opportunities for money laundering in accordance with the Money Laundering Regulations 2007. Where refunds are required, they should be made to the original payer and follow the method by which the money was received.

## Student loans

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

## 6.17 Expenditure

6.17.1 The Governing Body will ensure that appropriate policies and procedures are in place to support the acquisition of goods and services in a way that represents the best value for money for the resources committed.

6.17.2 The Chief Executive and Principal shall approve all payment procedures. Any leases or rental agreements which are on-going commitments against the college can only be signed by the Chief Executive and Principal or Executive Director Finance.

## Procurement

6.17.3 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, sustainability, modern slavery and equality legislation and in accordance with sound business practice, taking into account framework agreements as appropriate.

## Authority to Place Purchase Orders

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

6.17.5 A delegation of authority will be agreed by the Governing Body on the recommendation of the FEGP Committee. The Executive Director Finance or his / her nominated individual will maintain records of managers with delegated authority, with limits to their authority; this is maintained in the workflow module of the finance

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system. Purchasing authority may be delegated to named individuals within the department. In exercising this delegated authority, budget holders are required to observe purchasing policies and financial procedures.

- 6.17.6 Only authorised primary and delegated budget holders may commit expenditure on behalf of the college. When committing expenditure on behalf of the college, all budget holders must adhere to the financial procedures on budgetary control. Budget Holders are not authorised to commit the college to expenditure without first ensuring there are sufficient funds to meet the purchase cost.
- 6.17.7 Purchase orders must be raised in the requisition module of the Finance system and authorised in accordance with the workflow authorisation matrix. The authorisation matrix reflects the financial authority limits in Appendix 1, and is maintained by IT. It is the responsibility of the Executive Director Finance or nominee to ensure that changes to workflow authorities are in accordance with Appendix 1. Following approval of a requisition, the Finance system generates a Purchase Order which is sent to the Supplier by email. This order must be in a format approved by the Executive Director Finance or nominee.
- 6.17.8 The budget holder shall not have authority to raise a purchase order requisition in the Finance system. This is to ensure adequate segregation of duties and means that a budget holder is not able to raise a requisition, approve the requisition and receipt goods or services against the order. By exception, a budget holder may have authority to raise a purchase order requisition, but in these instances, the budget holder will not have authority to approve the requisition, which must be obtained from a second budget holder.
- 6.17.9 Where invoices are paid without an approved Purchase Order (for example exams, catering supplies, and charges from subcontractors), the invoice must be approved by the budget holder in the finance system in accordance with the limits in Appendix 1.
- 6.17.10 Amendments cannot be made to a purchase order following approval if an error has been identified prior to the order being despatched to the supplier then it must be deleted and a new one completed unless the change has no financial effect.
- 6.17.11 Authorisers should be aware of their approval limits and should ensure they do not approve purchase orders that exceed these limits. The system is set up so that this should not be possible but should be monitored by the Finance Department.
- 6.17.12 Primary budget holders must ensure that evidence for quotations obtained for goods and services are retained for potential inspection.
- 6.17.13 Both primary and delegated budget holders must remain within the budgets agreed by the Governing Body.
- 6.17.14 All purchase orders exceeding £10,000 in value must be authorised by the Executive Director Finance or other ELT member. Orders below this must be authorised by the relevant Budget Holder. The Executive Director Finance may from time-to-time decide to authorise all orders for a department or budget code, either instead of or in addition to, the authorisation of the Budget Holder.
- 6.17.15 No orders for goods or services above a budget holder expenditure limit set by the college's financial regulations and policies is to be split into segments to produce a multiple set of orders that the budget holder could then authorise.
- 6.17.16 Standing purchase orders may be established for the supply of services over a period of time. For such orders if a cost centre manager is unable to fully complete a requisition with an estimated cost, then the partially completed order should be passed to the Finance Department. This will be held pending further details from the cost centre manager or the supplier.

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## Quotations

6.17.17 When committing expenditure for purchases on behalf of the college, value for money must be obtained. To support this requirement the relevant number of quotes shall be obtained.

Budget Holders must comply with the following:

Total Contract Value (incl. VAT) for each purchase (if the contract is for more than one year then the total value should be combined for all years)	Requirement for quotes
up to £5,000	Two written quotes unless using an approved supplier for a particular supply
Over £5,000 – £10,000	Two written quotes
Over £10,000 - £50,000	Three written quotes
Over £50,000	Competitive tender

Following this, expenditure needs to be approved as follows:

Total Contract Value (incl. VAT)	Approval
Up to £10,000	Budget Holder
Over £10,000 –£50,000	Executive Leadership Team / Executive Director Finance
Over £50,000 – £500,000	Chief Executive and Principal / Executive Director Finance
Over £500,000 and above	Chair of Governing Body on approval of FEGP Committee

## One supplier quotes

6.17.18 The primary budget holder may source quotations for goods and/or services from one supplier only in cases where:

- The supply is to deal with an emergency and is below £10,000 in value (or if above £10,000 by agreement with the Principal);
- The supply is a highly specialised technical or professional service and is below £10,000 in value, subject to receiving approval from the Executive Director Finance;
- There is only one source of supply;
- Short term extensions to existing contracts are sought in case of an emergency, for the protection of life and property; or
- The college is part of a number of consortiums, led by another organisation, or buys through an approved Agency e.g. Crown Commercial Services (CCS), Crescent Purchasing Consortium (CPC).

## Procurement Waivers

6.17.19 The Governing Body recognises that quotations and tendering arrangements may not always be in the interests of the college or practical for example, including those stated above. The Governing Body, however, stipulates that all single source supplies over £10,000 must have the approval of the Chief Executive and Principal or Executive Director Finance prior to the single source supply being undertaken. Any such waivers will be reported to FEGP Committee on a regular basis.

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- 6.17.20 Preferred supplier status must be approved by the Chief Executive and Principal or Executive Director Finance for a designated period where evidence is provided by the budget holder to demonstrate value for money for this arrangement.
- 6.17.21 The background supporting the above proposal must be documented and kept with the order
- 6.17.22 The Governing Body shall ensure that the college adheres to the principles of open and competitive practices for the award of contracts and will adopt a procurement policy to give effect to these principles.
- 6.17.23 The Governing Body stipulates that all supplies over an estimated value of £50,000 (incl. VAT) must be subject to competitive tendering.
- 6.17.24 Tendering arrangements will be used for any services where the Governing Body sees fit, in addition to services explicitly contained in the college's procurement procedures.
- 6.17.25 The Chair of the Governing Body on approval of FEGP Committee will be required to approve all tenders with an estimated value of £500,000 per annum (exclusive of VAT) and above in terms of their annual commitment.
- 6.17.26 The Chief Executive and Principal will approve all tenders where the estimated value is above £200,000 and less than £500,000 (exclusive of VAT) in terms of the annual commitment.
- 6.17.27 The Governing Body may establish a capital committee to oversee the development of large scale building projects. Terms of reference will be established from project to project as required.
- 6.17.28 Where appropriate, the use of framework agreements can be used to support a more effective and agile procurement process. Frameworks must be put in place following an appropriate tendering process.

## **Contract Signatories**

- 6.17.29 Contracts for expenditure must be authorised as specified in Appendix 1. Any expenditure requiring the college to accept contract terms other than payment of agreed fees/price must be signed by the Chief Executive and Principal, or if they are not available, the Executive Director Finance. This applies to all contracts for supply within the delegated authority of the Chief Executive and Principal even where the Budget Holder has delegated authority to place an order. Where the Governing Body has authority to approve expenditure then governors will seek assurance that the Chief Executive and Principal recommends approval of the contract for signing.
- 6.17.30 Contract documents requiring the use of the college common seal include:
- contracts to extend the limitation period from 6 to 12 years [e.g. building contracts];
  - contracts explicitly described as a deed or required by law to be executed as a deed [e.g. transfer of land, mortgages etc];
  - other documents as advised by the Governance Advisor and Clerk to Governing Body or solicitors.
- 6.17.31 Normally the application of the college common seal to a document by the Governance Advisor and Clerk to the Governing Body will be authenticated by the Chair of Governors or a Vice Chair (or another member of FEGP Committee) and one other member of the Governing Body, and in all cases by two members of the Governing Body. The Clerk may, for operational reasons, entrust the common seal temporarily to the Executive Director Finance and authorise such individual to exercise the Clerk's duties under this regulation.

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6.17.32 The Governance Advisor and Clerk to the Governing Body is responsible for ensuring that the common seal is stored securely and for reporting its application to documents to the Governing Body.

6.17.33 A register detailing each application of the seal will be maintained by the Clerk, recording:

- date;
- document sealed;
- authorised person applying seal; and
- details of governors who have witnessed/authorised the application of the seal.

## **Receipt of goods**

6.17.34 All goods received should be checked for quantity and inspected for quality and specification.

6.17.35 Proof of each delivery must be obtained from the supplier in the form of a time stamped photograph, or a delivery note signed by the person receiving the goods. If goods received are deemed to be unsatisfactory the supplier should be contacted immediately so that the goods can be returned as soon as possible. If goods received are fewer than planned the suppliers should also be notified immediately.

6.17.36 The same person must not raise a purchase order requisition, approve the requisition and acknowledge receipt of goods or services. In most cases this will be ensured by the budget holder who approves the requisition not having authority to raise a requisition.

## **Authority to Pay Invoices**

6.17.37 The Head of Finance or Executive Director Finance are authorised to make payments on behalf of the college on the receipt of evidenced approval of expenditure in accordance with the financial authority limits in Appendix 1 and that the value of this supporting documentation agrees with the payment value of each transaction.

6.17.38 Payments are normally made by electronic means (BACS or banking software).

6.17.39 Approval of the weekly BACS payment run to suppliers consisting of invoices approved on the Accounts Payable system is covered in section 6.17.49. The finance system will release any invoice for payment that matches a purchase order that was approved in the finance system in accordance with the financial authority limits in Appendix 1. The finance system will also release an invoice for payment for which a purchase order has not been raised, but where the invoice has been approved in the finance system in accordance with the financial authority limits in Appendix 1.

6.17.40 Approval of the monthly BACS payroll is covered in section 6.18.16.

6.17.41 Prior to approving a supplier payment run in the finance system, the Head of Finance or Executive Director Finance will be responsible for ensuring that all changes in supplier Masterfile details (inc. changes to bank details) have been checked to appropriate supporting documentation, including the signature of the member of the Finance team who has carried out this check.

6.17.42 Payments made using banking software must be approved by two persons with appropriate authority. Payment batches totalling less than £10k can be approved by a bank mandate signatory or the Head of Finance. Payment batches totalling between £10k - £50k must be approved by a bank mandate signatory. Payment batches totalling over £50k must be approved by either the Chief Executive and Principal or the Executive Director Finance.

6.17.43 A person who approves a payment using banking software cannot set the payment batch up; this must be done by a member of the Finance Team, who must ensure

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that the value of each payment requested agrees to that of the supporting documentation.

6.17.44 With regard to the payment of other financial transactions made via banking software or manual cheque (excluding supplier invoices released for payment by the finance system), these must be approved as follows.

- **Payroll deductions**

Deductions for tax, pensions and other third-party payments are approved as part of the payroll as described in section 6.18.16. Following approval of the payroll, the People Operations and Payroll Manager, or nominee, will request the payment of each deduction to be made by Financial Accounts and provide evidence of approval of the payroll amounts in accordance with section 6.18.16. These payments will be made using banking software and approval for payment will be in accordance with section 6.17.42 above.

- **Apprenticeship & Learner Support payments**

Budget holders can approve batch payments to the value of £10,000, with approval from a member of the Executive Leadership Team for payments above this amount. These payments will be made using banking software and approval for payment will be in accordance with section 6.17.42 above.

- **Payment of supplier invoices** approved in the finance system, but paid separately to the weekly supplier BACS payment run, can be approved by either the Head of Finance or Executive Director Finance, in accordance with section 6.17.49

- **Transfers between bank accounts**

Transfers between bank accounts and to / from deposit can be carried out with approval from either the Head of Finance or Executive Director Finance.

6.17.45 From time to time manual cheques will be raised by a member of the Financial Accounts team. These must be signed by one person on the bank mandate if below £5,000 or by two persons on the bank mandate if greater than this amount.

### **Authorisation limits**

6.17.46 These are detailed within Appendix 1.

### **Authorisation and Payment of Creditors Invoices**

6.17.47 The Executive Director Finance or a nominee implement and monitor the arrangements for the examination, verification and certification of invoices for payment and for the allocation of expenditure to the relevant account codes. The Executive Director Finance will decide on the most appropriate method of payment for categories of invoices.

6.17.48 All invoices shall be authorised in accordance with financial procedures. Budget Holders will ensure that expenditure within their departments does not exceed funds available. Suppliers should be instructed by the person placing the order to submit invoices to the Finance Department. Care must be taken to ensure that discounts receivable are obtained. A record of specimen signatures shall be maintained and held by the Executive Director Finance, or nominee, of officers authorised to certify invoices for payment.

6.17.49 The Finance Manager will ensure the payment of all valid invoices. Payments will not be made against documents other than invoices. Payments to UK suppliers will normally be made by BACS transfer each week, and the payment shall be approved by Head of Finance or one person on the bank mandate. From time to time manual

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cheques will be raised by the Accounts Assistant – Accounts Payable and be signed by one person on the bank mandate if below £5,000 or by two cheques signatories if greater than this amount. All invoices received by the college for the payment of goods and services should be forwarded to the Finance team in the first instance for recording on the system. The Finance team will distribute them to the relevant team in the college for consideration and approval where appropriate. See section 6.19.25 below regarding payments made by electronic funds transfer.

- 6.17.50 Direct debit instructions must be signed by two signatories from the bank mandate.
- 6.17.51 Payment will only be made against invoices which have been certified for payment by the appropriate budget holder (usually by approval of the purchase order requisition followed by acknowledging receipt of the goods or services). By certifying an invoice for payment, the officer is stating that:
- the goods or services have been received/carried out;
  - the goods comply with the details on the college’s order;
  - the goods are of acceptable quality;
  - the invoice details (quantity, price, discount) are correct;
  - the invoice is arithmetically correct;
  - the invoice has not previously been passed for payment (i.e. that it is not a duplicate request for payment); and
  - they have quoted an appropriate cost centre code– this must be one of the cost centre codes included in the budget holder’s areas of responsibility and must correspond with the types of goods or services described on the invoice.

### Return of goods, cancellation of orders

- 6.17.52 If it is found necessary to return any goods, or claim against a supplier, or an order be cancelled, then the Executive Director Finance or nominee within the Financial Accounts Team must be informed in writing in accordance with the Financial Procedures, and be provided with the following information:
- the supplier;
  - the original order/contract number;
  - the reason for return, dispute or cancellation;
  - the value of any credit note due; and
  - copies of any relevant correspondence with the supplier.
- 6.17.53 Payment will be withheld until the appropriate credit is received or the matter is finalised to the budget holder’s satisfaction (except where these provisions are overridden by the standing orders on contracts).

### Procurement thresholds and Regulations

- 6.17.54 Any contract for goods and services valued in excess of current procurement thresholds £189,330 from 1 Jan 2021 must be advertised through Find a Tender (FTS) unless it is an exception specifically defined in the regulations. It should be noted that the thresholds vary from time to time (normally every two years).
- 6.17.55 Any significant contracts should therefore be checked against the latest thresholds on the government website or with college’s Head of Procurement who will maintain up to date information on the thresholds. The Head of Procurement will advise the college regarding the application of government public tendering requirements.
- 6.17.56 Additional authorisation controls apply to the acquisition of capital items with an anticipated purchase cost greater than £170,000 (incl. of VAT) in order to ensure that:
- compliance with any relevant procurement legislation has been achieved;

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- the proposal has been considered in any appropriate wider context (e.g. computer equipment proposals within the IT strategy framework);
- the financing of the proposal has been agreed and any related borrowing arrangements are in accordance with the college's financial agreement with the appropriate funding bodies;
- the acquisition is affordable, in the context of the college's financial plans;
- the acquisition represents value for money for the college.

## Construction Procurement Guidelines

- 6.17.57 Building contracts above £1,000,000 are monitored by the Investment Projects Board which will be appointed by the Executive Director Finance to review and evaluate them. Capital Projects are supported by the Executive Director Finance where approved.
- 6.17.58 Proposals will normally be initiated by the Head of Estates in respect of planning replacements, general improvement schemes, space planning or in response to requests from departments.
- 6.17.59 Consultants may be appointed if the project, as determined by the Investment Projects Board, is too large or too specialised for Estates Department resources. Appointments shall be subject to tendering and other procedures where appropriate.
- 6.17.60 Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the Executive Director Finance as appropriate for Investment Projects Board consideration. Investment appraisals should comply with appropriate funding body guidance.
- 6.17.61 Following consideration by the Investment Projects Board and the Executive Director Finance, and approved by the Governing Body, submissions should be forwarded to the funding body or donor where appropriate. If the required agreement is secured from the funding body, funding body procedural rules should be followed. Funding body guidance on best practice should be followed even when funding body approval is not required.
- 6.17.62 The achievement of value for money will be an objective in the letting of all contracts. For all contracts over £100,000 per annum, (inclusive of VAT) a post project review will be completed to ensure quality of work and value for money. This will be reported back to the Governing Body.
- 6.17.63 Where contracts are lower than the above thresholds but there is the possibility that they may be exceeded then the Government Procurement requirements must be followed. If they are not followed, but are subsequently breached, then the Executive Director Finance will decide on the action required.

## Purchases from family and friends

- 6.17.64 Purchases from family and friends are discouraged due to the potential conflict of interest and may only occur if there is a compelling reason why such a transaction should take place. Therefore, unless there are exceptional circumstances, with prior agreement obtained in writing from the Chief Executive and Principal or Executive Director Finance. Members of staff must make such interests and connections known to the Chief Executive and Principal or Executive Director Finance in advance.

## Contracts Register

- 6.17.65 The Governing Body requires the college to keep an up to date contract register for all contracts of any value and to make it available for inspection by any college governor on request. This will be the responsibility of the Executive Director Finance

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who will liaise with relevant business units including People, Finance, IT, Estates, Data Protection, Business Development and Faculties.

## **Prompt payment**

- 6.17.66 The Governing Body delegates to the Executive Director Finance the responsibility to ensure that the payment of invoices complies with any statutory requirements on prompt payment.
- 6.17.67 Undisputed invoices shall be paid within 30 days of the date of issue, or on longer terms if specified by the supplier. The college shall publish an annual report at the end of each financial year to show the college's performance in complying with the 30 day payment requirement.

## **Corporate Credit Card**

- 6.17.68 There will be appropriate oversight of the distribution of corporate credit cards and the associated card limits.
- 6.17.69 Holders of cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Such cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. Cards must not be loaned to another person nor should they be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs.
- 6.17.70 The Executive Director Finance shall determine what information is required on purchases made with cards from cardholders and deadlines for receipt in the finance office to enable financial control to be maintained. There should be appropriate segregation of duties with those reviewing and reconciling cards not holding or using those cards.
- 6.17.71 Where a business need for a procurement card has been identified, Employees must apply individually for a corporate credit card (currently supplied by Barclaycard) as the card will be in the name of the employee. The application form will need to be signed by the Executive Director Finance. The form will detail the limit to be put in place and the types of expenditure authorised for the card. Cash withdrawals will not normally be approved for a corporate credit card.
- 6.17.72 Cards will be received into the Finance Office and will need to be signed for alongside a form acknowledging responsibilities as a card holder. Procurement will be responsible for holding copies of acknowledgements of responsibilities from individuals. The Senior Finance Business Partner will be responsible for ensuring expenditure incurred is recorded correctly.
- 6.17.73 When a cardholder requires an increase to their limit and it is not urgent, authorisation will be required by their line manager. Temporary increases for specific purchases can be made by the Executive Director Finance or nominee.
- 6.17.74 Cardholders will be responsible for completing and returning the Expenditure Authorisation Form, credit card statement and all receipts to the finance office on a monthly basis. The Expenditure Authorisation form will need to be signed off by the individual and their line manager. Failure by the cardholder to submit a return by the end of the following month will result in the card being suspended.
- 6.17.75 All correspondence with Barclaycard will be via the Executive Director Finance or nominee. When an employee leaves the organisation their budget holder will be required to ensure that their member of staff returns the card to the Finance Office

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for safe disposal. The Head of Finance will have responsibility for ensuring that the card is cancelled promptly.

## **New Suppliers**

- 6.17.76 Where the college seeks to use a new supplier, the relevant Budget Holder will need to complete a new supplier form. This will include information provided by the supplier as well as confirmation from the Budget Holder of the value of the order, anticipated annual spend and confirmation that the correct procurement procedures have been followed based on the expected level of expenditure per annum. If this is below £500 then this will be rejected and an alternative supplier from the existing database will need to be selected. Each form will be maintained in the finance department and reviewed by the Head of Finance or their nominee. A report will be produced for all new suppliers entered onto the financial system before each supplier BACS pay run, and this will be authorised by the Head of Finance or Finance Manager prior to the supplier BACS pay run being approved.
- 6.17.77 The bank details of the new supplier will be verified by the finance department, by contacting the supplier by telephone. The phone number will be verified against the website of the organisation, or against the number being used by the employee who wishes to place a purchase order with the new supplier. Details of the verification will be recorded on the new supplier form and approved by the Head of Finance or their nominee.

## **Changes to Standing Data for Existing Suppliers**

- 6.17.78 Any change to standing data for existing suppliers will need to be supported by a written request from the supplier.
- 6.17.79 Any change to supplier bank details will be verified by the finance department, by contacting the supplier by telephone. The phone number will be verified against the website of the organisation, or against the number being used by the employee who wishes to place a purchase order with the new supplier. Details of the verification will be recorded on the new supplier form and approved by the Head of Finance or their nominee.
- 6.17.80 Any change to supplier phone number will be verified by the finance department against the website of the organisation, or with the employee who manages the relationship with the supplier.

## **Late Payment Rules**

- 6.17.81 The Late Payment of Debts (interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments for 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; and
  - The college can be sued for non-payment.
- 6.17.82 In view of the penalties in this Act, the Governing Body requires that invoices must be passed for payment as soon as they are received.

## **Other Payments**

### **Giving Hospitality**

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6.17.83 Staff entertaining guests from outside bodies at lunch time should normally use the college's catering facilities. Where this is not the case reasons must be stated when submitting a claim for reimbursement.

6.17.84 It is an offence under section 7 of the Bribery Act 2010 for commercial organisations to fail to prevent persons associated with them from bribing another person on their behalf.

## **Telecoms**

6.17.85 The college provides mobile phones for employees where there is a genuine business requirement to enable performance of employment duties.

## **Provision of clothing**

6.17.86 Where clothing is provided to employees whose duties require them to wear a uniform the clothing must bear the college logo. The logo must be permanent and clearly identify the wearer as a member of staff.

## **Fund raising**

6.17.87 Departments and student groups may organise fund raising events with the intention of donating the proceeds to charity. In such cases the responsible manager shall ensure that the fund raising events are organised in an appropriate manner. Discretion is given to the organisers of each event to decide which organisation the proceeds will go to.

6.17.88 Any charitable donations made by the college from its own funds should be authorised by the Chief Executive and Principal. Charitable donations can only be made to a charity with the same charitable object as the college, being mindful of any potential safeguarding issues with the recipient organisation.

6.17.89 Cheques must be stamped with a restrictive crossing approved by the Executive Director Finance, which will indicate that they are to be credited to an account of the college.

## **Third Party Outward Collaboration – Subcontracted provision**

6.17.90 The college adheres to relevant ESFA rules and guidance in respect of subcontracting and is audited by an external audit practice on an annual basis to provide assurance on all relevant systems and control in respect of the management of subcontracted delivery. This assurance report is providing to the ARA Committee for review.

6.17.91 The college has a Subcontracting: Supply chain retained funding and charges policy which is published on the college website in accordance with ESFA regulations

6.17.92 Detailed procedures for managing subcontracted provision shall be produced and approved by the Executive Director – Commercial & Operations. The procurement thresholds set out for general contracts and purchases in Appendix 1 do not apply to Subcontracted provision. Instead, where the anticipated value of delivery is less than £170,000 (incl. VAT), the Subcontractor Performance Management Committee will select an appropriate delivery partner. Where the anticipated value of delivery is in excess of £170,000 (incl. of VAT) the Executive Leadership Team will select an appropriate delivery partner.

6.17.93 All subcontracted provision must be approved in advance by the Subcontractor Performance Management Committee, and all contracts authorised and signed off in accordance with Appendix 1. This committee is also responsible for any and all variations to, or early termination of, subcontracting agreements.

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6.17.94 Where the college is acting as a subcontractor to another organisation, the college will adhere to their regulations, which would normally be based on the ESFA guidance.

## 6.18 Pay Expenditure

### Remuneration Policy

6.18.1 All college employees shall be paid according to the salary scales approved by the Governing Body. Where these scales are not appropriate, the contract must be approved by the Chief Executive and Principal.

6.18.2 The Governing Body will determine whether other benefits are to be available, the basis of their provision and the staff to whom they are available.

6.18.3 Salaries and other benefits for Senior Post holders (as defined by Article 1.1 of the Instrument and Articles of Government, will be determined by the Search, Remuneration and Governance Committee (SRG) set up by the Governing Body. Consideration will be given to His Majesty's Treasury Senior Pay Controls which specifically applies to salaries above £150,000 and bonus payments of £17,500 or more.

6.18.4 Bonus payments would be subject to the provisions sets out in the relevant bonus scheme.

### Appointment of Substantive Staff

6.18.5 The recruitment of staff to the college, Sparks Managed Services Ltd and Sparks Solutions Ltd is subject to approval though a defined recruitment request process through which budget holders must make a business case for the need to recruit. Approval of requests to recruit must be given by the Chief Executive and Principal or their nominee.

6.18.6 All contracts of service shall be appointed in accordance with the college's approved People practices and procedures and all offers of employment with the college shall be made in writing by the Executive Director People or their nominee. Budget holders shall ensure that the Executive Director Finance and the Executive Director People, are provided promptly with all the information they may require in connection with the appointment, resignation or dismissal of employees.

6.18.7 The college will normally use its own resources to recruit staff. In the event of a suitable person not being sourced using college resources, the Budget Holder can request to utilise a recruitment agency. Such a request can be approved by the Executive Director People or their nominee. When selecting a recruitment agency, the Budget Holder must liaise with the People Recruitment and Operations team. The College Master Vendor agreement should be referred to in the first instance. Where they are unable to meet the requirement, a college preferred supplier should be used in the second instance. Other agencies may only be used with the written approval of the Executive Director People, the rate must be agreed in advance and should be no more than the equivalent rates for the preferred supplier(s).

### Appointment of agency staff

6.18.8 Temporary hourly paid staff will normally only be appointed through Sparks Teaching Services Ltd. This can be requested by a Budget Holder without a requirement for an approved request to recruit, however the Budget Holder is responsible for managing their expenditure and under no circumstances should agency staff bookings be made where the Budget Holder has no or insufficient budget available to fund the appointment.

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- 6.18.9 In the event of a suitable person not being sourced from Sparks Teaching Services Ltd within a reasonable period, the Budget Holder has the authority to source temporary hourly paid staff from an agency. When selecting a recruitment agency, the Budget Holder must liaise with the People Recruitment and Operations team. A college preferred supplier should be used in the first instance. Other agencies may only be used with the written approval of the Executive Director People, the rate must be agreed in advance and should be no more than the equivalent rates for the preferred supplier(s).
- 6.18.10 Agency staff bookings should not be made in respect of substantive college staff unless this is for work above and beyond their substantive role. Substantive teaching staff should only be booked through an agency once it is certain that they will exceed their contracted teaching hours for the relevant academic year.

## **Appointment of Self-employed Contactors**

- 6.18.11 For roles where Sparks Teaching Services Ltd staff are not appropriate, the vacancy must be advertised internally in the first instance. In the event of a suitable person not being sourced using college resources, the Budget Holder has the authority to engage with a self-employed contractor. The Budget Holder is responsible for managing their expenditure and under no circumstances should self-employed contractors be engaged where the Budget Holder has no or insufficient budget available to fund the appointment.
- 6.18.12 Each engagement with self-employed contractors must be assessed under HMRC employment status rules. The Budget Holder must liaise with the People Recruitment and Operations team and complete the HMRC questionnaire (“IR35 questionnaire”). In the event of the questionnaire indicating that the engagement needs to be treated as an employment, the contractor will have to be paid via Payroll, with PAYE and NI deducted, and employer’s national insurance paid to HMRC.

## **Salaries and Wages**

- 6.18.13 All remuneration payments must be made through the college payroll unless an alternative arrangement has been agreed in writing with the Chief Executive and Principal or their nominee.
- 6.18.14 Time records or other pay documents shall be in a form agreed by the Chief Executive and Principal and shall be certified by such officer(s) of the college as authorised by the Chief Executive and Principal.
- 6.18.15 Only the Chief Executive and Principal or nominee can vary payroll standing data. The Chief Executive and Principal will ensure that there are satisfactory arrangements in place to notify the People Payroll team of all commencements, variations and terminations for inclusion in the payroll.
- 6.18.16 Prior to payment, the Chief Executive and Principal or nominee will review the payroll including the total pay to staff to be made and third-party deductions such as pension and tax payments. This review will be evidenced by signing the monthly payroll report which details the payments to be made to each employee as well as related payroll deductions including pension and payments to HMRC. A copy of these reports should be retained for audit purposes.
- 6.18.17 All payments must be made in accordance with the college’s detailed payroll financial procedures and comply with HMRC regulations. Staff should be aware that the college could incur penalties for non-compliance with such regulations.
- 6.18.18 Only the Chief Executive and Principal or nominee can authorise an advance of salary. Such an advance will be no more than one month net pay entitlement of the employee, unless otherwise confirmed by the Chief Executive and Principal or

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nominee and repayment is confirmed in writing by the employee concerned. All advances will be recouped via deductions from salary payments unless otherwise agreed. All advances will fall due in total if an employee leaves.

- 6.18.19 The Executive Director Finance is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All sessional and part time employees will be included in the payroll.
- 6.18.20 The Chief Executive and Principal or nominee will be responsible for all returns to HMRC such as P35, P14, P11d etc., and will ensure the accuracy and timely completion of such returns.
- 6.18.21 The Executive Director People or their nominee will be responsible for the physical security of all payroll records and the password security of any computer system related to payroll used by the college.
- 6.18.22 The Executive Director People or their nominee will be responsible for the provision of payroll information monthly for entry into the college financial reporting system. Following entry, the accuracy of this data will be verified and reconciled by the Senior Finance Business Partner and reviewed by the Head of Finance.
- 6.18.23 The Executive Director People or their nominee will provide full details of the amounts payable in respect of PAYE, NI, pensions and any other deductions to the Head of Finance.
- 6.18.24 The Executive Director Finance or nominee will ensure that all third party deductions are paid in accordance with statutory or other requirements.
- 6.18.25 The Executive Director People or their nominee will update payroll with employment related changes to ensure accuracy of the payroll. This includes:
- appointments, resignations, dismissals, supervisions, secondments and transfers;
  - absences from duty due to 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 and tax and national insurance; and
  - visa checks where relevant in accordance with legislative requirements.

## Superannuation schemes

- 6.18.26 Staff will automatically be enrolled in the relevant pension scheme on starting employment if they are aged 22 or over and earn more than the £10,000 threshold. Other staff not eligible for automatic enrolment may opt into the relevant pension scheme. Auto-enrolment of all staff employed will also occur to meet legislative requirements.

## Expenses and allowances

- 6.18.27 The college has dispensation from HMRC to make payments to employees for certain specified items without the deduction of tax. Reimbursement by the college of expenditure not included in the dispensation is subject to the deduction of income tax before payment.
- 6.18.28 Claims for expenses incurred by staff of the college in carrying out official duties, shall be paid at rates authorised by the Governing Body and submitted on pre-printed expenses claim forms or online form in accordance with administrative procedures.
- 6.18.29 All claims for expenses must be signed by the Budget Holder. For senior staff and governors, the following structure will apply:

Claimant	Authorised by
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Governors	Clerk (<£250), Chair of Governors (>£250)
Chief Executive and Principal	Chair of Governors
Clerk	Chief Executive and Principal
Executive	Chief Executive and Principal
Chair of Governors	Chair of Audit and Risk Assurance Committee

**Travel, subsistence and other allowances**

- 6.18.30 All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Executive Director Finance.
- 6.18.31 Claims by members of staff must be authorised by their Budget Holder (or Chief Executive and Principal or Executive Director Finance in the case of Budget Holders). The certification by the Budget Holder shall be taken to mean that:
- The journeys were authorised;
  - The expenses were properly and necessarily incurred;
  - The allowances are properly payable by the college; and
  - Consideration has been given to value for money and environmental impact in choosing the mode of transport.
- 6.18.32 Arrangements for travel by the Chief Executive and Principal or members of Governing Body shall be approved as above in section 6.18.27. Arrangements for travel by the Chair shall be approved by the Chair of the Audit and Risk Assurance Committee.

**Relocation expenses**

- 6.18.33 Under particular circumstances the college may have a strong preference for staff appointed to live in the locality, in which case a relocation allowance will be made up to a maximum of £5,000. Such provision would be made in the application to make an appointment [RR1] and would be approved by the Executive Director People or by Governing Body in respect of senior post holders.
- 6.18.34 The allowance would be valid for twelve months from the date of appointment and be payable against receipts to cover:
- removal costs
  - legal fees
  - survey fees
  - estate agent fees
  - soft furnishings
  - weekend family visits to view properties.
- 6.18.35 Should the post become vacant for whatever reason within 24 months, the individual would be required to repay the allowance calculated on a monthly incremental basis.

**Overseas travel**

- 6.18.36 In further education colleges, all arrangements for overseas travel must be approved by the Chief Executive and Principal or nominee in advance of committing the college to those arrangements or confirmation of any travel bookings.
- 6.18.37 The expenses policy and procedure covers travel and subsistence costs in relation to both UK and overseas trips and visits.
- 6.18.38 Educational visits (including those overseas) are governed by the Educational Visits procedure and should be referred to by staff planning trips overseas. This policy includes guidance on the appropriate levels of staff: student ratios for trips. This policy

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requires authorisation of the visit by the Deputy Chief Executive/Deputy Principal or Executive Director People.

- 6.18.39 For any overseas trips made by staff or Members of the Governing Body on college business, authorisation must be obtained prior to the trip taking place. For staff, authorisation should be obtained from the Chief Executive and Principal with requests being made in writing, giving the reason for the trip and a schedule of anticipated costs. Any overseas travel undertaken by the Chief Executive and Principal or any Member of the Governing Body must be authorised in advance by the Chair of the Governing Body and reported to the Governing Body. Overseas travel undertaken by the Chair of the Governing Body must be authorised by the Chair of the Audit and Risk Assurance Committee and reported to the Governing Body. All costs in relation to overseas trips should be recorded separately on the finance system to enable the college to comply with reporting requirements.

### **Allowances for Members of the Governing Body**

- 6.18.40 Claims from members of the Governing Body will be authorised by the Clerk to the Governors. Claims for the Chief Executive and Principal will be authorised by the Chair and the Chief Executive and Principal will authorise expenses for the Clerk. Claims for meeting attendance will be based on out of pocket expenses but only reasonable expenses may be reimbursed, as permitted by the Governor Expenses Policy.

### **Severance and other non-recurring payments**

- 6.18.41 Severance payments shall only be made in accordance with relevant legislation and funding body guidance and under a scheme approved by the Governing Body through the FEGP Committee. Professional advice should be obtained where necessary. No amounts shall be expended which exceed the budget allocated for the purpose. Payments up to £15,000 shall be authorised by the Executive Director People or the Executive Director Finance or the Chief Executive and Principal. Payments between £15,000 and £30,000 which do not exceed the contractual cost of the employee leaving can also be approved by the Executive Director People, the Executive Director Finance or the Chief Executive and Principal. Payments exceeding the above must be approved by the Chief Executive and Principal. Any settlement relating to a Senior Post Holder must be approved by the Governing Body. Where a non-statutory/non-contractual element of severance pay is greater than 3 month's salary for an individual or £50,000 or over, Department for Education approval is required. Furthermore, any proposed payments of whatever value that are linked to a non-disclosure agreement will also require Department for Education approval and where supported will be referred to His Majesty's Treasury for final consent. In addition, in accordance with current guidance on Public Sector Exit Payments, colleges must obtain Department for Education approval before making a special staff severance payment where an exit package includes a special severance payment which means the total package is at, or above, £100,000 and/or the employee earns over £150,000. Regardless of these limits above, any special severance payment which is novel, contentious or repercussive, of whatever value, must be referred to the Department for Education for approval and where supported, will be referred to His Majesty's Treasury for approval. Where approval is required the college will not enter into any legally binding agreements until the approval has been obtained. Amounts paid shall be declared in the financial statements.
- 6.18.42 Compensation payments provide redress for loss or injury. Where a compensation payment is being considered, the decision must be based on a careful appraisal including taking legal advice where relevant to ensure value for money. Where the

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college concludes that a compensation payment is due this may be approved within the same delegated authority limits in place for severance payments (see 6.18.41) and Department for Education prior approval is required for non-statutory/non-contractual payments of £50k or more.

- 6.18.43 Any ex-gratia payments regardless of value must always be referred to the Department for Education for approval. Such payments include meeting hardship caused by official failure or delay and to avoid legal action due to official inadequacy.
- 6.18.44 All matters relating to an employment tribunal shall be notified to the FEGP Committee at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

## **ASSETS**

### **6.19 Treasury Management and Investment**

- 6.19.1 The Governing Body shall approve a Treasury Management Policy outlining the strategy and parameters surrounding the investment of surplus funds as well as in relation to long term investments and borrowings. They will require compliance with any funding body rules (Department for Education) regarding approval for any secured or unsecured loans and any changes in terms and conditions for existing borrowing. The FEGP Committee is responsible for overseeing effective implementation, monitoring and review of such policies.
- 6.19.2 All executive decisions concerning borrowing, investment or financing shall be delegated to the Executive Director Finance and an appropriate reporting system set up. Any borrowing shall be undertaken in the name of the college and shall conform to any relevant funding body requirements. The Executive Director Finance and their staff are required to act in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) code of practice.
- 6.19.3 The Executive Director Finance shall have delegated power to invest funds on a day-to-day basis in accordance with this policy.
- 6.19.4 The Executive Director Finance shall provide information to each meeting of the FEGP Committee detailing any investment decisions taken since the last meeting.

### **Borrowing**

- 6.19.5 If the college is considering borrowing, the college must consider the authorisation and approval requirements of the Department for Education. This may apply to both secured and unsecured borrowing
- 6.19.6 Short term unsecured borrowing for temporary revenue purposes shall be authorised by the Chief Executive and Principal within limits determined and approved by the Governing Body. Approval will be required from the Department for Education for such borrowing to be undertaken. The Executive Director Finance shall report such short term borrowing to the FEGP Committee at the earliest opportunity.
- 6.19.7 Borrowing for periods in excess of twelve months shall require the authorisation of the Governing Body.
- 6.19.8 The Executive Director Finance or nominee will maintain records of all borrowing of monies by the college.

### **Short term investments**

- 6.19.9 The Chief Executive and Principal or nominee is authorised to arrange the temporary investment of funds and will maintain records of all investments by the college.
- 6.19.10 All investments shall be made in the name of the college.

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6.19.11 Investments will be made on the advice of the College bankers or other professional advisors. These investments will be restricted to the following investment instruments:

- Bank Deposit and Notice Deposit Accounts;
- Building Society Deposits;
- Government Bonds; \*
- Money Market.

\* Corporate bonds are not included.

### **Long term investments**

6.19.12 No long term (over 1 year) investments will be made by the college without the approval of the FEGP Committee and the decision to invest will be supported by advice received from the college's appointed bankers or other professional advisors.

### **Appointment of Bankers and other professional advisers**

6.19.13 The Governing Body is responsible for the appointment of the college's banking and other professional financial advisers on the recommendation of the FEGP Committee.

### **Banking arrangements**

6.19.14 The Executive Director Finance shall be responsible on behalf of Governing Body, for liaising with the college's bankers in relation to the college's bank accounts.

6.19.15 Opening or closing bank accounts will be in accordance with the approved Treasury Management policy. No other department or section shall be empowered to operate a bank account in the name of the college and no cheques or financial instruments made payable to the college shall be endorsed and credited to any other account.

6.19.16 All automated transfers on behalf of the college, such as BACS and CHAPs, must be authorised in the appropriate manner and on the basis approved by the FEGP Committee. Details of authorised persons and limits shall be provided in the detailed financial procedures and on the bank mandate.

6.19.17 The Executive Director Finance will ensure that all bank accounts are subject to regular reconciliation and that large and unusual items are investigated as appropriate.

### **Bank Mandates & Petty Cash**

6.19.18 The bank mandate should include the following office-holders:

- Chief Executive and Principal
- Executive Director Finance
- Governance Advisor and Clerk to the Governing Body and
- Executive Director People.

6.19.19 All cheques exceeding £5,000 in value and any other banking documents must be signed by at least two of the above.

6.19.20 Any changes to authorised signatories may only be approved by the Governing Body. When a direct debit is authorised and linked to a contract, one signature must always be the Executive Director Finance.

6.19.21 The provision of banking services to the college shall be subject to periodic review.

6.19.22 The Finance Manager (or nominee who is not a cheque signatory) will order and control all bank stationery.

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- 6.19.23 No payments should be made in cash which could be paid through the normal creditor payments routine. Cash payments for travel or subsistence expenditure should only be made in exceptional circumstances.
- 6.19.24 Payments from petty cash must be approved by the budget holder and will be limited to minor items of expenditure not exceeding £75. In exceptional circumstances the Executive Director Finance or the Chief Executive and Principal may authorise larger amounts. **See Appendix 1.**

## **Electronic Transfer of Funds**

- 6.19.25 Supplier invoices and other payment requests can be settled by electronic funds transfer where the document has been authorised in accordance with Signing Limits in Appendix 1. Approval is required from two persons who are included in the online payments' authority list. One of these must be a bank mandate signatory where the value of the transfer is more than £10,000. For payments where the value exceeds £50,000, one of these must be the Chief Executive and Principal or Executive Director Finance.
- 6.19.26 A nominated member of the Finance Department will input details of the beneficiary's name, bank account number and the amount and date of the transfer on to the banking software.  
Nominees include Accounts Assistants in the Financial Accounts team.
- 6.19.27 The Executive Director Finance, Head of Finance, Finance Manager, or Senior Finance Business Partner will check that the details are correct to supporting documentation and will approve the transaction on the banking software.
- 6.19.28 Changes to the list of persons who have authority to set up an online payment, and changes to the list of persons who can approve payments (including approval limits) can only be made with electronic approval from two nominated administrators. Administrators shall be the Executive Director Finance, the Clerk to the Governing Body, Head of Finance or Finance Manager. One approval must come from the Executive Director Finance or the Clerk to the Governing Body. Changes to Administrators must be approved by the Executive Director Finance.

## **Students' Union**

- 6.19.29 The Students' Union is a constituent part of the college and as such is responsible to the Governing Body. Elected officers for the Students' Union will comply with these financial regulations in managing the financial resources of the Students' Union.
- 6.19.30 Subject to any constraints imposed by the funding body, the Executive Leadership Team shall approve the level of any grant to be paid annually to the Students' Union and approve the budget for the year.
- 6.19.31 In accordance with the agreement between the college and the Students' Union, the college's internal audit shall have access to the records, assets and personnel within the Students' Union in the same way as in other areas of the college.

## **6.20. Land, Buildings, Fixed Plant and Machinery**

### **Recording of fixed assets**

- 6.20.1 New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Land will not be depreciated.

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- 6.20.2 Expenditure incurred on repair or refurbishment of existing buildings will not be capitalised unless it can be demonstrated that the asset has been improved from its previously assessed state.
- 6.20.3 The purchase, lease or rent of land or buildings or fixed plant can only be undertaken with authority from the Governing Body, with approval of leases delegated within the contract values set out at Appendix 1 and with reference to funding body requirements where exchequer funded assets or exchequer funds are involved.

### **Capital Assets – assets exceeding £2,000 (including VAT)**

- 6.20.4 All assets with a value of more than £2,000 inclusive of VAT and a useful life exceeding five years, should be capitalised along with those that are part of a project with an overall value of more than £2,000. Assets should be recorded in the fixed asset register in accordance with section 6.20.6 below. The relevant department head shall be accountable for maintaining proper security of all buildings, furniture, equipment, plant, stores and all other assets of the college and shall ensure that such assets are recorded on a departmental inventory in accordance with section 6.20.6 below.

### **Capital Assets – Assets of less than £2,000 (including VAT)**

- 6.20.5 Items costing less than £2,000 with a useful life exceeding five years will be capitalised where they are part of a project with a value in total of more than £2,000. In all other circumstances they are expensed to the Income and Expenditure account.

### **Fixed Assets Register**

- 6.20.6 The register of all items capitalised will be maintained by the Finance Department – this will be reconciled to the general ledger monthly by the Head of Finance. The Head of Finance will maintain a register of all items that are capitalised in accordance with the Financial Procedures applying to the system in use. A separate inventory of IT equipment will also be maintained by the Head of IT and Development. Budget Holders will provide the Head of Finance with any information they may need to maintain the register.
- 6.20.7 All capital expenditure is subject to Executive approval. Once approval is obtained, the item may be purchased subject to compliance with the financial regulations. The Purchase Order should clearly state that the expenditure is for a capital item. The Finance Department will allocate a unique project code and ensure that the asset is accounted for and entered onto the Fixed Asset Register as noted above.
- 6.20.8 Fixed asset items should be included in the fixed asset register by the Head of Finance or nominee following completion of the project.
- 6.20.9 Individual department heads will maintain a register of all inventory items held within their department in accordance with the Financial Procedures, referring to Non-Capitalised Inventory items. The IT department will maintain a register of IT assets and the Estates Department will hold a register for plant and equipment.
- 6.20.10 The Executive Director Finance or nominee will ensure that a three year rolling annual check of the fixed assets is made and to also ensure that there are annual checks of equipment on the IT asset register.
- 6.20.11 When transferring equipment e.g. between departments a transfer record must be kept and the fixed assets register amended accordingly.
- 6.20.12 All IT assets should be security tagged for identification.
- 6.20.13 Land and Buildings may be revalued in line with the requirements of FRS102 with a revaluation reserve in place for the revalued amounts. The Executive Director

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Finance may also authorise revaluation of the rebuilding costs of college buildings as necessary, for insurance purposes.

## Depreciation

- 6.20.14 Depreciation rates applicable to college assets will be determined by the FEGP Committee on the recommendation of the Executive Director Finance.
- 6.20.15 All capital assets are depreciated on a straight line basis so as to write off their cost over their useful economic life. Assets are depreciated at the following rates with a full year of depreciation being charged in the year an asset becomes operational:
- New Building 50 years (straight line)
  - Fixtures and Fittings 10 years (straight line)
  - Equipment 10 years (straight line)
  - Motor Vehicles 5 years (straight line)
  - IT (hardware and software) 5 years (straight line)

## Disposals

- 6.20.16 All fixed asset register disposals must be reported to the Executive Director Finance or nominee using the Fixed Asset Disposal Form. A copy of this form will be sent out periodically to Budget Holders as a reminder of the requirement to complete.
- 6.20.17 The Head of Information Technology and Development will maintain details of IT fixed assets being disposed of and will inform Finance annually of the disposals which have taken place.
- 6.20.18 Any disposal must also take account of any directives, requirements and guidance issued by any funding body that the asset was originally purchased by.
- 6.20.19 Non Land asset disposals should be authorised in accordance with Appendix 1.
- 6.20.20 Disposals of land and buildings must only take place with the authorisation of the Governing Body. Funding body consent may also be required if exchequer funds were involved in the acquisition of the asset. Proceeds from the disposal of assets should be held for reinvestment in capital assets and information relating to this may be required by the Department for Education.

## Location

- 6.20.21 Budget Holders are responsible for the care, custody and security of the buildings, stocks, stores, furniture, cash etc under their control. They should consult with the Executive Director Finance in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 6.20.22 college property shall not be removed from college premises otherwise than in accordance with the ordinary course of the college's business, or used otherwise than for the college's purposes, except in accordance with specific directions issued by the Chief Executive and Principal or nominee. Any property removed shall be recorded in a schedule maintained by the Budget Holder/curriculum area concerned.
- 6.20.23 Assets owned or leased by the college shall not be subject to personal use without proper authorisation.

## Inherited Assets

- 6.20.24 Assets inherited from the Local Education Authority are capitalised at cost and depreciated on a straight line basis over their remaining useful economic life to the college.

## Assets under Construction

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6.20.25 These will be capitalised at cost and are not depreciated until they become operational. The Finance Business Partner will ensure this is accounted for correctly.

## Assets Acquired with the Aid of Specific Grants

6.20.26 Where capitalised assets are acquired through the aid of specific grants they are capitalised and depreciated as undertaken for other tangible fixed assets. The related grants will be released to a deferred capital grant account and released to the Income and Expenditure account when the college is entitled to the funds, subject to any performance related conditions being met.

## Stocks and Stores

6.20.27 The Executive Director Finance or nominee is responsible for the maintenance of sufficient records of stores as is required for accounting, costing and financial record purposes.

6.20.28 Budget Holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. Budget Holders are responsible for ensuring that regular inspections and stock checks are carried out.

6.20.29 All items should be delivered to the delivery point designated on the order, where they should be checked against the order form and the delivery note signed by the receiving officer.

6.20.30 All stocks shall be issued from stores in accordance with procedures established by the Head of Finance.

6.20.31 Reconciliation and internal audit of the count will be undertaken by individuals independent of the holder of the stocks.

6.20.32 The stock return should be submitted to the Head of Finance identifying the range of items held, the quantity, the value (using an average of prices paid), the date of the stock-take and the officers taking stock. Any significant discrepancies should be identified and reported to the Executive Director Finance.

## College Properties

6.20.33 The Head of Estates is responsible for maintaining a comprehensive database of properties used by the college within which details of freehold and leasehold properties including leasing and/or licencing terms will be recorded. The Chief Executive and Principal is responsible for providing any information required to populate this database. Details of the terms upon which the college is permitted use of other premises that it does not own must also be recorded within the system. The information held will be sufficiently detailed to allow the verification and authorisation of rates payments, utility charges and miscellaneous charges for use.

6.20.34 The use of any new property, even where it is provided at no cost to the college, must be approved in advance by the Executive Director Finance. In addition, authorisation of any new property leases are subject to the contract limits set out in **Appendix 1**.

6.20.35 The college Head of Estates will ensure that the Executive Director Finance and the FEGP Committee are presented with an opportunity to consider the extension or termination of all property leases at least 12 months in advance of the current lease agreement end date.

## Assets Held Under Leasing Agreements

6.20.36 Assets may be leased rather than purchased outright. This decision will be assessed by the Head of Finance, who will analyse the discounted cash flows for the option to lease and the option to buy outright

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- 6.20.37 Assets acquired under a lease are subject to the same authorisation controls as assets purchased outright. These are listed in Appendix 1
- 6.20.38 Before a lease is signed, a clear understanding must be obtained of ownership at the end of the initial lease term / obligations on the college at the end of the lease.
- 6.20.39 Confirmation must be obtained that the leased asset will be covered under the insurance policies held by the college; if this is not the case, a separate arrangement must be made. If a decision is taken not to procure insurance cover for an asset, this must be in agreement with the Clerk to the Governing Body.
- 6.20.40 The lease agreement must be signed by the Budget Holder if the total lease payments over the term of the agreement (inc. VAT) amount to less than £10,000. Where total lease payments amount to over £10,000, the lease agreement must be signed by the Executive Director Finance. Where total lease payments over the term of the agreement inc. VAT amount to over £170,000, the signature of the Chair of Governing Body or nominee is required on approval of FEGP Committee.
- 6.20.41 The authority limits in 6.20.40 above also apply to the renewal of an existing lease.
- 6.20.42 If lease payments are agreed to be paid using direct debit or standing order, the instruction to the bank to set up the payment must be signed by two signatories from the bank mandate.
- 6.20.43 For all leases, the Executive Director Finance is responsible for ensuring that changes to details of equipment leased by the college are recorded as leased assets in the fixed asset register, and that records are reconciled with those of the lessor.

## 6.21. Insurance

- 6.21.1 As part of the overall risk management strategy, all risks will have been considered and those most efficiently dealt with by insurance cover will have been identified. This is likely to include important potential liabilities such as terrorism and provide sufficient cover to meet any potential risk to all assets.
- 6.21.2 Insurance (and brokerage services, if applicable) will be subject to periodic market testing, including a full tender exercise at least every 5 years. Any exception to this must be authorised by the Governing Body.
- 6.21.3 The Executive Director Finance shall keep a register of all insurances effected by the college and the property and risks covered. They will deal with the college's insurers and advisers about specific insurance problems.
- 6.21.4 Budget Holders must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the college may be exposed. Executive Director Finance advice should be sought to ensure that this is the case.
- 6.21.5 Budget holders will consult with the Executive Director Finance on:
- all new risks, assets and liabilities which may require to be insured (including any alterations affecting risk)
  - any loss, damage, claim or event which might give rise to a claim by or against the college
  - all leases of property granted by or to the college which involve a transfer of insurance cover and
  - the terms of any indemnity which the college is requested to give.
- 6.21.6 Estates & Services manager is responsible for keeping suitable records of plant which is subject to inspection by an insurance company, or a body approved by the insurer, and for ensuring that inspections are carried out in the periods prescribed.

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

## **Insurance Claims**

- 6.21.8 The Clerk to the Governing Body is responsible for the administration of claims and logging of related details. Details of all incidents, accidents, losses and damage to college property and complaints which may lead to a claim, must be recorded and reported to the Governance Advisor and Clerk to the Governing Body in accordance with college procedures. Settlement of claims will be in accordance with the financial authority limits in **Appendix 1**.

## **6.22 Security**

- 6.22.1 Keys to safes or other similar containers must be kept securely at all times. The loss of such keys must be reported to the Executive Director Finance immediately.
- 6.22.2 All staff shall be responsible for maintaining the 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 to network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act and related legislation. A data protection officer shall be nominated to ensure compliance with the Act and the safety of documents.
- 6.22.3 The Executive Director Finance is responsible for the safekeeping of official and legal documents relating to the college. Signed copies of deeds, leases, agreements and contracts must therefore be forwarded to the Executive Director Finance. All such documents shall be held in appropriately secure, fireproof location and copies held at a separate location.

## **6.23 Taxation**

### **Value Added Tax**

- 6.23.1 The college is registered for VAT and must complete VAT returns to HM Customs & Excise, as required. The designated VAT Officer shall maintain the VAT records for the college and shall make all VAT payments and receive all VAT credits, as appropriate and be responsible for the preparation of Customs and Excise returns. When preparing the VAT return, the VAT Officer shall ensure the correct application of any Partial Exemption Special Method agreement that may be in place with HMRC. The VAT Officer is also responsible for confirming that the correct amount of input VAT has been reclaimed.
- 6.23.2 Each return will be reconciled to the appropriate general ledger control accounts and will be reviewed by the Executive Director Finance or their nominee.

### **Corporation Tax**

- 6.23.3 The college may be liable for corporation tax on any profit-making activities that it undertakes. The Executive Director Finance will be responsible for ensuring that any liabilities in this area are identified and reported accurately to the Inland Revenue.
- 6.23.4 All returns will be reviewed by the Chief Executive and Principal or nominee prior to despatch and evidenced as such.

## **6.24 New Ventures**

- 6.24.1 In certain circumstances, the college may decide to enter into new ventures, such as partnerships, collaboration, outreach centres, subsidiary companies etc.

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- 6.24.2 Governing Body approval is required for all new significant ventures.
- 6.24.3 The Chief Executive and Principal will prepare business plans for all new ventures for submission to the Governing Body. This will be reviewed in detail by the appropriate Committee(s) before consideration and final approval by the Governing Body.
- 6.24.4 The business plan will be prepared by delegated budget holders in consultation with the Chief Executive and Principal or nominee and in accordance with any criteria or timetable approved by the FEGP Committee.
- 6.24.5 The business plan shall be presented by the Chief Executive and Principal to the Board in a form approved by the Board and in accordance with a timescale determined by them and with such information as is necessary to support the estimates.
- 6.24.6 Proposals which, if approved, commit the college to a level of expenditure greater than that provided in the budget year shall be reported to the FEGP Committee in such a manner that clearly shows the future level of commitment.
- 6.24.7 The Governing Body will establish the shareholding arrangements and approve the appointment of the initial Board of directors of companies wholly or partly owned by the college. These and other arrangements will be set out in a memorandum of understanding.
- 6.24.8 The creation of a college subsidiary company is a four stage process. A strategic business case must first be presented to the Executive Team for consideration and approval. If approval is given, a more detailed outline business case should be presented to FEGP Committee for consideration approval. FEGP Committee will then determine whether a full business plan should be submitted to the Governing Body for authorisation of subsidiary incorporation to be considered. Approval is then required from the DfE.
- 6.24.9 The Directors of any college subsidiary will take full responsibility for its management and performance. Subsidiary company performance will be formally reported to Governors on a regular basis, no less than once per term.
- 6.24.10 The college financial regulations will apply to any college subsidiary. Any exceptions to this must be approved in advance by the FEGP Committee.

## **6.25 Nominees**

- 6.25.1 If the Chief Executive and Principal or any other officer appoints a nominee to act on their behalf, then that appointment must be confirmed in writing and reported to the next meeting of the FEGP Committee.
- 6.25.2 The Executive Director Finance will maintain a list of all such nominations together with specimen signatures. (Appendix 2)

## **6.26 Amendments to the Financial Regulations**

- 6.26.1 The Executive Director Finance may authorise minor amendments to these regulations to update them to reflect changes to roles, titles and funding body requirements. Such minor changes will be reported to FEGP Committee at least annually. Substantial amendments to these financial regulations must be approved by the Governing Body.

## **6.27 Provision of Indemnities**

- 6.27.1 Any member of staff asked to give an indemnity, for whatever purpose, should consult the Executive Director Finance before any such indemnity is given. Any indemnity which is outside the normal course of business, guarantees and letters of comfort in

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excess of £45,000 will require Department for Education consent and must not be entered into until consent is provided.

## 6.28 Data Protection

6.28.1 The college is committed to the principles inherent in the General Data Protection Regulation (GDPR), the Data Protection Act 2018 and associated legislation. Please refer to the college **GDPR Policy**.

## 6.29. Modern Slavery Act

6.29.1 The college publishes its Modern Slavery and Human Trafficking Statement on its website in accordance with the requirements of the Modern Slavery Act 2015

6.29.2. The college undertakes activities during the year to ensure that its business and supply chains are slavery free.

## 6.30. Register of Interests

6.30.1 In addition to members of the Governing Body, Executive Leadership Team, Budget Holders and any other staff with significant financial responsibility are required to complete a register of interests and to update this at least annually. All register of interest forms are retained by the Clerk to the Corporation and are available for public inspection.

## 7. MONITORING AND REVIEW

7.1 The application of the Financial Regulations is monitored as part of the control framework internally.

7.2 An annual review of the Financial Regulations will take place and any amendments presented to the FEGP Committee for discussion.

7.3 Any significant legislative changes likely to impact on the Financial Regulations will be notified to the FEGP Committee and the ELT so that arrangements for compliance can be put in place.

## 8. SUPPORTING/RELATED DOCUMENTS

Following the reclassification of the FE College Sector as public bodies by the Office for National Statistics on the 29 November 2022 with immediate effect the following documents are relevant to the Financial Regulations:

- a) Managing Public Money [Managing public money - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- b) Guidance for approval of Senior Pay [Guidance for approval of senior pay - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- c) Guidance on Public Sector Exit Pay [Public Sector Exit Payments Guidance on Special Severance Payments - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

### APPENDIX 1

#### FINANCIAL AUTHORITY LIMITS

All values shown below are inclusive of VAT and other relevant taxes

Reference	Item	Authorisation	
		Value	Position

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6.5	Receipt of Gifts and hospitality	Up to £50	Member of ELT / Chief Executive and Principal Chief Executive and Principal (for Executive Leadership Team) Chair of Governing Body (for Chief Executive and Principal) Chair of Audit Committee (for Chair of Governing Body)
		Over £50	Not normally accepted unless authorised by the Chief Executive. (Chair of Governing Body for Chief Executive and Principal).
6.7.20, 6.20.3, 6.20.34, 6.20.40	Capital Expenditure	Up to £170,000	As per purchase requisition authorisation (see below)
		Purchases at £170,000 or above	Chair of Governing Body or Chief Executive and Principal, reported to FEGP Committee
		Contracts at £170,000 or above	Chair of Governing Body on approval of FEGP Committee
5.15.2, 6.9, 6.17.4, 6.17.22, 6.17.34, 6.17.90	Purchase requisitions	Up to £10,000	Budget holder
		Over £10,000 - £50,000	Member of ELT / Executive Director Finance
		Over £50,000 – £500,000 for approved budgets and pre-approved suppliers	Chief Executive and Principal / Member of ELT
		Over £500,000	Chair of Governing Body on approval of FEGP Committee Chair of Governing Body
6.16.4	Contracts for services provided by the college	Up to £500,000	Chief Executive and Principal / Executive Director Finance
		Over £500,000	Chair of Governing Body, on recommendation of FEGP Committee.
6.16.11 & 6.16.27	Write off of debts: amounts relate to individual debts (and not to the batch total of periodic debt write offs)	Up to £10,000	Executive Director Finance
		Over £10,000 - £45,000	Chief Executive and Principal
		Over £45,000	Chair of Governing Body, on recommendation of FEGP Committee for approval request from the Department for Education.
6.17.17	Obtaining Supplier Quotes	Up to £5,000	Two written quotes unless ordering from a pre-approved supplier
		£5,001 to £10,000	Two written quotes
		£10,001 to £50,000	Three written quotes
		Over £50,000	Competitive Tender
6.17.14 & 6.17.17	Choice of Supplier	Up to £10,000 (where not covered by college contract).	Budget holder, who shall take appropriate steps to ensure value for money.
		£10,001 to £50,000	Procurement Team after receipt of 3 written quotes.
		Over £50,000	Procurement Team to recommend in writing to contract signatory, following formal tender exercise.
		Over £200,000	Supplier selection to be authorised by the Chief Executive

		Over £500,000	Supplier selection to be authorised by Chair of Governing Body on approval of FEGP Committee
6.17.29	Contract Signatories	Up to £500,000	Chief Executive and Principal / Executive Director Finance
		Over £500,000	Chair of Governing Body, on recommendation of FEGP Committee.
6.18.29, 6.18.30	Travel and subsistence claims		
	Chief Executive and Principal (UK)	All	Chair of Governing Body
	Chief Executive and Principal (Overseas)	All	Chair of Governing Body, on recommendation FEGP Committee.
	Directors and Clerk (UK)	All	Chief Executive and Principal
	Directors and Clerk [Overseas]	All	Chair of Governing Body
	All other staff	Up to £250	Budget holder (or budget holder's line manager)
		Over £250	Member of ELT/ Chief Executive and Principal Clerk
	Governors	Up to £250	Chair of Governing Body
		Over £250	Clerk
Chair of Governing Body	Up to £250	Chair of Audit and Risk Assurance Committee	
	Over £250		
6.19.24	Petty Cash	Up to £75	Budget Holder
		Over £75	Chief Executive and Principal / Executive Director Finance
6.17.47	Payments by cheque or direct debit	Up to £5,000	One signatory from the bank mandate
		Over £5,000	EDF + another signatory from the bank mandate
6.19.25	Approval of Purchase ledger BACS payments (for invoices already approved in line with this appendix)	£3m	Head of Finance or Executive Director Finance
6.19.25	Payments by electronic funds transfer	Up to £5,000	Two persons from the list of authorised online approvers
		Over £5,000 - £25,000	Two persons from the list of authorised online approvers, one of whom must be a bank mandate signatory
		Over £25,000	Two bank mandate signatories
6.20.19	Asset Disposals (excluding land and buildings)	<i>Estimated value:</i> Up to £5,000	Executive Director Finance
		Over £5,000 - £50,000	Chief Executive and Principal
		Over £50,000	Chair of Governors
6.20.34	Lease agreements	Within the authority of the CEP All other leases	Chief Executive and Principal / Executive Director Finance

			Chair of Governing Body, on recommendation of FEGP Committee.
6.21.8	Settlement of Insurance claim	Up to £50,000	Executive Director Finance
		Over £50,000	Chair of Governing Body, on recommendation of FEGP Committee

## Appendix 2

### Nominees

The Following list is applicable to the 2022/23 Financial Regulations

Section number	Section name	Description	Nominee
5.12	Executive Leadership Team responsibilities	Maintaining security of computer systems	Head of IT and Development
6.7.1	Financial planning	Preparation of annual estimates	Head of Finance
6.8.4	The Accounts	Develop a coding structure for the general ledger	Head of Finance
6.8.5	The Accounts	Authorisation of the journals to the General ledger	Head of Finance
6.8.6	The Accounts	Perform a detailed review of the management accounts	Head of Finance
6.8.11	The Accounts	Review designated control reconciliation accounts	Head of Finance
6.16.7	Funding Agreements	Copies of contracts for income are to be lodged with	Head of Finance
6.16.10	Credit Control	Establish the creditworthiness of parties contracting with the college	Head of Finance
6.16.20	Invoicing and debt Collection	Determine the form of college invoices	Head of Finance
6.16.22	Invoicing and debt Collection	Departure from the invoicing system	Head of Finance
6.16.30	Invoicing and debt Collection	Assess risk of providing credit to an organisation of individual	Group Accountant
5.9.7	Procurement	Responsible for the procurement function	Head of Finance
5.9.7	Authority to place purchase orders	Maintain records of managers with delegated authority	Head of Finance
6.17.7	Authority to place purchase orders	Changes to workflow authorities are in accordance with Appendix 1	Head of Finance
6.17.47	Authorisation and Payment of creditors invoices	Arrangements for examination verification and certification of invoices	Head of Finance
6.17.48	Authorisation and Payment of creditors invoices	Maintaining a record of specimen signatures	Head of Finance
6.17.52	Return of goods, cancellation of orders	Person to be informed if goods are to be retained, claims against a supplier made or order cancelled	Accounting Services Manager
6.17.73	Corporate credit card	Arrange temporary increases for credit card purchases	Head of Finance
6.17.75	Corporate credit card	Correspondence with Barclaycard	Head of Finance
6.17.76	New suppliers	Reviewing requests for new suppliers	Group Accountant
6.17.77	New suppliers	Verification of bank details	Accounting Services Manager
6.17.79	Change to standing data for existing suppliers	Verification of bank details	Accounting Services Manager

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6.18.5	Appointment of substantive staff	Approval or requests to recruit to college, SMS and SSL	Executive Director People
6.18.6	Appointment of substantive staff	Offers of employment	Head of HRPOM
6.18.7	Appointment of substantive staff	Recipient of requests to use an agency to recruit staff	Head of Finance
6.18.9	Appointment of Agency Staff	Approval for the use of agency staff	Head of HRPOM
6.18.12	Appointment of self-employed contractors	Provide consent for use of self-employed contractors	Head of HRPOM
6.18.13	Appointment of self-employed contractors	Responsible for maintenance of all personal records	Executive Director People
6.18.13	Salaries and wages	Responsibility for the preparation of payroll and payment of salaries wages and other emoluments to employees. Agree for payments to made outside of the payroll process	Executive Director People and/or Executive Director Finance
6.18.15	Salaries and wages	Ability to vary payroll standing data	Executive Director People and/or Executive Director Finance
6.18.16	Salaries and wages	Review of payroll prior to payment	Executive Director People and/or Executive Director Finance
6.18.18	Salaries and wages	Authorise advance of salary	Executive Director People and/or Executive Director Finance
6.18.20	Salaries and wages	Responsible for all returns to the HMRC	Executive Director People and/or Executive Director Finance
6.18.21	Salaries and wages	Responsible for the physical security of all payroll records	HRPOM
6.18.22	Salaries and wages	Provision of payroll information for entry into the financial reporting system	HRPOM
6.18.23	Salaries and wages	Provision of amounts payable for deductions to the Head of Finance	HRPOM
6.18.24	Salaries and wages	responsible for ensuring third party deductions are paid in accordance with statutory requirements	Head of Finance
6.18.25	Salaries and wages	Responsible for updating payroll with employment related changes to ensure the accuracy of payroll	HRPOM
6.19.8	Borrowing	Maintain records of all borrowing of monies	Head of Finance
6.19.9	Short term investments	Arrange temporary investment of funds, and maintain records of investments	Executive Director Finance
6.19.22	Petty cash	Responsible for ordering stationary	Accounting Assistant- Accounting Services
6.19.26	Electronic transfer of funds	Input details of beneficiaries into the banking software	Accounts Assistants in the Accounting Services team
6.20.10	Fixed assets register	Ensure a three year rolling annual check of fixed assets	Head of Finance
6.20.16	Disposals	To be notified of fixed asset register disposals	Head of Finance

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6.20.22	Location	Allow college property to be removed from college premises for reasons outside the ordinary course of the college's business	Executive Director Finance
6.20.27	Stocks and Stores	Responsible for maintenance of records of stores	Head of Finance
6.20.40	Assets held under leasing agreements	Signing of lease payments over £170,000	Chair of FEGP Committee
6.23.2	Value added tax	Reconcile VAT returns	Head of Finance
6.23.4	Corporation tax	Review of all Corporation Tax returns	Executive Director Finance
6.24.4	New ventures	To be consulted with in preparation of the business plan	Executive Director Finance

APPENDIX 3

Category of work	Permitted Statutory and audit related	Permitted Audit and assurance related	Permitted Non-audit advisory services	Not permitted
Risk management services		IT and other controls reviews	Advice on design and implementation of policies, controls and security arrangements	Systems implementation
General accounting		Training support for accounting and risk management projects  Advice on the preparation of financial statements	Advice on bookkeeping services  Advice on processing payrolls	Preparation of accounting entries  Preparation of financial information
Taxation	Review of tax provisions as part of audit work			Preparation of tax returns  Regular advise on tax matters and recent developments  Advice on complex or high risk tax matters  Submission of returns and correspondence with tax authorities  Valuations which are solely for tax purposes  Preparation of accounting entries for tax
Acquisitions	Accountants' reports.	Due diligence and related advice	Lead broker/dealer services	

	Reporting on financial assistance	Audit of completion accounts	Advice on post deal integration  Preparation of forecasts or investment proposals	
Disposals	Audit of “carve-out” financial statements	Vendor due diligence	Advice on negotiation and sale memorandum  Preparation of sale memorandum  Lead broker/dealer services	
External reports	Reporting accountants’ reports			