

**VARNDEAN COLLEGE**

**FINANCIAL REGULATIONS**

**CONTENTS**

	<b>Page</b>
<b>Financial Control and Accountability – Introduction</b>	<b>1</b>
<b>Financial Regulations – Introduction</b>	<b>2</b>
<b>Section 1 - Financial Principles</b>	<b>3 - 6</b>
<b>Section 2 - Financial Regulations</b>	<b>7- 23</b>
<b>Schedule A - Schedule of Financial Limits</b>	<b>24 - 25</b>
<b>Schedule B - Schedule of Authorised Officers and Budget Managers</b>	<b>26 - 28</b>

# **FINANCIAL CONTROL AND ACCOUNTABILITY**

## **INTRODUCTION**

- 1 The Corporation has overall responsibility for financial strategy, including the solvency of the institution and Corporation, the safeguarding of their assets and oversight of these financial regulations. These responsibilities are discharged by the Corporation itself and through powers delegated to the Principal as Chief Accounting Officer.
- 2 The ESFA Conditions of Funding between the Education and Skills Funding Agency and the College lays down the framework for financial regulations.
- 3 Responsibilities and associated detailed financial regulations are included in this document.

## **FINANCIAL REGULATIONS - INTRODUCTION**

This document encompasses the regulations to which all staff must adhere to in respect of the finances of the College. It is divided into two Sections:

1. The Financial Principles which govern all aspects of finance.
2. The specific Financial Regulations by which all transactions are measured.

These Regulations, as a whole, are approved by the Corporation and cannot be altered without the express approval of that body.

Signed .....

Chair of the Corporation

## **SECTION 1**

### **FINANCIAL PRINCIPLES**

#### **1.1 The Purpose of This Document**

This document exists to provide a framework to:

- Ensure that safe and proper arrangements are in place for the expenditure of public monies;
- Ensure that there is due accountability;
- Safeguard any member of staff from accusations of financial impropriety.

#### **1.2 Scope of the Regulations**

These regulations apply to all members of staff and deliberate misuse is a serious disciplinary offence. All budget holders must be conversant with them and agree to be bound them in accepting their role of budget holder.

#### **1.3 Financial Principles**

The purpose of financial principles is to define the respective financial responsibilities of:

- The Corporation
- The Principal

and to provide the basis for the financial procedures and regulations.

## **2 RESPONSIBILITIES OF THE CORPORATION**

**2.1** The Articles of Government provide that the Corporation shall be responsible for the following functions:

- i. the determination and periodic review of the educational character and mission of the institution and the oversight of its activities; (aa) publishing arrangements for obtaining the views of staff and students on the determination and periodic review of the educational character and mission of the institution and the oversight of its activities;
- ii. approving the quality strategy of the institution;
- iii. the effective and efficient use of resources, the solvency of the institution and the Corporation and safeguarding their assets;
- iv. approving annual estimates of income and expenditure;

- v. the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts and the Clerk, including, where the Clerk is, or is to be appointed as, a member of staff, the Clerk's appointment, grading, suspension, dismissal and determination of pay in the capacity of a member of staff;  
and
  - vi. setting a framework for the pay and conditions of service of all other staff
- 2.2 The Corporation may establish committees for any purpose or function, other than those assigned in these Articles to the Principal or Clerk and may delegate powers to-
- i. such committees;
  - ii. the Chair, or in the Chair's absence, the Vice-Chair; or
  - iii. the Principal.
- 2.3 The Audit Committee** has been established in line with the requirements of the Instruments and Articles and the ESFA Conditions of Funding to advise the Corporation on matters relating to audit arrangements and systems of internal control. The Terms of Reference for the Audit Committee are available on the Governance section of the College's website or by contacting the Clerk to the Corporation.
- 2.4 The Finance Working Group** is an ad hoc group of governors that has been commissioned by the Corporation to undertake specified pieces of work related to the finances of the College. It will meet periodically as and when the Corporation requires a task to be carried out on its behalf.

### **3 RESPONSIBILITIES OF THE COLLEGE PRINCIPAL**

- 3.1** The College Principal's financial responsibilities are derived from the Instrument and Articles and set out in the Corporation's Scheme of Delegation.
- 3.2** As Accounting Officer, the Principal is responsible for the College's application of public funds.

The Principal in conjunction with the Senior Leadership Team is responsible for the following:

- Setting financial strategy and preparing long term financial plans;
- Preparing annual capital and revenue budgets for recommendation to the Corporation;
- Preparing the College's annual Financial Statements;
- Ensuring the timely preparation of monthly accounts, management information and monitoring and control of expenditure against budgets;
- Maintaining the Financial Regulations;
- Ensuring the College operates procedures to secure value for money and maintains satisfactory systems of financial control;

- Providing professional advice on all matters relating to financial policies and procedures;
- Management of the College's banking arrangements;
- Undertaking major tender exercises on the College's behalf;
- Ensuring compliance with EU Procurement law;
- Advising and negotiating major contracts.

**3.3** College managers are responsible to the Principal, through the Senior Leadership Team, for the overall financial management of their allocated budget. Managers are responsible for ensuring that the financial regulations are properly applied in their area.

## **4 AUDIT REQUIREMENTS**

**4.1** In accordance with the requirements of the ESFA Conditions of Funding, the Corporation appoints both External and Internal Auditors. External and Internal Auditors shall have authority to:

- Access the College premises at reasonable times
- Access all assets, records, documents and correspondence relating to any financial and other transactions of the College
- Require and receive such explanations as are necessary concerning any matter under examination

### **4.2 External Auditors**

The role of the external audit service is to report on the College's Financial Statements and to carry out such examination of the Statements and the underlying records and control systems as are necessary to reach an opinion on the Statements and to report on the appropriate use of funds. Its duties will be in accordance with advice set out in the Audit Code of Practice and the Auditing Practices Board's statements of auditing standards, including a review of the Corporation's statement of regularity, propriety and compliance.

The appointment of external auditors will take place annually and is the responsibility of the Corporation. The Corporation will be advised by the Audit Committee.

### **4.3 Internal Auditors**

The role of the internal audit service is to provide management with an objective assessment of whether systems and controls are working properly to achieve management's objectives. It is a key part of a College's whole system of internal control because it measures and evaluates the adequacy and effectiveness of other controls so that:

- The Corporation and Senior Leadership Team can know the extent to which they can rely on the whole system of internal control of the College
- Individual managers can assure themselves that the systems and controls for which they are responsible are reliable.

The internal audit service is appointed by the Corporation for a term of 3 years. This is subject to satisfactory annual review by the Audit Committee and recommendation to the Corporation. Remuneration shall be fixed by the Governing Body on the advice of the Audit Committee. A new competition for the selection of the internal audit service may be held at least every three years.

The College internal audit service should report to the Audit Committee and Principal, via the Vice Principal Resources, without delay, serious weaknesses, all instances of fraud, major accounting and other control breakdowns.

From time to time the College may be subject to audit or investigation by other external bodies such as; ESFA, OFSTED or HMRC Inspectors.

## **SECTION 2**

## **FINANCIAL REGULATIONS**

### **1 GENERAL PRINCIPLES**

- 1.1** These Financial Procedures provide the scheme of administration and accounting to staff of the College, by which the College Principal discharges his/her responsibilities, as defined in the Financial Principles and the Financial Responsibilities. They apply to all employees of the College, both full and part-time, permanent and temporary.
- 1.2** The College Principal will make available training to be undertaken by staff in financial matters where necessary, to enable them to fulfil their responsibilities defined in these procedures.
- 1.3** Where necessary for the effective implementation of these procedures, manuals of guidance will be issued to assist staff.
- 1.4** All suspected instances of fraud or financial irregularity are to be brought to the attention of the College Principal and the Audit Committee as soon as possible.
- 1.5** The Vice Principal Resources is responsible to the College Principal for the efficient and effective operation of the Financial Responsibilities, Principles and Regulations of the College, including the organisation of staff training and manuals of guidance.
- 1.6** All assets and income of the College held by an employee shall be clearly identified in the accounts and records of the College.
- 1.7** Documentation relating to the financial affairs of the College is not to be destroyed without the permission of the Principal and Chair of the Finance Working Group.
- 1.8** All income that results from work, goods or services provided by employees of the College in the course of their duty, is income belonging in whole to the College.
- 1.9** The College will provide Internal and External Auditors with access to College books and records as required.

### **2 PLANNING AND BUDGETING**

## **2.1 Long Term Financial Planning**

Each year, the Vice Principal Resources will prepare a three-year financial plan. The three-year plan is reviewed and recommended for approval by the Finance Working Group in the spring term. The three-year plan must be approved by the Corporation before its submission to the Education and Skills Funding Agency by 31 July each year.

## **2.2 Annual Budgets**

The Vice Principal Resources is responsible for the preparation of a detailed annual budget. The annual budget is reviewed and recommended for approval by the Finance Working Group in the spring term. The annual budget must be approved by the Corporation prior to the start of the financial year.

It is the responsibility of the Vice Principal Resources to ensure that there is an effective, transparent and equitable method of allocating budgets across departments.

Budget Managers are responsible for the economic, effective and efficient use of resources allocated to them. Budget Managers will allocate resources to individual departments through departmental Budget Holders.

## **2.3 Budget timetable**

August	Start of financial year Preparation of previous year financial statements begins
October	Completion of previous year financial statements and external audit Closure of previous year.
November	Audit Committee meets to review financial statements and audit completion report
December	Approval of financial statements by the Corporation
January	Preparation of three-year financial plan Review of three-year financial plan and provisional next financial year budget by Finance Working Group Approval of three-year financial plan by the Corporation Submission of three-year financial plan to the ESFA
March	Funding allocation for next financial year received Review provisional next year financial budget
May	Final next year financial budget reviewed by Finance Working Group Approval of final next year financial budget by the Corporation
June	Budget allocations for next financial year confirmed to Budget Holders

## **2.4 Budgetary Control**

The College operates a system of delegated budgets and all Budget Holders are responsible for budget management and control within their designated department. They are responsible for:

- controlling expenditure,
- achieving agreed income targets,
- monitoring their area's financial performance and explaining variances.

The Vice Principal Resources will ensure that Budget Holders have appropriate support and information to enable them to fulfil the above responsibilities in accordance with Section 7 below.

Budget Holders may delegate authority but remain accountable.

Budgets are allocated to each area on an annual basis, but may be subject to revision in the light of the College's overall financial position.

## **2.5 Capital Expenditure**

Capital items of expenditure are those with both an accounting lifespan longer than one year, other than fixtures and fittings, and a VAT inclusive cost exceeding **LIMIT 1 of SCHEDULE A**. All capital items are depreciated over their expected useful life as disclosed in **LIMIT 2 of SCHEDULE A**.

Funding designated as capital by the ESFA may only be used for capital expenditure.

## **2.6 Management Accounts and Information**

Monthly management accounts will be prepared within fifteen working days of the month end by the Finance department in conjunction with the Vice Principal Resources for review by the Senior Leadership Team.

1. An executive summary of income and expenditure including a projected outturn for the end of the year
2. A detailed income and expenditure analysis
3. A balance sheet with a projected year end outturn
4. A 12 month rolling cash flow forecast
5. The latest financial dashboard report (for Corporation)

Monthly budget statements will be distributed to budget holders.

Management account data is distributed to the Corporation within the cycle of termly Corporation reporting.

## **3 ACCOUNTS AND FINANCIAL STATEMENTS**

The Vice Principal Resources is responsible for the integrity of all accounting transactions and for producing annual Financial Statements.

### **3.1 Accounting transactions**

Appropriate arrangements must be in place for:

- the recording and execution of all financial transactions;
- payment of all properly authorised accounts in accordance with the agreed arrangements;
- claiming all grants ensuring that such claims are capable of verification and audit;
- keeping proper accounts and accounting records in accordance with the provisions of the ESFA Conditions of Funding.

### **3.2 Financial Statements**

Audited Financial Statements must be produced for each financial year that:

- reflect the format and content in accordance with Financial Reporting Standard 102 (FRS 102) and Statement of Recommended Practice: Accounting for Further and Higher Education (FE and HE SORP);
- are approved by the Corporation and signed by the Principal and by the Chair of Governors;
- are submitted to the ESFA in line with their requirements;
- are made publicly available.

## **4 FRAUD, CORRUPTION AND ETHICS**

### **4.1 Strategy**

Governors and Senior Managers are responsible for maintaining a culture that is honest and open and that has a zero tolerance to fraud, corruption and unethical behaviour. All staff are expected to act honestly and with integrity at all times, to obey the law and to safeguard the public resources for which they are responsible.

The Vice Principal Resources is responsible for maintaining and implementing the College's strategy in this area and for ensuring that appropriate training and briefing is delivered to Corporation members, Managers and staff.

### **4.2 Public Interest Disclosure (Whistleblowing)**

The Audit Committee is responsible for the oversight of the Public Interest Disclosure (Whistleblowing) Procedures.

### **4.3 Gifts, Gratuities and Hospitality**

No Corporation member or member of staff, either by their own actions or via a third party, should:

- give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given,
- give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure,
- accept payment from a third party that they know or suspect is offered with the expectation that it will obtain a business advantage for them,
- accept a gift or hospitality from a third party if they know or suspect that it is offered or provided with an expectation that a business advantage will be provided by the College in return,
- threaten or retaliate against a colleague or third party who has refused to commit a bribery or other unethical offence, or who has raised concerns under the Public Interest Disclosure (Whistleblowing) Procedures,
- engage in any activity that might lead to a breach of the Anti-Fraud and Irregularity Policy, Anti Bribery Policy or the Financial Regulations.

Where gifts, gratuities or hospitality are acceptable:

- all offers and acceptances by members of staff must be agreed by the Senior Leadership Team, instances valued at over £50 must be reported to the Vice Principal Resources.
- all offers and acceptances by Corporation members must be agreed with the Chair of the Corporation, and reported to the Clerk to the Corporation.

The Vice Principal Resources is responsible for maintaining registers for gifts, gratuities and hospitality received, valued at over £25 and for reporting this register to the Corporation.

Any goods received by the College as gifts must be dealt with by the Vice Principal Resources who will satisfy himself/herself of any taxation and revenue expenditure implications. Where future revenue expenditure in connection with this item is likely to be in excess of **LIMIT 3 of SCHEDULE A** (including VAT), the approval of the College Principal must be sought before the gift may be accepted.

It is the responsibility of all members of staff and governors to act in accordance with the College's Anti-Bribery Guidelines.

#### **4.4 Conflicts of Interest**

The Clerk to the Corporation is responsible for maintaining a Register of Interests for all Corporation Members and senior staff and for giving advice in this area to Corporation members.

All staff must ensure that they report any potential conflict of interest to the Vice Principal Resources at the earliest opportunity. The Vice Principal Resources is responsible for giving advice and guidance to staff and for making decisions on matters that are referred from staff.

## **5 RISK MANAGEMENT**

The Vice Principal Resources is responsible to the Corporation for developing a Risk Management strategy and procedures in order to identify and assess the risks facing the College and to take steps to mitigate these risks as appropriate.

The Vice Principal Resources is responsible for making regular reports to the Risk Management Group, Audit Committee and Corporation on current risks and mitigating actions. Based on the strategic plan, the Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed.

The Vice Principal Resources is responsible for making regular reports to the Risk Group, Audit Committee and Corporation on current risks and mitigating actions and for maintaining the College risk register.

## **6 INCOME, BANKING AND TREASURY**

### **6.1 General**

Responsibility for approving levels of tuition fee charges and concessions and charges for other services and lettings is approved by the Corporation in the summer term each year.

The Vice Principal Resources is responsible for:

- Ensuring that appropriate procedures are in operation to enable the College to receive all income to which it is entitled;
- Ensuring the prompt collection, security and banking of all income received;
- Ensuring that all grants notified by the ESFA and other bodies are received and appropriately recorded in the College's accounts;
- Ensuring that all claims for funds are made by the due date.

### **6.2 Borrowing and Overdrafts**

All borrowing must be approved by the Corporation. Such proposals must follow the relevant Funding Agency instructions on borrowing.

The Vice Principal Resources may, with the approval of the Principal, establish overdraft facilities. Such facilities must be reported to the Corporation within the cycle of termly Corporation reporting and may not be exceeded without the approval of the Corporation.

### **6.3 Banking**

The Vice Principal Resources is responsible for recommending appointment of the College's Bank which must be approved by the Corporation. The appointment is not for a specified period and consideration shall be given to review the performance of the service on a regular basis.

Bank accounts may only be established on the authority of the Principal and all bank accounts must be in the name of the College. No member of staff may operate a

bank account on the College's behalf except those set up via the finance department in line with the Financial Regulations.

Banking mandates must be established to support all bank accounts in line with the limits set out in **SCHEDULE B**. Banking mandates and all subsequent changes must be authorised by the College Principal.

The Senior Finance Officer is responsible to the Vice Principal Resources for ensuring that all bank accounts are subject to regular reconciliation. The Senior Finance Officer will maintain up to date records of College staff authorised to sign College cheques and BACs payments together with information on the limits of their authority as determined by the Financial Regulations.

#### **6.4 Payments**

On a day to day basis, the Senior Finance Officer is responsible for liaising with the College's bank in relation to electronic and manual payments. Payments may only be processed to cover expenditure that has been authorised in line with the limits set out in the Financial Regulations.

#### **6.5 Cash Receipts**

On a day to day basis the Senior Finance Officer is responsible for ensuring the safe collection, storage and banking of all cash received. The Vice Principal Resources is responsible for maintaining a Cash Handling Policy covering all aspects of cash receipts. All staff handling cash must adhere to the Cash Handling Policy.

All monies received from whatever source must be passed directly to the Finance Department. Receipts must be issued and must only be on pre-printed College stationery.

No deductions may be made from any cash collected on behalf of the College prior to paying into the Finance Department. Personal or other cheques must not be cashed out of money received on behalf of the College.

#### **6.6 Card Receipts**

Payments received by credit or debit card will be processed in accordance with the card carrier and bank's procedures.

Payment instalments made by credit or debit card for tuition fees or College organised trips costs cannot exceed four payments for a single transaction, including the deposit.

All financial data is processed and handled in accordance with the Data Protection Act 2018.

#### **6.7 Collection of Debts**

Invoices, refunds and credit notes should be issued only in accordance with the College Debt Management Policy, and all debts will be recovered in accordance with this Policy.

The Senior Finance Officer will undertake monthly reviews of outstanding debts. Debts recommended to be written off should be referred to the Vice Principal Resources for discussion with the Senior leadership Team.

The College Principal is authorised to write off any individual debt due to the College up to **LIMIT 4 of SCHEDULE A**, once the procedures within the College Debt Policy have been adhered to. Anything above that amount to be authorised by the Corporation.

## **6.8 Investments**

The Vice Principal Resources is responsible for investing surplus funds in accordance with the College's Treasury Management Policy. Surplus College funds will be invested in a Business Deposit Notice account as approved by the Finance Working Group.

The performance of any investments will be reported annually to the Finance Working Group.

## **7 EXPENDITURE AND VALUE FOR MONEY**

### **7.1 Value for Money**

The Post-16 Audit Code of Practice requires the Audit Committee to : "assess and provide the corporation with an opinion on the adequacy and effectiveness of the corporation's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets" Furthermore the Audit Committee is required under the Code, to advise the Governing Body on the adequacy and effectiveness of the College's arrangements for securing economy, efficiency and effectiveness (value for money).

Corporation will seek to ensure value for money through:

- Appointing an Accounting Officer
- The work of the Finance Working Group and Audit committee
- Regular review of the Finance Regulations
- Appointing internal and external auditors to test the Finance Regulations are being met
- Regular review of College management Accounts and supporting documentation
- Benchmarking data released by the ESFA

'Value for money' principles of comparison, challenge, consultation and competition shall be applied in securing resources and services by seeking the following standards:

- Honesty
- Fairness
- Impartiality
- Integrity
- Openness
- Transparency
- Accountability
- Objectivity
- Accuracy
- Reliability

Budget Holders have the executive responsibility to maintain these standards in their own areas of operation and all staff should endeavour to to achieve value for money in all activities and to bring to the College management's attention any opportunity for improvement.

The College is a member of the Crescent Purchasing Consortium (CPC) whose main purpose is to produce EU-tendered purchasing frameworks. Budget holders are encouraged to use nominated suppliers as where applicable.

Purchase orders must be placed via the College's purchase order process with the exception of:

- Items of a recurring nature, e.g. rates, gas, electricity, water, telephones
- Items purchased using a College procurement card
- Items purchased from petty cash – see **LIMIT 5 of SCHEDULE A**
- Items purchased through an existing contract or agreement eg legal fees. Where this is the case the form of contract or agreement must be approved by the Senior Leadership Team.

Staff must not:

- enter into any commitment of more than 12 months' duration
- agree to any instalments of other payment plans, including leasing arrangements,
- purchase goods or services for private use

The Budget Holder is responsible for managing their budgets and therefore must ensure there are sufficient funds in the relevant budget to not result in an overspend. Once a purchase order has been raised by the Budget Holder it must be submitted to the Finance Department who will check the coding of the order and will submit the order to the supplier.

Payment to suppliers will be made through the Finance Department in accordance with payment schedules as agreed with suppliers and to limit the College incurring financial penalties.

## 7.2 Authorised Signatories

Budget holders are responsible for expenditure within their departments. Purchasing authority may be delegated to named individuals (Authorised Signatories) within the department.

A register of Budget Holders and Authorised Signatories with their purchasing limit is maintained by the Finance Department. Any changes to the authorities to sign are not valid until they are notified to the Finance Department.

Budget Holders and Authorised Signatories are responsible for nominating an alternative signatory to cover in the event of absence.

### **7.3 Purchasing Cards**

Purchasing Cards can be used for goods and services that require card payments only, for low value transactions and for booking training and travel arrangements. The principal card and a record of all cardholders will be kept by the Vice Principal Resources. All card holders and limits must be approved by the Senior Leadership Team. All cardholders must comply with the Purchasing Card Policy.

### **7.4 Procurement Limits**

It is the responsibility of the Budget Holder / Authorised Signatory to follow the relevant procedures for where estimated expenditure in a financial year is:

Below £5,000 (including VAT)

Quotations / tenders are not required, unless relating to a new item of expenditure or with a new supplier outside of the CPC framework. In this case a minimum of 2 quotes will be required.

Above £5,000 (including VAT)

A minimum of 2 quotations must be obtained

Above £50,000 (including VAT)

A minimum of 3 quotations must be obtained

Above £100,000 (including VAT)

Competitive tendering must be applied and Tender Board approval required. The Tender Board will include the Principal, the Vice Principal Resources, the Chair and one other member of the Corporation. OJEU guidelines must be followed where appropriate **LIMIT 6 of SCHEDULE A**.

If, for whatever reason, it is not possible to follow the procedures as above, then the matter should be reported to the Principal who will decide what action to take. Prior approval of the Principal must be obtained in order to dispense with the requirement to obtain quotations.

### **7.5 Financial Approval Limits**

All expenditure must be approved by the relevant Budget Holder / Authorised Signatory in line with the sections above. However, where large one-off items are being purchased or where leases or contracts with a large annual value are being agreed, even where these fall within the allocated budget, an additional level of authority is required as follows:

Expenditure above £25,000 (including VAT) must be approved by the Principal;

Planned capital expenditure on IT and non-IT equipment should be approved annually by the Corporation as part of the budget approval process and does not require any further authorisation even where individual orders exceed the £25,000 and £100,000 limits set out above. However, the procurement guidelines above must be followed.

## **7.6 Contracts**

Any contract likely to cost in excess of **LIMIT 7 of SCHEDULE A** will be subject to full competitive tendering which will be undertaken by the Vice Principal Resources in accordance with the College's Financial Regulations.

All contracts with the College should be signed by the Vice Principal Resources or the Principal. All contracts above **LIMIT 8 of SCHEDULE A** should be signed by the Principal.

## **7.7 Stock and equipment**

Budget Holders are responsible for establishing adequate arrangements for the safekeeping and control of stock and equipment within their departments. Budget Holders may delegate the day to day management of stock to an Authorised Signatory, however Budget Holders remain accountable for stock management in their area, including carrying out regular inspections and checks and ensuring that any losses or disposals are referred to the Vice Principal Resources.

## **7.8 Land and Buildings**

The Principal is responsible for:

- ensuring that a full record to be kept of all the College's property holdings;
- ensuring the safe custody of title deeds;
- undertaking a regular review of property holdings with the objective of rationalising and disposing of those which are no longer needed;
- ensuring that all land and property transactions comply with the Procurement Limits and Financial Approval Limits;
- maintaining a long-term Property Strategy;
- ensuring that all property proposals are presented to the Corporation are properly appraised and costed, including full risk analysis;
- ensuring that independent professional advice and input is obtained where necessary expertise is not available within the College;
- ensuring that all contracts are in accordance with the College's Financial Regulations;
- ensuring that the Corporation receive full and timely information relating to all property transactions.

## **8 EMPLOYMENT MATTERS**

### **8.1 General**

The payment of all salaries, wages, gratuities, compensation and other emoluments should be authorised by the College Principal and Vice Principal Resources. In the absence of the Vice Principal Resources authorisation from the Vice Principal is acceptable. In the absence of the Principal, authorisation from Vice Principal is allowable, provided that the Principal has given prior authorisation.

### **8.2 Salaries and Wages**

The Payroll Manager is making payments for salaries to all staff and for keeping all records relating to payroll including those of a statutory nature in accordance with the provisions of the Data Protection Act 2018.

The Payroll Manager is responsible for all submissions relating to PAYE, pensions and other statutory data.

The Human Resources Department is responsible for keeping all HR records including contractual details in accordance with the provisions of the Data Protection Act 2018.

### **8.3 Superannuation**

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

### **8.4 Travel and Subsistence**

All claims for payment of travelling and subsistence allowances must be submitted on the appropriate form by the members of staff and certified by the appropriate Line Manager / Budget Holder. Claims by the Principal will be submitted for checking and approval by the Chair of the Corporation. Members of the Corporation are also allowed travelling expenses, subsistence and conference fees where appropriate. Claims should be made via the Clerk who will maintain a record of all expenses for Audit and other purposes. All claims will be authorised by the Clerk to the Corporation or Chair of the Corporation and in the case of the Chair, by the Vice Chair of the Corporation.

All claims must be signed personally by the member of staff making the claim. Reimbursement for items not subject to standard rates laid down by the College will only be payable if they are:

- backed by original vouchers/receipts;
- incurred wholly in the course of duty; and

- considered reasonable by the appropriate Line Manager or Budget Holder authorising the payment.

Claims must be made as soon as possible after the event has taken place and any claim relating to a period more than 6 months prior to the date of submission for reimbursement will be payable only at the discretion of the Vice Principal Resources. Claims relating to the closed financial year must be submitted within one month of the close (i.e. by 31st August).

Advance payments may be made to staff to cover expenses to be incurred when travelling on College business. In the case of foreign travel, the advance may be made in foreign currency. Such advances will only be made up to **LIMIT 9 of SCHEDULE A** in value. In the case of a College organised trip for students an advance for expenses can be made from the respective trip account up to **LIMIT 10 of SCHEDULE A** with approval of the Head of School. Advances above this level must be authorised by the Principal.

All foreign travel made by College staff and Corporation members with the exception of organised trips for College students must be reported and that approval be sought in advance by the Principal. Under such circumstances, the travel will be reported formally to the Corporation.

## **9 ASSETS**

### **9.1 Land and Buildings**

Matters relating to land and buildings are covered in section 7.9 above.

### **9.2 Fixed Assets and Inventory**

The Vice Principal Resources will maintain the record of all assets held by the College in the asset register. College Managers are responsible for ensuring that the College's record of assets and inventory accurately reflects the assets utilised within their Department or areas of responsibility. This responsibility includes an annual physical check by the Vice Principal Resources, certification by auditors and acting to write-off and dispose of obsolete equipment.

College Managers are responsible for ensuring that reasonable steps are taken to safeguard all property located in their area from theft, loss and improper use.

Inventories must include items donated or held on trust and leased assets.

### **9.3 Disposal of Equipment**

Assets surplus to the College's requirements can be disposed of. Disposal will normally be by the best method to serve the interests of the College eg sealed bids, use of e-Bay.

Disposal of an asset that has not been fully written off requires an 'Asset Disposal' form to be completed by the Budget Holder and authorisation of the Vice Principal Resources.

The disposal of an item with a net book value above **LIMIT 11 of SCHEDULE A** requires the approval of the Corporation.

#### **9.4 Leasing Arrangements**

Members of staff may not enter into any leasing or long term maintenance agreement on behalf of the College without the prior authorisation of the Vice Principal Resources. Financial Approval Limits as defined in section 7.4 will apply.

### **10 OTHER**

#### **10.1 Insurance**

The Vice Principal Resources is responsible for assessing the need and then arranging for all necessary insurance cover in the light of the assessment.

The cover carried by the College will be reviewed by the Vice Principal Resources annually and as operations require in order to assess its adequacy or otherwise.

The Vice Principal Resources should be notified immediately by College Managers of any potential new risks, additional property or equipment which may require additional insurance cover or any event which may give rise to an insurance claim.

The Vice Principal Resources will keep a record of all insurances affected by the College and the property and risks covered.

#### **10.2 Taxation**

The Vice Principal Resources is the Corporation's nominated representative for taxation purposes and will act on behalf of the College for the maintenance of the College's tax records, tax payments, receiving tax credits and submitting tax returns by their due date.

#### **10.3 Security**

The Vice Principal Resources is responsible for overall security matters within the College.

Each Budget Holder / Department Manager is responsible for implementing security procedures for all buildings, furniture, equipment, stores etc under their direct control. The Site Manager will issue guidelines outlining how best these responsibilities can be discharged.

A central inventory will be kept by the Finance Department to cover all items of equipment and plant in excess of **LIMIT 12 of SCHEDULE A**. Security markings should be used where appropriate.

Keys to safes or other similar containers are to be carried by the person responsible at all times. The loss of such keys must be reported to the Vice Principal Resources.

#### **10.4 Data Protection and Freedom of Information**

The Vice Principal Resources is responsible for maintenance of a Data Protection Policy and Freedom of Information Publication Scheme in accordance with the Data Protection Act 2018 and the Freedom of Information Act 2000. The Vice Principal Resources will act as the College's nominated Data Protection Officer and is responsible for the registration of all appropriate information systems in accordance with the requirements of the Data Protection Act 2018.

Access to computer systems is restricted to authorised persons only via the use of passwords and in accordance with the **Code of Conduct for information technology**.

#### **10.5 Students' Union**

The Principal is responsible for ensuring that a Students' Union is established and supported as a constituent part of the College in accordance with its policy.

The Principal is responsible for:

- ensuring that the Students' Union Constitution is regularly reviewed and approved by the Corporation;
- has an annual budget that is adequate for its purposes;
- receives appropriate support to run its affairs;
- ensuring that the Students' Union fulfils its obligations regarding the running of its financial affairs, including producing audited annual accounts.

The Students' Union is responsible for maintaining its financial records and preparing its own annual income and expenditure account.

#### **10.6 Security and Sealing of Documents**

The Vice Principal Resources is responsible for the safekeeping of official and legal documents relating to the College and maintenance of a register of such documents.

The Seal of the Corporation will need to be used for a number of legal documents which as a matter of law have to be executed as Deeds, including the following:

- Transfers of land;
- Transfers of other property;
- Leases and Underleases;
- Surrenders of Leases;
- Powers of Attorney;
- Mortgages or security documents.

In addition, there may be other legal documents or contracts where, on the advice of the College's solicitors, the document should be executed under seal so that the above list is not exhaustive.

All property deeds must be signed by the Chair of the Corporation or some other member of the Corporation authorised by the Corporation to act on its behalf.

#### **10.7 Detailed Financial and Other Procedures**

Effective control of College operations is dependent upon conformity with detailed procedures which ensure compliance with the Financial Regulations. These operational procedures will be developed and progressively refined over time in response to the outcome of the audit and other processes. The Vice Principal Resources is responsible for ensuring implementation of these procedures.

All members of staff will be required to follow the procedures and instructions as given and any failure to do so which causes the College to incur a loss, could result in disciplinary procedures against the member of staff concerned. Departmental Managers are responsible for maintaining manuals of their operational procedures.

The Schedules to this document form part of the Regulations which require the approval of the Corporation.

#### **10.8 Fraud and Irregularities**

The Vice Principal Resources is responsible to the Principal for investigating all instances of irregularity involving the College property or assets brought to his/her attention.

The Principal must refer all instances of fraud and irregularity to the Audit Committee.

Any breaches of internal discipline with regard to Financial Regulations will be brought to the attention of the HR Manager in order that it can be dealt with in accordance with agreed procedures.

#### **10.9 Variation of Financial Regulations**

The Vice Principal Resources is responsible for maintaining and periodically revising the Financial Regulations. Revisions to the Financial Regulations will be reviewed by the Finance Working Group and Audit Committee for approval by the Corporation.

## Related Documents/Policies

- ESFA Conditions of Funding  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/916549/Education and Skills conditions of funding 2020 to 2021 College\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/916549/Education_and_Skills_conditions_of_funding_2020_to_2021_College_.pdf)
- Post-16 Audit Code of Practice  
<https://www.gov.uk/government/publications/post-16-audit-code-of-practice>
- Cash Handling Policy
- Debt Management Policy
- Treasury Management Policy

<b>Ref</b>	<b>Section</b>	<b>Limit</b>	<b>Description</b>
1	F.Reg. 2.5	£500	Lower limit for asset capitalisation
2	F.Reg 2.5		Depreciation Life of Capital Assets: Buildings 25-50 years. IT Equipment 4 years Equipment 5 years Furniture 10 years Vehicles – Five years
3	F.Reg 4.3	£1,000	Limit above which the College Principal must authorise revenue consequences of "free" capital gifts.
4	F.Reg. 6.7	£10,000	Limit to College Principal's write-off authority.
5	F.Reg. 7.1	£50	Upper limit of petty cash.
6	F.Reg 7.4	£189,330  Supplies and Services  £4,733,252 Building Works	European Community limit for purchase, lease or hire of goods and services above which Euro Tendering Regulations apply.
7	F.Reg. 7.6	£100,000	Lower limit for which tendering arrangements must be made for the supply of goods.
8	F.Reg 7.6	£100,000	Limit above which Principal must sign contract with College.
9	F.Reg. 8.4	£100 £500	Limit of advance for UK travel. Limit of advance for overseas travel (excluding College trips).

10	F.Reg. 8.4	£1,000	Limit of Advance for College trip expenses above which the College Principal must authorise.
11	F.Reg. 9.3	£20,000	Asset Value limit above which the Corporation must authorise disposal.
12	F.Reg. 10.3	£500	Lower limit for inclusion on the College's inventory

## **SCHEDULE B SCHEDULE OF AUTHORISED OFFICERS AND BUDGET MANAGERS**

### **AUTHORISED OFFICERS:**

Responsibilities and general procedures for preparation and monitoring of the college's annual budget are outlined below:

#### **RESPONSIBILITIES OF THE STAFF COSTS BM (BM1)**

1. The Principal is appointed as BM1.
2. The responsibilities of BM1 are to prepare and control, in close liaison with other members of the Senior Leadership Team the budget for the College Staffing Costs. The budget must provide sufficient funds for an appropriate and qualified staff structure to be maintained. BM1 will authorise expenditure from this category by signature on the requisition form. Any variations from the agreed budget will need to be authorised by the Principal. However functional control of budget expenditure is delegated to the Vice Principal Resources who must inform the BM of variations to planned budget patterns.
3. Staff (permanent or temporary) may only be employed where a specific budget provision has been made to meet the cost.
4. Staff development and training fall within the scope of this budget area.
5. BM1 must liaise closely with other budget managers in the determination of the proposed budget.
6. The Vice Principal will act as contingency manager for BM1

#### **RESPONSIBILITIES OF THE CURRICULUM COSTS BM (BM2)**

1. The Vice Principal Curriculum is appointed as BM2.

The responsibilities of BM2 are to prepare a budget and to monitor expenditure in relation to Curriculum Costs. Authorisation of expenditure will be delegated to Heads of School who must regularly monitor their balances. Functional control of budget expenditure is managed by the Vice Principal Resources who must inform the BM of variations to planned budget patterns.

2. The scope of the Budget will include the coordination of bids and production of the final departmental allocations for capitation. This is finalised in conjunction with other members of the Senior Leadership Team.

BM2 must liaise closely with other budget managers in the determination of the proposed budget.

3. The Vice Principal Resources will act as contingency manager for BM2

### **RESPONSIBILITIES OF PREMISES COSTS BM (BM3)**

1. The Vice Principal Resources is appointed as BM3.
2. The responsibilities of BM3 are to prepare a budget and control expenditure in relation to all premises expenditure. Authorisation of expenditure from this category will be by signature on the requisition form. This function may be delegated as required. The Vice Principal Resources will inform the BM of variations to planned budget patterns.
3. BM3, together with the Principal is responsible for the preparation of bids to funding bodies for all Capital Grants.
4. BM3 must liaise closely with other budget managers in the determination of the proposed budget.
5. The Vice Principal will act as contingency manager for BM3.

### **RESPONSIBILITIES OF THE SUPPLIES AND SERVICES BM (BM4)**

1. The Vice Principal Resources is appointed as BM4 with delegated authority from BM2 to exercise functional control over their respective budget expenditures.
2. The responsibilities of BM4 are to prepare a budget and control expenditure in relation to all supplies and services. This function may be delegated as required. The Vice Principal Resources will inform the BM of variations to planned budget patterns.
3. BM4 must liaise closely with other budget managers in the determination of the proposed budget.
4. The Vice Principal will act as contingency manager for BM4.

### **RESPONSIBILITIES OF THE ENERGY BM (BM5)**

1. The Vice Principal Resources is appointed as BM5.
2. The responsibilities of BM5 are to prepare a budget and control expenditure in relation to all energy expenditure. This function may be delegated as required. The Vice Principal Resources will inform the BM of variations to planned budget patterns.
3. BM5 must liaise closely with other budget managers in the determination of the proposed budget.
4. The Vice Principal will act as contingency manager for BM5.

## **RESPONSIBILITIES OF THE ADMINISTRATION BM (BM6)**

1. The Vice Principal Resources is appointed as BM6
2. The responsibilities of BM6 are to prepare a budget and control expenditure in relation to all general administration expenditure. This function may be delegated as required. The Vice Principal Resources will inform the BM of variations to planned budget patterns.
3. BM6 must liaise closely with other budget managers in the determination of the proposed budget.
4. The Vice Principal will act as contingency manager for BM6.

## **BANK ACCOUNTS:**

### **College Accounts – Cheques and BACS payments:**

Signatories and Limits: all cheques require two signatures; authorised signatories are listed below;

Principal	No Limit with Vice Principals/Deputy Principal
Vice Principals	No Limit with Principal/Deputy Principal/Finance Manager
Deputy Principal	No Limit with Principal/Vice Principals/Finance Manager
Finance Manager	No Limit with the Principal/Vice Principals/Deputy Principal
Finance Officers	Maximum £10,000 with Finance Manager/£1,000 with each other

Electronic payments and cash transfers to be authorised in accordance with the above paragraph. BACS payments (including payroll) must be authorised by at least one of the Vice Principals or Principal.

Standing order and direct debit mandates must be authorised by two of the above signatories, in accordance with the above paragraph. Any signatory can order cheque books.