

Financial Regulations

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 Approved by Corporation
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1	STATUS OF FINANCIAL REGULATIONS
1.1	The College is a statutory corporation created under the provisions of the Further and Higher Education Act 1992, as amended by the Education Act 2011. The College is an exempt charity created under the provisions of the Charities Act 1993, as amended by the Charities Act 2011.
1.2	This document sets out the College financial regulations. It translates into practical guidance the College policies relating to financial control. It applies to the College and all its subsidiary undertakings.
1.3	These financial regulations are subordinate to the College instruments and articles of government, to the corporation's governance rules and procedures and to any restrictions contained within the College financial memorandum with the funding body and the post 16 audit code of practice.
1.4	The purpose of these financial regulations is to provide control over the totality of the College resources and provide management with assurances that the resources are being properly applied for the achievement of the College strategic plan and business objectives on a sustainable basis, including: <ul style="list-style-type: none"> • maintaining financial sustainability • achieving value for money • provision of effective financial controls over the use of public funds • ensuring that the College complies with all relevant legislation • safeguarding the assets of the College
1.5	Compliance with the financial regulations is compulsory for all staff connected with the College. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the College staff disciplinary policy . Any such breach will be notified to corporation, through the audit committee. It is the responsibility of the college management team to ensure that their staff are made aware of the existence and content of the College financial regulations.
1.6	The corporation is responsible for maintaining a continuous review of the financial regulations, through the finance director, advising the governing body of any additions or changes necessary.
1.7	The College detailed financial procedures set out precisely how these regulations will be implemented and are contained in the finance handbook which is available in all staff.

2	GOVERNANCE
2.1	<p><u>Corporation</u></p> <p>The corporation is the College governing body and is responsible for the management and administration of the College. Its financial responsibilities are:</p> <ul style="list-style-type: none"> • ensuring the solvency of the College and safeguarding the College assets • appointing, grading, suspending, dismissing and determining the pay and conditions of service of the principal, clerk and other postholders designated by corporation. • setting a framework for pay and conditions of service of all other staff • ensuring that the financial, planning and other management controls, including controls against fraud and theft, applied by the College are appropriate and sufficient to safeguard public funds • approving the appointment of external auditors⁴ and an internal audit service • securing the efficient, economical and effective management of all the College resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in the College is not put at risk • ensuring that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution • planning and conducting its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure • approving an annual budget before the start of each financial year • determining tuition fees • ensuring that the College complies with the post 16 audit code of practice • approving the College strategic plan • approving the annual financial statements
2.2	<p><u>Audit Committee</u></p> <p>Further and higher education Colleges are required by their financial memorandum with the funding body and by the post 16 audit code of practice to appoint an audit committee. The committee is independent, advisory and reports to corporation. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and financial statements auditors. The committee is responsible for identifying and approving appropriate performance measures for internal and financial statements auditors and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.</p>
2.3	<p><u>Principal</u></p> <p>The principal is the College designated accounting officer and is responsible for ensuring the financial administration of the College affairs. As the designated officer, the principal may be required to justify any of the College financial matters to the Public Accounts Committee at the House of Commons.</p>
2.4	<p><u>Vice/Deputy Principal</u></p> <p>The vice and deputy principals are responsible to the principal for management of the areas and activities they control. They are responsible for establishing and maintaining clear lines of responsibilities for the college management team and all staff within the areas and activities they control. They are advised by the finance director in executing their financial duties and provide the finance director with such information as shall be required.</p>



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2.5	<p><u>Finance Director</u></p> <p>The finance director is the College chief financial officer who controls day-to-day financial administration and is responsible to the principal for:</p> <ul style="list-style-type: none">• 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 annual accounts and other financial statements and accounts which the College is required to submit to other authorities• ensuring that the College maintains satisfactory financial systems• providing professional advice on all matters relating to financial policies and procedures• day-to-day liaison with internal and external auditors in order to achieve efficient processes
2.6	<p><u>College Management Team</u></p> <p>The college management team are responsible to the principal for financial management for the areas or activities they control. They are advised by the finance director in executing their financial duties. The finance director will also supervise and approve the financial systems operating within their departments including the form in which accounts and financial records are kept. The college management team are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters.</p>
2.7	<p><u>All Staff</u></p> <p>All staff includes any employee, volunteer or other engagement with the College. All staff should be aware and have a general responsibility for the security of College property, for avoiding loss and for due economy in the use of resources. They should ensure that are aware of the College financial authority limits and the values of purchases for which quotations and tenders are required. They shall make available any relevant records or information to the finance director or their authorised representative in connection with the implementation of the College financial policies, these financial regulations and the system of financial control. They shall provide the finance director with such financial and other information as they may deem necessary, from time to time, to carry out the requirements of corporation. They shall immediately notify the finance director whenever any matter arises which involves, or is thought to involve, irregularities concerning, inter alia, cash or property of the College. The finance director shall take such steps as they consider necessary by way of investigation and report.</p>

3	CODE OF CONDUCT
3.1	<p>The corporation, principal, finance director and college management team are required to disclose interests in the College register of interests maintained by the clerk to corporation. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the financial procedures. No person shall be a signatory to a College contract where they also have an interest in the activities of the other party.</p>
3.2	<p>The Bribery Act 2010 came into force on 1 July 2011. The Act introduced new offences for acts of bribery by individuals, or persons associated with relevant organisations. The penalties are severe for any staff convicted under the Act, which could mean a criminal record with ten years' imprisonment and unlimited fines. The guiding principles of the College bribery, corruption, fraud and money laundering policy, to be followed by all staff must are:</p> <ul style="list-style-type: none"> • the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest • the action of individuals acting in an official capacity should not give the impression (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
3.3	<p>Staff must not receive gifts, hospitality or benefits of any kind from a third party which might be seen to compromise their personal judgement or integrity. Any offer or receipt of such gifts, hospitality or benefits of a value exceeding that listed in the register of gifts and hospitality should immediately be reported to the principal. The clerk will maintain a register of gifts and hospitality received.</p>
3.4	<p>Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by staff or other party about malpractice in the workplace as defined in the College whistleblowing policy. Any concern about malpractice should be raised with a designated assessor.</p>

4	INCOME
4.1	<p><u>General</u></p> <p>The finance director 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 finance director. Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined by procedures approved by corporation, and are approved by corporation. The finance director is responsible for the prompt collection, security and banking of all income received. The finance director is responsible for ensuring that all grants notified by the funding body and other bodies are received and appropriately recorded in the College accounts. The finance director is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.</p>
4.2	<p><u>Maximisation of income</u></p> <p>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 finance director of sums due so that collection can be initiated.</p>
4.3	<p><u>Receipt of cash, cheques and other negotiable instruments</u></p> <p>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 cashier promptly, and in accordance with a timetable prescribed by the finance director and set out in financial procedures. The custody and transit of all monies received must comply with the requirements of the College 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.</p>
4.4	<p><u>Collection of debts</u></p> <p>Only the finance director can implement credit arrangements and indicate the periods in which different types of invoice must be paid. Any subsequent changes must be submitted to corporation for approval. The finance director should ensure that:</p> <ul style="list-style-type: none"> • debtors invoices are raised promptly on official invoices, in respect of all income due to the College • invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account • any 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 to collect overdue debts, in accordance with the protocols noted in the financial procedures • outstanding debts are monitored and reports prepared for management

4.5	<p><u>Student fees</u></p> <p>The College fees policy sets out the procedures for collecting and refunding students fees. The finance director 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 be prevented from re-enrolling at the College and from using any of the College facilities unless appropriate arrangements have been made.</p>
4.6	<p><u>Refunds</u></p> <p>The College seeks to minimise the opportunities for money laundering in accordance with the Money Laundering Regulations 2007. Where refunds are required, they should be made to the original payer and follow the method by which the money was received. For further information see the College bribery, corruption, fraud and money laundering policy.</p>
4.7	<p><u>Student and advanced learner loans</u></p> <p>Appropriate records will be maintained to support all transactions involving student loans and advanced learner loans.</p>
4.8	<p><u>Emergency/hardship loans</u></p> <p>The College emergency and hardship loan policy must be approved by corporation. This will include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made other than in accordance with the approved scheme. The finance director is responsible for ensuring the adequacy of the systems in place for:</p> <ul style="list-style-type: none"> • approving loans in accordance with the scheme • paying loans that have been approved • recovering loans that have been paid
4.9	<p><u>Research</u></p> <p>Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective. The term 'research grant' is restricted to research projects funded by Research Councils UK, charities and higher education funding bodies. All other externally financed research projects are classified as 'research contracts'. All applications for research projects must be approved by the principal. In order to price a research project appropriately, the full cost of the research and other financial implications needs to be identified and appraised. Each research project will be allocated a specific project code and budget assigned to a named member of staff.</p>
4.10	<p><u>Private consultancies and other paid work</u></p> <p>Unless otherwise stated in a member of staff's contract outside consultancies or other paid work may not be accepted without the consent of the college management team and in the case of the college management team, the principal. Applications for permission to undertake work as a purely private activity must be submitted to the principal and include the following information:</p> <ul style="list-style-type: none"> • the name of the member(s) of staff concerned • title of the project and a brief description of the work involved • the proposed start date and duration of the work • full details of any College resources required (for the calculation of the full economic cost) • an undertaking that the work will not interfere with the teaching and normal College duties of the member(s) of staff concerned



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4.11	<p><u>Short courses and services rendered</u></p> <p>Any staff wishing to run a short course must have the permission of the college management team. The course organiser will be responsible to the college management team for day-to-day management of the course. The term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information.</p>
4.12	<p><u>Collaborative provision including franchising</u></p> <p>Any contract or arrangement whereby the College provides education to students away from College premises, or with the assistance of persons other than College own staff or with independent contractors (partner organisations), must be approved by the principal. There shall be a contract signed by the principal and on behalf of any partner organisation before any provision is made. The format for regular reports shall be as stated in the contract and shall consider the risk factors associated with the proposed partnership. Corporation will approve where the partnership would represent a significant departure from the College strategic plan.</p>
4.13	<p><u>Profitability and recovery of overheads</u></p> <p>All other income-generating activities must be self-financing or surplus generating unless it is intended that a new course be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the finance director. Other income-generating activities organised by members of staff must be costed and agreed with the finance director before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the College costing and pricing policy.</p>
4.14	<p><u>Profits and deficits</u></p> <p>Distribution of profits on other income-generating activity between central funds of the College and individual departments will be in accordance with the costing and pricing policy approved by corporation. Any unplanned deficits incurred on other income-generating activities will be charged to departments.</p>
4.15	<p><u>Additional payments to staff</u></p> <p>Any proposal which involves additional payments to members of staff should be supported by a schedule of names and values and must be approved by the principal.</p>
4.16	<p><u>Funds held on trust</u></p> <p>The finance director is responsible for ensuring that incoming funds are properly classified and designated as appropriate. The finance director 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. Records of welfare funds will be maintained according to funding body requirements. Where shares or other instruments are offered by a donor, the finance director is responsible for the same due diligence they would normally undertake for a donation of case.</p>
4.17	<p><u>Voluntary funds</u></p> <p>The finance director shall be informed of any fund, not being 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.</p>



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5	EXPENDITURE
5.1	<p><u>Scheme of delegation/financial authorities</u></p> <p>The finance director is responsible for making payments to suppliers of goods and services to the College. The college management team is responsible for purchases within their department and are required to observe the purchasing policies and financial procedures. The finance director shall maintain a register of authorised signatories and the college management team must supply specimen signatures of those authorised to certify invoices for payment (for paper-based systems). Under procedures agreed by the finance director, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits (for electronic systems). Any changes to the authorities to commit expenditure must be notified to the finance director immediately. The college management team are not authorised to commit the College to expenditure without first reserving sufficient funds to meet the purchase cost. The member of the college management team authorising the invoice for payment must be different from the member of staff responsible for signing the purchase order form.</p>
5.2	<p><u>Procurement</u></p> <p>The College requires the college management team, 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 equality legislation, and in accordance with sound business practice, taking into account framework agreements as appropriate. Factors to be considered in determining lowest cost are noted in the financial procedures. The purchasing function is the responsibility of the finance director although it may be delegated to another member of staff:</p> <ul style="list-style-type: none">• ensure that the College procurement policy is known and observed by all involved in purchasing for the College• provide advice on matters of College procurement policy and practice• provide advice to and assist departments where required on specific departmental purchases• develop appropriate standing supply arrangements on behalf of the College to assist the college management team in meeting their value for money obligations• draft and negotiate all large-scale purchase contracts undertaken by the College, in collaboration with the responsible department• ensure that the College complies with European Union regulations on public purchasing
5.3	<p><u>Purchasing cards, credit and debit cards</u></p> <p>The operation and control of the College purchasing cards, credit and debit cards are the responsibility of the finance director. There will be appropriate oversight of the distribution of such cards and the associated card limits. Holders of cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Such cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. Cards must not be loaned to another person, nor should they be used for personal or private purchases. Cardholders should obtain approval to purchase from the college management team and should ensure that there is sufficient budget available to meet the costs. The finance director shall determine what information is required on purchases made with cards from cardholders and deadlines for receipt in the finance section to enable financial control to be maintained. There should be appropriate segregation of duties, with those reviewing and reconciling cards not holding and using those cards. Details of the operation of the scheme are set out in finance handbook.</p>



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5.4	<p><u>Petty cash</u></p> <p>Small value items may be claimed from petty cash. It must be supported by receipts or vouchers. The finance director shall make available to departments such imprests as they considers necessary for the disbursements of petty cash. However, it is important for security purposes that petty cash imprest floats are kept to a minimum. The member of staff granted a float is personally responsible for the safe keeping of the cash and records. The petty cash box must be kept locked in a secure place in compliance with the requirements of the College insurers when not in use and will be subject to periodic checks by the college management team. 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 submitted to finance.</p>
5.5	<p><u>Purchase orders</u></p> <p>The ordering of goods and services shall be in accordance with the procurement policy. 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. When transferring goods or services between departments, an interdepartmental transfer form must be used. It is the responsibility of the finance director to ensure that all purchase orders refer to the College conditions of contract.</p>
5.6	<p><u>Tenders and quotations</u></p> <p>The college management team must comply with the College procurement policy. Only partnership arrangements for the supply of goods or services specifically approved by corporation will fall outside these arrangements for tenders and quotations. Post-tender negotiations (ie after receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms must be approved in advance by the principal or finance director. Post tender negotiations must not put other tenderers at a disadvantage or affect their confidence and trust in the College tendering process.</p>
5.7	<p><u>EU regulations</u></p> <p>The finance director is responsible for ensuring the College complies with its legal obligations concerning EU procurement legislation. EU 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 purchasing officer will advise heads of department on the thresholds that are currently in operation. A breach of these EU regulations is actionable by a supplier or potential supplier. It is the responsibility of the college management team to ensure that all staff comply with EU regulations by notifying the finance director of any purchase that is likely to exceed the thresholds.</p>
5.8	<p><u>Receipt of goods</u></p> <p>Goods must be received by a member of staff other than the college management team member who approved the order. Goods should be received at designated receipt and distribution points and 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. If the goods are deemed to be unsatisfactory the supplier immediately notified so that they can be collected for return as soon as possible.</p>

5.9	<p><u>Payment of invoices</u></p> <p>The procedures for making payments is specified in the procurement policy. Payments to UK suppliers will normally be made by BACS transfer each week. In exceptional circumstances the Finance Director will authorise other payment methods. The college management team are responsible for ensuring that expenditure within their departments does not exceed funds available. Suppliers should be instructed by staff to submit invoices for goods or services direct to the finance department. Payments should be made against invoices that can be matched to a receipted purchase order approved by the college management team to ensure that:</p> <ul style="list-style-type: none"> • the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory • invoice details are correct, it is arithmetically correct and has not previously been passed for payment • care is taken to ensure that discounts receivable are obtained • an appropriate project code is quoted
5.10	<p><u>Staff reimbursement</u></p> <p>The College procurement policy is in place to enable the majority of non-pay supplies to be procured without staff having to incur any personal expense. However, on occasions, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement under the expenses policy. Where such purchases by staff are planned, the principal and finance director may approve cash advances to staff who are going to incur expenditure on behalf of the College. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to an individual is still outstanding.</p>
5.11	<p><u>Volunteer reimbursement</u></p> <p>The College allows for reimbursement of travel costs and meals when approved in advance and supported by receipts where appropriate. It is the responsibility of the college management team to ensure that payments made to volunteers are correctly administered.</p>
5.12	<p><u>Student payments</u></p> <p>Payments for maintenance and other items to students on behalf of sponsoring organisations shall be made on the authority of the finance director, supported by detailed claims approved by the college management team or bursary officer.</p>
5.13	<p><u>Giving hospitality</u></p> <p>All staff entertaining guests from outside bodies should normally use the College catering facilities. Where this is not the case, approval must be received in advance from the college management team as specified in the College bribery, corruption, fraud and money laundering policy. It is an offence under section 7 of the Bribery Act 2010 for commercial organisations to fail to prevent persons associated with them from bribing another person on their behalf.</p>

6	PAYMENT OF STAFF
6.1	<p><u>Remuneration</u></p> <p>All staff will be appointed to the salary scales approved by corporation and in accordance with appropriate conditions of service. The principal will recommend for corporation approval what other benefits are to be available, such as cars, the basis of their provision and the staff to whom they are to be available. Salaries and other benefits of the principal, clerk and other postholders designated by corporation will be determined by corporation.</p>
6.2	<p><u>Appointment of staff</u></p> <p>All letters of appointment must be issued by the human resources office and signed by the principal. The college management team shall ensure that the finance director and human resources office are provided promptly with all the information they may require in connection with the appointment, resignation or dismissal of staff.</p>
6.3	<p><u>Salaries and wages</u></p> <p>The finance director is responsible for payments of salaries and wages including payments for overtime or services rendered. All payments must be made in accordance with the College procedures and comply with HM Revenue & Customs regulations. The finance director is responsible for keeping all records relating to payroll. All time sheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form approved by the finance director. The human resources office will be responsible for keeping the finance director informed of all matters relating to payroll including:</p> <ul style="list-style-type: none"> • appointments, resignations, dismissals, supervisions, secondments and transfers • absences from duty for sickness or other reason, apart from approved leave • changes in remuneration other than normal increments and pay awards • information necessary to maintain records of service for superannuation, income tax, and national insurance • visa checks where relevant in accordance with legislative requirements
6.4	<p><u>Superannuation schemes</u></p> <p>The corporation is responsible for undertaking the role of employer in relation to appropriate pension arrangements for all staff. The payroll officer is responsible for administering eligibility to pension arrangements and for informing the finance director when deductions should begin or cease for staff. The finance director is responsible for day-to-day superannuation matters including:</p> <ul style="list-style-type: none"> • paying contributions to various authorised superannuation schemes • preparing the annual return to various superannuation schemes • administering the College pension fund(s)
6.5	<p><u>Overseas travel</u></p> <p>All arrangements for overseas travel must be approved by the principal in advance of committing the College to those arrangements. Arrangements for overseas travel by the principal or members of corporation shall be approved by the chair of corporation. Where 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. If College equipment is taken overseas, appropriate arrangements for its security and insurance must be in place.</p>

6.6	<p><u>Expenses and allowances</u></p> <p>The College has dispensation from HM Revenue & Customs to make payments to employees for certain specified items without deduction of income tax. Reimbursement by the College of expenditure not included in the dispensation is subject to the deduction of income tax before payment. All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a format approved by the finance director. All claims must be approved by the college management team. Expenses for the college management team and finance director shall be approved by the principal. Expenses for the principal shall be approved by the finance director or the chair of corporation. Expenses for the corporation shall be approved by the principal or clerk to corporation. Approval shall be taken to mean that:</p> <ul style="list-style-type: none"> • the journeys were authorised • the expenses were properly and necessarily incurred • the allowances are properly payable by the College • consideration has been given to value for money in choosing the mode of transport
6.7	<p><u>Severance and other non-recurring payments</u></p> <p>Severance payments shall only be made in accordance with relevant legislation and funding body guidance and under a scheme approved by corporation. Professional advice should be obtained where necessary. All such payments shall be authorised by the principal and calculations checked by the human resources office. Any amounts which do not fall within contractual obligations require approval by corporation. Amounts paid should be declared in the financial statements. All matters referred to an industrial tribunal shall be notified to the finance director and corporation at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.</p>

7	RISK AND INSURANCE
7.1	The College acknowledges the risks inherent in its business, and is committed to managing those risks which pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance is set out in the College risk management policy , reviewed annually by audit committee.
7.2	The corporation has overall responsibility for ensuring there is a risk management policy and a common approach to the management of risk throughout the College through the development, implementation and embedding within the organisation of a formal, structured risk management process.
7.3	The finance director is responsible for the College insurance arrangements, including the provision of advice on the types of cover available, obtaining quotes, negotiating claims and maintaining the necessary records. As part of the overall risk management strategy, 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 such as terrorism and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be considered and approved by corporation annually. The college management team must give prompt notification to the finance director of any potential new risks, additional property and equipment that may require insurance and any alterations affecting existing risks. The college management team must advise the finance director immediately of any event that may give rise to an insurance claim. The finance director will notify the College insurers and, if appropriate, prepare a claim in conjunction with the college management team.
7.4	All staff using their own vehicles on behalf of the College shall maintain appropriate insurance cover for business use.
7.5	Any member of staff asked to give an indemnity, for whatever purpose, should consult the finance director before any such indemnity is given.

8	ASSETS
8.1	<p><u>Land, buildings and fixed plant</u> The purchase, lease or rent of land, building or fixed plant can only be undertaken with authority from Corporation and with reference to funding body requirements where exchequer-funded assets or exchequer funds are involved.</p>
8.2	<p><u>Fixed asset register</u> The finance director is responsible for maintaining the College's register of land, buildings, fixed plant and machinery. The college management team will provide the finance director with inventories and any other information required to maintain the register.</p>
8.3	<p><u>Stocks and stores</u> The college management team is 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 finance director. Stocks and stores of a hazardous nature should be subject to appropriate security checks. Those stocks that require valuation in the balance sheet must have stock-taking procedures in place in accordance with College financial procedures.</p>
8.4	<p><u>Personal use</u> Assets owned or leased by the College shall not be subject to personal use without approval by the college management team.</p>
8.5	<p><u>Asset disposal</u> Disposal of assets must be in accordance with College financial procedures. Disposal of land and buildings must only take place with the authorisation of corporation. Funding body consent may also be required if exchequer funds were involved in the acquisition of the asset.</p>
8.6	<p><u>Intellectual property rights and patents</u> Certain activities undertaken within the College including research and consultancy may give rise to ideas, designs and inventions which may be patentable. The corporation 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.</p>
8.7	<p><u>Safeguarding assets</u> The college management team are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc under their control. They will consult the finance director in any case where security is thought to be defective or where it is considered that special security arrangements may be needed. Keys to safes or other similar containers must be kept securely at all times. The loss of such keys must be reported to the finance director immediately. A member of the college management team shall be responsible for maintaining proper security and privacy of information held on the College.</p>

9	FINANCIAL MANAGEMENT
9.1	<p><u>Financial Planning</u></p> <p>The finance director is responsible for preparing annually a rolling three year financial plan for approval by corporation and for preparing financial forecasts for submission to the funding body. Financial plans should be consistent with the strategy approved by corporation.</p>
9.2	<p><u>Budget Objectives</u></p> <p>The corporation will, from time to time, set budget objectives for the College. These will help the finance director in preparing their more detailed financial plans for the College.</p>
9.3	<p><u>Resource Allocation</u></p> <p>Resources are allocated annually by corporation on the recommendation of principal, and on the basis of the above objectives. The college management team are responsible for the economic, effective and efficient use of resources allocated to them.</p>
9.4	<p><u>Budget Preparation</u></p> <p>The finance director is responsible for preparing each year an annual revenue budget and capital programme for consideration by the principal before submission to corporation. The budget should also include cash flow forecasts for the year and a projected year-end balance sheet. The finance director must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to the college management team.</p>
9.5	<p><u>Capital Expenditure</u></p> <p>The capital programme includes all expenditure on land, buildings, equipment, it equipment and fixtures and fitting whether or not they are funded from capital grants or capitalised for inclusion in the College financial statements. Expenditure of this type can only be considered as part of the capital programme approved by corporation. The finance director will establish protocols for the inclusion of capital projects in the capital programme for approval by corporation. The corporation will, on advice of the audit committee, agree guidance for the appraisal of major projects and purchases. The finance director will also establish procedures for providing reports and the approval of large variations to corporation and relevant the funding body.</p>
9.6	<p><u>Overseas Activity</u></p> <p>In planning and undertaking overseas activity, the College must have due regard to the relevant guidelines issued by the funding body, exchange rate risk and legal framework.</p>
9.7	<p><u>New Activity</u></p> <p>Any new aspect of business, or proposed establishment of a company or joint venture or overseas activity, which will require an investment in buildings, resources or staff time should be presented to corporation. The College must have due regard to the relevant guidelines issued by the funding body. The finance director will establish protocols for these major developments to enable them to be considered for approval by corporation. These will set out the information that is required for each proposed development including a business plan, using a risk based approach and covering risk and accountability issues, as well as the financial criteria that they are required to meet in the financial procedures.</p>

10	FINANCIAL CONTROL
10.1	<p><u>Budgetary Control</u></p> <p>The control of income and expenditure within an agreed budget is the responsibility of the college management team, who must ensure that day-to-day monitoring is undertaken effectively. The college management team are responsible for the income and expenditure appropriate to their budget. Significant departures from agreed budgetary targets must be reported immediately to the finance director and, if necessary, corrective action taken.</p>
10.2	<p><u>Financial Information</u></p> <p>The college management team are assisted in their duties by management information provided by the finance director. The types of management information available to the different levels of management are described in the financial procedures, together with the timing at which they can be expected. The finance director is responsible for supplying budgetary reports on all aspects of College finances to corporation on a basis determined by corporation but subject to any specific requirements of the funding body. These reports are presented to corporation, which has overall responsibility for the College finances.</p>
10.3	<p><u>Budget Changes</u></p> <p>The principal has delegated authority to approve individual revenue or capital projects up to a level determined by corporation.</p>
10.4	<p><u>Budget Virement</u></p> <p>The finance director must approve budget virements requested in writing by the college management team.</p>
10.5	<p><u>Year End Balances</u></p> <p>At the year end, the college management team will not normally have the authority to carry forward a balance on their budget to the following year unless corporation has approved a major project or specific scheme for carrying forward all or part of unspent amounts. Specific departmental consumables and equipment account balances may be carried forward with the approval of corporation.</p>
10.6	<p><u>Security</u></p> <p>Keys to safes or other similar containers must be kept securely at all times. The loss of such keys must be reported to the finance director immediately. A member of the college management team shall be responsible for maintaining proper security and privacy of information held on the College computer network. A member of the college management team shall be responsible for the provisions of the Data Protection Act and General Data Protection Regulation. The principal is responsible for the safekeeping of official and legal documents relating to the College. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the principal. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.</p>

11	ACCOUNTING ARRANGEMENTS
11.1	The College financial year will run from 1 August until 31 July the following year. The consolidated financial statements are prepared on the historical cost basis of accounting modified by the use of previous valuations as deemed cost at transition for certain non-current assets.
11.2	Financial statements are prepared in accordance with the Accounting for Further and Higher Education 2015 Statement of Recommended Practice, the College Accounts Direction and Financial Reporting Standard 102. The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.
11.3	Except for assets inherited from the Local Education Authority on Incorporation, all land and buildings are valued at historic or deemed cost: the College's buildings are specialised buildings and it is therefore considered inappropriate to value them on the basis of open market value. Land and Buildings at Incorporation are included in the balance sheet at an independent professional valuation carried out at 31 July 1994 and revalued on adoption of FRS102. The associated credit is included in the revaluation reserve. 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 a period set out in the capitalisation and depreciation policy . Land will not be depreciated.
11.4	Expenditure incurred on repair, refurbishment or maintenance of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building is greater than the current book value.
11.5	Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet. Capitalised assets other than land and buildings will be depreciated over a period set out in the capitalisation and depreciation policy . 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.
11.6	<p>The finance director is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities. The finance director will make appropriate arrangements for the retention of electronic records. The College is required by law to retain prime documents for six years. Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder. All staff should ensure that retention arrangements comply with any specific requirements of funding organisations. Prime documents include:</p> <ul style="list-style-type: none"> • official purchase orders • paid invoices • accounts raised • bank statements • copies of receipts • paid cheques • payroll records

11.7	Under the terms of the financial memorandum, corporation is required to supply any person with a copy of the most recent College financial statements within two months of a request. The Act enables corporation to levy a reasonable fee and this will be charged at the discretion of the finance director. The College will also allow members of the public to inspect the statement of accounts during normal working hours and make a summary available on the College website.
11.8	The finance director is responsible for advising the college management team on all taxation issues, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies to the College. The finance director will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national Insurance, corporation tax and import duty. The finance director is responsible for maintaining the College tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.
11.9	Where a deed or document requires the College seal, it must be sealed by the clerk to corporation in the presence of a member of corporation.

12	TREASURY MANAGEMENT
12.1	<p>The corporation is responsible for approving a treasury management policy setting out policies for cash management, long-term investments and borrowings. This will require compliance with any 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 corporation has a responsibility to ensure implementation, monitoring and review of such policies. The finance decision shall make all executive decisions concerning borrowing, investment or financing within the treasury management policy. All borrowing shall be undertaken in the name of the College and shall conform to any relevant funding body requirements. The finance director and their staff are required to act in accordance with CIPFA's code of practice. The finance director will report to corporation termly in each financial year on the activities of the treasury management operation and on the exercise of delegated treasury management powers.</p>
12.2	<p>The corporation is responsible for agreeing an annually reviewed reserves target within the treasury management policy. The Finance Director will report periodically on progress towards this target.</p>
12.3	<p>The corporation is responsible for the appointment of the College bankers and other professional financial advisers (such as investment managers) on the recommendation of corporation. The appointment shall be for a specified period after which consideration shall be given by corporation to competitively tendering the service.</p>
12.4	<p>The finance director is responsible, on behalf of corporation, for liaising with the College bankers in relation to bank accounts. Only the finance director may open or close a bank account for dealing with the College funds. All bank accounts shall be in the name of the College or one of its subsidiary companies. All automated transfers on behalf of the College, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by corporation. Details of authorised persons and limits shall be provided for in the College financial procedures.</p>

13	AUDIT REQUIREMENTS
13.1	<p>External auditors and internal auditors shall have authority to:</p> <ul style="list-style-type: none"> • 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 all staff of the College to account for cash, stores or any other College property under their control • access records belonging to third parties, such as contractors, when required
13.2	<p>The finance director is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly. Following consideration by corporation, the financial statements should be reviewed by the audit committee. On the recommendation of the audit committee, they will be submitted to corporation for approval.</p>
13.3	<p>The external auditors must be reappointed by competitive tendering exercise at least every five years. The primary role of external audit is to report on the College 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 post 16 audit code of practice and the Auditing Practices Board's statements of auditing standards.</p>
13.4	<p>The post 16 audit code of practice removed the requirement for an internal audit service. The audit committee may recommend an internal audit is appointed by corporation, or explain why this is not necessary. The main responsibility of internal audit is to provide corporation, the principal and finance director 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 corporation, principal and audit committee chair.</p>
13.5	<p>It is the duty of all staff and corporation to notify the finance director immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety. The finance director shall immediately act in accordance with the bribery, corruption, fraud and money laundering policy. They will notify the principal and the audit committee (through its chair) of the suspected irregularity and shall take such steps as they consider necessary by way of investigation and report. If the suspected fraud is thought to involve the finance director and/or the principal, the member of staff shall notify the chair of the audit committee direct of their concerns regarding irregularities:</p> <ul style="list-style-type: none"> • The principal shall inform the police if a criminal offence is suspected of having been committed. • Any significant cases of fraud or irregularity shall be reported to the funding body in accordance with its requirements as set out in the audit code of practice. • The audit committee shall commission such investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate. • The internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the audit committee on the suspected irregularity. Such report shall include advice on preventative measures



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13.6	It is a requirement of the financial memorandum that 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, taking into account guidance on good practice issued from time to time by the funding body, the National Audit Office, the Public Accounts Committee or other relevant bodies. Internal audit is to have regard to value for money in its programme of work. This will be used to enable the audit committee to refer to value for money in its annual report.
13.7	The College may, from time to time, be subject to audit or investigation by external bodies such as the funding body, the National Audit Office, HM Revenue & Customs. They have the same rights of access as external and internal auditors.

14	Policies
Staff handbook	Staff disciplinary policy (1.5)
Staff Handbook	Whistleblowing policy (3.4)
Clerk to corporation	Register of interests (3.1)
Clerk to corporation	Register of gifts and hospitality (3.3)
Clerk to corporation	Register of authorised signatories (5.1)
Finance Handbook	Bribery, corruption, fraud and money laundering policy (3.2, 5.13, 13.5)
Finance Handbook	Fees policy (4.5)
Finance Handbook	Emergency and hardship loan policy (4.8)
Finance Handbook	Costing and pricing policy (4.13, 4.14)
Finance Handbook	Procurement policy (5.2, 5.5)
Finance Handbook	Expenses policy (6.10)
Finance Handbook	Risk management policy (7.1, 7.2)
Finance Handbook	Capitalisation and depreciation policy (11.3, 11.5)
Finance Handbook	Treasury management policy (12.1)