

## **FINANCIAL REGULATIONS 2019/20**

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## 1. Introduction

- 1.1 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.
- 1.2 The College is an exempt charity for the purposes of the Charities Act 2011.
- 1.3 The financial memoranda between the funding bodies and the College sets 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 Post 16 Audit Code of Practice, which requires it to have sound systems of financial and management control. The financial regulations of the College form part of this overall system of accountability.
- 1.4 Throughout the document the use of the term College refers to itself and its wholly owned subsidiaries

## 2. Status of Financial Regulations

- 2.1 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 approved by the Finance, Employment and General Purposes Committee (FEGP) of the Governing Body on 9 October 2019.
- 2.2 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.
- 2.3 These financial regulations are subordinate to the College's Instruments and Articles of Government and to any restrictions contained within the College's financial memorandum with the funding bodies including the conditions of funding issued by the Office for Students and the Education & Skills Funding Agency Post-16 Audit Code of Practice, revised from time to time.
- 2.4 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.
- 2.5 The regulations provide guidance for staff employed by the College who have responsibility for the management of resources or the control of income and expenditure.

- 2.6 Compliance with the financial regulations is compulsory for all staff connected with the College. 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.
- 2.7 It is the responsibility of the College Chief Executive & Principal and Executive Leadership Team to ensure that their staff are made aware of the existence and content of the College's financial regulations.
- 2.8 The Finance Employment and General Purposes Committee is responsible for maintaining oversight of the effectiveness of the financial regulations, through the Executive Director of Finance and Resources, and for advising the Governing Body, at the earliest opportunity, of any issues arising or of any amendments made or proposed.
- 2.9 Waivers of the financial regulations can be approved in exceptional circumstances by either the Chief Executive and Principal or the Executive Director of Finance and Resources. The Chief Executive and Principal shall approve any waiver requests pertaining to the budgetary responsibilities of the Executive Director of Finance and Resources. 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 of Finance and Resources shall also retain a copy of all authorised waiver forms and make a termly report to the FEGP Committee of all waivers granted since the previous report.

## **CORPORATE GOVERNANCE**

### **3. The Governing Body**

- 3.1 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;
  - 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;
  - 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;
  - ensure that the funds provided by the principal funding bodies are used in accordance with any and all terms and conditions;
  - 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 meet 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 Education & Skills Funding Agency Audit Code of Practice;
  - 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.

#### **4. Designated Accounting Officer**

4.1 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 financial memorandum with funding bodies.

4.2 .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. In particular, the Articles of Government 3(2)(c) charge 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."

4.3 The Chief Executive and Principal shall demonstrate his or her oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements, and the relevant form of the financial forecasts submitted annually to the Education & Skills Funding Agency.

4.4 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;
- the management of the College within the approved budget.

4.5 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.

4.6 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. Committee Structure**

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.

##### **5.1 Finance, Employment and General Purposes Committee (FEGP)**

5.1.1 The FEGP Committee advises the Governing Body on all matters relating to employment policy and finance and ensures that the requirements of the financial memoranda with the Education and Skills Funding Agency (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. 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.

5.1.2 The FEGP Committee's Terms of Reference are published on the College website

## **5.2 Audit and Risk Assurance Committee (ARA)**

5.2.1 Colleges are required by the Instrument and Articles of Government, their financial memorandum 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. 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.

5.2.2 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.

5.2.3 The audit requirements of the College are set out in the funding body's Audit Code of Practice.

5.2.4 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;
- 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;
- 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;
- to 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.

5.2.5 The ARA Committee's Terms of Reference are published on the College website

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

5.3.1 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 Improvement 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.

5.3.2 The TLQSE Committee's Terms of Reference are published on the College website

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

5.4.1 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.

5.4.2 The SRG Committee's Terms of Reference are published on the College website

## **6. Other Staff with Financial Responsibilities**

### **6.1 Executive Director of Finance and Resources**

6.1.1 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;

6.1.2 Day-to-day financial administration is controlled by the Executive Director of Finance and Resources, 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;
- 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 of Finance and Resources to the Governing Body for formal approval and for signature;
- preparing and submitting all financial statements and returns to pension funds and funding bodies in accordance with the appropriate deadlines;
- day-to-day liaison with internal and external auditors in order to achieve efficient processes;
- 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 procedures (this can be delegated to a nominee); and

- providing professional advice on all matters relating to financial policies and procedures.

## **6.2 Deputy Chief Executive, Curriculum Quality and Assessment (DCECQA) and members of Executive Leadership Team**

- 6.2.1 The DCECQA and members of Executive Leadership Team are responsible for:
- achieving all financial targets in the areas for which they are responsible, asset 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, Senior 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.

## **6.3 Budget Holders**

- 6.3.1 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 .
- 6.3.2 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.
- 6.3.3 The Executive Director of Finance and Resources 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.
- 6.3.4 Budget holders are responsible for:
- the control and monitoring of resources within agreed targets;
  - financial management of their own areas;
  - maintaining clear lines of financial responsibility in their own areas;
  - day to day operation of financial procedures in their own areas; 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.
- 6.3.5 Budget holders shall provide the Executive Director of Finance and Resources 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

## **6.4 All Members of Staff**

- 6.4.1 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.
- 6.4.2 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**).
- 6.4.5 They shall make available any relevant records or information to the Executive Director of Finance and Resources or his or her authorised representative in connection with the implementation of the College's financial policies, these financial regulations and the system of financial control.

- 6.4.6 They shall provide the Executive Director of Finance and Resources with such financial and other information, as he or she may deem necessary, from time to time, to carry out the requirements of the Governing Body.
- 6.4.7 They shall immediately notify the Executive Director of Finance and Resources 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 of Finance and Resources shall take such steps as he or she considers necessary by way of investigation and report. Section 15.3 refers to the College's responsibility in respect of Fraud

## **7. Risk Management**

- 7.1 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.
- 7.2 The Governing Body has overall responsibility for ensuring 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.
- 7.3 The Governing Body requires that the risk management strategy and supporting procedures include:
- the adoption of common terminology in relation to the definition of risk and risk management
  - the establishment of College wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of occurrence.
- 7.4 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.
- 7.5 The ARA Committee is responsible for the regular review of the adequacy of risk management arrangements.

## **8. Whistleblowing**

- 8.1 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 whistleblower is someone who raises serious concern about wrongdoing or malpractice so that problems can be identified and resolved quickly.
- 8.2 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.
- 8.3 Information which a worker reasonably believes to show wrong doing 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 or Head of Department/Section.
- 8.4 If the disclosure relates to the Chief Executive and Principal, a workerer can raise the issue with the Clerk to the Governing Body. In the event that the disclosure relates to the Clerk to the Governing Body, a worker can raise the issue with the Chair of the Governing Body
- 8.5 The full procedure for whistleblowing is set out in the College's **Whistleblowing Policy**.

## 9. Code of Conduct

- 9.1 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**.
- 9.2 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 Clerk to the Governing Body and is updated on an annual basis.
- 9.3 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 he or she also has 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 Clerk to the Governing Body.

## 10. Conflicts of Interest

- 10.1 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.

## 11. Receiving Gifts and Hospitality

- 11.1 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.

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.
- 11.2 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.
- 11.3 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.
- 11.4 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.
- 11.5 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 Clerk to the Governing Body. The ARA Committee shall review the gifts and hospitality register at least annually.
- 11.6 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, Curriculum Quality and Assessment, 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 Clerk to the Governing Body or the Executive Director of Finance and Resources.
- 11.7 For the protection of those involved, the 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 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..
- 11.8 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 of Finance and Resources and reported to the Clerk to the Governing Body for inclusion in the gifts and hospitality register.
- 11.9 Staff can find additional guidance in the College's **Anti-Bribery policy**.

## 12. Operational procedures

- 12.1 The Chief Executive and Principal is responsible to the Governing Body for preparing and monitoring operational procedures to govern the administration of the College, specifically in the areas of finance administration and salaries.
- 12.2 The Executive Director of Finance and Resources 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

of Finance and Resources will ensure that any finance manuals are consistent with other procedural manuals.

- 12.3 The Executive Director of Human Resources and Organisational Development will maintain and update at an appropriate frequency, a payroll procedures manual.

## **13. Financial management and control**

### **13.1 Financial Planning**

- 13.1.1 The Executive Director of Finance and Resources 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.
- 13.1.2 The annual estimates will be prepared by delegated budget holders in consultation with the Executive Director of Finance and Resources or nominee and in accordance with any criteria and timetable approved by the FEGP Committee.
- 13.1.3 The annual estimates will be presented by the Chief Executive and Principal to the Board in a form approved by the Board. They will be in accordance with a timescale determined by the members and with such information as is necessary to support the estimates.
- 13.1.4 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.

### **13.2 Budget Objectives**

- 13.2.1 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 of Finance and Resources in preparing the more detailed financial plans for the College.

### **13.3 Resource Allocation**

- 13.3.1 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.

### **13.4 Budget Preparation**

- 13.4.1 The Executive Director of Finance and Resources is responsible for preparing an annual revenue and expenditure budget and capital plan. 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.
- 13.4.2 The budget should also include monthly cash flow forecasts for the year and projected yearend balance sheet. The Director of Finance and Resources 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.
- 13.4.3 The Executive Director of Finance and Resources has the authority to require any member of College staff to provide information of any nature, as necessary.

13.4.4 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 College Executive at formal presentation meetings on a periodic basis prior to the preparation of the whole College budget.

## **13.5 Approval**

13.5.1 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.

## **13.6 Authorisation**

13.6.1 Budget holders are responsible to the Chief Executive and Principal for the control of expenditure from the budgets delegated to them. They are responsible for the day to day management of budgets and have the following responsibilities:

- Each financial year, all budget holders will be required to sign an undertaking accepting responsibility for the budget and compliance with financial regulations and procedures. Any authorising officers must also sign a similar undertaking to comply with financial regulations and procedures;
- Authorising expenditure against the budget;
- Monitoring expenditure and commitment of expenditure during the year with reference to the budget for the year; and
- Reporting as soon as possible to the Executive Director of Finance and Resources if it is foreseen that the budget will be overspent. Challenge will be made of any overspend by Executive Leadership Team during business review meetings.

## **13.7 Monitoring Performance against budget**

13.7.1 Once set and approved by the Governing Body, the budget for the year cannot be changed. Each month, management accounts will be prepared to include a statement from the Executive Director of Finance and Resources highlighting any significant changes to the business plan which may impact on the full year outturn. This will be discussed by Executive to ensure that if required, mitigating actions are taken to ensure the budget is delivered.

13.7.2 Board approved Key Performance Indicators (KPIs) and management accounts will be presented to the FEGP Committee on a regular basis.

## **13.8 Changes to the Approved College Budget**

13.8.1 Changes proposed to the approved budget will be first considered by the FEGP Committee, which will make recommendations to the Governing Body.

## **13.9 Budget Virements**

13.9.1 The Chief Executive and Principal or nominee shall be permitted to authorise virement between all budget heads within a cost centre budget (except those specifically excluded by the FEGP Committee) provided:

- the amount involved does not exceed the allocated budget in relation to any one proposal or related series of proposals; and
- the action does not involve the College in any additional financial commitment in respect of any subsequent year.

- 13.9.2 Virement involving additional financial commitments, i.e. current or subsequent years, shall be subject to the approval of the Executive Director of Finance and Resources.
- 13.9.3 Virement between cost centres can only be made with the approval of both the budget holders.
- 13.9.4 Virement shall not be permitted if it affects the estimated surplus or deficit approved by the Governing Body in excess of 2% without the prior approval of the Governing Body
- 13.9.5 All virements shall be reported to the FEGP Committee at the earliest meeting by showing a revised out-turn position for the College.
- 13.9.6 Budget virements are designed to allow budget holders some freedom in the deployment of resources to respond to unplanned needs or opportunities which arise after the budget has been approved. The general rules are that:
- funds may be vired within pay revenue budgets and also within non-pay revenue budgets;
  - funds may be vired from a non-pay revenue budget to a capital budget, but not vice versa;
  - funds may be vired from pay budgets to non-pay budgets but not vice versa.
- 13.9.7 All virements must be approved in accordance with the limits set out in **Appendix 1**.

## **13.10 Treatment of Year-end Balances**

- 13.10.1 Where a budget holder fails to achieve the agreed target, the Executive Director of Finance and Resources may require such deficit to be carried forward and set against the budget provision for the following year. The Executive Director of Finance and Resources 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.

## **13.11 Capital Expenditure**

- 13.11.1 The Chief Executive and Principal is responsible to the Governing Body for the 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.
- 13.11.2 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 of Finance and Resources.
- 13.11.3 The Executive Director of Finance and Resources 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 of Finance and Resources 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.
- 13.11.4 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.
- 13.11.5 The Executive Director of Finance and Resources is responsible for providing regular statements concerning all capital expenditure to the FEGP Committee for monitoring purposes.

- 13.11.6 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 and Resources. 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.
- 13.11.7 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 of Finance and Resources. The board will make regular reports to the FEGP Committee on the progress of the capital project.
- 13.11.8 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.
- 13.11.9 The estimated final cost of each major scheme shall be reported to the next appropriate committee meeting.
- 13.11.10 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.

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

- 13.12.1 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 12 months. Such purchases shall be regarded as capital expenditure for accounting purposes.

## **13.13 Overseas Activity**

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

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

- 13.14.1 Any new potential funding opportunity or new aspect of business which will require an investment must be discussed with the Executive Director of Finance and Resources before any application is made and/or any contract is signed.
- 13.14.2 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.
- 13.14.3 The Executive Director of Finance and Resources 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 Commercial Director. 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.

### **13.15 Budgetary Control**

- 13.15.1 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.
- 13.15.2 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.
- 13.15.3 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.
- 13.15.4 The Executive Director of Finance and Resources 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 of Finance and Resources.
- 13.15.5 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 College Executive 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.

### **13.16 Financial Information**

- 13.16.1 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 of Finance and Resources and distributed to budget managers.
- 13.16.2 College level management accounts will be produced in a format and to be determined by the Executive Director of Finance and Resources, for presentation to the FEGP Committee and Governing Body.
- 13.16.3 The Executive Director of Finance and Resources is responsible for supplying 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.
- 13.16.4 Significant departures from agreed budgets must be reported immediately to the Executive Director of Finance and Resources by the budget holder concerned and if necessary corrective action taken. The Executive Director of Finance and Resources shall be accountable to the 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.

## **14. Accounting arrangements**

### **14.1 Financial year**

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

### **14.2 Basis of Accounting**

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

### **14.3 Format of the Financial Statements**

14.3.1 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 1985 where appropriate.

### **14.4 The Accounts**

14.4.1 The Executive Director of Finance and Resources, is responsible for monitoring 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.

14.4.2 The Executive Director of Finance and Resources will be responsible for developing a coding structure based on the general ledger which is adequate for the reporting purposes of the College. Changes to that structure must be authorised by the Executive Director of Finance and Resources or their nominee.

14.4.3 General ledger journal entries will be authorised by the Executive Director of Finance and Resources or their nominee. Journals are not printed out, with the review being performed of the supporting excel files and evidenced on a month end journal control sheet. 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.

14.4.4 Each month end the Executive Director of Finance and Resources 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.

14.4.5 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).

14.4.6 Reports will be at College or budget holder level as required.

14.4.7 A checklist will be maintained by the Financial Accountant detailing the work to be completed, by whom and the target date. Each task will be initialled and dated when complete.

14.4.8 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.

- 14.4.9 The Executive Director of Finance and Resources or nominee will review all designated control account reconciliations monthly and evidence that review.

## **14.5 Accounting records**

- 14.5.1 The Executive Director of Finance and Resources is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.
- 14.5.2 The Executive Director of Finance and Resources will make appropriate arrangements for the retention of electronic records.
- 14.5.3 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.

## **14.6 Public Access**

- 14.6.1 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 their 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,.

## **14.7 Taxation**

- 14.7.1 The Executive Director of Finance and Resources 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. Therefore, the Executive Director of Finance and Resources will issue instructions to the relevant departments on compliance with statutory requirements including those concerning VAT, PAYE, National Insurance, Corporation Tax and Import Duty.
- 14.7.2 The Executive Director of Finance and Resources is responsible for maintaining the College's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

## **15. Audit requirements**

- 15.1.1 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 with the directives and requirements of the ESFA.
- 15.1.2 The College shall appoint Internal and External Auditors. Internal 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.

15.1.3 The ARA Committee shall be informed of all additional services undertaken by the internal audit service, the external auditors and funding auditors, where appointed

15.1.4 The Executive Director of Finance and Resources is responsible for drawing 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.

## **15.2 External Audit**

15.2.1 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.

15.2.2 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.

15.2.3 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.

15.2.4 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.

## **15.3 Internal Audit**

15.3.1 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 the adequacy of the internal control system including controls for securing economy, efficiency and effectiveness (value for money).

15.3.2 Internal audit is responsible to 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 have 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 is also submitted to the ESFA.

15.3.3 An Audit Code of Practice for the FE sector was published in 2019. As and when changes to audit requirements are adopted by the Governing Body, these financial regulations will be updated.

15.3.4 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.

## **15.4 Fraud and corruption**

- 15.4.1 It is the duty of all members of staff, management and the Governing Body to notify the Executive Director of Finance and Resources 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, police or Action Fraud matters within their ambit.

## **15.5 Value for money**

- 15.5.1 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.
- 15.5.2 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.

## **15.6 Other auditors**

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

## **16. Income**

### **16.1 Responsibilities for income**

- 16.1.1 The Executive Director of 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, tickets or other official documentation in use and electronic collection systems must have the prior approval of the Executive Director of Finance and Resources.
- 16.1.2 The Executive Director of Finance and Resources shall be responsible for the security and prompt banking of monies received. The Executive Director of Finance and Resources is responsible for ensuring that all grants notified by the funding body and other bodies are received and appropriately recorded in the College's accounts. He or she is also responsible for ensuring that all claims for funds are made by their due date.
- 16.1.3 The Executive Director of Finance and Resources shall have the right to inspect any documents or other evidence as he or she may decide is appropriate.

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

- 16.2.1 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.
- 16.2.2 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 of Finance and Resources.

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

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

### **16.3 Apprenticeship contracts**

16.3.1 The Commercial Director 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

### **16.4 Trading Activities**

16.4.1 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 of Finance and Resources.

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

16.5.1 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

16.5.2 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.

### **16.6 Maximisation of income**

16.6.1 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

### **16.7 Credit Control**

16.7.1 Prior to entering into any new income-generating contract or agreement, the Executive Director of Finance and Resources 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.

16.7.2 The Executive Director of Finance and Resources 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**.

### **16.8 Receipts**

16.8.1 All monies received within departments from whatever source must be recorded via a till, enrolment form, receipt book or other appropriate method by the department on a daily basis, together with details on how they were received (for example cash, cheques and other negotiable instruments).

16.8.2 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.

16.8.3 Every sundry remittance or sum of money received by an officer on behalf of the College must be acknowledged by the issue of an official receipt. Where receipts are accepted via a till, the takings of the till must be reconciled and balanced at least daily.

16.8.4 All sums received must be paid in, and accounted for in full and must not be used to meet miscellaneous departmental expenses or be paid into the departmental petty cash float. Personal or other cheques must not be cashed out of money received on behalf of the College.

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

16.9.1 The College can 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.

16.9.2 These terminals support primary account number (PAN) truncation where the card number is partially obscured on the customer receipt. A copy of the receipt should be retained to support evidence of payment.

16.9.3 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.

## **16.10 Internet receipts**

16.10.1 The College offers an on line 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.

16.10.2 In operating this facility the College is subject to continuous risk assessment.

## **16.11 Third Party and Personal Cheques**

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

## **16.12 Invoicing and Debt Collection**

16.12.1 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 of Finance and Resources or nominee.

16.12.2 The Executive Director of Finance and Resources 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.

- 16.12.2 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 of Finance and Resources or nominee is required for any departure from the College's invoicing system.
- 16.12.3 Where a credit note is raised, it must be authorised by the budget holder.
- 16.12.4 Appropriate debt recovery procedures shall be determined by the Chief Executive and Principal in discussion with the Executive Director of Finance and Resources and shall be subject to approval by the FEGP Committee.
- 16.12.5 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.
- 16.12.6 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.
- 16.12.7 The authority for writing off bad debts is as follows:
- debts up to and including £10,000, the Executive Director of Finance and Resources
  - debts up to and including £50,000, the Chief Executive and Principal
  - debts in excess of £50,000, Chair of Governing Body, on recommendation of FEGP Committee .
- 16.12.8 All write-offs will be detailed in writing with any supporting documentation.
- 16.12.9 All debts written off will be reported to the FEGP Committee.
- 16.12.10 If an organisation or individual seeks credit the Executive Director of Finance and Resources 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.

## **16.13 Student fees**

- 16.13.1 The procedure for collecting tuition fees must be approved by the Executive Director of Finance and Resources. He or she is 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.

## **16.14 Refunds**

- 16.14.1 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.

## **16.15 Student loans**

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

## **17. Expenditure**

- 17.1.1 The Governing Body is responsible for ensuring that expenditure made by the College is consistent with the College's plans and will receive explanations as it sees fit on the College's expenditure in addition to any financial statements provided to Governors.
- 17.1.2 The Governing Body will ensure that the expenditure made by the College does not affect the solvency of the College.
- 17.1.3 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.

## **17.2 Chief Executive and Principal's Responsibilities**

- 17.2.1 The Chief Executive and Principal is responsible for all contracts and payments made by or on behalf of the College. 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 of Finance and Resources.

## **17.3 Procurement**

- 17.3.1 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.
- 17.3.2 The purchasing function is the responsibility of the Executive Director of Finance and Resources. He or she, or a nominee will be 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;
  - drafting and negotiating all large scale purchase contracts undertaken by the College (assistance may be received from a nominee) - 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); and
  - ensuring that the College complies with European Union 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.

## **17.4 Authority to Place Purchase Orders**

- 17.4.1 The ordering of goods and services shall be in accordance with the College's detailed financial procedures / purchasing policies
- 17.4.2 A delegation of authority will be agreed by the Governing Body on the recommendation of the FEGP Committee. The Executive Director of Finance and Resources 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 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.

- 17.4.3 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.
- 17.4.4 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 for 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 of Finance or nominee.
- 17.4.5 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.
- 17.4.6 For the small number of invoices that are paid without an approved Purchase Order (for example exams, catering supplies, and charges from sub-contractors), the invoice must be signed by the budget holder in accordance with the limits in Appendix 1. A register of authorised signatories and specimen signatures is held by the Finance department in order that appropriate authorisation can be verified,
- 17.4.7 Amendments cannot be made to a purchase order following approval; an exception to this is amendments below £50, which can be made by the finance department following authorisation from the budget holder. 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.
- 17.4.8 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.
- 17.4.9 It is the responsibility of primary budget holders to ensure that evidence for quotations obtained for goods and services are retained for potential inspection.
- 17.4.10 It is the responsibility of both primary and delegated budget holders to remain within the budgets agreed by the Governing Body.
- 17.4.11 All purchase orders exceeding £10,000 in value must be authorised by the Executive Director of Finance and Resources or other ELT member. Orders below this must be authorised by the relevant Budget Holder. The Executive Director of Finance and Resources 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.
- 17.4.12 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.
- 17.4.13 Standing purchase orders can 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.

## **17.5 Quotations**

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:

Value (incl. VAT) for each purchase	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 codes
Over £10,000 - £50,000	Three written quotes
Over £50,000	Competitive tender

Following this, expenditure needs to be approved as follows:

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

## 17.6 One supplier quotes

17.6.1 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 of Finance and Resources;
- 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).

## 17.7 Procurement Waivers

17.7.1 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 of Finance and Resources prior to the single source supply being undertaken. Any such waivers will be reported to FEGP Committee on a regular basis.

17.7.2 Preferred suppliers status must be approved by the Chief Executive and Principal or Executive Director of Finance and Resources for a designated period where evidence is provided by the budget holder to demonstrate value for money for this arrangement.

17.7.3 The background supporting the above proposal must be documented and kept with the order.

## 17.8 Tendering

- 17.8.1 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.
- 17.8.2 The Governing Body stipulates that all supplies over an estimated value of £50,000 (incl. VAT) must be subject to competitive tendering.
- 17.8.3 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.
- 17.8.4 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.
- 17.8.5 The Chair of the Governing Body on approval of FEGP Committee will retain responsibility for approving all tenders with an estimated value of £500,000 per annum (exclusive of VAT) and above in terms of their annual commitment.
- 17.8.6 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.
- 17.8.7 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.
- 17.8.8 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.

## 17.9 Contract Signatories

- 17.9.1 Contracts for expenditure must be authorised as specified in **Appendix 1**.
- 17.9.2 Contract documents requiring the use of the Corporation 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 deeds [e.g. transfer of land, mortgages etc];
  - other documents as advised by the Clerk to Governing Body or solicitors.
- 17.9.3 Use of the Corporation Seal - normally the use of the seal will be authenticated by the Chair of Governors, a Vice Chair (or another member of FEGP Committee) and one other member of the Governing Body, but in any event by two members of the Governing Body. The Clerk may, for operational reasons, entrust the key of the Common Seal temporarily to the Executive Director of Finance and Resources and authorise such individual to exercise the Clerk's duties under this regulation.
- 17.9.4 The Clerk to the Governing Body is responsible for ensuring that the Corporation Seal is stored securely and for reporting its application on documents to the Governing Body via the ARA committee.
- 17.9.5 A register detailing each application of the seal will be maintained by the Clerk, recording:
- date;
  - document sealed;

- authorised person using seal; and
- details of governors who have witnessed/authorised the application of the seal.

## **17.10 Receipt of goods**

- 17.10.1 All goods received should be checked for quantity and inspected for quality and specification.
- 17.10.2 A delivery note shall be obtained from the supplier at the time of delivery and 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.
- 17.10.3 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.

## **17.11 Authority to Pay Invoices**

- 17.11.1 The finance system will authorise any invoice that matches a purchase order that was approved in the finance system in accordance with the financial authority limits in Appendix 1.
- 17.11.2 With regard to the payment of invoices that do not arise from the issuing of a purchase order, the budget holder can approve invoices to the value of £10,000, with approval from a member of the Executive Leadership Team for invoices above this amount.
- 17.11.3 The majority of invoices are paid by weekly BACS. The BACS run will only include invoices that have been approved in accordance with Appendix 1. The weekly BACS run will only require approval from the Head of Finance or Executive Director of Finance and Resources. Prior to approving the weekly BACS, the Head of Finance or Executive Director of Finance and Resources will check all changes in supplier Masterfile details (inc changes to bank details) to appropriate supporting documentation.
- 17.11.4 For all invoices which will not be paid on the weekly BACS, approval is required from two authorised persons. Authorised persons include those included on the bank mandate (Directors and Clerk to the Governors), together with nominated persons from the finance team. Each payment must be approved by one person on the bank mandate, with payments above £25,000 requiring approval from two persons included on the bank mandate.

## **17.12 Authorisation limits**

- 17.12.1 These are detailed within Appendix 1

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

- 17.13.1 The Executive Director of Finance and Resources or a 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 account codes. The Executive Director of Finance and Resources is responsible for deciding on the most appropriate method of payment for categories of invoices.
- 17.13.2 All invoices shall be authorised in accordance with financial procedures. Budget Holders are responsible for ensuring 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 of Finance and Resources or nominee of officers authorised to certify invoices for payment.

17.13.3 The Accounting Services Manager will be responsible for the payment of all 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 cheques will be raised by the Purchase ledger administrator 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 are then responsible for distributing them to the relevant team in the College for consideration and approval where appropriate. See 19.8.1 below regarding payments made by electronic funds transfer.

17.13.4 Direct debit instructions must be signed by two signatories from the bank mandate.

17.13.5 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.

## 17.14 Return of Goods, Cancellation of Orders

17.14.1 If it is found necessary to return any goods, or claim against a supplier, or an order be cancelled, then the Executive Director of Finance and Resources or nominee within the Accounting Services 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.

17.14.2 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).

## 17.15 EU Thresholds

17.15.1 Any contract for goods and services valued in excess of current EU thresholds €221,000 (£181,302) from 21 Jan 2018 must be advertised through the Official Journal of the European Union (OJEU) 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).

17.15.2 Any significant contracts should therefore be checked against the latest thresholds on the OJEU website ([www.ojec.com/Thresholds.aspx](http://www.ojec.com/Thresholds.aspx)) or with the College's Senior Procurement Officer who

will maintain up to date information on the thresholds. The College's Senior Procurement Officer will advise the College regarding the application of EU Tendering requirements.

17.15.3 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;
- 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 memoranda 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.

17.15.4 Consideration will be given to the impact of 'Brexit' upon these requirements.

## **17.16 Construction Procurement Guidelines**

17.16.1 Building contracts above £1,000,000 are the responsibility of the Capital Projects Board which will be appointed by the Executive Director of Finance and Resources to review and evaluate them, Capital Projects are supported by the Executive Director of Finance and Resources where approved.

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

17.16.3 Consultants may be appointed if the project, as determined by the Capital Projects Board, is too large or too specialised for Estates Department resources. Appointments shall be subject to tendering and other procedures where appropriate.

17.16.4 Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the Executive Finance and Resources as appropriate for Capital Projects Panel consideration. Investment appraisals should comply with appropriate Funding Body guidance.

17.16.5 Following consideration by the Capital Projects Board and the Executive Director of Finance and Resources, and approved by the Governing Body, submissions should be forwarded to the Funding Body 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.

17.16.6 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 Board of Corporation.

17.16.7 Where contracts are considered to be lower than the above thresholds but there is the possibility that they may be exceeded then the EU requirements must be followed. If they are not followed, but are subsequently breached, then the Executive Director of Finance and Resources will decide on the action required taking into account the advice of the College's procurement partner.

## **17.17 Purchases from Family and Friends**

17.17.1 Purchases from family and friends are discouraged unless there is a compelling reason why such a transaction should take place due to the potential conflicts of interest. Therefore, unless there are exceptional circumstances, with prior agreement obtained in writing from the Chief Executive and Principal or Executive Director of Finance and Resources. Members of staff must make such

interests and connections known to the Chief Executive and Principal or Executive Director of Finance and Resources in advance.

## **17.18 EU Regulations**

- 17.18.1 The Governing Body is responsible for ensuring that the College complies with its legal obligations concerning European Union procurement legislation. This is the responsibility of each budget holder and will be monitored by the Executive Director of Finance and Resources.
- 17.18.2 Consideration will be given to the impact of 'Brexit' upon these requirements.

## **17.19 Contracts Register**

- 17.19.1 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 of Finance and Resources who will liaise with relevant business units including HR, Finance, IT, Estates, Data Protection, Business Development and Faculties.

## **17.20 Prompt Payment**

- 17.20.1 The Governing Body delegates to the Executive Director of Finance and Resources responsibility for ensuring that the payment of invoices complies with any statutory requirements on prompt payment.
- 17.20.2 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 how well the 30 day payment requirement has been complied with.

## **17.21 Corporate Credit Card**

- 17.21.1 The operation and control of the corporate credit card system is the responsibility of the Executive Director of Finance and Resources. There will be appropriate oversight of the distribution of such cards and the associated card limits.
- 17.21.2 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.
- 17.21.3 The Executive Director of Finance and Resources 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.
- 17.21.4 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 of Finance and Resources. 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.
- 17.21.5 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 Group Accountant will be responsible for ensuring expenditure incurred is recorded correctly.

- 17.21.6 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 of Finance and Resources or nominee.
- 17.21.7 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.
- 17.21.8 All correspondence with Barclaycard will be via the Executive Director of Finance and Resources 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 for safe disposal. The Head of Finance will have responsibility for ensuring that the card is cancelled promptly.

## **17.22 New Suppliers**

- 17.22.1 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. Each form will be maintained in the Finance Office 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 Financial Accountant prior to the supplier BACS pay run being approved.
- 17.22.2 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.

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

- 17.23.1 Any change to standing data for existing suppliers will need to be supported by a written request from the supplier.
- 17.23.2 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.
- 17.23.3 Any change to supplier phone number will be verified by the finance department against the website of the organisation, or with the employee who owns the relationship with the supplier.

## **17.24 Late Payment Rules**

- 17.24.1 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.

17.24.2 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.

## **18. Other payments**

### **18.1 Giving Hospitality**

18.1.1 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 the claim of reimbursement.

18.1.2 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.

### **18.2 Telecoms**

18.2.1 The College provides mobile phones for a limited number of employees where there is a genuine business requirement to enable performance of employment duties.

### **18.3 Provision of clothing**

18.3.1 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.

### **18.4 Fund raising**

18.4.1 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.

18.4.2 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.

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

### **18.5 Third Party Outward Collaboration – Sub-Contracted Provision**

18.5.1 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.

18.5.2 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 management subcontracted delivery.

18.5.3 The College has a Sub-contracting: Supply chain retained funding and charges Policy which is published on the College website in accordance with ESFA regulations

- 18.5.4 Detailed procedures for managing subcontracted provision shall be produced and approved by the Commercial Director. The procurement thresholds set out for general contracts and purchases in Appendix 1 do not apply to Sub-Contracted provision. Instead where the anticipated value of delivery is less than £170,000 (incl. VAT), the Business Development Steering Group 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.
- 18.5.5 All sub-contracted provision must be approved in advance by the Business Development Steering Group, 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, sub-contracting agreements.
- 18.5.6 The Commercial Director is responsible for monitoring the financial performance of sub-contracted provision, and ensuring that this is reported to Governors in a timely and accurate manner.
- 18.5.7 Where the College is acting as a subcontractor to another organisation, the College will adhere to their regulations which will also be based upon the ESFA guidance

## **19. Pay Expenditure**

### **19.1 Remuneration Policy**

- 19.1.1 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 and FEGP.
- 19.1.2 Governing Body will determine whether other benefits are to be available, the basis of their provision and the staff to whom they are available.
- 19.1.3 Salaries and other benefits for senior post-holders will be determined by the SRG Committee set up by the Governing Body.
- 19.1.4 Bonus payments will be subject to the provisions sets out in the relevant bonus scheme.

### **19.2 Appointment of Substantive Staff**

- 19.2.1 The recruitment of staff to the College, Sparks Managed Services and Sparks Solutions Limited is subject to approval through a defined recruitment request process through which budget holders shall make a business case for the need to recruit. Approval of requests to recruit shall be made by the Chief Executive and Principal or their nominee.
- 19.2.2 All contracts of service shall be appointed in accordance with the College's approved human resources practices and procedures and all offers of employment with the College shall be made in writing by the Executive Director of Human Resources and Organisational Development or their nominee. Budget holders shall ensure that the Executive Director of Finance and Resources and the Executive Director of Human Resources and Organisational Development, are provided promptly with all the information they may require in connection with the appointment, resignation or dismissal of employees.
- 19.2.3 The College will normally use its own resources to recruit staff. The budget holder should utilise staff on Sparks Teaching Services Limited where possible. For roles where Sparks teaching Services Limited staff are not appropriate, the vacancy must be advertised internally in the first instance. In the event of a suitable person not being sourced from using College resources, the budget holder has the authority to utilise a recruitment agency.

### **19.3 Appointment of Agency staff**

- 19.3.1 Temporary hourly paid teaching 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.
- 19.3.2 The use of any other staffing agency must be approved in advance by the Executive Director of Human Resources or their nominee, and consent for this will only be granted in exceptional circumstances.
- 19.3.3 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.

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

- 19.4.1 Under no circumstances should any contractual arrangements be made with self-employed contractors without the express consent of the Executive Director of Finance and Resources or their nominee. The same approval process will apply to the recruitment of self-employed contractors as for substantive staff.
- 19.4.2 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.

### **19.5 Salaries and Wages**

- 19.5.1 The preparation of payroll and the payment of salaries, wages and other emoluments to employees of the College shall be the responsibility of the Executive Director of Human Resources and Organisational Development and shall be undertaken in accordance with arrangements approved by the Governing Body. 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.
- 19.5.2 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.
- 19.5.3 Only the Chief Executive and Principal or nominee can vary payroll standing data. All letters of appointment or variations in conditions of service must be issued by the Chief Executive and Principal or nominee. The Chief Executive and Principal will ensure that there are satisfactory arrangements in place to notify the Human Resources Department of all commencements, variations and terminations for inclusion in the payroll.
- 19.5.4 Prior to payment, the Chief Executive and Principal or nominee will review the payroll including the total pay to staff to be made and evidence that review by signing the documentation.
- 19.5.5 All payments must be made in accordance with the College's detailed payroll financial procedures and comply with HM Revenue & Customs regulations. Staff should be aware that the College could incur penalties for non-compliance with such regulations.
- 19.5.6 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 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.

- 19.5.7 The Executive Director of Finance and Resources 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.
- 19.5.8 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.
- 19.5.9 The Executive Director of Human Resources and Organisational Development 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.
- 19.5.10 The Executive Director of Human Resources and Organisational Development 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 Group Accountant and reviewed by the Head of Finance.
- 19.5.11 The Executive Director of Human Resources and Organisational Development 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.
- 19.5.12 The Executive Director of Finance and Resource or nominee will be responsible for ensuring that all third party deductions are paid in accordance with statutory or other requirements.
- 19.5.13 The Executive Director of Human Resources and Organisational Development or their nominee will be responsible for updating 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.

## **19.6 Superannuation Schemes**

- 19.6.1 The Governing Body is responsible for undertaking the role of the employer in relation to the appropriate pension arrangement for employees.
- 19.6.2 The Executive Director of Human Resources and Organisational Development 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.
- 19.6.3 The Executive Director of Human Resources and Organisational Development is responsible for administering eligibility to pension arrangements and ensuring deductions begin or cease for staff.

## **19.7 Expenses and Allowances**

- 19.7.1 The College has dispensation from HM Revenue & Customs 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.
- 19.7.2 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 in accordance with administrative procedures.
- 19.7.3 All claims for expenses must be signed by the Budget Holder. For senior staff and governors, the following structure will apply:-

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

**19.8 Travel, Subsistence and Other Allowances**

- 19.8.1 All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Executive Director of Finance and Resources.
- 19.8.2 Claims by members of staff must be authorised by their Budget Holder (or Chief Executive and Principal or Executive Director of Finance and Resources) 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 in choosing the mode of transport.
- 19.8.3 Arrangements for travel by the Chief Executive and Principal and members of the Governing Body shall normally be booked through the College, within the approved budget. Any bookings made by an individual are at their own risk and reimbursement by the College shall be subject to approval as above in 19.7.3.

**19.9 Relocation Expenses**

- 19.9.1 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 a provision would be made in the application to make an appointment [RR1] and would be approved by the Executive Director of Human Resources and Organisational Development or by the Chair of the Selection Panel appointed by Governing Body, in respect of senior post holders.
- 19.9.2 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.

- 19.9.3 Should the post become vacant for whatever reason within 24 months, the individual may be required to repay the allowance, calculated on a monthly incremental basis and any offer to pay relocation expenses would be subject to the individual accepting legally binding terms to this effect.

## **19.10 Overseas Travel**

- 19.10.1 In further education colleges, all arrangements for overseas travel must be approved by the Chief Executive and Principal in advance of committing the College to those arrangements or confirmation of any travel bookings.
- 19.10.2 The expenses policy and procedure covers travel and subsistence costs in relation to both UK and overseas trips and visits.
- 19.10.3 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 requires authorisation of the visit by the Deputy Chief Executive Curriculum, Quality and Assessment.
- 19.10.4 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.

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

- 19.11.1 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.

## **19.12 Severance and Other Non-recurring Payments**

- 19.12.1 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 of Human Resources or the Executive Director of Finance and Resources 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 of Human Resources, the Executive Director of Finance and Resources 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. Amounts paid shall be declared in the financial statements.
- 19.12.2 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.

## **20. Assets**

### **20.1 Treasury Management and Investment**

- 20.1.1 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 regarding approval for any secured or unsecured loans that go beyond the levels set out in the financial memorandum. The FEGP Committee is responsible for overseeing effective implementation, monitoring and review of such policies.
- 20.1.2 All executive decisions concerning borrowing, investment or financing shall be delegated to the Executive Director of Finance and Resources 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 of Finance and Resources and their staff are required to act in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) code of practice.
- 20.1.3 The Executive Director of Finance and Resources shall have delegated power to invest funds on a day-to-day basis in accordance with this policy.
- 20.1.4 The Executive Director of Finance and Resources shall provide information to each meeting of the FEGP Committee detailing any investment decisions taken since the last meeting.

### **20.2 Borrowing**

- 20.2.1 If the College is considering borrowing, the College must consider the authorisation and approval requirements of the ESFA, as laid out in the financial memorandum and updated annually. This may apply to both secured and unsecured borrowing.
- 20.2.2 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. The Executive Director of Finance and Resources shall report such short term borrowing to the FEGP Committee at the earliest opportunity.
- 20.2.3 Borrowing for periods in excess of twelve months shall require the authorisation of the Governing Body and shall comply with any requirements of the financial memorandum of the ESFA.
- 20.2.4 The Executive Director of Finance and Resources or nominee will maintain records of all borrowing of monies by the College.

### **20.3 Short term investments**

- 20.3.1 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.
- 20.3.2 All investments shall be made in the name of the College.
- 20.3.3 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.

## **20.4 Long Term Investments**

- 20.4.1 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.

## **20.5 Appointment of Bankers and Other Professional Advisers**

- 20.5.1 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

## **20.6 Banking Arrangements**

- 20.6.1 The Executive Director of Finance and Resources shall be responsible on behalf of Governing Body, for liaising with the College's bankers in relation to the College's bank accounts.
- 20.6.2 Opening or closing bank accounts will be in accordance with the 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.
- 20.6.3 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.
- 20.6.4 The Executive Director of Finance and Resources is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large and unusual items are investigated as appropriate.

## **20.7 Petty Cash**

- 20.7.1 The Executive Director of Finance and Resources will provide petty cash floats as appropriate, upon request to officers nominated by the Chief Executive and Principal. It must be supported by receipts or vouchers where available.
- 20.7.2 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:
- Chief Executive and Principal;
  - Executive Director of Finance and Resources;
  - Clerk to the Governors; and
  - Executive Director of Human Resources and Organisational Development.
- 20.7.3 All cheques exceeding £5,000 in value and any other banking documents must be signed by at least two of the above.
- 20.7.4 Any changes to authorised signatories can 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 of Finance and Resources.
- 20.7.5 The provision of banking services to the College should be subject to periodic review.
- 20.7.6 The Accounting Services Manager (or nominee who is not a cheque signatory) shall be responsible for ordering and controlling all bank stationery.

- 20.7.7 The Executive Director of Finance and Resources or nominee shall make available to departments such petty cash floats as considered necessary for the disbursement of petty cash expenses. However, it is important for security reasons that petty 'cash floats' are kept to a minimum.
- 20.7.8 A nominated officer granted a cash float is personally responsible for the safe custody of the float. All petty cash boxes must be kept locked in a secure place in compliance with the College's insurers when not in use. The level of floats held shall be determined by the Executive Director of Finance and Resources. Random cash counts will be performed by the Executive Director of Finance and Resources or nominee.
- 20.7.9 Proper records of accounts must be maintained by nominated officers responsible for floats, and reconciliations will be completed and reviewed weekly (monthly at Peaks and at Olive Grove outside term time). The Executive Director of Finance and Resources or nominee will review and approve all claims for reimbursing the petty cash float, all claims must be supported by a reconciliation.
- 20.7.10 No payments should be made from petty cash float which could be paid through the normal creditor payments routine. Cash floats should not routinely be used for travel or subsistence expenditure.
- 20.7.11 A nominated officer responsible for a petty cash float shall, if so requested, provide to the Head of Finance a statement showing the current state of the float.
- 20.7.12 A certificate of the balance of the float must be provided at 31st July each year countersigned by an independent officer and submitted to the Finance Department, and the Head of Finance or nominee will check each float and cash certificate.
- 20.7.13 The Head of Finance should ensure that, where a nominated officer leaves the employment of the College, responsibility for the float must be re-assigned to a successor.
- 20.7.14 Payments from petty cash must be properly certified and will be limited to minor items of expenditure not exceeding £75. In exceptional circumstances the Executive Director of Finance and Resources or the Chief Executive and Principal will authorise larger amounts up to a maximum of £150. See Appendix 1. A list of signatures of officers authorised to certify claims shall be held and maintained by the Executive Director of Finance and Resources or nominee.

## **20.8 Electronic Transfer of Funds**

- 20.8.1 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 cheque signatory where the value of the transfer is more than £5,000. Two cheque signatories are required to authorise transfers for payments where the value exceeds £25,000. For transfers between bank accounts and on to deposit these can be carried out with approval from one person from the online payments authority list.
- 20.8.2 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 Accounting Services team.
- 20.8.3 The Head of Finance, Accounting Services Manager or Group Accountant will check that the details are correct and will approve the transaction on the banking software.
- 20.8.4 A copy of the beneficiary details and the authorised instructions will be printed, attached to the payment request, and signed as matching the account details entered into the online payments system by two persons from the online payments authority list

- 20.8.5 The two persons from the online payments authority list will approve the payment using a card issued by the bank in their name, and the card shall be held securely by the person to whom it has been issued. The personal password for the bank card must not be written down or given to anybody besides the card holder.
- 20.8.6 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 for Finance and Resources, the Clerk to the Governors, Head of Finance or Accounting Services Manager. One approval must come from the Executive Director of Finance and Resources or the Clerk to the Governors. Changes to Administrators must be approved by the Executive Director for Finance and Resources.

## **21. Land, buildings, fixed plant and machinery**

### **21.1 Recording of Fixed Assets**

- 21.1.1 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.
- 21.1.2 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.
- 21.1.3 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.

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

- 21.2.1 The Chief Executive and Principal 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 an inventory or otherwise, in such a manner as may be required by the Governing Body, having taken account of directives, requirements and guidance issued by the ESFA. All assets with a value of more than £2,000 inclusive of VAT should be capitalised along with those that are part of a project with an overall value of more than £2,000.

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

- 21.3.1 Items costing less than £2,000 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.

### **21.4 Fixed Assets Register**

- 21.4.1 The Executive Director of Finance and Resources is responsible for maintaining the College fixed asset register. The register of all items capitalised will be maintained by the Finance Department – this will be reconciled to the general ledger monthly and will be the responsibility of the Head of Finance. It will be the responsibility of the Head of Finance to 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 he or she may need to maintain the register.

- 21.4.2 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.
- 21.4.3 Fixed asset items should be included on the register immediately on receipt and, where appropriate, they should be clearly and permanently marked as the property of the College.
- 21.4.4 It will be the responsibility of individual department heads to 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 be responsible for maintaining a register of IT assets and the Estates Department will hold a register for plant and equipment.
- 21.4.5 It will be the responsibility of the Executive Director of Finance and Resources or nominee to 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.
- 21.4.6 When transferring equipment e.g. between departments a transfer record must be kept and the fixed assets register amended accordingly.
- 21.4.7 All capital items should be security tagged for identification.
- 21.4.8 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 of Finance and Resources may also authorise revaluation of the rebuilding costs of College buildings as necessary, for insurance purposes.

## **21.5 Depreciation**

- 21.5.1 Depreciation rates applicable to College assets will be determined by the FEGP Committee on the recommendation of the Executive Director of Finance and Resources.
- 21.5.2 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)

## **21.6 Disposals**

- 21.6.1 All fixed asset register disposals must be reported to the Executive Director of Finance and Resources or nominee using the Fixed Asset Disposal Form found on the College intranet (Departments>Finance>Disposal Form). A copy of this form will be sent out periodically to Budget Holders as a reminder of the requirement to complete.
- 21.6.2 The Head of Information and Development will maintain details of IT fixed assets being disposed of and will inform Finance annually of the disposals which have taken place.
- 21.6.3 Any disposal must also take account of any directives, requirements and guidance issued by any funding body that the asset was originally purchased by.
- 21.6.4 Non Land asset disposals should be authorised in accordance with Appendix 1.

- 21.6.5 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.

## **21.7 Location**

- 21.7.1 Budget Holders are responsible for the care, custody and security of the buildings, stocks, stress, furniture, cash etc under their control. They should consult with the Executive Director of Finance and Resources in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 21.7.2 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.
- 21.7.3 Assets owned or leased by the College shall not be subject to personal use without proper authorisation.

## **21.8 Inherited Assets**

- 21.8.1 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.

## **21.9 Assets under Construction**

- 21.9.1 These will be capitalised at cost and are not depreciated until they become operational. The responsibility for accounting for Assets under Construction rests with the Management Accountant.

## **21.10 Assets Acquired with the Aid of Specific Grants**

- 21.10.1 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.

## **21.11 Stocks and Stores**

- 21.11.1 The Executive Director of Finance and Resources or nominee is responsible for the maintenance of sufficient records of stores as is required for accounting, costing and financial record purposes.
- 21.11.2 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.
- 21.11.3 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.
- 21.11.4 All stocks shall be issued from stores in accordance with procedures established by the Head of Finance.
- 21.11.5 Reconciliation and internal audit of the count will be undertaken by individuals independent of the holder of the stocks.

21.11.6 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 of Finance and Resources.

## **21.12 College Properties**

21.12.1 The College 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.

21.12.2 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 of Finance and Resources. In addition, authorisation of any new property leases are subject to the contract limits set out in **Appendix 1**.

21.12.3 The College Estates Manager will ensure that the Executive Director of Finance and Resources 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.

## **21.13 Assets Held Under Leasing Agreements**

21.13.1 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

21.13.2 Assets acquired under a lease are subject to the same authorisation controls as assets purchased outright. These are listed in Appendix 1

21.13.3 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.

21.13.4 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 insure the asset, this must be in agreement with the Clerk to the Governors.

21.13.5 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 of Finance and Resources. 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.

21.13.6 The authority limits in 20.14.4 above also apply to the renewal of an existing lease

21.13.7 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.

21.13.8 For all leases, the Executive Director of Finance and Resources 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.

## **22. Other**

### **22.1 Insurance**

- 22.1.1 The Chief Executive and Principal or Executive Director of Finance and Resources (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. 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.
- 22.1.2 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.
- 22.1.3 The Executive Director of Finance and Resources shall keep a register of all insurances effected by the College and the property and risks covered. He or she will deal with the College's insurers and advisers about specific insurance problems.
- 22.1.4 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 of Finance and Resources advice should be sought to ensure that this is the case.
- 22.1.5 Budget holders will consult with the Executive Director of Finance and Resources 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.
- 22.1.6 The Head of Estates 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.
- 22.1.7 All staff using their own vehicles on behalf of the College shall maintain appropriate insurance cover for business use.

### **22.2 Insurance Claims**

- 22.2.1 The Clerk to the Corporation 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 Clerk to the Corporation in accordance with College procedures. Settlement of claims will be in accordance with the financial authority limits in Appendix 1.

### **22.3 Security**

- 22.3.1 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 of Finance and Resources immediately.
- 22.3.2 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.

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

## **22.4 Students Union**

- 22.4.1 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.
- 22.4.2 Subject to any constraints imposed by the funding body, the Executive Leadership Team shall approve the level of grant to be paid annually to the Students Union and approve the budget for the year.
- 22.4.3 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.

## **22.5 Value Added Tax**

- 22.5.1 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.
- 22.5.2 Each return will be reconciled to the appropriate general ledger control accounts and will be reviewed by the Executive Director of Finance and Resources or his or her nominee.

## **22.6 Corporation Tax**

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

## **22.7 New Ventures**

- 22.7.1 In certain circumstances, the College may decide to enter into new ventures, such as partnerships, collaboration, outreach centres, subsidiary companies etc.
- 22.7.2 The Governing Body is responsible for approving all new significant ventures.
- 22.7.3 The Chief Executive and Principal is responsible to the Governing Body for the preparation of business plans for all new ventures. This will be reviewed in detail by the appropriate Committee(s) before consideration and final approval by the Governing Body.

- 22.7.4 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.
- 22.7.5 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.
- 22.7.6 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.
- 22.7.7 It is the responsibility of the Governing Body to 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.
- 22.7.8 The creation of a College subsidiary company is a three 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.
- 22.7.9 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.
- 22.7.10 The College financial regulations will apply to any College subsidiary. Any exceptions to this must be approved in advance by the FEGP Committee.

## **22.8 Nominees**

- 22.8.1 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.
- 22.8.2 The Executive Director of Finance and Resources will maintain a list of all such nominations together with specimen signatures. (Appendix 2)

## **22.9 Amendments to the Financial Regulations**

- 22.9.1 The Executive Director of Finance and Resources 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.

## **22.10 Provision of Indemnities**

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

## **22.11 Data Protection**

- 22.11.1 The College is committed to the principles inherent in the General Data Protection Regulation (GDPR), the Data Protection Act 2018 and associated legislation. The College aims to ensure:
- transparency with regard to the use of data;

- that any processing is lawful, fair, transparent and necessary for a specific purpose;
- that data is accurate, kept up to date and removed when no longer necessary;
- that data is kept safely and securely.

- 22.11.2 Staffing: The Data Protection Officer (DPO) works with managers and staff to promote awareness of the GDPR and compliant data protection measures throughout the College and to oversee the College's commitment to best practice. They will inform and advise the College and monitor its compliance.
- 22.11.3 Policy: Our data protection policy is available on our website and a copy has been made available to all employees, students, visitors and to contractors and suppliers associated with the College. It forms part of the induction training of all new staff and follow-up sessions will be arranged as appropriate.
- 22.11.4 Right to be forgotten: The College recognises the right to erasure, also known as the right to be forgotten, laid down in the GDPR. Individuals should contact the Data Protection Officer with requests for the deletion or removal of personal data.
- 22.11.5 Subject access requests: The College recognises that individuals have the right to access their personal data and supplementary information and will comply with the one month timeframe for responses set down in the GDPR.
- 22.11.6 Privacy: The College will implement data protection "by design and by default", as required by the GDPR. The privacy notices, which are on our website and which are provided to anyone from whom we collect data, explain our lawful basis for processing the data and give the data retention periods.
- 22.11.7 Data loss: If a data breach occurs that is likely to result in any risk to the rights and freedoms of individuals, the Information Commissioner's Office (ICO) will be notified within 72 hours. Where there is a high risk that the rights and freedoms of any individuals will be adversely affected then the people affected will be informed as soon as possible.
- 22.11.8 Data protection contact: any questions related to GDPR or to issues concerning data protection generally should initially be addressed to the Data Protection Officer: dpo@sheffcol.ac.uk.

## **23. Modern Slavery Act**

- 23.01 The College publishes its Modern Slavery and Human Trafficking Statement on its website in accordance with the requirements of the Modern Slavery Act 2015
- 23.02. The College undertakes activities during the year to ensure that its business and supply chains are slavery free.

## **24. Register of Interests**

- 24.01 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.

## APPENDIX 1

### FINANCIAL AUTHORITY LIMITS

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

Reference	Item	Authorisation	
		Value	Position
11	Receipt of Gifts and hospitality	Up to £50  Over £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) Not normally accepted unless authorised by the Chief Executive. (Chair of Governing Body for Chief Executive and Principal).
13.9	Virement	Up to £1,000,000 Over £1,000,000	Member of ELT of Finance and Resources FEGP Committee
13.11, 21.1, 21.12, 21.13	Capital Expenditure	Up to £170,000 Purchases at £170,000 or above  Contracts at £170,000 or above	As per purchase requisition authorisation (see below) Chair of Governing Body or Chief Executive and Principal, reported to FEGP Committee Chair of Governing Body on approval of FEGP Committee
6.4, 14.5, 17.4, 17.8, 17.10, 18.5	Purchase requisitions	Up to £10,000  Over £10,000 - £50,000	Budget holder  Member of ELT / Executive Director of Finance and Resources

Reference	Item	Authorisation	
		Value	Position
		Over £50,000 – £500,000 for approved budgets and pre-approved suppliers	Chief Executive and Principal / Member of ELT of Finance and Resources
		Over £500,000	Chair of Governing Body on approval of FEGP Committee Chair of Governing Body
16.2	Contracts for services provided by the College	Up to £500,000	Chief Executive and Principal / Executive Director of Finance and Resources
		Over £500,000	Chair of Governing Body, on recommendation of FEGP Committee.
16.7 & 16.12	Write off of debts	Up to £10,000	Executive Director of Finance and Resources
		Over £10,000 - £50,000	Chief Executive and Principal
		Over £50,000	Chair of Governing Body, on recommendation of FEGP Committee.
17.4	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
17.7	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

Reference	Item	Authorisation	
		Value	Position
19.7, 19.8	Travel and subsistence claims <ul style="list-style-type: none"> <li>▪ Chief Executive and Principal (UK)</li> <li>▪ Chief Executive and Principal (Overseas)</li> <li>▪ Directors and Clerk (UK)</li> <li>▪ Directors and Clerk [Overseas]</li> <li>▪ All other staff</li> <li>▪ All other staff</li> <li>▪ Governors</li> <li>▪ Governors</li> <li>▪ Chair of Governing Body</li> <li>▪ Chair of Governing Body</li> </ul>	All All All All Up to £250 Over £250 Up to £250 Over £250 Up to £250 Over £250	Chair of Governing Body Chair of Governing Body, on recommendation FEGP Committee. Chief Executive and Principal Chair of Governing Body Budget holder (or budget holder's line manager) Member of ELT/College Principal Clerk Chair of Governing Body Clerk Chair of Audit and Risk Assurance Committee
20.7	Petty Cash	Up to £75 £75 to £150	Budget Holder Chief Executive and Principal / Executive Director of Finance and Resources
20.7	Payments by cheque or direct debit	Up to £5,000 Over £5,000	One signatory from the bank mandate Two signatories from the bank mandate
20.8	Approval of Purchase ledger BACS payments (for invoices already approved in line with this appendix)	£3m	Head of Finance or Executive Director of Finance and Resources
20.8	Payments by electronic funds transfer	Up to £5,000 Over £5,000 - £25,000	Two persons from the list of authorised online approvers Two persons from the list of authorised online approvers, one of whom must be a bank mandate signatory

Reference	Item	Authorisation	
		Value	Position
		Over £25,000	Two bank mandate signatories
21.6	Asset Disposals (excluding land and buildings)	<i>Estimated value:</i> Up to £5,000 Over £5,000 - £50,000 Over £50,000	Executive Director of Finance and Resources Chief Executive and Principal Chair of Governors
22.2	Settlement of Insurance claim	Up to £50,000 Over £50,000	Executive Director of Finance and Resources Chair of Governing Body, on recommendation of FEGP Committee

## Appendix 2

### Nominees

The Following list is applicable to the 2019/20 Financial Regulations

Section number	Section name	Description	Nominee
6.1.2	Executive Leadership Team responsibilities	Maintaining security of computer systems	Head of IT and Development
13.1.2	Financial planning	Preparation of annual estimates	Head of Finance
13.9.1	Budget Virements	Authorisation of virements	Executive Director of Finance and Resources
14.4.2	The Accounts	Develop a coding structure for the general ledger	Head of Finance
14.4.3	The Accounts	Authorisation of the journals to the General ledger	Head of Finance
14.4.4	The Accounts	Perform a detailed review of the management accounts	Head of Finance
14.4.9	The Accounts	Review designated control reconciliation accounts	Head of Finance
16.2.4	Funding Agreements	Copies of contracts for income are to be lodged with	Head of Finance
16.7.1	Credit Control	Establish the creditworthiness of parties contracting with the College	Head of Finance
16.12.1	Invoicing and debt Collection	Determine the form of College invoices	Head of Finance
16.12.2	Invoicing and debt Collection	Departure from the invoicing system	Head of Finance
16.12.10	Invoicing and debt Collection	Assess risk of providing credit to an organisation of individual	Group Accountant
17.3.2	Procurement	Responsible for the procurement function	Head of Finance
17.3.2	Authority to place purchase orders	Maintain records of managers with delegated authority	Head of Finance
17.4.4	Authority to place purchase orders	Changes to workflow authorities are in accordance with Appendix 1	Head of Finance
17.13.1	Authorisation and Payment	Arrangements for examination	Head of Finance

	of creditors invoices	verification and certification of invoices	
17.13.2	Authorisation and Payment of creditors invoices	Maintaining a record of specimen signatures	Head of Finance
17.14.1	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
17.21.6	Corporate credit card	Arrange temporary increases for credit card purchases	Head of Finance
17.21.8	Corporate credit card	Correspondence with Barclaycard	PA to the Executive Director of Finance and Resources
17.22.1	New suppliers	Reviewing requests for new suppliers	Group Accountant
17.22.2	New suppliers	Verification of bank details	Accounting Services Manager
17.23.2	Change to standing data for existing suppliers	Verification of bank details	Accounting Services Manager
19.2.1	Appointment of substantive staff	Approval or requests to recruit to College, SMS and SSL	Executive Director HR and OD
19.2.2	Appointment of substantive staff	Offers of employment	Head of HR
19.2.3	Appointment of substantive staff	Recipient of requests to use an agency to recruit staff	Head of Finance
19.3.2	Appointment of Agency Staff	Approval for the use of agency staff	Head of HR
19.4.1	Appointment of self-employed contractors	Provide consent for use of self-employed contractors	Head of Finance
19.4.2	Appointment of self-employed contractors	Responsible for maintenance of all personal records	Executive Director HR and OD
19.5.1	Salaries and wages	Responsibility for the preparation of payroll and payment of salaries wages and other emoluments to employees. Agree for payments to	Executive Director HR and OD and/or Executive Director of Finance and Resources

		made outside of the payroll process	
19.5.3	Salaries and wages	Ability to vary payroll standing data	Executive Director HR and OD and/or Executive Director of Finance and Resources
19.5.4	Salaries and wages	Review of payroll prior to payment	Executive Director HR and OD and/or Executive Director of Finance and Resources
19.5.6	Salaries and wages	Authorise advance of salary	Executive Director HR and OD and/or Executive Director of Finance and Resources
19.5.8	Salaries and wages	Responsible for all returns to the HMRC	Executive Director HR and OD and/or Executive Director of Finance and Resources
19.5.9	Salaries and wages	Responsible for the physical security of all payroll records	HR & Payroll Operations Manager
19.5.10	Salaries and wages	Provision of payroll information for entry into the financial reporting system	HR & Payroll Operations Manager
19.5.11	Salaries and wages	Provision of amounts payable for deductions to the Head of Finance	HR & Payroll Operations Manager
19.5.12	Salaries and wages	responsible for ensuring third party deductions are paid in accordance with statutory requirements	Head of Finance
19.5.13	Salaries and wages	Responsible for updating payroll with employment related changes to ensure the accuracy of payroll	HR & Payroll Operations Manager
20.2.4	Borrowing	Maintain records of all borrowing of monies	Head of Finance
20.3.1	Short term investments	Arrange temporary	Executive Director of

		investment of funds, and maintain records of investments	Finance and Resources
20.7.6	Petty cash	Responsible for ordering stationary	Accounting Assistant-Accounting Services
20.7.7	Petty cash	Make petty cash floats available to departments	Head of Finance
20.7.8	Petty cash	Undertaking random cash counts	Head of Finance
20.7.9	Petty cash	Review and approve all claims for reimbursement of the petty cash float	Head of Finance
20.7.12	Petty cash	Check the cash float and cash certificate at the year end	Accounting Services Manager
20.7.14	Petty cash	Keep the list of signature of officers authorised to verify petty cash claims	Head of Finance
20.8.1	Electronic transfer of funds	Input details of beneficiaries into the banking software	Accounts Assistants in the Accounting Services team
21.4.5	Fixed assets register	Ensure a three year rolling annual check of fixed assets	Head of Finance
21.6.1	Disposals	To be notified of fixed asset register disposals	Head of Finance
21.7.2	Location	Allow College property to be removed from College premises for reasons outside the ordinary course of the College's business	Executive Director of Finance and Resources
21.11.1	Stocks and Stores	Responsible for maintenance of records of stores	Head of Finance
21.13.5	Assets held under leasing agreements	Signing of lease payments over £170,000	Chair of FEGP Committee
22.5.2	Value added tax	Reconcile VAT returns	Head of Finance
22.6.1	Corporation tax	Review of all Corporation Tax returns	Executive Director of Finance and Resources
22.7.4	New ventures	To be consulted with in	Executive Director of

		preparation of the business plan	Finance and Resources
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