

exeter college



# Financial Regulations

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# EXETER COLLEGE FINANCIAL REGULATIONS

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Funding Body relates to the Education and Skills Funding Agency .

Throughout this document Board is used to refer to the Corporation as a legal entity.

## **SECTION A: GENERAL PROVISIONS**

### **1. Background**

- 1.1 Exeter College is a further education corporation created under the provisions of the Further and Higher Education Act 1992. Its structure of governance is laid down in the instrument and articles of government, which may only be amended by application to the Secretary of State. The College is accountable through the Board, which has ultimate responsibility for the effectiveness of its management and administration.
- 1.2 The College is an exempt charity by virtue of the Charities Act 2011.
- 1.3 The financial memorandum between the Funding body and the College sets out the terms and conditions on which grant is made. The Board is responsible for ensuring that conditions of grant are met. As part of this process, the College must adhere to the Funding body's 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.

### **2. Status of Financial Regulations**

- 2.1 This document sets out the College's financial regulations. It translates into practical guidance the College's broad policies relating to financial control. This document was approved by the Business Services Committee on 26 September 2022. It applies to the College and all its subsidiary undertakings.
- 2.2 These financial regulations are subordinate to the College's instrument and articles of government and to any restrictions contained within the College's financial memorandum with the Funding body and the Funding body's audit code of practice.
- 2.3 The purpose of these financial regulations is to provide control over the totality of the College's resources and provide management with assurances that the resources are being properly applied for the achievement of the College's strategic plan and business objectives:
- Financial viability
  - Achieving value for money
  - Fulfilling its responsibility for the provision of effective financial controls over the use of public funds
  - Ensuring that the College complies with all relevant legislation
  - Safeguarding the assets of the College.
- 2.4 Compliance with the financial regulations is compulsory for all staff connected with the College. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the College's disciplinary policy. It is the responsibility of all heads of faculty/department to ensure that their staff are made aware of the existence and content of the College's financial regulations.
- 2.5 Breaches of financial regulations must be reported to the Chief Financial Officer. Where a serious or recurrent breach of the financial regulations has occurred the Chief Financial Officer will decide on further action to be taken. This may include the involvement of others such as the Principal, the Chair of the Audit and Risk Assurance Committee and the Director of People & Organisational Development / Head of People.

- 2.6 The Chief Financial Officer is responsible for reporting any known breaches of the College's financial regulations to the Senior Resources Committee. Additionally, any significant breach will be notified to the Board through the Audit & Risk Assurance Committee.
- 2.7 The Business Services Committee is responsible for maintaining a continuous review of the financial regulations, through the Chief Financial Officer, and for advising the Board of any additions or changes necessary.

## **SECTION B: CORPORATE GOVERNANCE**

### **3. The Board**

3.1 The Board is responsible 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 Principal and other senior post-holders
- Set a framework for pay and conditions of service for all other staff
- Ensure that the financial, planning and other management controls, including controls against fraud and theft, applied by the College are appropriate and sufficient to safeguard public funds
- Approve the appointment of external auditors and an internal audit service
- Secure the efficient, economical and effective management of all the College's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in the College is not put at risk
- Ensure that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution
- Plan and conduct its 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 before the start of each financial year
- Ensure that College complies with the Funding body's audit code of practice
- Approve the College's strategic plan
- Approve the annual financial statements.

### **4. Accounting Officer**

4.1 The Principal is the College's Accounting Officer and is responsible for ensuring the financial administration of the College's affairs in accordance with the financial memorandums with the relevant Funding bodies. As the Accounting Officer, the Principal may be required to justify any of the College's financial matters to the Public Accounts Committee at the House of Commons.

In particular the articles of government charge the 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.”*

The 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 cover sheet of the financial plan submitted to the Funding body.

### **5. Committee Structure**

5.1 The Board 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 Board. A diagram depicting the committee structure is included at Appendix A.

5.2 Business Services Committee

This Committee oversees and leads the strategic and operational management of all the College's financial activities. It is responsible for:

- Ensuring that all financial implications of strategic plans are taken into account before their approval by the Board
- Overseeing the management of the capital programme before recommendation to the Board
- Monitoring monthly management accounts
- Considering the annual statutory accounts before recommending acceptance to the Board
- Ensuring that all relevant information is passed on to the Board to enable it to discharge its financial responsibilities
- Monitoring the effectiveness of the implementation of the College's financial regulations and making recommendations accordingly

The Committee contributes to the budget setting process by recommending to the Board an annual operational budget for each financial year. It then monitors actual performance against the budget set, and will also consider and recommend variations from the approved budget as necessary.

The Committee monitors staffing costs as part of the management accounts and reviews the cost of the staff pay award prior to recommendation to the Board.

The Committee oversees the College's Human Resources strategy and reviews the implementation of the personnel policies and procedures.

The Committee is responsible for approving for recommendation to the Board and subsequently monitoring:

- The College's recruitment and marketing strategies
- The College's employer facing provision and engagement with employers.
- The College's Global Strategy.

The Committee oversees the College's compliance with and response to sustainability in the context of best practice and current legislation.

### 5.3 Audit and Risk Assurance Committee

Colleges are required by their financial memorandum with the Funding body (ESFA) and by the Funding body's audit code of practice to appoint an Audit and Risk Assurance Committee. The committee is independent, advisory and reports to the Board. The Committee is responsible for providing advice to the Board on the adequacy and effectiveness of the College's systems of internal control and those of its subsidiary companies, and its arrangements for risk management control and governance processes. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. A more detailed extract from the Audit and Risk Assurance Committee's terms of reference is shown in Appendix B. The audit requirements of the College are set out in the Funding body's Audit Code of Practice.

#### 5.4 Search and Remuneration Committee

Determination of senior postholders' pay and conditions is the responsibility of the Board but is delegated to the Search and Remuneration Committee for decision.

### **6 Others with Financial Responsibility**

#### 6.1 The Chief Financial Officer

Day-to-day financial administration is controlled by the Chief Financial Officer who is responsible to the Principal for:

- Preparing annual capital and revenue budgets and financial plans
- Preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations
- Preparing the College's annual accounts and other financial statements and accounts which the College is required to submit to other authorities
- Ensuring that the College maintains satisfactory financial systems
- Providing professional advice on all matters relating to financial policies and procedures
- Day-to-day liaison with internal and external auditors in order to achieve efficient processes.

Appendix C shows, for the main areas in which advice is sought and details of the key contacts within the finance department.

#### 6.2 Heads of Department / Faculty

Heads of Department / Faculty are accountable for the efficient and effective management of the funds under their control. They are responsible for agreed budgets for which they will be accountable to the Chief Financial Officer. While budgets may be monitored centrally, each individual budget holder is responsible for the day-to-day management of their budget.

Heads of Department / Faculty shall provide the Chief Financial Officer with such information as may be required to enable:

- Compilation of the College's financial statements
- Implementation of financial planning
- Implementation of audit and financial reviews, projects and value for money studies.

#### 6.3 All Members of Staff

All members of staff should be aware 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. They should ensure that they are aware of the College's financial authority limits (see 17.2) and the values of purchases for which quotations and tenders are required (see 17.6).

They shall make available any relevant records or information to the Chief Financial Officer 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.

They shall provide the Chief Financial Officer with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the Board.

They shall immediately notify the Chief Financial Officer whenever any matter arises which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the College. Chief Financial Officer shall take such steps as he or she considers necessary by way of investigation and report.

## **7 Risk Management**

7.1 The College acknowledges the risks inherent in its business and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable/unacceptable by the College is set out in a separate risk management strategy.

7.2 The Board has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the College through the development, implementation and integration within the organisation of a formal, structured, risk management process.

7.3 In line with this policy, the Board 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 their occurrence together with a sensitivity analysis
- A decision on the level of risk to be covered by insurance (see 21.1)
- Detailed regular review at department/faculty level to identify significant risks associated with the achievement of key objectives and other relevant areas
- Development of risk management and contingency plans for all significant risks
- Regular reporting to the Board
- An annual review of the implementation of risk management arrangements

The strategy and procedures must be capable of independent verification.

7.4 Heads of Department / Faculty must ensure that any agreements negotiated with external bodies cover any legal liabilities to which the College may be exposed. Chief Financial Officer's advice should be sought to ensure that this is the case.

7.5 The College is regulated by the Money Laundering Regulations. Under these regulations, the college must appoint a 'Nominated officer'.

The nominated officer's role is to be aware of any suspicious activity in the business that might be linked to money laundering or terrorist financing, and if necessary to report it.

They're responsible for:

- receiving reports of suspicious activity from any employee in the business
- considering all reports and evaluating whether there is - or seems to be - any evidence of money laundering or terrorist financing



- receiving reports of cyber crime / fraud relating to the College
- reporting any suspicious activity or transaction to the National Crime Agency (NCA) by completing and submitting a Suspicious Activity Report
- asking the NCA for a defence to a money laundering offence in relation to the transactions that they've reported, and making sure that no transactions are continued illegally.

The College's nominated officer is the Chief Financial Officer

## **8 Whistleblowing**

- 8.1 Whistleblowing in the context of the Public Interest Disclosure Act (1998) is the disclosure by an employee/worker about malpractice in the workplace, known as a 'qualifying disclosure'. A qualifying disclosure is one made in the public interest by an employee / worker who has reasonable belief that a criminal offence, miscarriage of justice, an act creating risk to health or safety, an act causing damage to the environment, a breach of any legal obligation or concealment of any of the above is, has been, or is likely to be committed. A reasonable belief is sufficient.
- 8.2 Normally, any concern about a workplace matter at the College should be raised with the relevant member of staff's immediate line manager or Head of Department / Faculty. However, the College recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.
- 8.3 A member of staff may, therefore, make the disclosure to a 'designated person', for this purpose the Clerk to the Corporation or Chair of the Audit and Risk Assurance Committee. In their absences, the designated deputies are the Vice Chair of the Board or the Vice Chair of Audit and Risk Assurance respectively.
- 8.4 The full procedure for whistleblowing is set out in the College's whistleblowing policy, which is available through the Human Resources Department. Further details of the Public Interest Disclosure Act are set out in Appendix D.

## **9 Financial Probity**

- 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 established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe. These principles are set out in Appendix E. In addition, the College expects that staff at all levels will observe its Code of Conduct, which is available on the College Intranet.
- 9.2 Additionally, members of the Board, senior management or those involved in procurement are required to disclose interests in the College's register of interests maintained by the Clerk to the Corporation. They are also responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly.
- 9.3 In particular, no person shall be a signatory to a College contract where he or she also has an interest in the activities of the other party.
- 9.4 Receiving Gifts or Hospitality

It is an offence under the Bribery Act 2010 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 guiding principles to be followed by all members of staff must be:

- The conduct of individuals should not create suspicion of any conflict between their official duty and their private interest
- The action of individuals acting in an official capacity should not give the impression that they have been influenced by a benefit to show favour or disfavour to any person or organisation.

Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation 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 other to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the College would be likely to provide in return.

For the protection of those involved, the Clerk to the Corporation will maintain a register of gifts and hospitality received where the value is in excess of £100. Members of staff in receipt of such gifts or hospitality are obliged to notify the Clerk promptly. Should a member of staff be offered a gift or hospitality in excess of £100 and do not accept it, this should also be recorded on the register.

## **SECTION C: FINANCIAL MANAGEMENT AND CONTROL**

### **10 Financial Planning**

10.1 The Chief Financial Officer is responsible for preparing annually a financial plan for approval by the Board on the recommendation of the Business Services Committee and for submission to the Funding body. Financial Plans should be consistent with the strategic plans and property strategy approved by the Board.

#### 10.2 Financial objectives

The Board will, from time to time, set financial objectives for the College. These will guide the Chief Financial Officer in preparing his or her more detailed financial plans for the College.

#### 10.3 Resource Allocation

Resources are allocated annually by the Board on the recommendation of the Business Services Committee, and on the basis of the above objectives. All budget holders are responsible for the economic, efficient and effective use of resources allocated to them.

#### 10.4 Budget Preparation

The Chief Financial Officer is responsible for preparing each year an annual revenue budget for consideration by the Business Services Committee, before submission to the Board. The budget should also include monthly cash flow forecasts for the year and a projected year-end balance sheet. The Chief Financial Officer must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to all budget holders as soon as possible following their approval by the Board.

The budget for a financial year should normally be approved by the Board prior to the start of the year (that is before the end of the previous financial year).

During the year, the Chief Financial Officer is responsible for submitting revised forecasts, at least termly, to the Business Services Committee for consideration.

A mid-year budget update along with a sensitivity analysis will be presented to the Board each year.

#### 10.5 Capital programmes

The capital programme includes all expenditure on land, buildings, equipment, furniture and associated costs whether or not they are funded from capital grants or capitalised for inclusion in the College's financial statements.

Proposed capital projects should be supported by:

- A statement which demonstrates the projects consistency with the strategic plans and property strategy approved by the Board
- An initial budget for the project for submission to the Business Services Committee, with a breakdown of costs including professional fees, funding sources and VAT.
- A financial evaluation of the plans together with their impact on revenue, and an evaluation of possible alternative plans,

- An investment appraisal in an approved format which complies with the Funding body guidance
- A demonstration of compliance with normal tendering procedures and Funding body regulations
- A cash flow forecast
- Where appropriate, external written advice from a competent source

The Chief Financial Officer will also establish procedures for the approval of variations, including the notification of large variations to the Funding body, as laid down in the Funding body guidelines.

The Chief Financial Officer is responsible for providing regular statements concerning all capital expenditure to the Business Services Committee for monitoring purposes.

Following completion of a capital project, a post-project evaluation report should be submitted to the Business Services Committee including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Post-project evaluations may also need to be sent to the Funding body, as laid down in the Funding body guidelines.

#### 10.6 Overseas activity

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

#### 10.7 Other major developments

Any new aspect of business, or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time of more than £50,000 should be presented for consideration by the Business Services Committee, prior to being approved by the Board.

Details of the information required to enable these major developments to be considered by the Business Services Committee are set out in Appendix F.

### **11 Financial Control**

#### 11.1 Budgetary control

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively

Significant departures from agreed budgetary targets must be reported immediately to the Chief Financial Officer by the budget holder concerned and, if necessary, corrective action taken.

#### 11.2 Financial information

Budget holders are assisted in their duties by management information provided by the Director of Finance, Funding, MIS and Exams. The types of management information available are described in the detailed Financial Procedures Manual, together with the timing at which they can be expected.

The Chief Financial Officer is responsible for supplying budgetary reports on all aspects of the College's finances to the Business Services Committee on a basis determined by the Committee but subject to any specific requirements of the Funding body. These reports are presented to the Board, which has overall responsibility for the College's finances.

### 11.3 Changes to the approved budget

Changes to the approved budget will first be considered by the Business Services Committee, which will make proposals to the Board.

### 11.4 Virement

Virement between budget lines is permitted only on the authorisation of the College Accountant or the Director of Finance, Funding, MIS and Exams who will consult the Chief Financial Officer or the Principal if appropriate.

### 11.5 Treatment of Year End Balances

At the end of each financial year, multi year income and expenditure will be reviewed and brought forward where required.

## 12 Accounting Arrangements

### 12.1 Financial year

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

### 12.2 Basis of accounting

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

### 12.3 Format of the financial statements

The financial statements are prepared in accordance with the Statement of Recommended Practice *Accounting for Further and Higher Education 2019* and with the *College Accounts Direction 2022 to 2023* issued by the funding body; ESFA. The financial statements of the College's subsidiaries are prepared in accordance with the provisions of the Companies Act 2006, where appropriate.

### 12.4 Capitalisation, depreciation and disposal

New land and buildings will be recorded in the balance sheet at actual build or acquisition cost. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Land will not be depreciated. A full year's depreciation will be charged in the year of acquisition but none in the year of disposal.

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item is £1,000 or more. Grouped items (e.g. a suite of computers) with an individual value of less than £1,000, but a project with a group value of £1,000 or more, will be capitalised. Capitalised assets other than land and buildings will be depreciated over a period of 3-5 years commencing in the year of acquisition.

Assets will be considered for disposal at the end of their useful life.

## 12.5 Accounting records

The Chief Financial Officer is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.

The College is required by law to retain prime documents for seven years. These include:

- Official purchase orders
- Paid invoices
- Accounts raised
- Bank statements
- Copies of receipts
- Paid cheques
- Payroll records, including part-time lecturers' contracts

The Chief Financial Officer will make appropriate arrangements for the retention of electronic records.

Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as regional development agencies and the European Social Fund.

Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the Funding body.

## 12.6 Public access

In addition to the College's obligations under its Freedom of Information Publication Scheme, the terms of the Charities Act 2016 require that the Board supplies any person with a copy of the College's most recent financial statements within two months of a request. The Act enables the Board to levy a reasonable fee and this will be charged at the discretion of the Clerk to the Corporation.

## 12.7 Taxation

The Chief Financial Officer is responsible for advising Heads of Department / Faculty, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the College. Therefore the Chief Financial Officer will issue instructions to departments / faculties on compliance with statutory requirements including those concerning VAT, PAYE, national insurance and corporation tax.

The College Accountant 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.

## 13 Audit Requirements

### 13.1 General

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 or other transaction of 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 or her control
- Access records belonging to third parties, such as contractors, when required

The Chief Financial Officer is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

Following consideration by the Business Services Committee, the financial statements should be reviewed by the Audit and Risk Assurance Committee. On the recommendation of the Business Services and Audit and Risk Assurance Committees they will be submitted to the Board for approval.

### 13.2 External audit

The appointment of external auditors for the financial statements of the College will take place annually and is the responsibility of the Board. The Board will be advised by the Audit and Risk Assurance Committee.

The primary role of this 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 the advice set out in the Funding body's Code of Audit Practice and the Auditing Practices Board's statements of auditing standards.

### 13.3 Internal audit

The internal auditor is appointed by the Board on the recommendation of the Audit and Risk Assurance Committee and will be the subject of an annual review.

Changes to the Joint Audit Code of Practice no longer require that all colleges have an internal audit function. However, the College has retained the internal audit function. The main responsibility of internal audit is to provide the Board, the Principal and senior management with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation but has direct access to the Board, Principal and Chair of the Audit and Risk Assurance Committee. The responsibilities of internal audit are included in Appendix G. The internal auditor will also comply with the Auditing Practices Board's auditing guideline *Guidance for Internal Auditors*.

#### 13.4 Fraud and corruption

It is the duty of all members of staff, management and the Board to notify the Chief Financial Officer immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, cyber-crime, corruption or any other impropriety.

The Chief Financial Officer shall immediately invoke the fraud response plan, which incorporates the following key elements (see Appendix H for fuller details):

- The Chief Financial Officer will notify the Principal, Chair of the Board and the Chair of the Audit and Risk Assurance Committee of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report
- The Principal shall inform the police if a criminal offence is suspected of having been committed
- Any significant cases of fraud or irregularity shall be reported to the Funding body in accordance with their requirements as set out in the Audit Code of Practice. Significant fraud is usually where one or more of the following factors are involved:
  - The sums of money are in excess of £10,000;
  - The particulars of the fraud are novel, unusual or complex;
  - There is likely to be great public interest because of the nature of the fraud or the people involved.
- The Audit and Risk Assurance Committee shall commission such investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate
- The internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the Audit and Risk Assurance Committee on the suspected irregularity. Such report shall include advice on preventative measures.

If the suspected fraud is thought to involve the Chief Financial Officer and/or the Principal, the member of staff shall notify the Chair of the Audit and Risk Assurance Committee direct of their concerns regarding irregularities.

#### 13.5 Value for money

It is a requirement of the financial memorandum that the Board of the College 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.

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

#### 13.6 Other auditors

The College may, from time to time, be subject to audit or investigation by external bodies such as the funding councils, National Audit Office, European Court of Auditors and HM Revenue and Customs. They have the same rights of access as internal and external auditors.



## 14 Treasury Management

### 14.1 Treasury management policy

The Business Services Committee is responsible for approving a treasury management policy statement (based on CIPFA's *Treasury Management in the Public Services: Code of Practice* together with cross-sectoral guidance and sector-specific guidance) setting out a strategy and policies for cash management, long-term investments and borrowings. This will require compliance with Funding body rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the financial memorandum. The Committee has a responsibility to ensure the implementation, monitoring and review of such policies.

All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Chief Financial Officer and an appropriate reporting system set up. All borrowing shall be undertaken in the name of the College and shall conform to any relevant Funding body requirements. The Chief Financial Officer and his or her staff are required to act in accordance with CIPFA's *Code of Practice*.

### 14.2 Appointment of bankers and other professional advisers

The Board is responsible for the appointment of the College's bankers and other professional financial advisers on the recommendation of the Business Services Committee. The appointment will be reviewed periodically.

### 14.3 Banking arrangements

The Chief Financial Officer is responsible, on behalf of the Business Services Committee, for liaising with the College's bankers in relation to the College's bank accounts.

Only the Chief Financial Officer may open or close a bank account with the approved banking institutions authorised by Business Services Committee. All bank accounts shall be in the name of the College or one of its subsidiary companies.

All payments drawn on behalf of the College must be signed in the form approved by the Business Services Committee. For payments under one hundred pounds, only one signatory is required, at the discretion of the Chief Financial Officer. Bank Automated Clearing System (BACS)/Clearing House Automated Payments (Chaps) / same day faster payments over this amount must be signed by two authorised persons, from the following list:

- The Chair of the Board
- Principal
- Chief Financial Officer
- Director of Finance, Funding, MIS and Exams
- Deputy Head of Finance, Funding, MIS and Exams
- College Accountant
- Management Accountant
- Finance Manager or Deputy Finance Manager

For payments in excess of thirty thousand pounds, two approvers must be drawn from: The Chair of the Board, The Principal, Chief Financial Officer, Director of Finance,

Funding, MIS and Exams, Deputy Head of Finance, Funding, MIS and Exams and College Accountant.

For payments in excess of one hundred thousand pounds the two signatories must be drawn from: The Chair of the Board, The Principal and Chief Financial Officer.

All automated transfers on behalf of the College, such as BACS or CHAPS, must be authorised by two persons from the above list.

Treasury deposits are processed as per the financial procedures (section 12). The signatories are the Principal, Chief Financial Officer, Director of Finance, Funding, MIS and Exams and College Accountant with two to sign.

The Director of Finance, Funding, MIS and Exams is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

## **15 Income**

### **15.1 General**

The Director of Finance, Funding, MIS and Exams 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 documents in use and electronic collection systems must have prior approval of the Director of Finance, Funding, MIS and Exams.

Levels of charges for services rendered, goods supplied and rents and lettings are determined by procedures approved by the Senior Resources Committee.

The Director of Finance, Funding, MIS and Exams is responsible for the prompt collection, security and banking of all income received.

The Director of Finance, Funding, MIS and Exams 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.

The Director of Finance, Funding, MIS and Exams is responsible for ensuring that all claims for funds are made by the due date.

### **15.2 Maximisation of income**

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

### **15.3 Cash receipts**

Student money should be collected through the online payment system where possible which will be transferred daily into the College bank account by the College online payment provider.

Any monies not collected via the online process but received directly by a department / faculty, from whatever source, must be paid into a cash register immediately.

All income received and processed through the till should be reconciled and prepared for banking daily / weekly as appropriate. The custody and transit of all monies received must comply with the requirements of the College's insurers.

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

Receipts by credit or debit card: the College may only receive payments by debit or credit card using procedures approved by the Director of Finance, Funding, MIS and Exams.

Internet receipts: any member of staff wishing to arrange for payment to be made to the College by the internet should seek guidance from the Director of Finance, Funding, MIS and Exams at an early stage.

#### 15.4 Collection of Debts

The Director of Finance, Funding, MIS and Exams should ensure that:

- Debtors 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 credit notes raised are valid, completely recorded and authorised by both the Director of Finance, Funding, MIS and Exams and Deputy Head of Finance, Funding, MIS and Exams, Finance Manager or College Accountant
- VAT is correctly charged where appropriate, and accounted for
- Monies received are posted to the correct debtors account
- Swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the Financial Procedures Manual
- Outstanding debts are monitored and reports prepared for management.
- Forward debts to our Debt Collection agency where required.

Only the Director of Finance, Funding, MIS and Exams, Finance Manager or College Accountant can implement credit arrangements and indicate the periods in which different types of invoice must be paid, and he/she must consult with the Chief Financial Officer where deemed appropriate.

Requests to write off debts in excess of £5,000 must be submitted to the Senior Resources Committee for consideration. Debts below this level may be written off with the permission of the Director of Finance, Funding, MIS and Exams, College Accountant and Finance Manager.

#### 15.5 Student fees

The procedures for collecting student fees must be approved by the Director of Finance, Funding, MIS and Exams.

Any student who has not paid an account for fees or any other item owing to the College shall be prevented from re-enrolling at the College and from using any of the College's facilities unless appropriate arrangements have been made.

## 15.6 Student loans

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

## **16 Other Income-Generating Activity**

### 16.1 Private consultancies and other paid work

Unless otherwise stated in a member of staff's contract outside consultancies or other paid work may not be accepted without the consent of the Head of department/faculty (and in the case of the Head of department/faculty, the Principal).

### 16.2 Self financing courses

In this context a self financing course is any course which does not form part of the normal teaching load of the faculty.

Any staff wishing to run a self financing course must have the permission of the Senior Curriculum Group. The course organiser will be responsible to the Head of faculty for day-to-day management of the course.

### 16.3 Partnership activity

Any contract or arrangement whereby the College provides education to students away from College premises, or with the assistance of persons other than the College's own staff or with independent contractors (partner organisations), must be subject to the following procedure.

There shall be a contract signed by the Principal and on behalf of the partner organisation that shall comply at least with the Funding body model contract in place before any provision is made. Contracts for significant changes in partnership activity shall be approved in advance by the Board of the Corporation.

The form of the contract shall be approved in advance of its operation by the Business Services Committee or the Board.

The impact of these contracts shall be subject to scrutiny by the Business Services Committee or the Board. The format for regular reports shall be as stated in Funding body guidance. They shall consider the risk factors associated with the proposed partnership and agree an appropriate entry in the College's financial forecast.

Where the partnership would represent a significant departure from the College's strategic plan, the Board shall approve the departure, and the Principal shall seek the views of and inform the Funding body.

### 16.4 Other matched funding

Any such project requires the approval of the Principal prior to any commitment being entered into. Such approval shall be dependent upon the relevant Head of faculty being able to demonstrate that eligible matching funds are available and that the project is financially viable. Records relating to such projects must be kept for the time stipulated by the funding body.

If the College sub-contracts such work to external providers, the relevant Head of faculty shall ensure that:

- This is on the basis of a written contract which allows for full audit access to detailed records
- Appropriate monitoring procedures are in place to ensure that the outputs are achieved and the provision is of suitable quality
- Payments are only made against detailed invoices.

#### 16.5 Profitability and recovery of overheads

All other income-generating activities must be self-financing or surplus-generating. In costing these activities provision must be made for charging both direct and indirect costs in accordance with the College's costing policy.

Distribution of profits on other income-generating activity between central funds of the College and individual departments/faculties will be approved by Senior Leadership Team

### 17 Procurement and Expenditure

#### 17.1 General

The Chief Financial Officer is responsible for making payments to suppliers of goods and services to the College.

#### 17.2 Scheme of delegation/financial authorities

The Head of department / faculty is responsible for purchases within his or her department / faculty. Purchasing authority may, in some circumstances, be delegated to named individuals within the department / faculty. In exercising this delegated authority, budget holders are required to observe the purchasing policies and financial procedures.

Under procedures agreed by the Chief Financial Officer, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits. The Director of Finance, Funding, MIS and Exams must be notified immediately of any changes to the authorities to commit expenditure.

Budget holders must plan their activities so that they do not exceed their budget.

The member of staff with authority for requisitioning orders must be different to the budget holder for approving the orders. A goods received process will be operated and the requisitioner shall confirm once the goods/service is completed which will subsequently release the invoice for payment.

The authorisation level for approving orders shall be as follows:

|                               |   |                           |
|-------------------------------|---|---------------------------|
| Faculty/Dept budget holder    | - | Five thousand pounds      |
| SLT member/College Accountant | - | Over Five thousand pounds |
| Chief Financial Officer       | - | Over Ten thousand pounds  |

All IT purchases need to be reviewed and approved by the Director of Estates and IT or the IT Manager.

### 17.3 Procurement

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 and sustainability, and in accordance with sound business practice.

The Director of Finance, Funding, MIS and Exams is responsible for:

- Ensuring that purchases adhere to financial regulations
- The control and use of all purchase orders and requisitions within the College
- All electronic purchase orders emailed from the College's Finance System, and ensuring that every order:
  - is dated
  - clearly specifies the quantity of goods or services required.
  - states the agreed price.

### 17.4 Purchase orders

The ordering of goods and services shall be in accordance with the College's detailed financial procedures/procurement policies.

Making a purchase will normally involve three separate steps:

- confirming adequate funds are available in the appropriate budget
- raising a purchase order
- certifying the goods/services have been received and for not more than the purchase order price

Official College purchase orders must be placed for all goods or services, except those made using purchasing cards, company credit cards, petty cash, utility services or examination expenditure. In exceptional circumstances, urgent orders may be given orally, but must be confirmed by an official purchase order endorsed 'confirmation order only' not later than the following working day.

Where a purchase is part of a project exceeding £250,000 then the project must first have been approved by the Business Services Committee.

### 17.5 Purchasing cards

The operation and control of the college's purchasing cards is the responsibility of the Director of Finance, Funding, MIS and Exams.

Holders of purchasing cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. 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 holders and should ensure that there is sufficient budget available to meet the costs. The Director of Finance, Funding, MIS and Exams shall determine what information is required on purchases made with purchasing cards from cardholders and deadlines for receipt in the Finance

Department to enable financial control to be maintained and cardholders must provide that information. Each monthly statement of account should be signed off by the Card holder and Budget holder to confirm the expenses.

In respect of the purchasing card of the Principal, the monthly statement will be reviewed and authorised by the Chair of the Board/Chair or Business Services Committee.

Any requests for temporary credit limit increases must be authorised by the Head or Faculty/Department and the Director of Finance, Funding, MIS and Exams or College Accountant.

Details of the operation of the scheme are set out in the Financial Procedures Manual and the Procurement Card Agreement signed on receipt of a purchasing card.

Guidance on the use of the procurement card is given with every Purchasing card issued. This guidance document must be signed for when collecting the Purchasing card from the Finance department.

## 17.6 Tenders and quotations

Prior to making a purchase, budget holders should refer to section 17.9.

If the purchase is not likely to be subject to 'Find a Tender Service' (FTS), then budget holders should consider procurement using a consortia of which the College is a member. Further guidance should be sought from the Director of Finance, Funding, MIS and Exams if required. If it is not possible to obtain the necessary goods or services using a consortia, then budget holders must comply with the College's tendering procedures, contained in the College's code of tendering practice

The tendering procedures apply as follows:

- under £5,000 – the budget holder shall have the discretion to decide whether or not to obtain quotations
- from £5,000 to £100,000 - the budget holder shall be required to obtain at least three written quotations
- over £100,000 - all items will require three competitive tenders, unless subject to a long term agreement.

Refer to the Finance Procedures for further information.

Only partnership arrangements for the supply of goods or services specifically approved by the Business Services Committee or the Board will fall outside these arrangements for tenders and quotations.

The main points covered by the College's code of tendering practice are described in Appendix I, and may be subject to special rules imposed by funding bodies.

The Chief Financial Officer is responsible for the acceptance of tenders, which will be forwarded to the Business Services Committee for approval if they are in excess of £500,000 or for greater than a five year duration.

Detailed guidance to be followed, when procuring goods or services through a framework agreement offered by a purchasing consortium, is included in the College's Financial Procedures Manual.

## 17.7 Post-tender negotiations

Post-tender negotiations (i.e. after the receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms can be entered into, provided:

- it would not put other tenderers at a disadvantage
- it would not affect their confidence and trust in the College's tendering process.

In each case, a statement of justification should be approved by the Chief Financial Officer, prior to the procurement showing the background to procurement, reasons for proposing post tender negotiations and a demonstration of improved value for money.

## 17.8 Contracts

Building contracts are the responsibility of the Business Services Committee and are administered by the Chief Financial Officer.

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

Proposals shall be presented in the form of costings or investment appraisals for Business Services Committee consideration. Investment appraisals should comply with Funding body guidance.

Following consideration by the Business Services Committee and approval by the Board, submissions should be forwarded to the Funding body where appropriate. If the required agreement is secured from the Funding body, their procedural rules should be followed.

The achievement of value for money will be an objective in the letting of all contracts.

## 17.9 Public Contracts Regulations 2015 and Find a Tender Service (FTS)

The Chief Financial Officer is responsible for ensuring the College complies with its legal obligations under the Public Contracts Regulations 2015, including the obligation to publish advertisements on the Find a Tender Service.

The Director of Finance, Funding, MIS and Exams will advise Heads of Department / Faculty on the procurement thresholds that are currently in operation and governed by the Public Contracts Regulations 2015. A breach of these regulations can result in action being taken by a potential supplier.

It is the responsibility of Heads of Department / Faculty to ensure that their members of staff comply with regulations by notifying the Director of Finance, Funding, MIS and Exams of any purchase that is likely to exceed the thresholds. The tender legally needs to be posted on FTS and to follow the procedures set out in the Public Contracts Regulations 2015.

Where the purchase is likely to be subject to the Public Contracts Regulations 2015, then budget holders should consider (instead of running a full FTS procurement) using a



framework agreement offered by a purchasing consortia of which the College is a member. If it is not possible to obtain the necessary goods or services using such a route, then advice should be sought from the Director of Finance, Funding, MIS and Exams.

#### 17.10 Payment of invoices

Payments to UK suppliers will normally be made by BACS. In exceptional circumstances the Director of Finance, Funding, MIS and Exams will manually make urgent payment via the appropriate method. Heads of Department / Faculty are responsible for ensuring that expenditure within their area does not exceed funds available. Care must be taken by the budget holder to ensure that discounts receivable are obtained.

Suppliers should be instructed by the budget holder to submit invoices for goods or services to the Finance Department. Payments will only be made by the Director of Finance, Funding, MIS and Exams against invoices that can be matched to a receipted order or other approved method, such as BACs request.

Certification of an invoice or receipting of an electronic order will ensure that:

- The goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory
- It is matched to the order
- Invoice details (quantity, price, discount) are correct
- The invoice has not been previously passed for payment
- Where appropriate, an entry has been made on a stores record or departmental inventory
- Appropriate cost centre is quoted; this must be one of the cost centre codes included in the budget holder's areas of responsibility and must be applied to the appropriate budget definition.

#### 17.11 Staff reimbursement

The College's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement (see 18.5).

Where such purchases by staff are planned, the Director of Finance, Funding, MIS and Exams and the relevant Head of department / faculty may jointly approve cash advances to staff who are going to incur expenditure on the College's behalf. Upon completion of the travel (exceptional not routine) or project to which the advance relates, within one month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to an individual is still outstanding.

#### 17.12 College credit cards

Where appropriate, the Principal or Chief Financial Officer may approve the issuing of College credit cards to senior staff. Such credit cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. The Director of Finance, Funding, MIS and Exams will be responsible for setting in place a system to monitor the use of College credit cards and account for expenses charged to them.

### 17.13 Petty cash

Where a single item is for less than £50 it may be paid for from petty cash. It must be supported by receipts. Any personal expenses such as mileage and travel will be reimbursed monthly via the College payroll (see 18.5)

The Director of Finance, Funding, MIS and Exams shall make available to faculties/departments such imprests as he or she considers necessary for the disbursements of petty cash expenses. However, it is important for security purposes that petty cash imprest floats are kept to a minimum.

Requisitions for reimbursements must be sent to the Finance department, together with the appropriate receipts, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.

The member of staff granted a float is personally responsible for its safe-keeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the College's insurers when not in use and will be subject to periodic checks by the Finance department.

At the end of the financial year a certificate of the balance held should be completed by the member of staff responsible for the float and counter-signed by the Head of faculty/department.

### 17.14 Other payments

Individual payments under 'outward collaborative provision' contracts shall be authorised by the Chief Financial Officer. This authority shall be on the basis that the payment represents a bona fide element of the contract which has been approved by the Business Services Committee.

### 17.15 Late payment rules

The Late Payment of Debts (Interest) Act 2002 was introduced to give small businesses the right to charge interest on late payments from 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
- The College can be sued for non-payment.

In view of the penalties of this Act, the Board requires that invoices must be passed for payment as soon as they are received.

### 17.16 Hospitality

Payments for authorised hospitality will be made in accordance with the agreed rates and authorised by the appropriate budget holder.

The limits concerning acceptable expenditure for entertaining guests are set out in the College's Financial Procedures Manual.

## **18 Pay Expenditure**

### **18.1 Remuneration policy**

All College staff will be appointed to the salary scales approved by the Board and in accordance with the appropriate conditions of service. All letters of appointment must be issued by the People and Performance Department.

The Board will determine what other benefits, such as cars, medical and life insurance, are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available.

Salaries and other benefits for senior post-holders will be determined by the Remuneration Committee set up by the Board.

### **18.2 Appointment of staff**

All contracts of service shall be concluded in accordance with the College's approved personnel practices and procedures and all offers of employment with the College shall be made in writing by the Head of People and Performance. Budget holders shall ensure that the Director of Finance, Funding, MIS and Exams and the Director of People & Organisational Development are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

### **18.3 Salaries and wages**

The Director of Finance, Funding, MIS and Exams is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All timesheets and other pay documents will be in a form prescribed by the Director of Finance, Funding, MIS and Exams.

The Director of People & Organisational Development will be responsible for keeping the Director of Finance, Funding, MIS and Exams and Payroll Officer informed of all matters relating to personnel for payroll purposes. In particular these include:

- Appointments, resignations, dismissals, secondments and transfers
- Absences from duty for 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 tax and national insurance.

Any person who wishes to undertake lecturing or consultancy work at the College on a self-employed basis and to be paid through the purchase ledger without deduction of income tax and national insurance contributions must be able to satisfy the Director of Finance, Funding, MIS and Exams that they are bona-fide self employed consultants.

Reference to the HMRC self employment indicator will act as documentary evidence. If required, the Director of Finance, Funding, MIS and Exams will consult with the College's PAYE advisors for further guidance. The procedure to be followed to confirm treatment as a self employed worker is set out in the College Financial Procedures Manual.

All claims for visiting lecturers will be paid through the College's payroll service. Claims must be submitted at the end of the month in which the work was carried out. Payment will be paid in the following month.

The Director of Finance, Funding, MIS and Exams is responsible for keeping all records relating to payroll including those of a statutory nature.

All payments must be made in accordance with the College's detailed payroll procedures and comply with HMRC regulations.

#### 18.4 Superannuation

The Board is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

The Director of Finance, Funding, MIS and Exams is responsible for day to day superannuation matters including:

- Paying contributions to various authorised superannuation schemes
- Preparing the annual returns required to the College's authorised superannuation schemes.

The Director of People & Organisational Development is responsible for administering eligibility to pension arrangements including compliance with "auto enrol" legislation and for informing the Director of Finance, Funding, MIS and Exams when deductions should begin or cease for staff.

#### 18.5 Travel, subsistence and other allowances

All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Director of Finance, Funding, MIS and Exams.

Claims by members of staff must be authorised in advance of incurring the expense by their Head of faculty / department (or senior manager in the case of Heads of faculty / department). Claims by senior managers must be authorised by the Principal. The Principal's claims must be reviewed and authorised by the Chair of the Board or the Chair of the Business Services Committee.

The certification by the Head of faculty/department shall be taken to mean that:

- The journeys were authorised and do not include travel from home to normal place of work
- The expenses were properly and necessarily incurred
- The allowances are properly payable by the College
- Consideration has been given to value for money in choosing the mode of transport.

Claims submitted more than two months after the expenses were incurred will be paid only with the express approval of the Director of Finance, Funding, MIS and Exams.

#### 18.6 Overseas Travel

All arrangements for overseas travel must be approved by the Principal in advance of committing the College to those arrangements or confirmation of any travel bookings. Arrangements for overseas travel by the Principal or members of the Board shall be

approved by the Chair of the Board. Arrangements for travel by the Chair of the Board shall be approved by the Business Services Committee.

Where spouses, partners or other persons unconnected with the College intend to participate in a trip, this must be clearly identified in the approval request. The College must receive reimbursement for the expected costs it may be asked to cover for those persons in advance of confirming travel bookings.

It is the responsibility of the traveller to advise the Finance department at least 2 weeks prior to traveling the travel plans to ensure adequate insurance is in place.

#### 18.7 Expenses for members of the Board

Claims for members of the Board will be authorised by the Clerk to the Corporation. Only reasonable expenses can be reimbursed.

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

Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the Board through the Business Services Committee. Professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose, without the prior approval of the Business Services Committee. All such payments shall be authorised by the Chief Financial Officer / Director of Finance, Funding, MIS and Exams. Total annual amounts paid should be declared in the financial statements.

All matters referred to an industrial tribunal shall be notified to the Business Services Committee at the earliest opportunity. All determinations of tribunals must be similarly notified.

### **19 Asset Management**

#### 19.1 Land, buildings, fixed plant and machinery

The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority from the Board and with reference to Funding body requirements where exchequer-funded assets or exchequer funds are involved.

#### 19.2 Fixed asset register

The Director of Finance, Funding, MIS and Exams is responsible for maintaining the College's register of land, buildings, fixed plant and machinery. Heads of faculty / department will provide the Director of Finance, Funding, MIS and Exams with any information needed to maintain the register.

#### 19.3 Inventories and attractive assets register

Heads of faculty / department are responsible for maintaining inventories, in a form prescribed by the Director of Finance, Funding, MIS and Exams, for all plant, equipment, furniture and stores in their faculties/departments with a value in excess of £1,000. Heads of faculty/department are required to return to the Director of Finance, Funding, MIS and Exams, on a termly basis records of attractive assets held with a value of £250

to £1,000. The Director of Finance, Funding, MIS and Exams will maintain a central attractive assets register containing the information returned.

Inventories must be checked at least annually.

#### 19.4 Stocks and stores

Heads of faculty / department are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their faculties / departments. The systems used for stores accounting in faculties / departments must have the approval of the Director of Finance, Funding, MIS and Exams.

Heads of faculty / department are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.

#### 19.5 Safeguarding assets

Heads of faculty / department are responsible for the care, custody and security of the stock, stores, cash, etc under their control. They will consult the Director of Finance, Funding and MIS in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Assets owned by the College must, so far as is practical, be effectively marked to identify them as College property.

#### 19.6 Personal use

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

#### 19.7 Asset disposal

Disposal of equipment and furniture must be in accordance with the procedures contained in the College's detailed Financial Procedures Manual.

Disposal of land and buildings must only take place with the authorisation of the Board. Funding body consent may also be required if exchequer funds were involved in the acquisition of the asset.

#### 19.8 All other assets

Heads of faculty / department are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the College, whether tangible or intangible, including electronic data.

### **20 Funds Held on Trust**

#### 20.1 Gifts, benefactions and donations

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

## 20.2 Student welfare and access funds

The Director of Finance, Funding, MIS and Exams will prescribe the format for recording the use of student welfare funds.

Records of access funds will be maintained according to Funding body requirements.

## 20.3 Trust funds

The Director of Finance, Funding, MIS and Exams is responsible for maintaining a record of the requirements for each trust fund and for overseeing the control and investment of fund balances.

The Director of Finance, Funding, MIS and Exams is responsible for ensuring that the College's trust funds are operated within any relevant legislation and the specific requirements for each trust. They will also be responsible for investment of fund balances.

## 20.4 Voluntary funds

The Director of Finance, Funding, MIS and Exams shall be informed of any fund that is not an official fund of the College which is controlled wholly or in part by a member of staff in relation to their function in the College.

The accounts of any such fund shall be audited by an independent external person and shall be submitted with a certificate of audit to the appropriate body. The Director of Finance, Funding, MIS and Exams shall be entitled to verify that this has been done.

## 21 Other

### 21.1 Insurance

The Director of Finance, Funding, MIS and Exams is responsible for the College's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy (see section 7), all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets.

The Director of Finance, Funding, MIS and Exams is responsible for effecting insurance cover as determined by the Business Services Committee. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Director of Finance, Funding, MIS and Exams will keep a register of all insurances effected by the College and the property and risks covered. He or she will also deal with the College's insurers and advisors about specific insurance problems.

Heads of faculty / department must ensure that any agreements negotiated within their faculties / departments with external bodies cover any legal liabilities to which the College may be exposed. The Director of Finance, Funding, MIS and Exams' advice should be sought to ensure that this is the case. Heads of Faculty / Department must give prompt notification to the Director of Finance, Funding, MIS and Exams of any new potential risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. Heads of faculty/department must advise the Director of Finance, Funding, MIS and Exams immediately of any event which may give rise to an insurance claim. The Head of Finance, Funding, MIS and Exams will notify the

College's insurers and, if appropriate, prepare a claim in conjunction with the Head of faculty / department for transmission to the insurers.

Travel to non-European countries must be considered in advance and with reference to the standard travel policy provided by the insurers. Countries and types of insurance cover that are not covered by the College insurance cover must be obtained via another provider.

The Director of Estates & IT is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

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

## 21.2 Companies and joint ventures

In certain circumstances it may be advantageous to the College to establish a company or a joint venture to undertake services on behalf of the College. Any member of staff considering the use of a company or a joint venture should first seek the advice of the Chief Financial Officer, who should have due regard to guidance issued by the Funding body.

The Board of the Corporation is responsible for ensuring that any required procedures are followed prior to the establishment of a new company or joint venture. The process involved in forming a company or a joint venture and arrangements for monitoring and reporting on the activities of these undertakings are documented in the College's Financial Procedures Manual.

It is the responsibility of the Board to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the College. These and other arrangements will be set out in a memorandum of understanding.

The directors of companies where the College is the majority shareholder must submit, via the Business Services Committee, an annual report to the Board. They will also submit business plans or budgets as requested to enable the Committee to assess the risk to the College. The College's internal and external auditors shall also be appointed to such companies.

## 21.3 Security

Keys to safes or other similar containers are to be carried on the person of those responsible at all times. The loss of such keys must be reported to the Director of Finance, Funding, MIS and Exams immediately.

The Director of Estates & IT shall be responsible for maintaining proper security and privacy of information held on the College's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act. A data protection officer shall be nominated to ensure compliance with the Act and the safety of documents.

The Chief Financial Officer 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 Chief Financial Officer. All such



documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

#### 21.4 Use of the College's seal

Where a deed or document requires the College's seal, it must be sealed by the Clerk to the Corporation or, in his or her absence, the Chief Financial Officer.

The Clerk to the Corporation is responsible for submitting a report to each meeting of the Board detailing the use of the College's seal since the last meeting.

#### 21.5 Provision of indemnities

Any member of staff asked to give an indemnity, for whatever purpose, should consult the Chief Financial Officer before any such indemnity is given.