



Financial Regulations

Document title:	Financial Regulations
Audience:	Students, Staff and Visitors
Version:	2
Approved by:	Corporation
Date approved:	21 October 2021
Date of next review:	July 2022
Document Owner	Director of Finance & Procurement

Revision history

Version	Type (e.g. replacement, revision etc.)	Date	History (reason for changes)
V1 (new template)	Update	July 2021	<p>There are no material changes. Updates included:</p> <ul style="list-style-type: none"> • Removal of references to the EU and EU procurement regulations (replaced by UK equivalents) • Removal of withholding of degree certificates for students in debt, this is not permissible under current guidelines • Change of wording on capitalisation due to component accounting rules • Severance authorisations and limits changed to be in line with college governance. • Updated references to linked guidance • Changes to job titles
V2	Update	October 2021	<ul style="list-style-type: none"> • Insertion of a line to explain that DCEO should be read a Vice Principal Finance & Corporate Services (approved at 21 October 2021 Corporation)

Monitoring and review

This document will be reviewed by the Finance & General Purposes Committee every 12 months.

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TERMINOLOGY

IMPORTANT: For the 2021-22 financial year, any reference to Deputy Chief Executive (DCEO) in this document is replaced with Vice Principal Finance and Corporate Services (VPF&CS).

ACADEMIC BOARD

The Academic Board established by the Corporation to be the primary forum for debate on Higher Education (HE) academic issues and the principal advisory committee to the Corporation on Higher Education academic matters. It comprises ex-officio and elected members from across the College and externally.

AUDIT COMMITTEE

A Committee of the Corporation which is independent of executive responsibility, which advises the Corporation on issues related to internal audit, external audit, risk management and financial control, reviewing the external auditor's reports including the Audit Plan and reviewing internal audit's work plan and progress and consulting directly with internal and external auditors. It is required to issue an annual report to the Corporation which, inter alia, comments on the College's system of internal control.

BUDGET HOLDER

A member of staff who has been assigned his or her own budget, usually this will consist of Heads of Department, Executives and managers of contracted project work.

CHIEF EXECUTIVE OFFICER

The person with the ultimate executive responsibility for the management of the College and who discharges the role of Accounting Officer, with specific financial and management duties.

PROCUREMENT AND CONTRACTS OFFICER

The role of Procurement and Contracts Officer is overseen by the Director of Finance and Procurement for compliance with statutory obligations and the Financial Regulations in respect to all non-pay expenditure and ensuring value for money in purchasing.

CORPORATION

The governing body of the College, which is ultimately responsible for the affairs of the College and which approves the policy framework and budget within which the College operates. It is responsible for approving and monitoring compliance with the College's overall framework of accountability and control, and for monitoring compliance with agreed policy and related executive decisions.

DIRECTOR OF FINANCE AND PROCUREMENT

The chief financial officer of the College, responsible to the Deputy Chief Executive Officer for advising on all financial aspects of the College's policy and on its financial administration and for ensuring that the College has satisfactory systems of financial control and management.

EXECUTIVE

The strategic management team that assists the Chief Executive Officer in running the College. It is made up of the Chief Executive Officer, the Deputy Chief Executive Officer, together with such other senior managers as the Chief Executive Officer from time to time determines.

FUNDING BODY

Although the College has several funding bodies for different grant regimes, in this context the term refers to the Education and Skills Funding Agency (ESFA).

SENIOR POST HOLDER

The holder of any post that is designated a senior post by the Corporation, including the Chief Executive Officer.

FINANCIAL REGULATIONS FOR BRADFORD COLLEGE

A. GENERAL PROVISIONS

1 Background

- 1.1 The College is conducted by a further education Corporation created under the provisions of the Further and Higher Education Act 1992. Its structure of governance is laid down in its Instrument and Articles of Government, which may only be amended by resolution of the Corporation. The Corporation has ultimate responsibility for the effectiveness of the College's management and administration.
- 1.2 The College is an exempt charity within the meaning of Part 3 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 Corporation is responsible for ensuring that conditions of grant are met. As part of this process, it must adhere to the funding body's Post-16 Audit Code of Practice (ACOP), 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 Corporation in July 2021. 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, its Standing Orders, and to any restrictions contained within the College's financial memorandum with the funding body and/or the ACOP.
- 2.3 The Corporation maintains a set of detailed financial procedures and policy documents (detailed financial procedures) which set out precisely how these Financial Regulations will be implemented. Detailed financial procedures are published separately and available on the staff intranet.
- 2.4 The purpose of the Financial Regulations and the detailed financial procedures 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 and specifically:
 - its financial viability;
 - achieving value for money;
 - fulfilling its responsibility for the provision of effective financial controls over the use of public funds;
 - ensuring that it complies with all relevant legislation; and
 - safeguarding its assets for the public benefit.

- 2.5 Compliance with the Financial Regulations and the detailed financial procedures is compulsory for all staff connected with the College. Any member of staff who knowingly or by negligence fails to comply with the Financial Regulations and/or the detailed financial procedures, including by failing to report any known or suspected breach, may be subject to disciplinary action under the College's disciplinary policy. Any breach or suspected breach of the Financial Regulations must be reported as soon as possible to the Deputy Chief Executive, who will be responsible for investigating the circumstances and recommending the further action(s) to be taken, including where considered necessary, notifying the College's Audit Committee. The Corporation will be notified of any material breach by the Audit Committee.
- 2.6 It is the responsibility of budget holders and line managers to ensure that all staff for whom they have line management responsibility are made aware of the existence and content of, and follow, the College's Financial Regulations and any relevant detailed financial procedures.
- 2.7 The Finance & General Purposes Committee is responsible for maintaining a continuous review of the Financial Regulations and the detailed financial procedures through the Deputy Chief Executive, and for advising the Corporation of any additions or changes necessary.
- 2.8 The Chair of the Finance & General Purposes Committee may authorise a departure from the detailed provisions herein on advice from the Deputy Chief Executive where they are satisfied that such action is appropriate to safeguard the interests of the College. Any such departure shall be reported to the Corporation at the earliest opportunity.

B. CORPORATE GOVERNANCE

3 Corporation

- 3.1 The Corporation 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 Chief Executive Officer and other senior post holders and the Clerk to the Corporation;
 - approve a framework for pay and conditions of service of all other staff;
 - ensure that the financial, planning and other management controls, including controls against fraud and theft, applied by the College are appropriate and sufficient to safeguard public funds;
 - 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 considered 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;
 - determine tuition fees policy;
 - ensure that the College complies with the ACOP;
 - approve the College's strategic plan; and
 - approve the annual financial statements.
- 3.2 The Corporation will examine and approve annual estimates and accounts (including the

accounting policies upon which they are based) and will ensure that all short-term budgets are in line with agreed longer-term plans and are followed. It will monitor the College's cash-flow position and review periodically the level and collection of debts owed to the College. It will ensure that all spending is within the annual budget recommended and reviewed by it, and represents an efficient and effective use of the College's resources.

3.3 The Corporation will review and approve the annual financial statements of the College and its subsidiary companies and, where appropriate, any joint venture companies. It will monitor the financial position of the Students' Union, with reference to the Students' Union Board of Trustees where required.

4 Accounting Officer

4.1 The Chief Executive Officer is the College's Accounting Officer and is responsible for ensuring the financial administration of the College's affairs in accordance with the financial memorandum with all relevant funding bodies. As the Accounting Officer, the Chief Executive Officer 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 Chief Executive Officer with responsibility:

"...for the preparation of annual estimates of income and expenditure, for approval and monitoring by the Corporation, and the management of budget and resources within the estimates approved and monitored by the Corporation."

The Chief Executive Officer shall demonstrate their oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements, and the three-year financial forecasts submitted to the funding body.

5 Committee Structure

5.1 The Corporation has ultimate responsibility for the College's finances, but delegates specific powers and processes to a number of Committees, including those detailed below. All Corporation Committees are accountable to the Corporation. Details of the Corporation's committee structure is included at Appendix A.

5.2 Audit Committee

The College is required by its financial memorandum with the funding body and by the ACOP to establish an Audit Committee. The Audit Committee is independent, advisory and reports to the Corporation. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. It is no longer mandatory under the ACOP to appoint an independent internal audit service. However, it is for each College Corporation, on the advice of its audit committee, to determine for itself how best to fulfil its obligations to secure the proper, economic, efficient and effective use of resources and to safeguard the College's assets. The Audit 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. The Audit Committee's terms of reference are at Appendix B.

5.3 Finance & General Purposes Committee

The Finance & General Purposes Committee is responsible for monitoring the College's financial position and financial control systems. The Committee will examine annual estimates and accounts (including the accounting policies upon which they are based) and recommend their approval to the Corporation. It will ensure that short-term budgets are in line with agreed longer-term plans, and that they are followed. It will consider any other matters relevant to the financial duties of the Corporation and make recommendations accordingly. The Committee will also ensure that the Corporation has adequate information to enable it to discharge its financial responsibilities.

5.4 The Finance & General Purposes Committee also undertakes to consider the College's medium-term and strategic plans. It is responsible for ensuring that all the financial implications of such plans are considered before their approval by the Corporation. The Committee is also responsible for considering the College's capital programme before it is recommended to the Corporation for approval.

5.5 Remuneration Committee

Consideration of pay and conditions of senior post holders, including the Clerk to the Corporation is the responsibility of the Remuneration Committee. It has the power to make recommendations to the Corporation on their remuneration, including pay and other benefits, as well as contractual arrangements.

5.5 Search and Governance Committee

The College is required by its Articles of Government to establish a Search Committee to advise on, inter alia, the appointment and re-appointment of members and such other matters relating to membership and appointments as the Corporation may request.

6 Other Senior Roles Having Financial Responsibility

6.1 Director of Finance and Procurement

Day-to-day financial administration is controlled by the Director of Finance and Procurement, who is responsible to the Deputy Chief Executive Officer 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 the detailed financial procedures; and
- day-to-day liaison with internal and external auditors in order to achieve efficient processes. It should be noted that appointment of, formal engagement with, and supervision of, external and internal auditors are matters reserved for the Clerk to the Corporation.

Appendix C shows details of the key contacts in the Finance Department.

6.2 Procurement and Contracts Manager

Day to day purchasing activities are controlled by the Procurement and Contracts Officer, who is responsible to the Director of Finance and Procurement, for:

- managing compliance of non-pay expenditure in line with the Financial Regulations;
- ensuring all purchasing follows the College's procurement policies;
- all contracting and tendering on behalf of the College;
- ensuring that value for money policy requirements are met; and
- management of Approved Supplier lists.

6.3 Budget Holders

Budget holders are ultimately responsible to the Chief Executive Officer for financial management for the areas or activities they control. They are advised by the Deputy Chief Executive Officer and the Director of Finance and Procurement in executing their financial duties. The Director of Finance and Procurement will also supervise and approve the financial systems operating within their departments, including the form in which accounts and financial records are kept. Budget holders are responsible for establishing and maintaining clear lines of responsibility within their areas for all financial matters. Where resources are devolved to budget holders, they are accountable for their own budget.

Budget holders shall provide the Director of Finance and Procurement with such information as may be required to enable:

- compilation of the College's financial statements;
- implementation of financial planning and forecasting; and
- implementation of audit and financial reviews, projects and value for money studies.

6.4 All Members of Staff

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

It is each member of staff's responsibility to ensure that they are aware of the College's Financial Regulations and detailed financial procedures, in particular the financial authority limits detailed in Appendix M and the values of purchases for which quotations and tenders are required (see 19.6). The Director of Finance and Procurement will promote awareness of financial regulations through induction and ongoing training and update

They shall make available any relevant records or information to the Director of Finance and Procurement or his or her authorised representative in connection with the implementation of the College's detailed financial procedures, these Financial Regulations and the system of financial control.

They shall provide the Director of Finance and Procurement with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the Corporation, including notifying without delay any breach or suspected breach of the Financial Regulations and/or detailed financial procedures.

They shall immediately notify the Deputy Chief Executive whenever any matter arises which involves, or is thought to involve, irregularities concerning, inter alia, cash or property of the College. The Deputy Chief Executive 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 policy.
- 7.2** The Corporation 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 embedment within the organisation of a formal, structured risk management process.
- 7.3** The Corporation 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 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 accepted, together with tolerance levels expressed in terms of measurable outcomes;
 - a decision on the level of risk to be covered by insurance (see 23.1);
 - regular review at department or support function 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, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question;
 - regular reporting to the Corporation of all strategic risks above established tolerance levels; and
 - an annual review of the implementation of risk management arrangements
 - and that the strategy and procedures must be capable of independent verification.
- 7.4** Budget holders must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the College may be exposed. Appropriate advice should be sought from the executive and/or an appropriate senior post holder to ensure that this is the case.

8 Whistleblowing

- 8.1** Whistleblowing in the context of the Public Interest Disclosure Act 1998 is the disclosure by an employee (or other party) about wrongdoing in the workplace. A whistle-blower can blow the whistle about a criminal offence, the breach of a legal obligation (including negligence or breach of contract), a miscarriage of justice, a danger to the health and safety of any individual, actual or risk of damage to the environment, or the deliberate cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to wrongdoing occurring in the UK and any other country or territory.
- 8.2** Normally, a concern about any working practice or incident at or involving the College should be raised with the relevant member of staff's immediate line manager or senior staff member. 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 The College's procedure for whistleblowing is set out in the College's Whistleblowing Policy. Details of the Public Interest Disclosure Act 1998 and the protections it affords are set out at Appendix D.

9 Code of Conduct

9.1 The College is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles 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 at Appendix E. In addition, the College expects that Governors will observe the Code of Conduct and that all staff will observe the rules relating to the conduct of staff.

9.2 Additionally, Corporation governors, senior post holders, executive team members, or staff in significant procurement positions are required to disclose interests in the College's Register of Interests, which is maintained by the Clerk to the Corporation. Such persons are responsible for ensuring that entries in the Register of Interests relating to them are kept up to date regularly and promptly, in accordance with any detailed financial procedures.

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

The College is committed to the highest standards of openness, integrity and accountability and seeks to conduct its affairs in a responsible manner. As a part of this ethos the College has a zero-tolerance for bribery and corrupt practices.

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; and
- the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

Guidance on acceptable hospitality is contained in the detailed financial procedures. For the protection of those involved, the Clerk will maintain a register of gifts and hospitality received where the value is in excess of £50. Members of staff in receipt of such gifts or hospitality are obliged to notify the Clerk promptly.

Under the Bribery Act 2010, an organisation which fails to prevent persons associated with it from committing bribery on its behalf commits an offence. However, an offence of failing to prevent bribery can be avoided by demonstrating that adequate procedures are in place to prevent it. Procedures must be commensurate with the bribery risks faced. Management of this risk is the responsibility of the Deputy Chief Executive and is implemented through its inclusion in the Risk Management policy, as detailed in section 7 above, which are subject to regular review by the Corporation.

C. FINANCIAL MANAGEMENT AND CONTROL

10 Financial Planning

10.1 The Deputy Chief Executive is responsible for preparing annually a rolling three-year financial plan for approval by the Corporation on the recommendation of the Finance & General Purposes Committee and for preparing financial forecasts for submission to the funding body. Financial plans should be consistent with the strategic plan and any accommodation/estates strategy approved by the Corporation.

10.2 Budget objectives

The Corporation will, from time to time, set budget objectives for the College. These will help the Deputy Chief Executive in preparing the more detailed financial plans for the College.

10.3 Resource allocation

Resources are allocated annually through the budget approved by the Corporation on the recommendation of the Finance & General Purposes Committee. Budget holders are responsible for the economic, effective and efficient use of resources allocated to them.

10.4 Budget preparation

The Deputy Chief Executive is responsible for preparing each year an annual revenue budget and capital programme for consideration by the Finance & General Purposes Committee before submission to the Corporation for approval. The budget should include a projected year-end balance sheet, and include cash flow forecasts for the year.

The Deputy Chief Executive must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to budget holders as soon as possible following their approval by the Corporation.

The approved budget is then delegated to the relevant budget holder, who is accountable for the delivery of the income and expenditure contained within the approved budget. The relevant budget holder must ensure that there is effective day-to-day monitoring in place to identify any potential variances from budget in a timely manner and that appropriate corrective action is taken. Significant departures from the budget should be reported immediately to the Director of Finance and Procurement.

The Director of Finance and Procurement is responsible for providing appropriate financial information to the budget holders, the Executive, Corporation and the Finance & General Purposes Committee to allow a consistent approach to be taken to any financial risks or opportunities which present themselves throughout each financial year.

During the year, if required, the Deputy Chief Executive will submit revised budgets to the Finance & General Purposes Committee for consideration before submission to the Corporation for approval.

10.5 Capital Programmes

The capital programme includes all expenditure on land, buildings, equipment (including ICT infrastructure), furniture and associated costs whether or not they are funded from capital grants for inclusion in the College's financial statements. Expenditure of this type can only be considered as part of the capital programme approved by the Corporation.

The Deputy Chief Executive will establish protocols for the inclusion of capital projects in the capital programme for approval by the Corporation. These will set out the information that is required for each proposed project as well as the financial criteria that must be met. A summary of information required for capital building projects is set out at Appendix F and is particularised in the detailed financial procedures.

Any major capital project where the cost exceeds £500,000 will also require the consent of the College's bank prior to commencement.

The Deputy Chief Executive will also establish procedures for the approval of variations, including the notification of large variations to the funding body, as laid down in funding body guidelines.

The Deputy Chief Executive is responsible for providing regular statements concerning all capital expenditure to the Finance & General Purposes Committee for monitoring purposes.

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

10.6 Overseas Activity

In planning and undertaking overseas activity, the College must have due regard to any 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 £100,000 that is outside of the agreed budget should be presented for approval to the Finance & General Purposes Committee.

The Deputy Chief Executive will establish protocols for these major developments to enable them to be considered for approval by the Corporation. These will set out the information that is required for each proposed development as well as the financial criteria that they are required to meet. The current protocols are summarised at Appendix G and are shown in more detail in detailed financial procedures.

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. Budget holders are responsible for the income and expenditure appropriate to their budget.

Significant departures from agreed budgets must be reported immediately to the Director of Finance and Procurement by the budget holder concerned and, if necessary, corrective action taken.

Non-budgeted expenditure (Capital and Revenue) must be approved as per the authority limits in Appendix M.

11.2 Financial information

The budget holders are assisted in their duties by management information provided by the Director of Finance and Procurement.

The Deputy Chief Executive is responsible for supplying budgetary reports on all aspects of the College's finances to the Finance & General Purposes Committee, subject to any specific requirements of the funding body.

Relevant extracts from the overall position are reported to each budget holder so that they are aware of their own financial performance against budget.

The College level reports will be presented to the Finance & General Purposes Committee on at least a termly basis and then presented to the Corporation, which has overall responsibility for the College's finances. Additionally, the College management accounts will be circulated to Corporation members on a monthly basis.

11.3 Treatment of Year-End Balances

At the year end, budget holders will not have the authority to carry forward a balance on their budget to the following year unless approved through the business planning process and approved through the normal College Budget approval process.

12 Accounting Arrangements

12.1 Financial year

The College's financial year will run from 01 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 extant Education Statement of Recommended Practice, subject to any specific requirements of the funding body, and in accordance with the provisions of the Companies Act 2006 if that is appropriate. Separately established subsidiaries must follow the appropriate legal requirements for that entity. For example, any subsidiary undertaking that is a charity must comply with the disclosure requirements of 'Accounting and Reporting by Charities': Statement of Recommended Practice (SORP).

12.4 Capitalisation and Depreciation

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

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

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 group value of £1,000 or more, will be capitalised. These asset additions other than land and buildings will be depreciated over a period of 4 to 5 years commencing in the year of acquisition.

12.5 Accounting Records

The Director of Finance and Procurement 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 six 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 Director of Finance and Procurement 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.

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

12.6 Public access

Under the Charities Act 2011, the Corporation is required to supply any person with a copy of the College's most recently audited financial statements within two months of a request. The Act enables the Corporation to levy a reasonable fee and this will be charged at the discretion of the Director of Finance and Procurement. The College will also allow members of the public to inspect the most recently audited financial statements during normal working hours and will make a summary available on the College's website.

Furthermore, under the Freedom of Information Act 2000, a copy of the College's most recently audited financial statements can be supplied on request.

12.7 Taxation

The Director of Finance and Procurement is responsible for advising budget holders 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 Director of Finance and Procurement will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, Corporation tax and import duty.

The Director of Finance and Procurement 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

External auditors and internal auditors shall have authority to:

- access College premises at reasonable times;
- access all assets, records, documents and correspondence relating to any financial and other transactions of the 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; and
- access records belonging to third parties, such as contractors, when required.

The Director of Finance and Procurement is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

Following consideration by the Finance & General Purposes Committee, the group financial statements should be reviewed by the Audit Committee. The accounts will be presented to the Corporation by the External Auditor and on the recommendation of the Finance & General Purposes and Audit Committees will approve said accounts.

13.2 External audit

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.

The primary role of external audit is to report on the College's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the ACOP, and the Auditing Practices Board's statements of auditing standards.

13.3 Internal audit

The internal auditor is appointed by the Corporation on the recommendation of the Audit Committee.

The College's financial memorandum with the Funding body requires that it has an effective internal audit function and the duties and responsibilities assigned to it must accord with advice set out in the ACOP. The main responsibility of internal audit is to provide the Corporation and the Chief Executive Officer, as Accounting Officer, 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 Corporation, Chief Executive Officer and Chair of the Audit Committee. The formal responsibilities of internal audit are detailed at Appendix H.

13.4 Fraud and corruption

It is the duty of all members of staff and the Corporation to notify the Deputy Chief Executive immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

The Deputy Chief Executive shall immediately invoke the fraud and bribery response plan, which incorporates the following key elements (see Appendix I for fuller details):

- he or she will notify the Chief Executive Officer and the Audit Committee (through its Chair) of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report;
- the Chief Executive Officer shall inform the police if a criminal offence is suspected of having been committed;
- any significant cases (as defined in the ACOP) 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
- the Audit Committee shall commission investigations, through the formation of a project group, as may be necessary and as appropriate;
- the internal audit service working with the project group, commissioned to carry out an investigation, shall prepare a report for the Audit Committee on the suspected irregularity. Such report shall include advice on preventative measures.

If the suspected fraud is thought to involve the Deputy Chief Executive and/or Chief Executive Officer, the member of staff or Corporation member shall notify the Chair of the Audit Committee, via the Clerk to the Corporation, of their concerns regarding irregularities.

13.5 Value for money

It is a requirement of the financial memorandum that the Corporation 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, considering 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.

13.6 Other auditors

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

14 Treasury Management

14.1 Treasury management policy

The Finance & General Purposes Committee is responsible for approving a treasury management policy statement (based on CIPFA's *Treasury Management in the Public Services: Code of Practice* ("CIPFA's 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 Finance & General Purposes Committee shall have oversight of the implementation, monitoring and review of all policies for cash management, long-term investments and borrowings.

All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Deputy Chief Executive 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 Director of Finance and Procurement and their staff are required to act in accordance with CIPFA's Code of Practice.

The Deputy Chief Executive will report to the Finance & General Purposes Committee at least annually each financial year on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him or her. The Treasury management policy is set out in Appendix J.

14.2 Appointment of bankers and other professional advisers

The Corporation is responsible for the appointment of the College's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Finance & General Purposes Committee. The appointment shall be for a specified period after which consideration shall be given by the Finance & General Purposes Committee to competitively tendering the service.

14.3 Banking arrangements

The Director of Finance and Procurement is responsible, on behalf of the Finance & General Purposes Committee, for liaising with the College's bankers in relation to the College's bank

accounts and the issue of cheques. All cheques shall be ordered on the authority of the Director of Finance and Procurement, who shall make proper arrangements for their safe custody.

Only the Director of Finance and Procurement may open or close a bank account for dealing with the College's funds. All bank accounts shall be in the name of the College or one of its subsidiary companies.

All cheques drawn on behalf of the College must be signed in the form approved by the Finance & General Purposes Committee. Cheques up to an agreed amount, specified in the College's detailed financial procedures, shall require one pre-printed signature. Cheques over the agreed amount must be signed by two authorised persons, of which only one may be that of an authorised member of staff in the finance department. Details of authorised persons and limits shall be provided for in the College's detailed financial procedures (see 19.2).

All automated transfers on behalf of the College, such as BACS or CHAPS, must be authorised as set out in appendix M and on the basis approved by the Finance & General Purposes Committee. Details of authorised persons and limits shall be provided for in the College's detailed financial procedures (see 19.2).

The Director of Finance and Procurement 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 and Procurement 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 the prior approval of the Director of Finance and Procurement.

Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined by procedures approved by the Finance & General Purposes Committee.

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

The Director of Finance and Procurement 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 and Procurement is responsible for ensuring that all claims for funds, including research grants and contracts, 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 and Procurement of sums due so that collection can be initiated.

15.3 Receipt of cash, cheques and other negotiable instruments

All monies received within departments from whatever source must be recorded by the department on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments.

All monies received must be paid to the finance promptly, and in accordance with a timetable prescribed by the Director of Finance and Procurement and set out in detailed financial procedures. 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 departmental expenses or be paid into the departmental petty cash float. Personal or other cheques must not be cashed out of money received on behalf of the College.

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 and Procurement.

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 and Procurement at an early stage.

15.4 Collection of debts

The Director of Finance and Procurement should ensure that:

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

Only the Director of Finance and Procurement can implement credit arrangements and indicate the periods in which different types of invoice must be paid. Requests to write off debts in excess of £1,000 must be referred in writing to the Deputy Chief Executive, for debts in excess of £10,000 these should be submitted to the Finance & General Purposes Committee for consideration. Debts below this level may be written off with the approval of the Director of Finance and Procurement. The funding body will also need to be notified quarterly where debts exceeding £25,000 on a HE course or £10,000 on any other course are proposed to be written off in an academic year. At the end of each financial year the Accounts Receivable and Credit Control Manager will prepare a report of all debts aged in excess of 6 years old - time bared from being collected under statute of limitations rules - and any such debts will be approved for write-off by the Director of Finance and Procurement. Records of all written off debts and the associated approvals will be kept by the Accounts Receivable and Credit Control Manager.

15.5 Student fees

The procedures for collecting tuition and residence fees must be approved by the Director of Finance and Procurement. He or she is responsible for ensuring that all student fees due to the College are received.

Any student who has not paid an account for fees or any other item owing to the College shall not receive the certificate for any degree, diploma or other qualification awarded by the College until all outstanding debts have been cleared. Such students 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.

15.7 Emergency/hardship loans

In the event of Emergency/hardship loan application the Head of Student Services shall convene a group to review the application and consider it in accordance with the individual circumstances, the Learner Support funds eligibility and the Access agreement.

The Director of Finance and Procurement is responsible for ensuring the adequacy of the systems in place for:

- paying loans that have been approved; and
- recovering loans that have been paid.

16 Grants and Contracts

16.1 Applications

The Director of Finance and Procurement is responsible for examining every formal application for grant and shall ensure that there is adequate provision of resources to meet all commitments. The Director of Finance and Procurement shall maintain all financial records relating to grants and contracts and shall initiate all claims for reimbursement from sponsoring bodies by the due date. Each grant or contract will have a named supervisor or grant holder and will be assigned to a specific budget holder.

Control of pay and non-pay expenditure will be contained within the budget area. The budget holder may delegate day-to-day control of the account to a supervisor or grant holder, but any overspend or under-recovery of overhead is to be the clear responsibility of the budget holder with any loss being a charge on programme area funds.

16.2 Recovery of overheads

Overheads will be charged in accordance with the terms of the grant or contract awards.

16.3 Grant and Contract conditions

Many grant-awarding bodies and contracting organisations stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. Failure to respond to these conditions often means that the College will suffer a significant financial penalty. It is the

responsibility of the Project Sponsor to ensure that conditions of funding are met.

Any loss to the College resulting from a failure to meet conditions of funding is the responsibility of the budget holder, and will be charged against departmental funds.

17 Other Income-Generating Activity

17.1 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 a member of the executive (and in the case of the Executive, the Chief Executive Officer);
- applications for permission to undertake work as a purely private activity must be submitted to the executive member, as appropriate, and include the following information:
 - the name of the member(s) of staff concerned;
 - the title of the project and a brief description of the work involved;
 - the proposed start date and duration of the work; and
 - an undertaking that the work will not interfere with the teaching and normal College duties of the member(s) of staff concerned.
- An assessment for HMRC IR35 legislation must be performed for all independent contractors which determines the control and direction, substitution, mutuality of obligation and exclusivity in regards of tax and NI obligations connected with the appointment.
- All records of staff undertaking must be kept by the relevant executive and copies provided to HR where the work has been approved.

17.2 Short courses and services rendered

In this context a short course is any course which does not form part of the award-bearing teaching load of the department.

Any staff wishing to run a short course must have the prior approval of their line manager and the course itself should have been approved via the new course approval panel. The course organiser will be responsible to the area's budget holder for day-to-day management of the course.

17.3 Off-site collaborative provision

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 Chief Executive Officer and on behalf of any partner organisation that shall comply at least with the funding body model contract (as amended from time to time) in place before any provision is made. Contracts for significant changes in franchising activity shall be approved in advance by the Corporation.

The form of the contract shall be approved by the Audit Committee and approved by the Corporation.

The impact of the contract(s) shall be subject to scrutiny by the Corporation, or delegated sub-committee. 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 departure shall be subject to approval by the Corporation and the Chief Executive Officer shall seek the views of and inform the funding body.

17.4 Project match funding

Any such project requires the approval of the Director of Finance and Procurement prior to any commitment being entered into. Such approval shall be dependent upon the relevant budget holder being able to demonstrate that eligible matching funds are available and that the project is financially viable.

If the College sub-contracts such work to external providers, the relevant budget holder 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; and
- payments are only made against detailed invoices.

17.5 Profitability and recovery of overhead

All other income-generating activities must be self-financing or surplus-generating unless it is intended that a new course is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed within the business planning process.

Other income-generating activities organised by members of staff must be costed and agreed with the Director of Finance and Procurement before any commitments are made. Provision must be made for charging both direct and indirect costs in particular for the recovery of overhead.

17.6 Deficits

Any unplanned deficits incurred on other income-generating activities will be charged to the respective area or support service.

17.7 Additional contributions to departments

Distribution of profits on other income-generating activity between central funds of the College and individual departments will be in accordance with the policy approved by the Corporation.

17.8 Additional payments to staff

Any proposal that involves additional payments to members of staff should be supported by a schedule of names and values and must be approved by the budget holder. Any proposed College wide payments, such as non-consolidated pay awards, must be approved by the Finance and General Purposes Committee which, in turn, will recommend approval to Corporation

18 Intellectual Property Rights and Patents

18.1 General

Certain activities undertaken within the College including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.

18.2 Patents

The Finance & General Resources Committee is responsible for establishing procedures to deal with any patents accruing to the College from inventions and discoveries made by staff in the course of their research.

18.3 Intellectual property rights

In the event of the College deciding to become involved in the commercial exploitation of inventions and research, the executive will be responsible for establishing procedures for dealing with intellectual property.

19 Expenditure

19.1 General

The Director of Finance and Procurement is responsible for making payments to suppliers of goods and services to the College.

19.2 Financial authorities/Scheme of delegation

A Schedule of Authority limits for approving expenditure is set out in Appendix M.

The budget holder is responsible for purchases within his or her department. In exercising this delegated authority, budget holders are required to observe the purchasing policies and detailed financial procedures.

The Director of Finance and Procurement shall maintain a register of authorised signatories and the budget holder must supply him or her with specimen signatures of those authorised to certify invoices for payment (for paper-based systems).

Under detailed financial procedures agreed by the Director of Finance and Procurement, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits (for electronic systems).

The Director of Finance and Procurement must be notified immediately of any changes to the authorities to commit expenditure.

Budget holders are not authorised to commit the College to expenditure without first reserving sufficient funds to meet the purchase cost.

The member of staff (or budget holder) authorising the invoice for payment must be different from the member of staff responsible for signing the purchase order form.

19.3 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. Factors to be considered in determining lowest cost are noted in the detailed financial procedures.

19.4 Purchase orders

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

Official College orders must be placed for the purchase of all goods or services, except those made using purchasing cards, company credit cards or petty cash. 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.

It is the responsibility of the Procurement and Contracts Manager to ensure that all purchase orders refer to the College's conditions of contract (see 19.8 and Appendix K).

19.5 Credit and Purchasingcards

The operation and control of the College's purchasing cards is the responsibility of the Director of Finance and Procurement.

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, nor the information contained within them be shared with, another person, nor should they be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs. The Procurement and Contracts Officer shall determine what information is required on purchases made with purchasing cards from cardholders and deadlines for receipt in the finance section to enable financial control to be maintained and cardholders must provide that information.

19.6 Tenders and quotations

Delegated budget holders must comply with the College's tendering procedures, which are applicable as follows:

- under £1,000 – the budget holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained;
- from £1,001 to £10,000 – the budget holder shall be required to obtain at least three quotations supported by current price lists or written quotations;
- from £10,001 to £50,000 – the Procurement and Contracts Officer shall arrange for four written quotations to be obtained;
- over £50,001 – all items will require four competitive tenders managed by the Head of Department and the Procurement and Contracts Officer;
- the award of contracts over £100,000 shall be reported to the Finance & General Purposes Committee.

See also Appendix L for the College's key tendering principles.

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

19.7 Post-tender negotiations

Post-tender negotiations (for example, after 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.

All post-tender negotiations must be managed by the Procurement and Contracts Manager to ensure compliance with legislation and Financial Regulations.

In each case, a statement of justification should be approved by the Director of Finance and Procurement prior to the event, showing:

- background to the procurement;
- reasons for proposing post-tender negotiations; and
- demonstration of the improved value for money.

All post-tender negotiations should be reported to the Finance & General Purposes Committee, or to individuals from the Corporation who have been delegated to oversee such negotiations.

19.8 Estate Contracts

Building contracts are the responsibility of the Finance & General Purposes Committee and are administered by the College's Director of Finance and Procurement.

Proposals will normally be initiated by the Director of Finance and Procurement in respect of planned replacements, general improvement schemes, space planning or in response to requests from departments.

Consultants may be appointed if the project, as determined by the Finance & General Purposes Committee, is too large or too specialised for 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 prepared in conjunction with the Director of Finance and Procurement as appropriate for the Finance & General Purposes Committee's consideration. Investment appraisals should comply with appropriate funding body guidance.

Conditions of contract for the purchase of goods will be followed as described in the College's detailed financial procedures. The main points are described at Appendix K.

19.9 Procurement Regulations

The Procurement and Contracts Officer is responsible for ensuring the College complies with its legal obligations concerning procurement legislation. Procurement regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value.

The Procurement and Contracts Officer will advise on the thresholds that are currently in operation. A breach of these regulations is actionable by a supplier or potential supplier.

It is the responsibility of the budget holder to ensure that their members of staff comply with regulations by notifying the Procurement and Contracts Officer of any proposed purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements in journals or procurement portals such as the UK Government Find a Tender service (FaTS) which is mandatory for public bodies, with compliance with the UK-only Tender Services requirements.

The Procurement and Contracts Officer is also required to submit to the funding body annually details on expenditure which exceeds the threshold. Copies of the relevant documentation falling into this category must be provided by budget holders to the Procurement and Contracts Officer.

19.10 Receipt of goods

All goods shall be received at designated receipt and distribution points. They shall be checked for quantity and/or weight and inspected for quality and specification. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods.

All goods received shall be entered onto an appropriate goods received document or electronic receipting system on the day of receipt. If the goods are deemed to be unsatisfactory, the record shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified.

All persons receiving goods on behalf of the College must be independent of those who negotiated prices and terms and signed the purchase order form.

19.11 Payment of invoices

The procedures for making all payments shall be in a form specified by the Director of Finance and Procurement.

The Director of Finance and Procurement is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by BACS transfer twice a month. In exceptional circumstances the Director of Finance and Procurement will arrange a three day or immediate bank transfer for urgent payments.

Suppliers should be instructed by the budget holder to submit invoices for goods or services to the Accounts Payable (electronic system). Care must be taken by the budget holder to ensure that discounts receivable are obtained.

Payments will only be made against invoices that have been certified for payment by the appropriate budget holder.

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

- 19.11.1.1 the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;
- 19.11.2 where appropriate, it is matched to the order;
- 19.11.3 invoice details (quantity, price discount) are correct;
- 19.11.4 the invoice is arithmetically correct;
- 19.11.5 the invoice has not previously been passed for payment;
- 19.11.5.1 where appropriate, an entry has been made on a stores record or departmental inventory – the inventory and stock being the responsibility of the budget holder to keep; and

19.11.6 an 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 correspond with the types of goods or service described on the invoice.

19.12 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 20.5).

Where such purchases by staff are planned, the Director of Finance and Procurement and the budget holder may jointly approve cash advances to staff who are going to incur expenditure on the College's behalf. Upon completion of the travel 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.

19.13 College credit cards

Where appropriate, the Chief Executive Officer or the Deputy Chief Executive 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 and Procurement will be responsible for setting in place a system to monitor the use of College credit cards and account for expenses charged through them.

19.14 Petty cash

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

Requisitions for reimbursements must be sent to the finance team, together with appropriate receipts or vouchers, 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 budget holder or another person nominated by him or her.

Standard College petty cash forms are supplied by finance and must be used for recording all imprest accounts.

At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float and counter-signed by the budget holder.

19.15 Other payments

Payments for maintenance and other items to students on behalf of sponsoring organisations shall be made on the authority of the Director of Finance and Procurement, supported by detailed claims approved by the budget holder.

Individual payments under 'outward collaborative provision' contracts shall be authorised by the Director of Finance and Procurement. This authority shall be on the basis that the payment represents a *bona fide* element of the contract which has been approved under a scheme set out by the Finance & General Purposes Committee.

19.16 Late payment rules

The Late Payment of Debts (Interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:

- 19.16.1 small businesses can charge interest on overdue invoices;
- 19.16.2 the rate of interest is currently 8.0% per annum above the official daily rate of the Bank of England;
- 19.16.3 the Act also applies to overseas organisations; and
- 19.16.4 the College can be sued for non-payment.

In view of the penalties in this Act, the Corporation requires that invoices must be passed for payment within 30 days of either the provision of goods or services or the date on which the invoice was received.

19.17 Project advances

The Director of Finance and Procurement and the relevant budget holder may jointly approve cash advances for projects carried out away from the College where cash expenditure may be unavoidable. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or a College credit card.

Receipts or paid invoices must be retained for all sums expended in this way. Upon completion of the 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 a project or individual is outstanding.

19.18 Giving hospitality

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

The limits concerning acceptable expenditure for entertaining guests are set out in the College's detailed financial procedures.

20 Pay Expenditure

20.10 Remuneration policy

With the exception of the Clerk to the Corporation and senior post holders, all College staff will be appointed to the salary scales approved by the Corporation and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Human Resources department.

The Corporation 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 the Clerk to the Corporation and senior post holders designated “Senior Posts” by the Corporation will be determined by the Corporation on the advice of the Remuneration Committee.

20.11 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 Human Resources department. Budget holders shall ensure that the Director of Finance and Procurement and Human Resources are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

20.12 Salaries and wages

The Director of Finance and Procurement 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, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Director of Finance and Procurement.

The Director of People services will be responsible for keeping the Director of Finance and Procurement informed of all matters relating to personnel for payroll purposes. In particular these include:

- 20.12.1 appointments, resignations, dismissals, supervisions, secondments and transfers;
- 20.12.2 absences from duty for sickness or other reason, apart from approved leave;
- 20.12.3 changes in remuneration other than normal increments and pay awards; and
- 20.12.4 information necessary to maintain records of service for superannuation, income tax and national insurance.

The Director of Finance and Procurement is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.

The Director of Finance and Procurement shall be 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 financial procedures and comply with HM Revenue & Customs regulations.

20.13 Superannuation schemes

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

The Director of Finance and Procurement is responsible for day-to-day superannuation matters, including:

- 20.13.1 paying contributions to various authorised superannuation schemes
- 20.13.2 preparing the annual return to various superannuation schemes
- 20.13.3 liaising with the authorised superannuation schemes (Teacher Pension Scheme and West Yorkshire Local Government Pension Scheme)

The Director of People Services is responsible for administering eligibility to pension arrangements and for informing the Director of Finance and Procurement when deductions should begin or cease for staff.

20.14 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 and Procurement.

Claims by members of staff must be authorised by the Budget Holder (or Chief Executive Officer in the case of Executive). The certification by the Budget Holder shall be taken to mean that:

- 20.14.1 the journeys were authorised;
- 20.14.2 the expenses were properly and necessarily incurred;
- 20.14.3 the allowances are properly payable by the College; and
- 20.14.4 consideration has been given to value for money in choosing the mode of transport.

Arrangements for travel by the Chief Executive Officer or members of the Corporation shall be approved by the Chair of the Corporation. Arrangements for travel by the Chair shall be approved by the Chair of the Audit Committee.

20.15 Overseas travel

All arrangements for overseas travel must be approved by the Director of Finance and Procurement in advance of committing the College to those arrangements or confirmation of any travel bookings. Arrangements for overseas travel by the Chief Executive Officer or members of the Corporation shall be approved by the Chair of the Corporation. Arrangements for travel by the Chair shall be approved by the Chair of the Audit 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.

20.16 Allowances for members of the Corporation

Members of the Corporation, excluding the Chief Executive Officer and staff representatives, do not receive remuneration other than the reimbursement of travel and subsistence expenses incurred in the course of their duties at rates agreed in the Business Expenses, Travel and Hospitality Policy. Claims for members of the Corporation shall be approved by the Clerk to the Corporation. Claims submitted to the Chair, shall be approved by the Chair of the Audit Committee.

20.17 Severance and other non-recurring payments

Severance payments shall only be made in accordance with relevant legislation and guidance and under a scheme approved by the Corporation through the Finance & General Purposes Committee. Professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments shall be authorised by the Chief Executive Officer.

Any individual amounts in excess of £60,000 and/or out with the agreed scheme require approval by the Corporation. In exceptional circumstances this approval may be given by the Chair of the Corporation in consultation with the Chief Executive Officer, to be reported to the next meeting of the Corporation. Amounts paid should be declared in the financial statements.¹

All matters referred to an Employment Tribunal shall be notified to the Deputy CEO at the earliest opportunity in order that budget provision may be made as necessary. All determinations of employment tribunals must be similarly notified.

21 Assets

21.10 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 Corporation and with reference to funding body requirements where exchequer-funded assets or exchequer funds are involved.

21.11 Fixed asset register

The Director of Finance and Procurement is responsible for maintaining the College's register of land, buildings, fixed plant and machinery. Budget Holders will provide the Director of Finance and Procurement with any information he or she may need to maintain the register.

21.12 Inventories

Budget holders are responsible for maintaining inventories, in a form prescribed by the Director of Finance and Procurement, for all plant, equipment, furniture and stores in their departments with a value in excess of £500. The inventory must include items donated or held on trust.

The Director of Finance and Procurement must ensure the inventories are checked at least annually.

When transferring equipment/inventory between departments, a transfer record must be kept and the inventories amended accordingly.

1 A funding body requirement for the further education sector.

21.13 Stocks and stores

Budget holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. The systems used for stores accounting in departments must have the approval of the Director of Finance and Procurement.

Budget holders 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 and abide by requirements of legislative provision.

Those budget holders whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Director of Finance and Procurement and that instructions to appropriate staff within their departments are issued in accordance with the approved stock taking procedure.

21.14 Safeguarding assets

Heads of Departments are responsible for the care, custody and security of the buildings, stock, stores, furniture, and cash under their control. They will consult the Director of Finance and Procurement 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 shall, so far as is practical, be effectively marked to identify them as College property.

21.15 Personal use

Assets owned or leased by the College shall not be subject to personal use without proper authorisation from the Director of Finance and Procurement.

21.16 Asset disposal

Disposal of equipment and furniture must be in accordance with procedures agreed by the Finance & General Purposes Committee and contained in the College's detailed financial policy and procedures.

Disposal of land and buildings must only take place with the authorisation of the Corporation. Funding body consent will also be required if exchequer funds were involved in the acquisition of the asset and the market value exceeds £2.5k.

21.17 All other assets

Budget holders are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the College, whether tangible (such as stock – see above) or intangible (such as intellectual property – see section 18), including electronic data.

22 Funds Held on Trust

22.10 Gifts, benefactions and donations

The Director of Finance and Procurement 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.

22.11 Student welfare and access funds

The Director of Finance and Procurement will prescribe the format for recording the use of student welfare funds.

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

22.12 Trust funds

The Director of Finance and Procurement is responsible for maintaining a record of the requirements for each trust fund and for advising the Finance & General Purposes Committee on the control and investment of fund balances.

The Finance & General Purposes Committee is responsible for ensuring that all 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.

22.13 Voluntary funds

The Director of Finance and Procurement 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 and Procurement shall be entitled to verify that this has been done.

23 Other

23.10 Insurance

The Head of Facilities Management 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 sections 7.1 to 7.4), 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. This portfolio of insurances will be considered and approved by the Finance & General Purposes Committee on an annual basis.

The Head of Facilities Management is responsible for effecting insurance cover as determined by the Finance & General Purposes Committee. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Director of Finance and Procurement will keep a register of all insurances entered into by the College and the property and risks covered. He or she will also deal with the College's insurers and advisers about specific insurance problems.

Budget holders must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the College may be exposed. The Head of Facilities Management's advice should be sought to ensure that this is the case. Budget holders must give prompt notification to the Head of Facilities Management of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. Budget holders must advise the Head of Facilities Management immediately of any event that may give rise to an insurance claim. The Head of Facilities Management will notify the College's insurers and, if appropriate, assist the budget holders to prepare a claim for transmission to the insurers.

The Head of Facilities Management 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 and these details must be provided to the College.

23.11 Learner Records

The College executive is responsible for the timely and accurate reporting of key student number and funding data. These reports will include appropriate comparatives and projections. They will be submitted on a regular basis to the Corporation for consideration.

The Executive is responsible for ensuring that funding body audit evidence and other funding requirements are considered and met.

All staff must comply with the College procedures relating to student records and must ensure the integrity and security of audit evidence for funding claims such as registers and enrolment forms. Staff must ensure that all students complete an accurate enrolment form and that student attendance is recorded accurately on College registers: staff must ensure that changes in the learning programmes of students are recorded.

23.12 Wholly owned or controlled subsidiaries, control of other entities and joint ventures

In certain circumstances it may be advantageous to the College to establish a wholly owned subsidiary, to take overall control of another entity, or to participate in the ownership of a joint venture vehicle.

The Corporation is responsible for approving the establishment, acquisition, or termination of all wholly owned subsidiaries or joint venture vehicles and/or the acquisition of controlling interests in other entities, and it is responsible for approving procedures to be followed in considering and committing the College to any such arrangements and for monitoring and reporting on the activities of such undertakings.

Any member of staff proposing to enter into any such arrangements should first seek the advice of the Director of Finance and Procurement, who should have due regard to any guidance issued by the funding body and to any detailed financial procedures which prescribe procedures for entering into such arrangements. Consent to enter into any such arrangement will also be needed from the College's bank.

Any entity which is wholly owned by, or controlled by, the College shall be required to submit, via the Finance & General Purposes Committee, an annual report to the Corporation. Such entities will also submit business plans or budgets as requested, to enable the Finance & General Purposes Committee to assess any risks to the College. The College's internal and external auditors shall be

appointed to act for such entities, unless in the reasonable opinion of the Director of Finance and Procurement, it would not be practicable and/or appropriate for them to so act.

Where the College holds the majority of voting rights in any limited company, that company's financial year shall be consistent with that of the College, unless in the reasonable opinion of the Director of Finance and Procurement, it is not practicable and/or appropriate for its financial year to be consistent with that of the College.

23.13 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 and Procurement immediately.

A named officer 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 General Data Protection Regulation and national data protection legislation. A data protection officer shall be nominated to ensure compliance and the safety of College information.

Each area's Head of Department is responsible for the safekeeping of official and legal documents and contracts for their own area. The Director of Finance and Procurement is responsible for official and legal documents relating to the College. Signed and/or sealed copies of all deeds, leases, agreements and contracts must also be notified to the Director of Finance and Procurement. All such documents shall be held in an appropriately secure, fireproof location and copies of such held at a separate location.

23.14 Students' Union (constituent part)

The Students' Union operates as a separate budget area within the college business. The Director of Finance and Procurement will monitor financial performance to ensure finances are appropriately managed within the budget area.

Subject to any constraints imposed by the Funding Body, the Corporation approve the budget allocation for the year.

The College's internal and external auditor shall perform audits in the same way as other areas of the College.

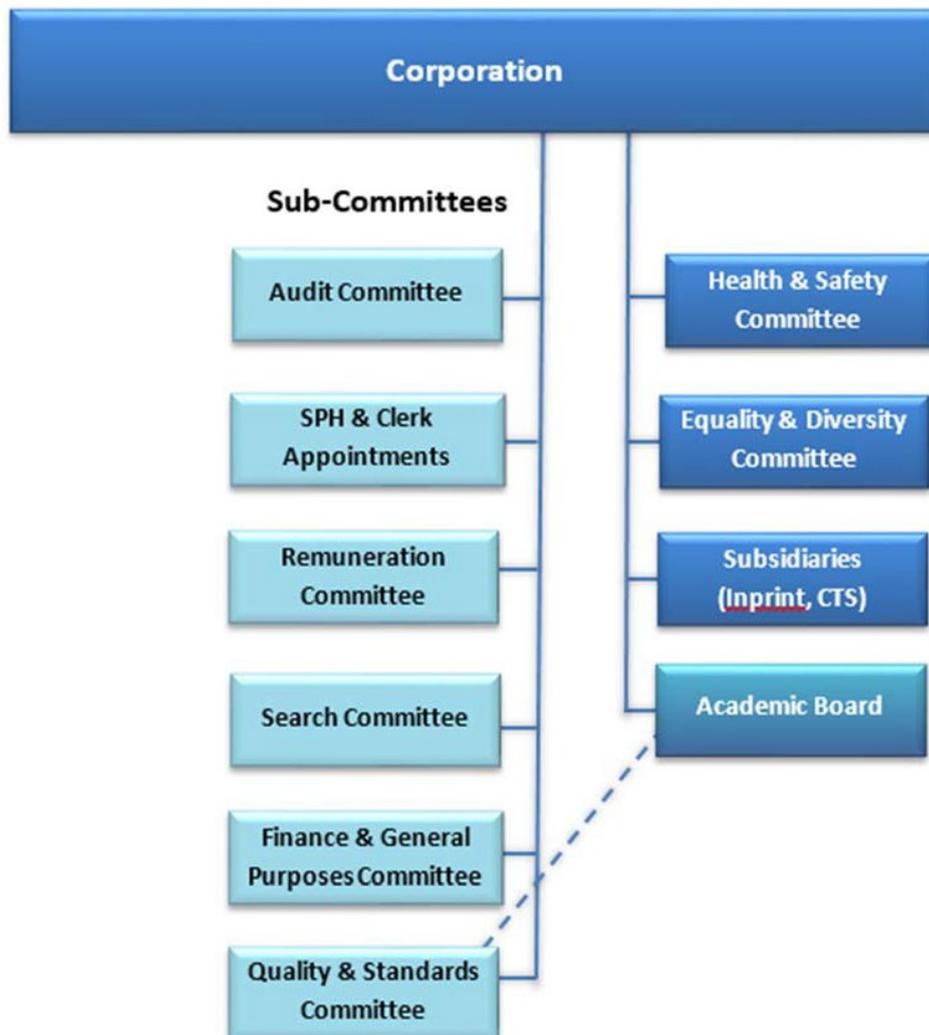
23.15 Provision of indemnities

No indemnity should be provided without the express agreement of the Director of Finance and Procurement who will seek the approval of the Finance & General Purpose Committee as necessary.

24 Appendices

Appendix A	Committee Structure
Appendix B	Audit Committee Terms of Reference
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Appendix D	Main Features of the Public Interest Disclosure Act 1998
Appendix E	Seven Principles of Public Life from the Report of the Committee for Standards in Public Life (The Nolan Report)
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Appendix A: Committee structure



Appendix B: Audit Committee

TERMS OF REFERENCE

It is a condition of funding and of the Post-16 Audit Code of Practice (the “ACOP”), that the Corporation has an Audit Committee. These Terms of Reference comply with the ACOP. They must be read in conjunction with the Instrument and Articles of Government, the Corporation’s standing orders and the College’s Financial Regulations. They may only be varied by the Corporation.

1 Membership and Operation

- 1.1 The Audit Committee (“the Committee”) must comprise at least three members. A majority must be College Governors. The Corporation has a responsibility, in appointing members, to maintain the Committee’s independence and objectivity. In furtherance of this, the Committee must not adopt an executive role and the following people shall not be eligible to sit on it:
- Staff Governors;
 - those with executive responsibilities at senior level, including the Chief Executive and other senior post holders;
 - members of the Finance & General Resources Committee;
 - the Chair of the Corporation; and
 - any individual who has any significant interests in the Bradford College Group or any of its constituent parts.
- 1.2 The Committee shall include individuals with an appropriate mix of skills and experience to allow it to discharge its duties effectively and should ideally include at least one representative from the academic community of sufficient standing to provide a direct skillset applicable to the oversight of teaching, academic leadership, and research processes. Collectively, members of the Committee shall have recent, relevant experience in risk management, finance and assurance.
- 1.3 The Committee Chair and Vice Chair will be selected by the Committee from among its members in accordance with the Corporation’s Standing Orders.
- 1.4 The quorum for Committee meetings shall be 40% of the total membership entitled to attend and vote at Committee meetings or any two such members, whichever is greater.
- 1.5 The Clerk to the Committee shall be the Clerk to the Corporation (or another appropriate independent individual).
- 1.6 The Committee will meet at least four times per financial year and as often as the Committee’s role and responsibilities require. The internal auditor, funding auditor or financial statements auditor may request a meeting of the Committee if they consider that one is necessary and the Committee will endeavour to comply with such request.

- 1.7 The Committee has authority to investigate any activity within its terms of reference on its own initiative as well as in reliance on the work of the internal and external auditors. The Committee should discuss what information and assurance it requires in order to properly carry out its roles to review, monitor and provide assurance or recommendations to the Corporation and, where there are gaps, how those should be addressed. It shall satisfy itself that its sources of assurance and information are sufficient and objective and shall be granted rights of access to obtain all the information and explanations it considers necessary, from whatever source, to fulfil its remit. All employees are directed to co-operate with any request made by the Committee.
- 1.8 The Committee is authorised by the Corporation to obtain outside legal or other independent professional advice and to secure the attendance of non-members with relevant experience and expertise if it considers this necessary, normally in consultation with the Group Chief Executive Officer and/or Chair of the Corporation. However, it may not incur direct expenditure in this respect in excess of £2,000 without the prior approval of the Corporation.

2 Access to Meetings

- 2.1 The internal auditors (where appointed) shall be entitled to attend and speak at all meetings of the Committee (but not to vote) as shall the financial statements auditor and funding auditor (where appointed) where business relevant to them is being discussed.
- 2.2 The Committee may invite members of the College staff to attend meetings of the Committee in their employed capacity for relevant items of both non- confidential and confidential business as appropriate.
- 2.3 The Committee may also invite the Corporation’s advisers or other third parties to attend meetings of the Committee as appropriate.
- 2.4 The Committee shall meet with the College’s internal and external auditors, without management, to discuss matters relating to its remit and any issues arising from the audits. It shall also be entitled, whenever it is satisfied that it is appropriate to do so, to go into confidential session and (subject to the rules as to quoracy set out above) to exclude any, or all, participants and observers, except the Clerk to the Committee.

3. Publication of Minutes and Papers

- 3.1 The Committee’s minutes and supporting papers, including its agendas, will remain confidential until they are reported to the Corporation. To the extent that the Committee’s minutes and papers contain information that is “Confidential Information”, as defined in the *Policy on the Publication of Minutes, Papers and Agendas*, that is where:
- the information is a trade secret;
 - confidentiality is needed to protect the personal data of an individual;
 - disclosure would prejudice the commercial interests of the College or any other person; or
 - the information was supplied to the College and is held under a legal duty of confidence, where disclosure would constitute an actionable breach of confidence it will be excluded from publication until the Corporation is satisfied that the reason for dealing with it on a confidential basis no longer applies, or where it considers that the public interest in disclosure outweighs that reason.

4. The Committee shall:

- 4.1. ADVISE the Corporation on whether the College has in place effective systems of internal control, risk management and governance that promote value for money and effective and efficient use of capital estate, technology and other resources; ensure the solvency of the College and safeguarding of its assets; and meet mandatory audit and legal requirements.
- 4.2. ADVISE the Corporation on whether effective arrangements are in place for the management and quality assurance of data, in particular in respect of student number and other returns submitted for funding, statistical and performance measurement purposes to funding bodies.
- 4.3. ADVISE and SUPPORT the Corporation in explaining, in its annual accounts, the measures taken to ensure it has fulfilled its statutory and regulatory responsibilities, in compliance with the College accounts direction.
- 4.4 DETERMINE (in conjunction with the Executive but the Committee shall have final say):
- the internal audit strategy and annual internal audit plans for the internal audit service; and
 - the scope of the external audit;
- and ADVISE the Corporation in respect of those.
- 4.5 ADVISE the Corporation on the scope and objectives of the work of the internal audit service, the financial statements auditor and the funding auditor (where appointed).
- 4.6 DETERMINE (in conjunction with the Executive but the Committee shall have final say) relevant annual performance measures and indicators for the monitoring of the effectiveness of the internal audit service and financial statements auditor.
- 4.7 ADVISE the Corporation on the appointment, reappointment, terms of engagement, resignation/dismissal and remuneration of the external auditor, reporting accountant and other assurance providers (if applicable) and establish that all such assurance providers adhere to the relevant professional standards of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, ADVISING the Corporation of any concerns which are not, or cannot be, resolved to the Committee's satisfaction.
- 4.8 APPROVE and INFORM the Corporation of any additional services provided by the external auditor, reporting accountant and other assurance providers and explain how independence and objectivity were safeguarded.
- 4.9 OVERSEE the co-ordination between the internal audit service, the financial statements auditor and the funding auditor (where appointed) including whether the work of the funding auditor should be relied upon for internal audit purposes, to ensure that it is effective.
- 4.10 MONITOR, within agreed timescales, the implementation of recommendations arising from any reports of audit and assurance providers.
- 4.11 OVERSEE the Corporation's policy on fraud, irregularity, impropriety and whistleblowing and ensure:

- the proper, proportionate and independent investigation of all allegations and instances of fraud and irregularity (including bribery);
 - that investigation outcomes are reported to the Committee;
 - that the external auditor (and internal auditor where appointed) has been informed, and that appropriate follow-up action has been planned/actioned; and
 - that all significant cases of fraud or suspected fraud or irregularity are reported to the Education and Skills Funding Agency (“ESFA”) and/or the College’s principal charity regulator, as appropriate.
- 4.12 NOTIFY the Corporation of any breach of, or failure to comply with, the Financial Regulations and/or the detailed financial procedures by any member of staff that is reported to it.
- 4.13 ADVISE the Corporation on relevant reports by the National Audit Office, the ESFA, other funding bodies and where appropriate, the Executive’s response to these.
- 4.14 ADVISE the Corporation, the Executive and the directors and employees of any subsidiary companies on audit matters relating to the subsidiary companies, as required.
- 4.15 In the event of the merger or dissolution of the institution, ENSURE that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.
- 4.16 ADVISE the Corporation on any other issues or matters in respect of which the Corporation has requested the Committee’s opinion.

5. Committee’s Annual Report

- 5.1 The Committee shall produce an annual report for the Corporation, addressed to the Corporation and Chief Executive Officer, which must include:
- a summary of the work undertaken by the Committee during the financial year under review;
 - any significant issues arising up to the date of preparation of the report;
 - any significant matters of internal control included in the reports of audit and assurance providers;
 - an opinion on whether effective arrangements are in place for the management and quality assurance of data, in particular in respect of student number and other returns submitted for funding, statistical and performance measurement purposes to funding bodies;
 - a statement confirming that the Committee has, where appropriate, confirmed with the internal and external auditors that the effectiveness of the internal control system has been reviewed, and any comments on this the Committee may have.
 - the Committee’s opinion on the adequacy and effectiveness of the Corporation’s:
 - assurance arrangements,
 - framework of governance,
 - risk management (to include the accuracy of the statement of internal control included with the annual statement of accounts),
 - control processes for the effective and efficient use of resources (i.e. value for money),
 - solvency of the institution and the safeguarding of its assets; and
 - an assessment by the Committee of its own effectiveness and how it has fulfilled its Terms of Reference.

5.2 The report must be submitted to the Corporation before the Statement of Corporate Governance and Internal Control in the accounts is signed. A copy must be submitted to the relevant funding body with the annual accounts.

6. Advice to the Corporation on the Annual Financial Statements

6.1 The Committee shall:

- REVIEW the audit and control aspects of the financial statements, including the external audit opinion, the statement of Governors' responsibilities, the statement of internal control, and any relevant issue raised in the external auditors' management letter.
- CONSIDER whether the Corporation has adopted and applied appropriate accounting policies and principles;
- CONSIDER management's critical accounting estimates and judgements;
- REVIEW the clarity and completeness of disclosures in the financial statements and consider whether the disclosures made are set properly in context;
- REVIEW related information presented with the annual financial statements, including corporate governance statements relating to the audit and to risk management; and
- Following their consideration by the Finance & General Purposes Committee, PROVIDE A RECOMMENDATION to the Corporation as to whether the annual financial statements may be approved and, if unsatisfied with any aspect of the proposed financial reporting, REPORT its views to the Corporation.

CLERKING ARRANGEMENTS

- The clerk to the Audit Committee will be the Clerk to the Corporation.

APPENDIX C: KEY SERVICES IN THE FINANCE DEPARTMENT

INTRODUCTION

- 1 In order to obtain maximum benefit from the finance department, it is important to observe the published deadlines. The deadlines have been established in order to guarantee the delivery of particular services which might not otherwise be achievable.
- 2 The main services are listed on the following pages together with appropriate contact names. There is also a list at the end of the document which gives contact details for individual post-holders.

EXCHEQUER SERVICES

- 3 Exchequer services cover the following functions.
- 4 **Accounts Payable.** This section pays all sums owed by the College other than payroll items. Payments are made mainly to suppliers of goods and services but the section also administers on instructions received from the student services department access fund and emergency loan payments to students. Payments can be made to any country and in most currencies.
- 5 **Accounts Receivable.** All income due to the College must be banked through the finance department. Payments are received by BACS, on line payment methods, cheque, cash, credit cards or debit cards and can be in sterling or foreign currencies. Instalment facilities are available for some categories of student in relation to their tuition fees. Overdue debts are pursued in consultation with departments and, where appropriate, court action is taken. Security arrangements are in place for cash in transit.
- 6 **Payroll.** The College's payrolls are managed by the Payroll Team. All standing data and adjustments are undertaken through the HR department, the Financial Accounts Department within Finance are responsible for balances and submission of all PAYE returns. For payroll queries please contact the Senior Payroll Officer.
- 7 **Insurance.** All aspects of insurance cover and claims are handled by the Head of Facilities Management. Prompt notification of all losses by the use of the appropriate form is essential if claims are to be processed effectively. Failure to notify the police in cases of theft or criminal damage can also invalidate cover.
- 8 **Controlled stationery.** In order to comply with financial regulations, to ensure that current versions of documents are used and to avoid duplication of control numbers, it is important to use the most up to date version of finance forms. They include official order forms, invoices, receipts, claim forms, travel forms, catering service forms, etc. Some forms may be available for printing from the staff intranet.

FINANCIAL ACCOUNTING

- 9 Many of the functions under this heading will not directly affect the budget holders. They include such things as maintenance of the accounting system, preparation of final and subsidiary accounts, balance sheet reconciliations and tax returns. Another such function relates to treasury management, which encompasses borrowing and lending, cash flow forecasting and management of the bank accounts. There are, however, several services which are for the specific benefit of users.
- 10 **Use of system.** Advice and training is provided for users to access and use the data held in the accounting system. For queries relating to the operation of the accounting system please contact the finance team regarding use of eFinancials and the Procurement and Contracts Officer regarding the use of the eProcurement module.

PROJECTS

- 11 **Major capital projects.** Assistance in the preparation of bids for funding, investment appraisals and monitoring of schemes are all included within the service. It is mandatory for the negotiation of funding packages to be carried out by finance department staff. For queries relating to capital schemes and grant claims please contact the Project Team.
- 12 **Advice on other services rendered and projects.** Advice is available for the preparation of bids for projects, especially in relation to external funding. Arrangements are also made for vetting and auditing various grant claims. Project job numbers are allocated on receipt of proposal forms so that all income and expenditure can be matched to projects. For queries relating to other services rendered and projects please contact the Projects Team within the finance team.

MANAGEMENT ACCOUNTING

- 13 **At corporate level.** The Management Accounts team are responsible for the working with Heads of Departments in the preparation of financial plans including annual budgets. The team are also responsible for consolidation and submission of planning data to the funding council, and production of comparative statistical data. The Deputy Chief Executive must also provide regular monitoring statements and financial advice to the Corporation and its committees.
- 14 **Budget monitoring.** At Department level, detailed management accounts are produced indicating performance against budget. In accordance with strict procedures, budgets are agreed with the Head of Department and fixed, usually for an academic year. All users receive assistance from finance department staff in order to ensure that monthly monitoring statements are received, understood and useful. For queries relating to budget maintenance please contact the Management Accounts Team.
- 15 **Budget planning.** Advice is available for all budget holders for the purpose of the preparation of their business plans. Including in the area of other services rendered and grant contracts where funding sources can be volatile. For queries relating to budget planning please contact, the Management Accounts Team.

MANAGEMENT CONTROL

- 16 A range of services provided by the finance department relate to the overall control of the College's systems. Some of these are mandatory.
- 17 **Internal audit.** The College's independent internal audit function operates in conjunction with the Audit Committee. The Executive through the Deputy Chief Executive Director of Finance and the Clerk is responsible for the receipt and co-ordination of responses to audit reports and for the implementation of Audit Committee projects.
- 18 **Procedures and regulations.** Financial regulations and detailed financial procedures are maintained and disseminated by the finance department. Again, their existence is a Funding Body and Audit Committee requirement. For queries relating to management control matters please contact the finance team.

PROCUREMENT

- 19 The procurement function is controlled by the Procurement and Contracts Manager. All purchases require a Purchase Order which can be generated via the purchase order system. Authority to purchase is granted to budget holders within the threshold framework stipulated in the financial regulations.
- 20 **Low-value purchasing.** A purchasing card system for the procurement of low- value goods/services is in operation. The Procurement and Contracts Officer controls the operation of this system.
- 21 **Purchasing consortia.** The College is a member of the Crescent Purchasing Consortium
- 22 For all purchasing issues contact the Procurement and Contracts Officer.

APPENDIX D: MAIN FEATURES OF THE PUBLIC INTEREST DISCLOSURE ACT 1998

SUMMARY

The Public Interest Disclosure Act 1998 Act protects workers reporting wrongdoing by their employers or third parties against victimisation or dismissal - provided they have made a protected qualifying disclosure.

The categories of wrongdoing that are covered by the Act are as follows:

1. Criminal offences;
2. Breach of any legal obligation (including any legal contract, statute or regulation);
3. Miscarriages of justice;
4. Danger to the health and safety of any individual;
5. Damage to the environment; and
6. The deliberate concealing of information about any of the above.

The protections apply whether or not the information disclosed by the worker is confidential and extend to wrongdoing occurring in the UK and any other country or territory.

For the purposes of the Act, the term “worker” includes current and former employees, trainees, apprentices and agency staff as well as individuals undergoing training or work experience as part of a training course (other than at an educational establishment). Employment law restrictions on minimum length of service and age do not apply. At present, the Act does not cover the genuinely self-employed or volunteers, including College Governors.

INTERNAL DISCLOSURES

A whistle-blower making a disclosure to a manager or the employer will qualify for protection if she or he has:

- disclosed information which relates to one of the six categories listed above;
- a reasonable belief that that information tends to show that malpractice is happening now, took place in the past, or is likely to happen in the future; and
- a reasonable belief that the disclosure is in the public interest.

Note that since 25 June 2013, the requirement that a qualifying disclosure be made "in good faith" has been replaced by a new requirement that the whistle-blower reasonably believes that the disclosure is in the public interest.

REGULATORY DISCLOSURES

The Act protects disclosures made to 'prescribed persons', such as the Health and Safety Executive, the Financial Services Authority and the Inland Revenue, where the whistle-blower has a reasonable belief that the information and their allegation(s) are substantially true. If you make a disclosure to a prescribed person, you must reasonably believe that the wrongdoing in question falls within its remit, for example: a disclosure about health and safety should be made to the Health and Safety Executive.

WIDER DISCLOSURES

The Act contemplates that there may be a public interest in workers making wider disclosures, for example to the Police, MPs, and even the media. However, intending whistle-blowers may wish to seek guidance from the Advisory, Conciliation and Arbitration Service (ACAS), the whistleblowing charity *Public Concern at Work* or a trade union representative before making a wider disclosure, as rigorous conditions must be met for such wider disclosures to be protected:

- The worker must reasonably believe that the information disclosed, and any allegation contained in it, are substantially true;
- The worker must not make the disclosure for the purposes of personal gain (but rewards offered under statute, for example by HM Revenue & Customs, are ignored);
- The worker must:
 - a) have previously disclosed substantially the same information to their employer or to a prescribed person; or
 - b) reasonably believe, at the time of the disclosure, that they will be subjected to a detriment by their employer if they make disclosure to the employer or a prescribed person; or
 - c) reasonably believe (where there is no prescribed person) that material evidence will be concealed or destroyed if disclosure is made to the employer;and
 - d) In all the circumstances of the case, it must be reasonable for the worker to make a wider disclosure.

WHISTLE-BLOWER PROTECTIONS

Where a whistle-blower is victimised in breach of the Act they can bring a claim to an employment tribunal for compensation. Awards are uncapped and based on the losses suffered. Additionally, where a worker is sacked, they may apply for an interim order to keep their job.

APPENDIX E: THE SEVEN PRINCIPLES OF PUBLIC LIFE FROM THE REPORT OF THE COMMITTEE FOR STANDARDS IN PUBLIC LIFE (THE NOLAN REPORT)

SELFLESSNESS

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

INTEGRITY

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.

OBJECTIVITY

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS

Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

HONESTY

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP

Holders of public office should promote and support these principles by leadership and example.

APPENDIX F:

SUMMARY OF PROTOCOLS FOR PROPOSED CAPITAL EXPENDITURE: BUILDINGS

Proposed capital building projects should be supported by:

- A statement that demonstrates the project's consistency with the strategic plans and estates strategy approved by the Corporation.
- An initial budget for the project for submission to the Finance & General Purposes Committee. The budget should include a breakdown of costs including professional fees, VAT and funding sources.
- A financial evaluation of the plans together with their impact on revenue plus advice on the impact of alternative plans.
- An investment appraisal in an approved format which complies with funding body guidance on option and investment appraisal.
- A demonstration of compliance with normal tendering procedures and funding body regulations. This will require careful consideration where partnership arrangements are in place.
- A cash flow forecast.

APPENDIX G:

SUMMARY OF PROTOCOLS FOR PROPOSED MAJOR DEVELOPMENTS

The proposal should be supported by a business plan for three years which sets out:

- a demonstration of the proposal's consistency with the strategic plans approved by the Corporation and with the College's powers under current legislation
- details of the market need and the assumptions (based on reference data) of the level of business available
- details of the business and what product or service will be delivered
- an outline plan for promoting the business to the identified market and achieving planned levels of business
- details of the staff required to deliver, promote and manage the business, together with any re-skilling or recruitment issues
- details of any premises and other resources required
- a financial evaluation of the proposal together with its impact on revenue and surplus, plus advice on the impact of possible alternative plans and sensitivity analyses in respect of key assumptions
- contingency plans for managing adverse sensitivities
- consideration of taxation and other legislative or regulatory issues
- a three-year financial forecast for the proposal including a monthly cash flow forecast and details of the impact on the College cash flow forecast for the financial years in question.

APPENDIX H: INTERNAL AUDIT RESPONSIBILITIES

The implementation of the Education Act 2011 made changes to the mandatory content of the Instrument and Articles of Government and required updated terms and conditions of funding, reflecting the new freedoms and flexibilities awarded to Colleges. Part of these changes included the removal of the mandatory requirement for an independent internal audit function. However, the College has chosen to maintain this.

The prime responsibility of the internal audit service is to provide the Corporation with assurance on the adequacy and effectiveness of the risk management, control and governance processes. Responsibility for risk management, control and governance processes remains fully with management, who should recognise that internal audit can only provide 'reasonable assurance' and cannot provide any guarantee against material errors, loss or fraud. Internal audit also plays a valuable role in helping management to improve systems of risk management, control and governance processes and so to reduce the potential effects of any significant risks faced by the College. Risk assessment provides the opportunity for internal audit work to be efficient and focused. It does not necessarily imply that internal audit activity has to be increased.

Internal audit can also provide independent and objective consultancy advice specifically to help management improve the risk management, control and governance processes. In such circumstances, internal auditors apply their professional skills in a systematic and disciplined way to contribute to the achievement of corporate objectives. Such advisory work contributes to the opinion that internal audit provides on the overall adequacy and effectiveness of risk management, control and governance processes.

APPENDIX I: FRAUD RESPONSE PLAN

PURPOSE

- 1 The purpose of this plan is to define authority levels, responsibilities for action and reporting lines in the event of a suspected fraud or irregularity. The use of the plan should enable the College to:
 - prevent further loss
 - establish and secure evidence necessary for criminal and disciplinary action
 - notify the funding body, if the circumstances are covered by the mandatory requirements of the audit code of practice
 - recover losses
 - punish the culprits
 - deal with requests for references for employees disciplined or prosecuted for fraud
 - review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud
 - keep all personnel with a need to know suitably informed about the incident and the College's response
 - inform the police
 - assign responsibility for investigating the incident
 - establish circumstances in which external specialists should be involved
 - establish lines of communication with the police.

INITIATING ACTION

- 2 All actual or suspected incidents should be reported without delay to the Deputy Chief Executive. Deputy Chief Executive should, within 24 hours, hold a meeting of the following project group to decide on the initial response:
 - Deputy Chief Executive (Chair)
 - a senior representative of internal audit
 - One additional member who must be a member of the Executive
- 3 The project group will decide on the action to be taken. This will normally be an investigation, led by internal audit. The decision by the project group to initiate a special investigation shall constitute authority to internal audit to use time provided in the internal audit plan for special investigations, or contingency time, or to switch internal audit resources from planned audits.

PREVENTION OF FURTHER LOSS

- 4 Where initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the project group will decide how to prevent further loss. This may require the suspension, with or without pay, of the suspects. It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.
- 5 In these circumstances, the suspect(s) should be approached unannounced. They should be supervised at all times before leaving the College's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the College. Any security passes and keys to premises, offices and furniture should be returned.
- 6 Advice should be obtained on the best means of denying access to the College while suspects remain suspended (for example, by changing locks and informing security staff not to admit the individuals to any part of the premises). Similarly, access permissions to the College's computer

systems should be withdrawn without delay.

- 7 Internal audit shall consider whether it is necessary to investigate systems, other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the College's assets.

ESTABLISHING AND SECURING EVIDENCE

- 8 A major objective in any fraud investigation will be the punishment of the perpetrators, to act as a deterrent to other personnel. The College will follow disciplinary procedures against any member of staff who has committed fraud. The College will normally pursue the prosecution of any such individual.

- 9 Internal audit will:

- maintain familiarity with the College's disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation
- establish and maintain contact with the police where appropriate
- establish whether there is a need for audit staff to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act.
- ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

NOTIFYING THE FUNDING BODY AND THE COLLEGE'S PRINCIPAL CHARITY REGULATOR

- 10 The circumstances in which the College must inform the Funding body about actual or suspected frauds are detailed in the ACOP. The Chief Executive Officer is responsible for informing the Funding body of any such incidents. In addition, the College must report any "serious incident" to its principal charity regulator, currently the Department for Education. See Charity Commission Guidance document *How to report a serious incident in your charity* for more details.

RECOVERY OF LOSSES

- 11 Recovering losses is a major objective of any fraud investigation. Internal audit shall ensure that in all fraud investigations, the amount of any loss will be quantified. Repayment of losses should be sought in all cases.
- 12 Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice should also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The College would normally expect to recover costs in addition to losses.

REFERENCES FOR EMPLOYEES DISCIPLINED OR PROSECUTED FOR FRAUD

- 13 Any request for a reference for a member of staff who has been disciplined or prosecuted for fraud shall be referred to the Director of People Services. The Director of People Services shall prepare any answer to a request for a reference having regard to employment law.

REPORTING TO GOVERNORS

- 14 Any incident matching the criteria in the ACOP (as in paragraph 10 above) shall be reported without delay by the Chief Executive Officer to the Chairs of both the Corporation and the Audit Committee.
- 15 Any variation from the approved fraud response plan, together with reasons for the variation, shall be reported promptly to the Chairs of both the Corporation and the Audit Committee.
- 16 On completion of a special investigation, a written report shall be submitted to the Audit Committee containing:
 - a description of the incident, including the value of any loss, the people involved and the means of perpetrating the fraud;
 - the measures taken to prevent a recurrence;
 - any action needed to strengthen future responses to fraud, with a follow-up report on whether or not the actions have been taken.

This report will normally be prepared by internal audit.

REPORTING LINES

- 17 The project group shall provide a confidential report to the Chair of the Corporation, the Chair of the Audit Committee, the Chief Executive and the external audit partner at least monthly, unless the report recipients request a lesser frequency. The scope of the report shall include:
 - quantification of losses;
 - progress with recovery action;
 - progress with disciplinary action;
 - progress with criminal action;
 - estimate of resources required to conclude the investigation; and
 - actions taken to prevent and detect similar incidents.

RESPONSIBILITY FOR INVESTIGATION

- 18 All special investigations shall normally be led by internal audit. Special investigations shall not be undertaken by management, although management should co-operate with requests for assistance from internal audit.
- 19 Some special investigations may require the use of technical expertise which internal audit does not possess. In these circumstances, the project group may approve the appointment of external specialists to lead or contribute to the special investigation.

REVIEW OF FRAUD RESPONSE PLAN

- 20 This plan will be reviewed for fitness of purpose at least annually or after each use. Any need for change will be reported to the Audit Committee for approval.

APPENDIX J: TREASURY MANAGEMENT POLICY STATEMENT

1 INTRODUCTION

This statement sets out the College's policy concerning raising finance and investment of surplus monies. It also deals with internal movement of surplus funds between accounts established by the College. This statement forms part of the financial regulations of the College and should be read in conjunction with section 14 of these regulations.

2 APPROVED ACTIVITIES

Treasury management comprises the management of all cash, money market investments and capital market transactions in connection with the cash and funding resources of the College and the control of associated risks.

All treasury management activities involve risk and potential reward. The policy of the College on borrowing is to minimise cost while maintaining the stability of the College's financial position by sound debt management techniques. The objective for lending purposes is to achieve the best possible return while minimising risk. The overriding principle is to avoid risk rather than to maximise return.

The College will not undertake currency risk and accordingly will not borrow or deposit funds denominated in foreign currencies.

3 FORMULATION OF TREASURY MANAGEMENT STRATEGY

As part of the three-year financial plan the Deputy Chief Executive Officer along with the Director of Finance and Procurement will prepare for the approval of the Finance & General Purposes Committee each year:

- an annual forecast of surplus funds and loan repayment requirements for the coming financial year
- a strategy for funding the College's capital finance proposals and lending surplus cash for the period covered by the forecast

In preparing the strategy the Deputy Chief Executive Officer along with the Director of Finance and Procurement will have regard to:

- the maintenance of the stable financial position of the College. They will ensure that the College has appropriate facilities available to meet its capital and interest repayments; for funding needs arising from uncertainties inherent in the planning process and from the timing and amount of cash flow
- the current level of interest rates and forecasts of future changes in interest rates
- working capital management, including debt collection policy and policy on creditor payments, including payroll
- the aggregate of all funds, loans and accounts operated by the College
- the need for investments to have due regard to ethical considerations.

4 APPROVED SOURCES OF FINANCE

In raising capital finance, the Chief Executive Officer, the Deputy Chief Executive Officer and the Director of Finance and Procurement are authorised to approach any bank or financial institution in the UK.

5 APPROVED METHODS OF RAISING CAPITAL FINANCE

The Chief Executive Officer, the Deputy Chief Executive and the Director of Finance and Procurement have the delegated authority to undertake borrowing activities of the College, subject to any relevant Funding Body requirements and limits set by the Corporation. 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.

In considering proposed capital borrowing the Chief Executive Officer, the Deputy Chief Executive Officer and Director of Finance and Procurement will have regard to the following:

- borrowing requirements
- proposed lender
- interest rate structure and level
- arrangement fees
- security arrangements (see 6).
- purpose
- cash flows
- comparison with alternatives
- legality
- compliance with Funding body rules

6 SECURITY

Where it is the intention of the College to raise capital for new projects the Chief Executive Officer, the Deputy Chief Executive Officer and the Director of Finance and Procurement will have regard to:

- the level of security required for the project
- the value of assets already held as security on existing capital projects
- requirements of the financial memorandum with the funding body
- statutory restrictions and the College's own power and rules
- restrictions on the College's use of its property assets required by covenants
- the maximum level of assets that should be provided as security without risking the overall stability of the College.

7 INTEREST RATE EXPOSURE

The Deputy Chief Executive in conjunction with the Director of Finance and Procurement is responsible for monitoring the College's interest rate exposure and for determining the interest rate exposure strategy within the limits set by this statement and by the three-year financial plan.

The principal factor governing the exposure of surplus funds to interest rate movements is the College cash flow forecast. Where surplus funds are required to meet possible cash outflows in the near future they will necessarily be deposited short term for periods which will ensure that funds are available.

8 LEGAL ISSUES

Prior to entering into any borrowing or investment it is the responsibility of the Chief Executive Officer, the Deputy Chief Executive Officer and the Director of Finance and Procurement to satisfy themselves by the reference (if necessary) to the College's legal advisors that the proposed transaction does not breach any statute, the College's financial regulations, the requirements of the financial memorandum with the Funding body, or any terms and covenants concerning borrowing.

9 INVESTING AND DEPOSITING OF SURPLUS FUNDS

The overriding principle guiding the investing of surplus cash balances is the preservation of the capital value of the College's resources. The Chief Executive Officer, the Deputy Chief Executive Officer and the Director of Finance and Procurement have delegated authority to:

- invest short term the surplus funds of the College in accordance with the financial plan and in accordance with the terms of this statement. The Corporation will give guidance on long-term investments (meaning investments for a fixed term of more than one year).

Restricted cash and short-term investments arising from the disposal of fixed assets and held for future fixed asset acquisitions will be accounted for separately as required by Funding body regulations.

10 DELEGATION

An approved scheme of delegation for the operation of treasury policy is set out below.

Activity	Delegate
Preparation of treasury management policy statement and subsequent amendment.	Director of Finance and Procurement
Approval of treasury management policy statement and its amendment.	Finance & General Purposes Committee
Preparation of three-year financial plan	Deputy Chief Executive Officer; Director of Finance and Procurement
Approval of three-year financial plan	Corporation
Day-to-day treasury dealing with counterparts	Director of Finance and Procurement
Authorisation of cash transfers to/from approved depositors	Director of Finance and Procurement
Capital borrowing	Chief Executive Officer; Deputy Chief Executive Officer; Director of Finance and Procurement
Bank mandates	Deputy Chief Executive Officer; Director of Finance and Procurement
Dealing mandates	Chief Executive Officer; Deputy Chief Executive Officer; Director of Finance and Procurement

All transactions above £5,000 require two signatures in accordance with the bank mandate. All transactions above £1.0m require three signatures in accordance with the bank mandate.

11 REVIEW AND REPORTING

The Deputy Chief Executive reports as and when required to the Corporation but, as a minimum, a summary report on treasury management activities will be presented annually.

APPENDIX K: CONDITIONS OF CONTRACT FOR THE PURCHASE OF GOODS

LIST OF HEADINGS

- interpretation
- variation of conditions
- specification
- identification of goods
- packaging
- containers and pallets
- forms
- delivery
- property and risk
- rejection of goods
- default by contractor
- force majeure
- price and payment
- indemnity
- insurance
- transfer and sub-contracting
- patents
- confidentiality
- inducements to purchase
- insolvency
- publicity
- law

APPENDIX L: TENDERING PRINCIPLES

- Duty to comply by the College's staff.
- EU directives to be complied with.
- Competitive tendering procedure, which will:
 - ensure fairness of competition
 - ensure that companies invited to tender are financially and technically able to meet the College's requirements
 - indicate the terms of the contract
 - outline the appropriate British standards to be complied with.
- Quotation procedure, which will indicate:
 - the minimum number of firms that should be expected to provide quotations
 - lists of available firms in existence which have been approved by the College that might undertake the work specified
 - the terms by which the contractors will be paid
 - the national requirements concerning good practice that should be followed.
- Submission of tenders (including: time, date, and other relevant items).
- Receipt and safe custody of tenders and records.
- Admissibility and acceptance of tenders.
- Acceptance of tenders/quotations.
- Justification of acceptance of tenders not at the lowest price.

APPENDIX M: AUTHORITY LEVELS

Reviewed June 2021

1. Purchase Ordering – Revenue Expenditure

Description	Financial Limits	Authority Limits
All items within budget	Up to £10,000	Budget Holder
	Over £10,001	+ Director of Finance and Procurement
All items not in budget	Up to £10,000	+ Deputy Chief Executive
	£10,001 - £100,000	+ Chief Executive Officer
	Over £100,001	+ Finance & General Purposes Committee

2. Purchase Ordering – Capital Equipment

Description	Financial Limits	Authority Limits
All items within budget	Up to £10,000	Budget Holder
	£10,001 - £100,000	Executive Director + Deputy Chief Executive
	£100,001 - £250,000	+ Chief Executive Officer
	Over £250,001	+ Finance & General Purposes Committee
	Over £1 million	+ESFA
All items not in budget	Up to £30,000	Deputy Chief Executive
	£30,001 - £100,000	+ Chief Executive Officer
	Over £100,001	+ Finance & General Purposes Committee

3. Purchase Ordering – Buildings

Description	Financial Limits	Authority Limits
All items within budget	Up to £100,000	Deputy Chief Executive
	£100,001 - £250,000	+ Chief Executive Officer
	Over £250,001	+ Finance & General Purposes Committee
	Over £1 million	+ESFA
All items not in budget	Up to £30,000	+ Deputy Chief Executive
	£30,001 - £100,000	+ Chief Executive Officer
	Over £100,001	+ Finance & General Purposes Committee

4. Student Fees

Description	Financial Limits	Authority Limits
HE Fees	All	Finance & General Purposes Committee/Corporation
FE Fees	Annual Schedule	Finance & General Purposes Committee/Corporation
Fee Waivers	All	Director of Finance and Procurement

5. Invoiced Income – Credit Notes

Description	Financial Limits	Authority Limits
All refunds	Up to £3,000	Director of Finance and Procurement
	£3,001 - £6,500	+ Deputy Chief Executive
	Over £6,500	+ Chief Executive Officer

Where Bradford College policy allows fee waivers and other student credits, a monthly report will be presented to the Director of Finance and Procurement and the Deputy CEO for sight to show the credit in these cases is within the policy dictate.

6. Bad Debt – Write Off

Description	Financial Limits	Authority Limits
All items	Up to £1,000	Director of Finance and Procurement
	£1,001 - £10,000	+ Deputy Chief Executive
	Over £10,000	Finance & General Purposes Committee

7. Staff Expenses – Reimbursement

Description	Financial Limits	Authority Limits
All staff below Head of Curriculum or Support Area	Up to £1,000	Budget holder
Budget holder	Up to £1,000	Direct Line Manager
All staff	Over £1,000	+ Deputy Chief Executive
Executive Directors		+ Chief Executive
Chief Executive Officer		Chair of Corporation

8. Cash Advances

Description	Financial Limits	Authority Limits
Advances	Up to £250	Budget Holder + Director of Finance and Procurement
	£251 to £500	+ Deputy Chief Executive

9. Overseas Travel

Description	Financial Limits	Authority Limits
All staff below Executive Team	n/a	Director of Finance and Procurement
Executive Directors	n/a	Chief Executive Officer
Chief Executive Officer	n/a	Chair of Corporation

10. Bank Mandate

Description	Financial Limits	Authority Limits
Cheques/BACS	Up to £5,000	Director of Finance and Procurement
	Over £5,000	+ executive Director
	Up to £1 million	+ executive Director
	Over £1 million	+ another Executive Director

11. Salaries and Wages

Description	Financial Limits	Authority Limits
Honorariums up to Executive Director level	All	Deputy Chief Executive
Honorariums – Executive Director level	All	+ Chief Executive Officer
Overtime – FT Lecturers	All	Chief Executive
Overtime APT&C (non-contractual)	All	Budget holder
Overtime – Craft and Manual (non-contractual)	All	Budget holder

12. Disposal of Fixed Assets

Description	Financial Limits	Authority Limits
Computers and Equipment	Written-down Value	Director of Finance and Procurement
Buildings	Up to £1million	Finance & General Purposes Committee
Buildings	Over £1 million	+ESFA

13. Major Developments

Description	Financial Limits	Authority Limits
Any new aspect of business or proposed establishment of a company or joint venture, which will require an investment in buildings or resources	Up to £100,000	Deputy Chief Executive + Chief Executive Officer
	Over £100,000	Finance & General Purposes Committee