

Financial Regulations

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Description:

These Regulations set out the principles and the main conventions governing financial and accounting practices at Craven College. They are designed to ensure the proper administration of the College's finances, and to satisfy the requirements of a Further Education College under the Further and Higher Education Act of 1992 and all of the supporting documentation listed below. The College Financial Regulations are binding on all College employees.

Supporting documentation:

- Further and Higher Education Act 1992 (subsequent legislation and related regulations)
- Companies Act 2006
- Statement of Recommended Practice – Accounting for Further and Higher Education
- Charities Act 1993 as amended by the Charities Act's 2006, 2011 and 2016.
- Audit Code of Practice issued by the ESFA
- Funding letters and Memorandum issued by Funding Bodies
- International Standards on Auditing (UK)
- The Code of Good Governance for English Colleges
- Anti-Fraud and Anti-Bribery Policy
- Anti-Money Laundering Policy
- Investment Policy
- General Data Protection Regulation Policy
- College's Articles of Government

CRAVEN COLLEGE

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A: GENERAL PROVISIONS AND GOVERNANCE

1. DEFINITIONS AND EXPLANATIONS

- 1.1 **The College** shall mean Craven College, a Corporation established under the Further and Higher Education Act 1992.
- 1.2 All references to **The Corporation** are to the members of the Corporation appointed under the Act. This is the body to which the Principal reports and which is responsible to the Chief Executive Education and Skills Funding for discharging the functions of the College. For the purposes of these regulations the terms, The Corporation, The Governing Body and The Board shall have the same meaning.
- 1.3 **The Principal** shall mean the Principal and Chief Executive of the College who is the **Accounting Officer** and responsible for the activities of the College. As the College's Accounting Officer, they may be required to justify any of the College's financial matters to the Public Accounts Committee at the House of Commons.
- 1.4 **The Funding Provider** is the Education and Skills Funding Agency.
- 1.5 **The Vice Principal Finance and Resources** shall mean the Director of Finance or Director of Finance and Resources who is responsible for financial administration of the College and for ensuring that the College has satisfactory systems of financial control and management.
- 1.6 **The Director of Governance** shall mean the Clerk to the Governing Body.
- 1.7 **Budget Holder** is any member of staff who has been assigned a budget to manage – capital or revenue.
- 1.8 **Line Manager** is a member of staff with management responsibility for other members of staff.
- 1.9 **Audit Committee** – Colleges are required by their Instrument and Articles of Governance, their financial memorandum with the Funding Provider and by the Funding Provider's Audit Code of Practice to appoint an Audit Committee. The committee is independent, advisory and reports to The Corporation.
- 1.10 **Remuneration Committee** – Consideration of senior post holders pay, benefits and conditions and recommendation to The Corporation.
- 1.11 **Finance, Resource and Investment (FRI) Committee** – Monitoring of the College's financial position and financial control mechanisms is undertaken by the Finance, Resources and Investment Committee. The Committee will examine annual estimates and accounts and recommend their approval to the Corporation. It will ensure that short term budgets are in line with agreed longer term plans and that they are followed. It will consider any other matters relevant to the financial duties of the Corporation and make recommendations accordingly. The committee will also ensure that the Corporation has adequate information to enable it to discharge its financial responsibilities.
- 1.12 **Financial Procedures Manual** - detailed manual setting out how the Financial Regulations will be implemented.

2. INTRODUCTION

- 2.1 The College is a further education corporation created under the provisions of the Further and Higher Education Act 1992. Its structure of governance is laid down in the instruments and articles of governance. The College is accountable through its Corporation.
- 2.2 The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011.
- 2.3 The financial memorandum between the Funding Provider and the Corporation sets out the terms and conditions on which funding is made. The Corporation is responsible for ensuring the conditions

of funding are met. As part of this process, the College must adhere to the Funding Body code of practice which require it to have sound systems of finance and management control.

3. STATUS AND PURPOSE OF FINANCIAL REGULATIONS

- 3.1 These Financial Regulations provide a framework of accounting and financial controls within which staff of the College must operate to protect accountability of public funds, ensure value for money is achieved and that resources are applied properly for the achievement of the College's strategic aims and objectives.
- 3.2 Failure to comply with any terms of these Financial Regulations is a disciplinary offence and may be dealt with under the College's Disciplinary Procedures.
- 3.3 These Financial Regulations are determined by the Governing Body under power conferred by the Articles of Government. These regulations are subordinate to any restrictions within the Financial Memorandum between the Governing Body and the Education and Skills Funding Agency and the Audit Code of Practice.
- 3.4 The Finance, Resources and Investment (FRI) Committee is responsible for maintaining a continuous review of the Financial Regulations, through the Vice Principal Finance and Resources. The Committee must approve any changes and amendments to the Financial Regulations.

4. FINANCIAL RESPONSIBILITIES

- 4.1 The respective responsibilities of the Governing Body and the Principal are set out in the College's Instrument and Articles of Government. The role of the Governing Body is to set objectives for the College, to determine the limits on the Principal's discretion to act, to monitor the performance of the College, the Principal and itself and to be accountable to the College's stakeholders. The role of the Principal is to manage the College towards the objectives set by the Governing Body and within the limits they have prescribed. As Accounting Officer, the Principal is responsible for the College's application of public funds.
- 4.2 The financial responsibilities of the Governing Body include:
 - Ensuring the solvency of the College and safeguarding the College's assets.
 - Ensuring that the financial, planning and other management controls, including controls against fraud and theft, applied by the College are appropriate and sufficient to safeguard public funds.
 - Approving the appointment of the Financial Statements and Regularity Auditor and an Internal Audit Service.
 - Securing the efficient and effective management of all the College's resources and expenditure, capital assets and equipment, and staff, so that the investment in public funds in the College is not put at risk.
 - Ensuring that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution.
 - Planning and conducting its financial and academic affairs so that its total income is sufficient, taking one year with another, to meet its total expenditure.
 - Approving a budget before the start of each financial year.
- 4.3 There shall exist in the College an Audit Committee and a Remuneration Committee, and in addition a further finance related committee to advise on financial, employment and estates matters, namely the Finance, Resources and Investment (FRI) Committee.

- 4.4 The Principal is required to take personal responsibility, which cannot be delegated, for ensuring the proper and effective operation of financial controls, and for giving effect to the Governing Body's policies for securing the efficient, economical and effective management of all the College's income, assets and expenditure.
- 4.5 The Principal is responsible for preparing a budget for consideration and approval by the Governing Body and for managing the College within the budget approved by the Governing body.
- 4.6 To assist the discharge of their responsibilities, the 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. Budget Holders are responsible to the Principal for ensuring that the action which they take is in accordance with the Financial Regulations.
- 4.7 The Vice Principal Finance and Resources is responsible to the Principal for advising on the financial aspects of the College's policy and on the financial administration of the College and for ensuring that the College has satisfactory systems of financial control and management.
- 4.8 The Vice Principal Finance and Resources shall be responsible to the Principal for preparing annual and monthly accounts for the College. The annual accounts shall be prepared in accordance with guidelines issued by the Education and Skills Funding Agency and conform to recommended accounting practice.
- 4.9 The Finance, Resources and Investment (FRI) Committee has the duty under its terms of reference to consider, review and advise the Governing Body on the annual accounts. The Audit Committee has the duty under its terms of reference to advise the Governing Body on control issues included in the Financial Statements and Regularity Auditor's management letter and management's response to this.
- 4.10 The annual financial statements shall be submitted to the Finance, Resources and Investment (FRI) Committee for consideration (with the auditor's management letter for information, if available) and the auditor's management letter shall be submitted to the Audit Committee for consideration (with the annual accounts for information). The annual financial statements shall then be submitted to the Governing Body for formal approval and for signature by two members of the Governing Body, one of whom shall be the Chair or Vice Chair.
- 4.11 The College's financial statements, 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 with the directive and requirements of the Education and Skills Funding Agency.
- 4.12 The College Internal Audit Service (IAS) shall comply with the terms of reference set out in the Audit Code of Practice. The role of the Internal Audit Service is to provide management with an objective assessment of whether systems and controls are working properly to achieve management's objectives.
- 4.13 The Financial Statements and Regularity Auditor shall be recommended for appointment by the Audit 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 Education and Skills Funding Agency.
- 4.14 The Financial Statements and Regularity Auditor shall have the right of access to any minutes, books, documents or other information kept by the College.
- 4.15 The College's self-assessment statement of assurance in relation to the work carried out by the College on its learner numbers shall be submitted to the Audit Committee and to the Internal Audit Service who shall both consider what level of assurance shall be placed on this statement.
- 4.16 At the conclusion of the financial statements audit an audit certificate on the College's financial statements shall be submitted to the Governing Body. In addition, a detailed audit report shall be

prepared for consideration by the Audit Committee and Governing Body and for submission to the Education and Skills Funding Agency.

5. RISK MANAGEMENT

- 5.1 The Principal shall prepare a Risk Register and Action Plan which shall be reviewed and updated in accordance with the Risk Management policy as approved by the Corporation.

6. CODE OF CONDUCT – IRREGULARITIES, FRAUD, CORRUPTION AND WHISTLE BLOWING

6.1 Maintenance of Highest Standards of Honesty and Integrity

- 6.1.1 The Governing Body is committed to the maintenance of the highest standards of honesty and integrity within the College and to the eradication of any instances of irregularity and fraud. Members of the Corporation and senior management are required to disclose interests in the College's register of interests, and to update the register as appropriate.

- 6.1.2 The College expects that staff at all levels will act in the best interests of the College and observe the College Code of Conduct which reflects the seven principles of public life – selflessness, integrity, objectivity, accountability, openness, honesty, leadership.

6.2 Reporting Allegations or Concerns

- 6.2.1 The College's Financial Statements and Regularity Auditor has a duty to plan and conduct the Financial Statements and Regularity Audit so that there is a reasonable expectation of detecting material mis-statements in the accounts arising from irregularities, including fraud, or breaches of regulations. Where the Financial Statements and Regularity Auditor identifies a serious weakness or an accounting or other control breakdown it must be reported to the Principal, the Chair of the Governing Body and the Chair of the Audit Committee without delay.

- 6.2.2 The Head of the Internal Audit Service and Financial Statements and Regularity Auditor shall issue written procedures to the auditors on the action to be taken if they suspect or discover irregularity or fraud and should make appropriate arrangements to be informed by the College, as soon as possible, of all suspected or discovered fraud, whether internal or external. The chair of the Governing Body, Principal and Chair of the Audit Committee should also be informed.

- 6.2.3 Whistleblowing in the context of the Public Interest Disclosure Act 1988, is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence), breach of contract), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

- 6.2.3 The Governing Body has approved a Code of Conduct on Whistleblowing for College staff who, whether past or present, is encouraged to raise legitimate concerns without fear. All allegations or concerns should be raised internally in the first instance, orally or in writing, directly with the Director of Governance.

- 6.2.4 In cases involving the Director of Governance, the matters should be raised directly with the Principal.

- 6.2.5 If the employee disagrees with the final decision, they may request, in writing through the Director of Governance or Principal, a review by the Governing Body.

- 6.2.6 Allegations or concerns from a student or member of the public shall be dealt with in the same way as an allegation or concern raised by a member of staff.

- 6.2.7 The College, its Internal Audit Service and, where appropriate, its Financial Statements and Regularity Auditor must report to the Chief Executive Education and Skills Funding, copied to the

Chief Auditor, without delay, serious weaknesses, significant frauds, major accounting and other control breakdowns of which they are aware.

6.3 Investigating Allegations of Fraud

6.3.1 The College maintains an Anti-Fraud and Anti-Bribery Policy which should be referred to when dealing with such matters. The investigation of allegations or concerns relating to fraud shall, in the first instance, be normally carried out by the line manager or the Vice Principal Finance and Resources as appropriate in conjunction with the Director of Governance except:

- In any case involving a Vice Principal, the investigation shall be carried out by the Principal and the Director of Governance
- In any case involving the Director of Governance, the investigation shall be carried out by the Principal in consultation with the Chair of the Audit Committee
- In any case involving the Principal, the investigation shall be carried out by the Director of Governance in consultation with the Chair of the Audit Committee.

6.3.2 All matters reported by the Financial Statements and Regularity Auditor and Internal Audit Service shall be investigated by the Principal and Director of Governance except:

- In any case involving the Director of Governance, the investigation shall be carried out by the Principal in consultation with the Chair of the Audit Committee
- In any case involving the Principal, the investigation shall be carried out by the Director of Governance in consultation with the Chair of the Audit Committee.

6.3.4 In any case where the Governing Body considers that the above arrangements may not be satisfactory, the Governing Body may initiate a separate investigation by the Internal Audit Service or other outside body.

6.3.5 The police shall be notified of all instances of actual irregularity of a criminal nature.

6.4 Communication

6.4.1 In the case of any allegation or concern raised, the Director of Governance, or the Principal in any case involving the Director of Governance, shall send a written acknowledgement of the allegation or concern raised to the informant's home address. Thereafter, the informant shall be kept informed of the progress of the investigation and of the outcome.

6.4.2 All allegations and concerns raised and the progress and outcome of the investigations shall be reported to the Audit Committee. All proven allegations shall be reported to the Governing Body.

7. BRIBERY

7.1 The College has zero tolerance for bribery and corruption. The College's reputation with the community it serves and other stakeholders is underpinned by ethical behaviour, financial probity and honesty.

7.2 In general terms the default position is that staff should not accept any gifts or rewards or benefits from third parties in relation to their work with the College subject to section 8 below.

7.3 All employees and associated persons are responsible for maintaining the highest standards of business conduct and are expected to behave honestly and with integrity.

7.4 The College prohibits employees and associated persons from offering, giving, soliciting or accepting any bribe. The bribe might include cash, a gift or other inducement, to or from any person or organisation, wherever they are situated, and irrespective of whether or not they are a public

official/body or private person or company, by any individual governor, employee, agent or other person or body acting on the College's behalf. The bribe might be made in order to:

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

7.5 This applies to all employees and anyone acting for, or on behalf of, the College ("associated persons"), including Governors, other volunteers, temporary workers, consultants and contractors.

7.6 Employees and associated persons are requested to remain vigilant in preventing, detecting and reporting bribery. Employees and associated persons are expected to report any concerns regarding any suspected bribery in accordance with the College's procedures contained in the Anti-Fraud and Anti-Bribery Policy.

8. HOSPITALITY, GIFTS AND GOVERNORS' EVENTS

8.1 Receipt of Hospitality and Gifts

8.1.1 Staff may accept gifts or hospitality of modest value such as diaries and pens etc and may accept refreshments and food arising while on College business or dinners when representing the College, but must not accept corporate hospitality or entertainment designed by third parties to reward or influence staff of the College with whom they are conducting business or purchasing goods and services.

8.1.2 Gifts received from students can be accepted as long as they are modest and represent small tokens of appreciation and gratitude. It is very important that on internally assessed courses that any gift cannot be perceived or portrayed as possibly having an influence on assessment decisions.

8.1.3 Gifts and Hospitality over the value of £25 must be declared and added to the Gifts Register maintained by the Director of Governance. If a member of staff is concerned about a gift they should refer and discuss the matter with their Line Manager. The default position is to refuse a gift unless it would cause offence to do so.

8.1.4 The Gifts Register will be reviewed annual by the Audit Committee.

8.2 Dispensing of Hospitality by Staff and Governors

8.2.1 Any member of staff or governor wishing to dispense hospitality must obtain authorisation by a Budget Holder (the Principal shall authorise hospitality if the person wishing to dispense hospitality wishes to do so from their own budget).

8.2.2 Hospitality must only be dispensed if it is in connection with College business and if the persons receiving the hospitality are from outside the College. The exception being members of the Governing Body and its Committee meetings.

8.2.3 The Principal shall have delegated authority to approve a small number of events over the course of a year for staff, students, visitors and prospective students such as openings, exhibitions, welcome days and other promotional events. At such events, the responsible use of alcohol may be permitted, subject to the express prior approval of the Principal.

8.3 Governing Body Events

8.3.1 Arrangements for Governing Body events, training sessions, seminars and similar shall be approved by the Chair of Governors. Reasonable levels of refreshments including alcoholic drinks may be provided at purely social events such as farewell functions. However, alcohol shall not be permitted at meetings of the Governing Body, Committees or training events.

B: FINANCIAL MANAGEMENT AND CONTROL

9. FINANCIAL PLANNING

9.1 Budget Preparation

- 9.1.1 The Principal is responsible for the preparation of the annual revenue budget and capital budget for consideration and approval by the Governing Body prior to the commencement of each financial year.
- 9.1.2 The annual estimates will be considered in detail by the Finance, Resources and Investment (FRI) Committee and approved by Governing Body. The annual estimates shall include a statement of the principal assumptions on which the budget has been based, a cash flow forecast to the year-end and a projected year-end balance sheet.

9.2 Approval

- 9.2.1 The Governing Body shall not delegate the approval of the annual estimates of income and expenditure. The Governing Body shall be asked to determine, by resolution, the approval of the annual estimates of income and expenditure prior to the commencement of the relevant financial period. If an update is required during the course of the financial period, it becomes effective from the date on which it is approved by the Governing body.

9.3 Authorisation

- 9.3.1 Once the Governing Body has approved the annual estimates of income and expenditure, the Principal is authorised to incur expenditure in accordance with the Financial Regulations.
- 9.3.2 The Principal shall ensure that detailed departmental budgets are prepared consistent with the budget approved by the Governing Body and that these are communicated in writing to Budget Holders as soon as possible following the approval of the budget by the Governing Body.

9.4 Capital Spending

- 9.4.1 The Principal shall prepare a capital programme that includes all expenditure on land buildings, equipment, furniture and associated costs, where the costs of purchase is greater than £1,000 and all items having a life expectancy of one year or more. The programme will include items whether they are funded from capital grants or capitalised for inclusion in the College's financial statements. This capital programme shall be approved by the Governing Body.

10. FINANCIAL CONTROL

10.1 Budget Monitoring

- 10.1.1 The Principal shall be accountable to the Governing Body for effective budgetary control within the approved revenue and capital budgets. The Principal shall be required to submit periodic reports, as determined by the Governing Body, to the Finance, Resources and Investment (FRI) Committee or Governing Body outlining actual income and expenditure in comparison to estimate, and to highlight and explain significant variances. These periodic reports shall include monthly (other than for August, September and July) management accounts to be circulated within 15 working days of the month end.
- 10.1.2 Accounts for July, being the year end, will be delivered before the end of August each year and will be subject to changes following the statutory financial audit. Accounts for August and September will not be produced to enable preparation of the annual financial statements. Performance in this period will be monitored through weekly cash flow performance and projections review (See 14.3) The Principal shall liaise with the Chair of the Finance, Resources and Investment (FRI) Committee in any month for which management accounts are not (for whatever reason) to be produced.

10.1.3 Designated Budget Holders are responsible to the Principal for the control of expenditure from the budgets delegated to them. They are responsible for the day-to-day management of budgets and must ensure that:

- All expenditure against the budget is authorised and funds have only been used for the purpose for which they were allocated.
- Monitoring expenditure and commitment of expenditure during the year with reference to the budget for the year.
- Reporting as soon as possible to the Vice Principal Finance and Resources if it is foreseen that the budget will be overspent and/or income not achieved.

10.1.4 Budget Holders will be assisted in their duties by management information provided by the Finance Department.

10.2 Virement

10.2.1 The Principal shall be permitted to exercise virement between the main revenue budget heads (except any specifically excluded by the Governing Body) within the overall budget approved by the Governing Body provided:

- The virement is reported to the next meeting of the Finance, Resources and Investment (FRI) Committee or Governing Body.
- The virement does not significantly affect the overall financial position of the College in the current or any subsequent year.

10.3 Budget Revision

10.3.1 Revision to the revenue and capital budgets, including any grant funded schemes received during the course of the financial year, shall require the approval of the Governing Body.

10.3.2 The budget for the year will be formally reviewed in November each year following the main enrolment period for the College. This is referred to as the Control Budget.

11. ACCOUNTING ARRANGEMENTS AND POLICIES INCLUDING TAXATION

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

11.2 The Vice Principal Finance and Resources will review annually the overall accounting procedures in conjunction with the financial statements and internal auditors to ensure they remain appropriate for the College needs and are in accordance with statutory requirements and accounting bodies' recommendations of best practice.

11.3 The Principal shall be responsible for ensuring compliance with all statutory requirements in relation to taxation issues including those concerning VAT, PAYE, national insurance and corporation tax and other duties.

11.4 The Principal or nominee shall be responsible for the maintenance of the College's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

12. AUDIT REQUIREMENTS

12.1 General

12.1.1 External auditors and internal auditors shall have authority to:

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

12.1.2 The Vice Principal Finance and Resources is responsible for drawing up a timetable for the preparation of the final accounts and will advise staff and the external auditors accordingly.

12.1.3 The Audit Committee is responsible for recommending to the Governing Body that the audit process has provided suitable assurance to allow formal approval of the financial statements. The FRI Committee must also review and approve the financial statements and recommend for approval of the statements to the Governing Body based on its own review and opinion of the Audit Committee.

12.2 External audit

12.2.1 The appointment of external auditors for the main financial statements of the College will take place at least every three years with an option to extend for a further two years up to a maximum of five years in line with Audit Code of Practice. Approval of the award of contract and extensions is the responsibility of the Governing Body. The Governing Body will be advised by the Audit Committee.

12.2.2 The primary role of this external audit is to report on the institution'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 statements of auditing standards.

12.2.3 In addition, the funding body may appoint separate auditors to carry out an external audit of the College's Learner Record returns. The primary role of this audit is to give assurance that the institution's funding claim is accurate within certain agreed tolerances. This work will also help the external auditors of the institution in their work on the income elements of the financial statements.

12.3 Internal audit

12.3.1 The appointment of internal auditors will take place at least every three years with an option to extend for a further two years up to a maximum of five years in line with Audit Code of Practice. Approval of the award of contract and extensions is the responsibility of the Governing Body. The Governing Body will be advised by the Audit Committee.

12.3.2 The institution's financial memorandum with the funding body requires that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in the funding body's audit code of practice. The main responsibility of internal audit is to provide the Governing Body, the Principal and senior management with assurances on the adequacy of the internal control system.

12.3.4 The internal audit service remains independent in its planning and operation but has direct access the Governing Body, Principal and Chair of the Audit Committee. The internal auditor will also comply with the Auditing Practices Board's auditing guideline Guidance for Internal Auditors.

12.4 Value for money

- 12.4.1 It is a requirement of the financial memorandum that the Governing Body is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the funding body, the National Audit Office, the Public Accounts Committee or other relevant bodies.
- 12.4.2 Internal audit is to have regard to value for money in its programme of work. This will be used to enable the audit committee to refer to value for money in its annual report.

12.5 Other auditors

- 12.5.1 The institution may, from time to time, be subject to audit or investigation by external bodies such as the funding body, National Audit Office and HM Revenue & Customs. They have the same rights of access as external and internal auditors.

13. BANKING

- 13.1 All arrangements with the College bankers concerning the College's bank accounts and the issue of cheques and BACS transfers shall be made by the College's Vice Principal Finance and Resources on behalf of and with the approval of the Governing Body.
- 13.2 The appointment of the College bankers shall be for a specific period after which consideration shall be given by the Finance, Resources and Investment (FRI) Committee to competitively tendering the service.
- 13.3 The appointed bankers shall be authorised to honour the signatures of the under mentioned office holders on all documents relating to the College's accounts:
- Chair of Governors
 - Principal
 - Vice Principal Finance and Resources
 - Director of Governance
 - Vice Principal Curriculum and Quality
 - Finance Manager
- 13.4 All amounts must be authorised by two signatories. For amounts up to £6,000, one of the authorising signatories must be the Principal or the Vice Principal Finance and Resources. For amounts exceeding £6,000, the authorising signatory is the Principal, plus, the Vice Principal Finance and Resources.
- 13.5 Any change in banking arrangements shall be subject to the College's tender procedures and authorised by the Governing Body.
- 13.6 The Vice Principal Finance and Resources shall be responsible for undertaking ongoing reconciliations from the bank account to College records.

14. TREASURY MANAGEMENT: INVESTMENT AND BORROWING

14.1 Investments

- 14.1.1 The Governing Body shall review annually the strategy and parameters for cash management and longer-term investment of funds which are not required to meet the College's immediate spending commitments.
- 14.1.2 The Vice Principal Finance and Resources shall have delegated power to invest surplus cash on a day-to-day basis in accordance with the approved policy.
- 14.1.3 All new longer-term investments shall be approved by the Principal and be in accordance with the approved policy.

14.2 Borrowings

- 14.2.1 Short-term borrowing for temporary revenue purposes shall be authorised by the Principal. The College's Vice Principal Finance and Resources shall report such short-term borrowing to the Finance, Resources and Investment (FRI) Committee or Governing Body at the earliest opportunity.
- 14.2.2 Consent for any amendments to borrowings must be sought from the Vice Principal Finance and Resources who in turn has to obtain consent from DfE. This includes additional usage of existing overdraft, revolving credit facilities, drawdowns of existing term loans, changes relating to the term of a loan, repayment profile changes, interest rate changes outside of existing agreements or providing additional security.
- 14.2.3 Any new private sector borrowing require prior written consent from DfE.
- 14.2.4 Borrowing for periods in excess of twelve months shall require the authorisation of the Governing Body.

14.3 Cash flow Projections and Monitoring

- 14.3.1 The Vice Principal Finance and Resources shall be responsible for preparing and updating each month a projection of the College's cash flow and reporting significant variances to the Principal and the Governing Body.

15. EXPENDITURE

15.1 General

- 15.1.1 The Principal is responsible for all payments made by or on behalf of the College. The Principal shall approve all payment procedures.

15.2 Orders and Contracts for Goods and Services

- 15.2.1 The procurement of goods, services or works by the College is subject to UK legislation and failure to comply can result in serious delay, financial penalties, or both. All procurement must therefore be carried out in accordance with the College's Procurement Policy and Procedures. Individuals requesting the goods, services or works will be responsible for their correct specification and evaluation in accordance with those procedures.
- 15.2.2 Goods and services purchased by the College should be obtained expeditiously and economically. Budget holders shall ensure that purchases are made at the most favourable rate by obtaining estimates on the basis of the best value for money against the criteria set in the specification. The requirements that should be followed are as follows:

Value of order (excl. VAT)	Requirements and associated orders
Up to £1,500	Budget holder shall use good sense as to the need to obtain information in addition to an estimated price from a supplier.
£1,501- £15,000	A minimum of three written quotations shall be required.
Over £15,000	A minimum of three tenders shall be requested in accordance with the College's tender procedures

15.2.3 Exceptions to the above requirements for individual purchases shall require the approval in writing of the Principal and the Vice Principal – Finance & Resources.

15.3 Tender Procedures

15.3.1 For expenditure estimated to be over £15,000 excluding VAT at least three comprehensive tenders must be requested unless prior approval for fewer tenders has been given in writing by the Principal.

15.3.2 Invitations to tender must be accompanied by comprehensive and clearly written specifications. They must contain a date and time beyond which tenders will not be accepted. All tenders received after the closing date must be returned to the tenderer unopened with an explanatory covering letter.

15.3.3 Invitation to tender shall include instructions for the delivery of tenders (whether electronic or hard copy) as appropriate.

15.3.4 Hard copy tenders must be sealed and returned to the Principal.

15.3.5 Electronic tenders must be saved unopened in a clearly marked folder. The email title should be "TENDER", identifying the subject to which it relates. The subject must not include the name of the tenderer.

15.3.6 Tenders should be opened by the Principal, or their nominee, in the presence of a member of the Governing Body and a senior member of staff acting as witness, at the appointed time not later than the first working day following the closing date. The prices quoted in the tender should be recorded immediately on a pre-prepared document schedule containing the name of the project or item together with the list of those invited to tender. The price should be recorded opposite the name of the appropriate tenderer. If a reply is not received from any of those invited to tender, this fact should be recorded on the schedule.

15.3.7 On completion of the tender opening, the Principal or their nominee and the member of the Governing Body should sign all tenders and date the schedule.

15.3.8 The contract should normally be awarded to the tenderer submitting the lowest price unless information has been received in the period between despatch of invitations to tender and the tender opening which would, if known at the time invitations were dispatched, have disqualified the tenderer from being invited to tender. However, any final decision regarding the acceptance of a tender may be subject to non-financial considerations e.g. quality of the contractor's work. Where the lowest tender has not been accepted the reason should be noted on the schedule and the reason reported to the next meeting of the Finance, Resources and Investment (FRI) Committee.

15.3.9 If deemed appropriate post tender negotiations may be entered into if there is a possibility of better overall value for the College being obtained.

15.4 Purchasing Arrangements

- 15.4.1 The Principal shall be responsible for the College's purchasing arrangements.
- 15.4.2 The ordering of goods and services shall be in accordance with the Colleges purchasing policies. Official College orders must be placed for the purchase of all goods and services except those made using College credit cards or petty cash.
- 15.4.3 The College's Vice Principal Finance and Resources shall maintain a register of authorised Budget Holders together with specimen signatures.
- 15.4.4 Only in **exceptional circumstances**, may urgent orders be given orally, these must be confirmed by an official purchase order as soon as possible and no later than the following working day.
- 15.4.5 Each order must clearly indicate the nature and quantity of the supplies and services required, the budget and cost code, the estimated price excluding VAT and any agreed discounts and other relevant details such as delivery date and address.
- 15.4.6 Orders may only be issued through official systems having been raised in compliance with the College's Financial Procedures. Access to systems shall be kept secure at all times.
- 15.4.7 All contracts or orders entered into on behalf of the College shall be approved and authorised as follows:

Value of order (excl. VAT)	Purchased Authorised by	Order/Contract Signed by
Up to £250) (#1)	Budget Holder	Budget Holder or Senior Manager
Up to £6,000	Budget Holder and separate Senior Manager	Vice Principal Finance and Resources or Finance Manager
£6,001 to £25,000	Principal and either Budget Holder or Senior Manager	Vice Principal Finance and Resources or Finance Manager
£25,000- £100,000	Principal and either Budget Holder or Senior Manager	Principal
Over £100,000	Principal or Senior Manager	Principal subject to Finance, Resources and Investment Committee approval

#1- The exception to the rule is that staff travelling claims up to £500 can be signed by the Budget holder or Senior Manager provided that sufficient budget exists.

15.5 Purchasing/Credit Cards

- 15.5.1 The operation and control of the College's purchasing/credit cards is the responsibility of the Vice Principal Finance and Resources.
- 15.5.2 The Vice Principal Finance and Resources will approve the issuing of purchasing cards to staff. Each procurement card has a set transaction limit with a maximum monthly limit of £4,000. The only exception being the College Corporate cards which are held by the Finance Manager and the Marketing Manager. The Finance Manager maintains a register of all cardholders, card numbers and locations. Any change to these details must be notified to the Finance Manager. Card holders must sign the standard declaration form to acknowledge receipt of the card and confirm acceptance of the financial procedure.
- 15.5.3 Holders of purchasing/credit cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. All purchasing/credit cards would be limited to

employees whose roles require flexibility that a purchasing card offers. They may not be used for the purchase of fuel for journeys on college business. Fuel and travel claims will be reimbursed in the normal way in accordance with the Business Expenses protocol. Cards must not be loaned to another person, nor should they be used for personal or private purchases and the misuse of such cards shall be grounds for disciplinary action.

15.5.4 Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs. All expenditure on College cards must be supported by bona fide receipts, and the card statement should be cross checked and authorised by the card holder's line manager, or in the case of the Principal, the Chair of the Governing Body. The Vice Principal Finance and Resources shall determine what information is required on purchases made with purchasing cards from cardholders and deadlines for receipt in the Finance Department to enable financial control to be maintained and cardholders must provide that information.

15.5.5 All purchases must be approved in line with the thresholds set out in section 15.4.7

15.7 Authorising Invoices for Payment

15.7.1 All invoices must be authorised by the relevant Budget Holder.

15.7.2 The Vice Principal Finance and Resources, as the Principal's nominee, shall be responsible for the arrangements for the examination, verification and certification of invoices for payment and for the allocation of expenditure to the relevant head of account.

15.7.3 The Vice Principal Finance and Resources shall be responsible for the payment of all invoices.

15.7.4 Payments will only be made against those invoices which have been authorised for payment by the appropriate Budget Holder. By authorising an invoice for payment the budget holder is stating:

- That the goods or services have been received / carried out
- That the goods comply with the details on the College's order
- That the goods are of acceptable quality
- That the invoice details (quantity, price, discount) are correct
- That the invoice is arithmetically correct
- That the invoice has not previously been passed for payment (i.e. that it is not a duplicate request for payment).

15.7.5 The College must endeavour to settle undisputed suppliers' invoices within agreed terms of trade and in any case within 30 days.

15.8 Method of Payment of Invoices

15.8.1 By cheque according to authorised signatories and limits as designated in 15.4.7.

15.8.2 By BACS according to authorised signatories and limits as designated in 15.5.7. Two signatories as per 15.4.7 above are required to release BACS online.

16. SALARIES AND EXPENSES

16.1 Salaries

16.1.1 The Principal or their nominee shall appoint those permanent staff, excluding designated Senior Post holders whose appointments are the responsibility of the Governing Body, where financial provision has been made in the approved budget.

16.1.2 The Principal or their nominee may also appoint temporary staff, where budgetary provision is available to meet the cost, on a fixed term contract basis.

- 16.1.3 The Principal or their 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.
- 16.1.4 The preparation of payrolls and the payment of salaries, wages and other emoluments to employees of the College shall be the responsibility of the Vice Principal Finance and Resources and shall be undertaken in accordance with arrangements approved by the Governing Body. Should this be the Vice Principal Finance Resources
- 16.1.5 Time records or other pay documents shall be in a form agreed by the Principal and shall be certified by such officer(s) of the College as authorised by the Principal.
- 16.1.6 All College employees shall be paid according to the salary scales approved by the Governing Body.
- 16.1.7 All letters of appointment or variations in conditions of service must be issued by the Principal or the Head of Human Resources. The Principal shall ensure that there are satisfactory arrangements in place to notify the Human Resources Department of all commencements, variations and terminations.

16.2 Expenses

- 16.2.1 Claims for expenses incurred by staff and governors of the College in carrying out official duties, shall be paid at rates authorised by the Principal and submitted using official College systems and forms as outlined in the Travel Expenses and Subsistence Policy.
- 16.2.2 The annual cost of travel and subsistence expenses incurred by the Principal, other Senior Post holders and Governors shall be reported in the College's annual financial statements.
- 16.2.3 Expense claims shall be authorised as follows:

Claimant	Authorised By:
Governors (excl. Principal)	Principal or Other Senior Post Holder
Principal	Chair or Vice-Chair of Governors
Other Senior Post Holders	Principal or other Senior Post Holder
Other Staff	Budget Holder or a senior manager

- 16.2.5 The prior approval of the Governing Body shall be required for any proposed foreign travel on behalf of the College by Senior Post holders and the Governing Body. The FRI Committee will receive an annual report of the costs of all overseas trips. The FRI Committee may determine to receive more regular or detailed reports depending on the amounts involved. The Chair will approve in advance all overseas Travel by the Principal.
- 16.2.6 Cash advances to staff for expenses shall be permitted provided they are authorised as per paragraph 16.2.3 and the expenditure accounted for at the earliest opportunity.
- 16.2.7 The Vice Principal Finance and Resources shall ensure that all statutory returns and payments are made on time and are complete and accurate.

16.3 Compensation, severance and ex-gratia payments

- 16.3.1 Compensation payments where the non-statutory element of the compensation is under £50,000 the Corporation, via the Board of Governors, has authority to authorise.

- 16.3.2 The Board of Governors can authorise individual payments where the non-statutory element is under £50,000 or under 3 months gross salary whichever is lower subject to the exit package, including a special staff severance payment, being below £100,000 in total and the employee earns under £150,000

Exit packages which include a special severance payment and are at or above £100,000 or the employee earns over £150,000 require DfE consent.

- 16.3.3 The College has no delegated authority to make any non-contractual, ex-gratia or other payments with approval being required referred to the DfE.

17. PETTY CASH

- 17.1 The Vice Principal Finance and Resources shall provide petty cash floats as appropriate to officers that they nominate.
- 17.2 A nominated officer granted a cash float is personally responsible for the safe custody of the float. The level of floats held shall be determined by the Vice Principal Finance and Resources.
- 17.3 Proper records of accounts shall be maintained by nominated officers responsible for floats, and reconciliations shall be carried out on a regular basis.
- 17.4 Payments from petty cash shall be properly certified and shall be limited to minor items of expenditure including travel and luncheon monies made payable as part of the Bursary Scheme not exceeding £100 in any one case. Advances from petty cash in excess of £100 but less than £500 in relation to any one case may be made on the specific authorisation of the Vice Principal Finance and Resources, or nominee. Claims shall be held and maintained by the Vice Principal Finance and Resources or nominee.
- 17.5 No payments shall be made from petty cash floats which could be paid through the normal creditor payments procedure. Cash floats shall not be used for normal staff travel or subsistence expenditure.
- 17.6 No income received on behalf of the College shall be paid into a petty cash float unless authorised by the Vice Principal Finance and Resources.
- 17.7 A nominated officer responsible for a petty cash float shall, if so requested, provide to the Vice Principal Finance and Resources a statement showing the current state of the float.
- 17.8 A certificate of the balance of the float shall be provided at 31 July each year countersigned by an independent officer and submitted to the Vice Principal Finance and Resources.
- 17.9 The Vice Principal Finance and Resources shall ensure that, where a nominated officer leaves the employment of the College, the petty cash float is properly handed over to the officer's successor.

18. INCOME

18.1 General

- 18.1.1 The Vice Principal Finance and Resources is responsible for ensuring that appropriate procedures are in operation to enable the College to receive all income to which it is entitled. All receipt forms, invoices, or other official documents in use must have the prior approval of the Vice Principal Finance and Resources.
- 18.1.2 The Vice Principal Finance and Resources is responsible for ensuring that all grants notified by the Funding Provider and other bodies are received and appropriately recorded in the College accounts.
- 18.1.3 Any bids made by the College for capital or revenue funding will be notified to the Finance, Resources and Investment Committee.

18.1.4 The Principal will sign all contracts for capital (e.g. T-Level investment grants, Condition improvement grants) and revenue funded projects (e.g. Strategic Development Funds, Local Skills Investment Funds) irrespective of value.

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

18.2 Banking

18.2.1 The Vice Principal Finance and Resources shall be responsible for the security and prompt banking of monies received. All monies received on behalf of the College shall be banked in a secure manner by the use of a recognised security firm or secured appropriately if not banked.

18.2.2 All monies received on behalf of the College must be banked on a weekly basis and more frequently if insurance limits on tills and safes are likely to be exceeded.

18.3 Receipts

18.3.1 Every sundry remittance or sum of money received by an officer on behalf of the College shall be acknowledged by the issue of a till receipt. The Vice Principal Finance and Resources shall be responsible for the control of the cash tills system.

18.4 Postal Opening

18.4.1 Incoming mail shall be opened by a minimum of two members of staff. Private and Confidential remains private and confidential. All post for Governors shall be passed unopened to the Director of Governors and for the Principal shall be passed unopened to the Principal who will deal with it accordingly. The College must not be used as a personal postal address by any staff members.

18.4.2 Remittances received by post on behalf of the College shall be recorded directly onto the financial system through the relevant system.

18.5 Fees, Charges and Student Loans

18.5.1 The Principal, in consultation with the the Vice Principal Finance and Resources shall undertake an annual review of charges, loans and fees, including room hire rates in accordance with the policy approved by the Finance, Resources and Investment (FRI) Committee.

18.5.2 The procedure for collecting tuition fees must be approved by the Vice Principal Finance and Resources. They are responsible for ensuring that all student fees and loans due to the College are received.

18.5.3 The Vice Principal - Finance and Resources is responsible for reporting on all outstanding fees and commissioning debt collection services for fees not paid for by students. Any student who has not paid an account for fees or loans or any other item owing to the College may be prevented from re-enrolling at the College and from using any of the College's facilities or from receiving their exam certificates.

18.6 Funds Received for Specific Purposes

18.6.1 The Principal shall be responsible for ensuring that any funds received for specific purposes are used for those purposes and in accordance with any terms and conditions attached to them (e.g. Capital Grants).

18.7 Invoicing and Debt Collection

- 18.7.1 All requests for payment for goods or services provided by the College shall be by official College invoice issued by the Finance Department, excepting Tyro Training who will issue their own. Other departments are not permitted to raise any form of invoice on behalf of the College.
- 18.7.2 Budget Holders and others concerned with the generation of income shall ensure that notification of the need for a sales invoice is given 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 Vice Principal Finance and Resources is required for any departure from the College's invoicing system.
- 18.7.3 Appropriate debt recovery procedures shall be determined by the Principal in discussion with the Vice Principal Finance and Resources and shall be subject to approval by the Finance, Resources and Investment (FRI) Committee or Governing Body.
- 18.7.4 The authority for writing off bad debts is as follows:
- Individual debts up to and including £500, the Vice Principal Finance and Resources
 - Individual debts in excess of £500, the Vice Principal Finance and Resources and the Principal
 - Total debts written off in the year to be reported annually to the Finance, Resources and Investment Committee (FRI) or Governing Body for information.
 - Any individual write-off that exceeds £45,000 or 1% of annual income (whichever is smaller) requires DfE approval
 - Cumulative write-offs within the academic year which exceed £250,000 or 5% of annual income (whichever is smaller) requires DfE approval

18.8 Outside Income

- 18.8.1 Employees of the College shall not accept any cash, cheques or monetary sum from any third party in relation to their work duties, other than for the purpose of depositing such sums in the College's official bank account or by arrangement with the Vice Principal Finance and Resources.
- 18.8.2 Staff who, with the College's consent, earn additional money in work time, through for example speaking at conferences or examination assessment or other similar work, shall pay such monies to the College. It is expected that travel and associated expenses will be paid by the outside body.

19. INSURANCE

- 19.1 The Principal or nominee shall, within the policies determined by the Governing body, 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.
- 19.2 The Vice Principal Finance and Resources or nominee shall keep a register of all insurances effected by the College and the property and risks covered thereby.

20. ASSETS

20.1 Land and Buildings

- 20.1.1 The purchase (or disposal), lease or rent of land or buildings shall require the approval of the Finance, Resources and Investment (FRI) Committee or Governing Body.

20.2 Inventories

- 20.2.1 The Principal shall be responsible 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 as appropriate on an inventory or otherwise in such manner as may be required by the

Governing Body, having taken account of directives, requirements and guidance issued by the Education and Skills Funding Agency.

20.2.2 Inventory items in excess of an agreed de minimus figure of £1,000 shall be included in inventories immediately on receipt and, where appropriate, they shall be clearly and permanently marked as the property of the College.

20.2.3 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 Principal.

20.2.4 The disposal of surplus materials, stores or equipment shall be approved by the Vice Principal Finance and Resources and must comply with any directives, requirements and guidance issued by the Education and Skills Funding Agency.

20.3 Stocks and Stores

20.3.1 The Principal shall be responsible for determining those departments required to maintain stock records.

20.3.2 The heads of those departments required to maintain stock records shall keep sufficient records of stock as are required for accounting, costing and financial record purposes in accordance with the procedures and format established by the Vice Principal Finance and Resources.

20.4 Depreciation Policy

20.4.1 Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

20.4.2 Freehold buildings are depreciated on a straight-line basis over their expected useful lives as follows:

- Freehold buildings 20 – 50 years
- Major adaptations and Refurbishments 20 – 50 years

20.4.3 Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

20.4.4 A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

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

20.4.6 Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

20.4.7 Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

- motor vehicles 4 years
- computer equipment 3 years
- IT infrastructure 5 years (7 years as regards to Institute of Technology spend)
- furniture, fixtures and fittings 3 - 10 years

20.4.8 The estimated useful life of an asset for depreciation purposes may be assessed on an individual basis or by reference to standard lives applicable for different categories of assets.

20.4.9 Depreciation shall be charged from the month of acquisition. In the year of disposal depreciation shall be charged up to the month of disposal.

20.5 Asset Disposal

20.5.1 Disposal of equipment and furniture must be in accordance with procedures agreed by the Finance, Resources and Investment (FRI) Committee. Reasonable steps should be taken to obtain value for money with the disposal of surplus assets and materials with an estimated value in excess of £200 with the following approvals required:

Value	Authorised by
£200 to £6,000	Vice Principal Finance and Resources
£6,001 - £15,000	Vice Principal Finance and Resources and Principal
Over £15,000	Finance, Resources and Investment (FRI) Committee.

20.5.2 Disposal of land and buildings must only take place with the approval and authorisation of the Corporation. The Vice Principal Finance and Resources is responsible for ensuring that the Funding Provider requirements are met.

20.6 Use of College Vehicles and Assets

20.6.1 Employees and others may only use vehicles owned or leased by the College for the purpose of College related business and must not be used for private use.

20.6.2 Assets owned or leased by the College shall not be subject to personal use without proper authorisation from the Principal.

20.7 Computer Systems and Equipment

20.7.1 No system for the automatic processing or updating of the main financial, student and personnel data of the College shall be introduced without the prior approval of the Vice Principal Finance and Resources.

20.7.2 All Information Technology software and hardware purchases shall be approved by and agreed with the IT Manager to ensure it is compatible with and does not duplicate existing systems.

20.8 Security

- 20.8.1 Each employee has a responsibility to exercise a duty of care over the property of the Governing Body at all times. The Principal has overall responsibility for security arrangements in the Governing Body.
- 20.8.2 Budget Holders are responsible for maintaining proper security at all times of for all buildings, stock, stores, equipment, furniture and cash under their control. They shall consult the Vice Principal Finance and Resources in any case where security is thought to be defective or where it is thought special security measures are required.
- 20.8.3 Appropriate measures should be taken to safeguard keys to safes and other secure containers. The loss of keys must be reported to the Vice Principal Finance and Resources.
- 20.8.4 The Vice Principal Finance and Resources is responsible for safekeeping of official and legal documents relating to the College. Signed copies of deeds, leases, agreements and contracts must be forwarded to the Vice Principal Finance and Resources. All such documents shall be held securely in a fireproof location and copies held in a separate location.
- 20.8.5 All staff must comply with the current General Data Protection Act and the College Data Protection Policy and be mindful of how, why, where and for how long data is stored through completion of the relevant mandatory training modules.
- 20.8.6 Staff must be mindful of suspicious emails, be alert to attempts to defraud College and comply with IT guidance and controls. Suspicious links should not be opened and advice sought from IT or Line Managers.

21. FUNDS HELD IN TRUST

21.1 Gifts, Benefactions and Donations

- 21.1.1 The Vice Principal Finance and Resources is responsible for maintaining records in respect of gifts, benefactions and donations made to the College and initiating claims for the recovery of tax where appropriate.

21.2 Student Welfare and Learner Support Funds

- 21.2.1 The Vice Principal Finance and Resources will prescribe the format for recording the use of student welfare funds.
- 21.2.2 Records of learner support funds will be maintained according to Funding Provider requirements

22. INTELLECTUAL PROPERTY RIGHTS

- 22.1 The copyright to all learning materials, documents and manuals prepared on behalf of the College shall remain the property of the College.
- 22.2 Members of staff may only use such copyright materials for other than College use with the permission of the Principal.
- 22.3 All monies received from the agreed use of copyright are due and payable to the College.
- 22.4 The Corporation shall ensure that every contract entered into on its behalf contains an appropriate clause to protect copyright.

23. MANAGEMENT OF CAPITAL PROJECTS

- 23.1 Capital programmes include all expenditure on land and buildings and associated costs whether or not they are funded from capital grants or capitalised for inclusion in the College's Financial

Statements. Expenditure of this type can only be considered as part of a capital programme approved by the Governing Body.

- 23.2 The Principal 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 that they are required to meet (See also 9.4.1). The College shall, at all times, comply with any guidance given and requirements set out by the relevant Funding Body for capital projects.
- 23.3 The Principal will also establish procedures for the approval of variations to major capital programmes, including the notification of large variations to the funding body, as laid down in funding body guidelines.
- 23.4 The Vice Principal - Finance and Resources is responsible for providing regular statements concerning all major capital expenditure programmes to the FRI Committee for monitoring purposes.
- 23.5 Following completion of a major capital project, a post-project evaluation or final report should be submitted to the FRI Committee including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Post-project evaluations may also need to be sent to the relevant funding body, as laid down in funding body guidelines.

24. GIVING OF INDEMNITIES, GUARANTEES AND LETTERS OF COMFORT

- 24.1 Any member of staff asked to give an indemnity, for whatever purpose, should consult the Vice Principal Finance and Resources before any such indemnity is given.
- 24.2 Indemnities beyond the normal course of business, guarantees and letters of comfort in excess of 1% of annual income or £45,000 or 1% of annual income (whichever is smaller) individually and 5% of annual income for cumulative such contingent liabilities (subject to a ceiling for the academic year of £250,000) consent must be sought from DfE

25. FREEDOM OF INFORMATION AND DATA PROTECTION

- 25.1 The Principal shall appoint a Freedom of Information Officer whose responsibility it shall be to ensure the College complies with the provisions of the Freedom of Information Act 2000.
- 25.2 An annual report relating to Freedom of Information will be made by the Principal to the Governing Body.
- 25.3 The Principal shall appoint a Data Protection Officer whose responsibility it shall be to ensure the College complies with the provisions of the General Data Protection Act.

26. LEGAL COSTS

- 26.1 The only person who may normally incur legal costs on behalf of the College is the Principal or the Board of Governors.

27. INCOME GENERATING ACTIVITY

27.1 Sub-contracting

- 27.1.1 Any contract or arrangement whereby the College provides education to students away from College premises, or with the assistance of persons other than the College's own staff or with independent contractors, must be subject to a contract signed by the Principal and the partner before any provision is made.

27.2 Match Funding

- 27.2.1 Such projects require the approval of the Principal prior to any commitment being entered into. Such approval shall be dependent upon the relevant College manager being able to demonstrate that eligible matching funds are available and that the project is financially viable by application of the college's costing and pricing policy.

27.3 Profitability, Recovery of Overheads and Deficits

- 27.3.1 All income generating activities and projects must be self-financing or surplus generating unless it is intended that new provision is to be launched as a loss leader.
- 27.3.2 Income generating activities and projects must be costed and the budget agreed with the Vice Principal Finance and Resources before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the College's costing and pricing policy.
- 27.3.3 Any unplanned deficits incurred will be charged to Divisional/Departmental budgets.

27.4 Other Overseas activity

- 27.4.1 In planning and undertaking any other overseas activity including educational visits, the College must have due regard to any relevant guidelines issued by the funding body. Such projects require the prior approval of the Principal before any commitment is entered into. Such approval will be dependent upon the relevant College manager being able to demonstrate that the project is financially viable by application of the college's costing and pricing policy and complies with the objectives of the College's Strategic Plan.

28. Money Laundering

- 28.1 The College maintains an Anti-Money Laundering Policy. Money laundering legislation applies to ALL employees. Potentially any member of staff could be committing an offence under the money laundering laws if they suspect money laundering or if they become involved in some way and do nothing about it. All staff must avoid handling any money, goods or other items known or suspected to be associated with the proceeds of crime, or becoming involved with any services known or suspected to be associated with the proceeds of crime. If any individual suspects that money laundering activity is or has taken place, or if any person becomes concerned about their involvement, it must be disclosed as soon as possible as per the Anti-Money Laundering Policy.
- 28.2 **Failure to report money laundering concerns or "tipping off" anyone who may be involved in the situation may result in the member of staff being personally liable to prosecution under the 2007 Regulations.**
- 28.3 If a person suspects money laundering activity or becomes concerned about their involvement, then they should use the Money Laundering Report Form at the end of the Anti-Money Laundering Policy to report the concern, giving as much information as possible, in writing, and without delay.

29. Novel, contentious and repercussive transactions

- 29.1 The College has no delegated authority from the DfE, any transactions that may be considered novel, contentious and/or repercussive must be referred to DfE for prior approval.
- 29.2 Any transactions which are felt to be novel, contentious or repercussive should be raised with the Vice Principal – Finance and Resources to determine if DfE guidance and approval is required.