Financial Regulations 2025

SLG Owner	Louise Jones
Department/Area	Finance
Date of review	07/05/2025
Date of approval	01/07/2025
Approved by	Corporation
Next review date	06/05/2026
Date of EIA, if appropriate	11/05/2025
Status (delete as appropriate)	Intranet/Website

Table of Contents

GENERAL PROVISIONS

1. Background

1.1 The College is a further education corporation created under the provisions of the Further and Higher Education Act 1992. Its structure of governance is laid down in the Instrument and Articles of Government. The College is accountable through its governing body, which has ultimate responsibility for the effectiveness of its management and administration. The College is an exempt charity by virtue of the Charities Act 1993.

1.2 In March 2024 the DfE published the College Financial Handbook, effective from 1 August 2024. These regulations have been updated to reflect the requirements of the new handbook.

1.3 The funding contracts between the Funding Bodies and the College set out the terms and conditions on which grants are made. The Corporation is responsible for ensuring that conditions of grants are met. As part of this process, the College must adhere to the DfE Framework and guide for external auditors and reporting accountants of colleges, 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 on the College's broad policies relating to financial control and administration. It applies to the College and all its subsidiary undertakings.

2.2 These financial regulations are subordinate to the College's Instrument and Articles of Government and to any restrictions contained within the funding contracts with the regulatory bodies, and the Funding Bodies' Audit Code of Practice.

2.3 The purpose of these financial regulations is to provide control over the totality of the College's resources and provide management with assurances that the resources are being properly applied for the achievement of the College's strategic plan and business objectives. The underlying financial objectives include:

- Financial viability.
- Achieving value for money
- fulfilling its responsibility for the provision of effective financial controls over the use of public funds.
- Ensuring that the College complies with all relevant legislation.
- Safeguarding the assets of the College and ensuring its solvency.

2.4 Compliance with the financial regulations is compulsory for all staff and Corporation Members connected with the College. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the College's disciplinary policy. The Corporation will be notified of any material breach through the Audit Committee.

2.5 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.

2.6 The Corporation is responsible for maintaining a continuous review of the financial regulations, through the Chief Finance Officer (CFO), and for making any additions or changes necessary.

2.7 In exceptional circumstances, the Corporation may authorise a departure from the detailed provisions contained herein. The Audit Committee may also authorise a departure from the detailed provisions herein, such departure to be reported to the Corporation at the earliest opportunity.

2.8 The College's detailed financial procedures set out precisely how these regulations will be implemented and are contained in separate policy documents, which are available to all staff on the college intranet.

2.9 The financial regulations are an integral part of the College's risk management framework. Other important documents include the funding body contracts (including the accountability statement Part 1), the college financial handbook, the Audit Code of Practice and the College Risk Management Policy.

CORPORATE GOVERNANCE

3. Financial Responsibilities

3.1 The Corporation is responsible for the management and administration of the College. The Corporation must take responsibility for the College's financial affairs and for stewardship of assets and must use resources effectively, efficiently and economically, to maximise outcomes for learners. In doing so the Corporation must:

- 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 & Principal and other senior post-holders.
- Set a framework for pay and conditions of service of all other staff.
- Ensure that the financial, planning and other management controls, including controls against fraud and theft, applied by the College are appropriate and sufficient to safeguard public funds.
- Approve the appointment of external auditors and an internal audit service.
- Secure the efficient, economical and effective management of all the College's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in the College is not put at risk.
- Ensure that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution.
- Plan and conduct its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure.
- Approve an annual budget before the start of each financial year.

- Determine tuition fees.
- Ensure that the College complies with the funding body's Audit Code of Practice.
- Approve the College's strategic plan.
- Approve the annual financial statements.

3.2 The Terms of Reference for the Corporation and sub committees define respective financial responsibilities.

3.3 The Chief Executive & Principal is the College's designated Accounting Officer. The Accounting Officer role carries specific responsibilities for financial matters, including a personal responsibility to Parliament and to the Department for Education (DfE) accounting officer, for the College's financial resources.

3.4 In particular, the Chief Executive & Principal must be able to assure Parliament, and the public, of high standards of probity in the management of public funds, particularly regularity, propriety and value for money. The Chief Executive & Principal must adhere to the Seven Principles of Public Life.

3.5 The Chief Executive & Principal shall demonstrate their oversight of financial matters by signing the balance sheet and the statement of regularity, propriety and compliance each year in the College's audited annual report and accounts.

3.6 Financial administration is controlled by the Chief Finance Officer (CFO) who is responsible to the Corporation for:

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

3.7 Members of the Senior Leadership Group (SLG) are responsible to the Chief Executive & Principal for financial management for the areas or activities they control. This includes the economic, effective and efficient use of resources allocated to them.

3.8 They are advised by the CFO in executing their financial duties. The Head of Finance (HoF) will supervise and approve the financial systems operating within departments, including approval of budget holders and the form in which accounts and financial records are kept. Managers are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters including delegation of budgets. Where resources are devolved to budget holders, they are accountable to their member of SLG for their own budget.

3.9 Members of SLG and managers shall provide the CFO with such information as may be required to enable:

- Preparation of the College's financial statements.
- Preparation of the annual budget and in-year forecast outturns.
- Implementation of financial planning implementation of audit and financial reviews, projects and value for money studies.

3.10 All members of staff should be aware and have a general responsibility for the security of the College's property, for avoiding loss and for due economy in the use of resources. They should ensure that they are aware of the College's financial authority limits and the values of purchases for which quotations and tenders are required. They shall make available any relevant records or information to the CFO or their authorised representative in connection with the implementation of the College's financial policies, these financial regulations and the system of financial control.

3.11 They shall provide the CFO with such financial and other information as they may deem necessary, from time to time, to carry out the requirements of the Corporation.

3.12 They shall immediately notify the CFO and HoF whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, or property of the College. The CFO shall take such steps as necessary by way of investigation and report to the Audit Committee.

3.13 The CFO is responsible for reviewing the financial regulations and for presenting a revised version to the Corporation on an annual basis. Authority to implement administrative changes to the financial regulations (such as changes to post titles for responsible staff) is delegated to the Chief Executive & Principal and CFO; substantive changes (such as delegated authority levels) require the approval of the Corporation.

3.14 The CFO is also responsible for ensuring that the financial information requirements of the regulator and the banks are met. Any failure to meet these deadlines is reported to the Chief Executive & Principal, together with an explanation for the delay.

4. Risk Management

4.1. 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.

4.2. 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 and its subsidiaries through the development, implementation and embedding within the organisation of a formal, structured risk management process.

4.3. In line with this policy, the Corporation requires that the risk management plan and supporting procedures include:

- The adoption of common terminology in relation to the definition of risk and risk management.
- The establishment of group-wide criteria for the measurement of risk, linking their potential impact and the likelihood of their occurrence.
- A decision on risk appetite and the level of risk to be accepted, expressed in terms of measurable outcomes.
- A decision on the level of risk to be covered by insurance (see section 24).
- Detailed regular review by SLG 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 sub-committees, Corporation and subsidiary board of all risks above established tolerance levels.
- An annual review of the implementation of risk management arrangements.
- The policy and procedures must be capable of independent verification.

4.4. Managers must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the College may be exposed. The CFO's advice should be sought to ensure that this is the case.

5. Whistleblowing

5.1. Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistle-blower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential, and whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

5.2. Normally, any concern about a workplace matter at the College should be raised with the relevant member of staff's immediate line manager or head of department. 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.

5.3. A member of staff may, therefore, make the disclosure to the Director of Corporate Governance. If the member of staff does not wish to raise the matter with this person, it may be raised with the Chair of the Audit Committee or, if that is not appropriate, the Chair of the Corporation.

5.4. The full procedure for whistleblowing is set out in the College's whistleblowing procedure, which is available through Human Resources and located on the College intranet.

6. Code of Conduct

6.1. The College expects that staff will act in the best interests of the College and observe the College's code of conduct which reflects the seven principles of public life:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

6.2. Additionally, members of the Corporation, senior leaders or those involved in procurement are required to disclose interests in the College's register of interests maintained by the Director of Corporate Governance. 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.

6.3. In particular no person shall be a signatory to a College contract where they also have an interest in the activities of the other party.

7. Gifts and Hospitality

7.1. The College has a zero-tolerance policy towards bribery and corruption. It is an offence under the Bribery Act 2010 for members of staff to accept any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all members of staff must be:

- The conduct of individuals should not create suspicion of any conflict between their official duty and their private interest.
- The action of individuals acting in an official capacity should not give the impression (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.

7.2. Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality.

7.3. However, the Bribery Act 2010 does allow hospitality or promotional expenditure, which is 'proportionate and reasonable'. For further detailed guidance, staff and governors should refer to the College's Gifts and Hospitality Policy.

7.4. It is important to stress in this document that Dudley College of Technology transcends an ethos of transparency and openness and will therefore continue to actively enforce an anti-bribery and corruption ethos in all of its operations.

8. Money Laundering

8.1. The Proceeds of Crime Act 2002 criminalises money laundering and the Anti-Money Laundering (Amendment) Regulations of 2019 which came into force on 24 May 2019, place obligations on those involved in 'relevant businesses' to establish procedures to reduce the likelihood of financial irregularity.

8.2. The College is likely to be regarded as a 'relevant business' and the CFO is responsible for ensuring compliance with Proceeds of Crime and Money Laundering Regulations. The CFO is also the 'Nominated Officer' for the purposes of the Money Laundering Regulations 2019.

8.3. If staff have concerns regarding any financial transaction, they should contact the HoF for advice. Where possible this should be done before the transaction takes place. In accordance with Money Laundering Regulations, the employee may be required to prepare a suspicious activity report (SAR) for the CFO.

9. Bribery

9.1. Under the Bribery Act 2010, it is an offence for members of staff to accept any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The College prohibits staff and Corporation members from offering, giving, soliciting or accepting any bribe. The bribe might include cash, a gift or other inducement, to or from any person or organisation, wherever they are situated and irrespective of whether or not they are a public official/body or private person or company, by any individual governor, employee, agent or other person or body acting on the College's behalf. The bribe might be made in order to:

- Gain any commercial, contractual or regulatory advantage for the College in a way which is unethical.
- Gain any personal advantage, pecuniary, or otherwise, for the individual or anyone connected with the individual.

9.2. This regulation is not intended to prohibit appropriate corporate entertainment and/or hospitality undertaken in connection with the College's business activities, provided the activity is customary under the circumstances, is proportionate, and is properly recorded/disclosed to the College in accordance with its procedures – all such activities being reported to the Director of Corporate Governance.

9.3. Staff and Corporation members are requested to remain vigilant in preventing, detecting and reporting bribery. Staff and Corporation members are expected to report any concerns regarding any suspected bribery in accordance with the College's Anti-Bribery and Corruption Policy.

10. Related Party Transactions

10.1. College policy is that Governors are not remunerated for their work as a Governor, but Governors may be re-imbursed for incidental expenses incurred in carrying out such duties. Such incidental expenses may include travel costs to an externally hosted event attended on behalf of the College.

10.2. Owing to the nature of the College's operations and the composition of the board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Corporation may have an interest. All transactions involving such organisations must be conducted at arm's length and in accordance with the College's normal procurement procedures.

FINANCIAL MANAGEMENT AND CONTROL

11. Financial Planning and Control

11.1. The CFO is responsible for preparing annually a financial plan for approval by the Corporation and for preparing financial forecasts for submission to the funding body. Financial plans should be consistent with the strategic plans and estates strategy approved by the Corporation, must ensure the group's financial sustainability and reflect longer term financial planning.

11.2. The Corporation set and regularly review the College's level of reserves and this is set out in the Reserves Policy.

11.3. **Budgeting**

The Chief Executive & Principal in consultation with the CFO is responsible to the Corporation for preparing the annual income and expenditure and capital expenditure budget. The annual budget shall be considered and approved by the Corporation prior to 31 July each year for the following financial year.

The Corporation shall not delegate the approval of the annual budget and will approve the budget by resolution, following rigorous scrutiny of recurrent and capital budgets.

The Chief Executive & Principal and CFO are empowered to designate members of staff as budget holders. Budget holders shall be responsible for the control and monitoring of expenditure within budgets allocated to them.

The Chief Executive & Principal shall be accountable to the Corporation for effective budgetary control within the approved revenue and capital budgets.

Budget holders shall submit such information to the CFO or their nominee as is necessary to enable annual estimates of revenue income and expenditure and capital expenditure to be submitted by the Chief Executive & Principal to the Corporation for their approval.

Pay budgets for teaching departments will be calculated and agreed by the Chief Executive & Principal, the CFO, the Director of Human Resources and the budget holder based on an estimate of learner numbers and required teaching hours. This budget will be reviewed following actual enrolment and appropriate adjustments then made to the original budget to reflect any course changes.

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

All capital projects should be detailed separately in the annual capital budget. However, the capital budget may include general provisions for projects or items not specified at the time of the budget approval.

The CFO will also establish procedures for the approval of variations, including the notification of large variations to the regulator, as laid down in the funding contracts and other guidelines.

For capital building projects over £1 million, the Executive Director of Estates and Capital Projects will provide progress reports to the Finance and Estates Committee. A post-project evaluation or final report should be submitted to the Corporation 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 regulator as laid down in their guidelines.

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. The budget holder will be assisted in this duty by management information provided by the HoF. Budget holders are responsible for establishing and maintaining clear lines of responsibility within their areas for all financial matters.

Budget holders may be granted permission to transfer (vire) monies between cost centres within the same department.
Authority for this should be obtained in advance from:
- £0-£10,000 the HoF
- £10,001-£100,000 the CFO;
- >£100,001 The Chief Executive and Principal.

Budget holders are accountable for their budgets and must under no circumstances exceed the total budget allocated to them. Any budget holder who fails to comply with this may be subject to disciplinary action under the College's disciplinary policy.

Any potential departures from agreed budgetary targets must be reported immediately to the CFO by the budget holder concerned and, if necessary, corrective action taken.

The Chief Executive & Principal may authorise transfers between income and expenditure cost centres and capital projects provided that:

a) the College budget operating surplus will not be reduced during the current financial year, and
b) there will be no additional financial commitment, as a result, in subsequent financial years
c) the amount transferred is less than £100,000
d) virements of capital projects will be limited as specified in Appendix E of these regulations

Transfers greater than £100,000 require the authorisation of the Corporation. Any increase in budgeted expenditure will be authorised as specified in Appendix E of these regulations. In urgent cases the Chair of the Corporation and the Chief Executive & Principal jointly have power to act on behalf of the Corporation. Such action will be reported to the Corporation at the earliest opportunity.

11.4. Financial Information

Management accounts are to be prepared on a monthly basis by the CFO. Detailed management accounts must be distributed to the Senior Leadership Group, with the latest accounts provided to the Finance and Estates Committee and Corporation at each meeting.

The Corporation requires that appropriate action is taken to maintain financial viability, including addressing variances between the budget and actual income and expenditure. Key financial performance indicators are approved by the Corporation within the Strategic Plan and performance against these is included in the management accounts and within the Corporation's annual strategic report.

A revised budget will be undertaken at the five month point of the financial year. The results of which will be reported to the Corporation for approval. An annual statement comparing the actual financial results with the revised budget will be presented to the Corporation.

Budget holders will receive a monthly summary of their cost centre(s); they are also able to access the finance system to obtain a break down into the individual transactions.

12. Accounting Arrangements

12.1. Financial year

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

12.2. Basis of accounting

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

12.3. Format of the Financial Statements

The financial statements are prepared in accordance with the 2019 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.

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 £3,000 or more. Grouped items (eg a suite of computers) with an individual value of less than £3,000, but a group value of £3,000 or more, may be capitalised. Capitalised assets other than land and buildings will be depreciated over a varying number of years commencing in the year of acquisition, as per College's depreciation policies.

12.5. Accounting Records

The CFO 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:

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

The CFO will make appropriate arrangements for the retention of electronic records.

Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as devolved authorities and in accordance with European Legislation, where relevant.

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

The coding structure (cost centre, account and project codes) will be provided by the

CFO with a view to the preparation of appropriate and efficient management information to all users. The opening of new account codes or cost centres shall be actioned by finance staff after approval by the HoF.

12.6. Public Access

Under the terms of the funding agreement, the College's most recent financial statements are uploaded onto the College's website for public access within one month of the date of signature of the financial statements, maintained there for a period of three years and available on request to members of the public, for which a fee may be payable for printing and postage costs.

12.7. Taxation

The CFO is responsible for advising managers, 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 CFO will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.

The CFO 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.
- Request 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 their control; and
- Access records belonging to third parties, such as contractors, when required.

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

The consolidated group financial statements should be reviewed by the Finance and Estates Committee, and by the Audit Committee. On the recommendation of the Finance and Estates and the Audit Committees, they will be submitted to the Corporation for approval. Financial statements for subsidiary companies will be approved by the appropriate Board of Directors.

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 framework and guide for external auditors and reporting accountants of colleges, 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 condition of funding contract 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 college financial handbook. The main responsibility of internal audit is to provide the Corporation, the Chief Executive & Principal and senior post holders 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 & Principal and Chair of the Audit Committee. The formal responsibilities of internal audit are detailed at Appendix G.

13.4. Fraud and Corruption

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

The CFO shall immediately invoke the fraud and bribery response plan, which incorporates the following key elements (see Appendix H for full details):

- They will notify the Chief Executive & 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.
- The Chief Executive & Principal shall inform the police if a criminal offence is suspected of having been committed.
- Any significant cases of fraud or irregularity shall be reported to the funding body in accordance with their requirements as set out in the audit code of practice.
- 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.

If the suspected fraud is thought to involve the CFO and/or Chief Executive & Principal, the member of staff or Corporation member shall notify the Chair of the Audit Committee, via the Director of Corporate Governance, of their concerns regarding irregularities.

13.5. Value for Money

It is a requirement of the condition of funding contract 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, taking into account guidance on good practice issued from time to time by the Education & Skills Funding Agency, 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 DfE, National Audit Office, European Court of Auditors and HMRC. These auditors have the same rights of access as external and internal auditors.

14. Income

14.1. General

The CFO 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 CFO.

The CFO must be promptly notified by budget holders within the College of all income, grants and other funds due to the College.

The Fee Policy is approved annually by the Corporation Board.

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

The CFO is responsible for ensuring that all grants notified by the DfE and other bodies are received and appropriately recorded in the College's accounts.

The CFO is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

14.2. Appointment of Bankers

The Corporation is responsible for the appointment of the College's bankers. The appointment shall be monitored by the Finance and Estates Committee with consideration being given to competitively tendering the service.

14.3. Banking Arrangements

The CFO is responsible, on behalf of the Corporation, for liaising with the College's bankers in relation to the College's bank accounts.

Only the CFO may open or close a bank account or an internet-based Payment Services Provider account (PSP) for dealing with the College's funds. All bank accounts and PSP accounts shall be in the name of the College or one of its subsidiary companies.

The CFO is responsible for establishing appropriate safeguards and procedures for administering the College's bank accounts, including internet banking.

The authorised signatories will be determined by the Corporation with any changes subject to Corporation approval.

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 the Corporation.

The CFO is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate. The College and its subsidiaries must obtain DfE prior approval for new borrowing or amendment to existing private sector borrowing.

14.4. 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 CFO of sums due so that collection can be initiated.

14.5. 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 unless otherwise agreed with the HoF, together with the form in which they were received, for example cash, cheques and other negotiable instruments.

An official College receipt, in a format approved by the CFO, must be offered to every cash payee at the time of payment. Receipt books are controlled stationery and shall be issued on request by the CFO.

All monies received must be paid promptly to the Finance Department, and in accordance with a timetable prescribed by the CFO and set out in financial procedures. The custody and transit of all monies received must comply with the requirements of the College's insurers.

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

Receipts by credit or debit card: the College may only receive payments by debit or credit card using procedures approved by the CFO.

14.6. Collection of Debts

The Head of Finance will ensure that:

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

The CFO is responsible for ensuring appropriate credit arrangements and indicating a period in which different types of invoice must be paid.

14.7. Write Offs

Consideration
Before proposing a write-off, the College must consider and clearly document (with legal advice as appropriate):

- The circumstances
- Reasons
- Cost effectiveness
- Good/bad faith
- Fraud
- Internal Controls

The College should maintain an up-to-date record of losses, which includes:

- The nature, gross amount and cause of each loss.
- The action taken, total recoveries and date of write-off, where appropriate.

DfE approval process
DfE consent to a write-off will only be required if:

- The write-off exceeds 1% of annual income or £45k individually (whichever is smaller).
- The write-off takes the College's cumulative total write-offs for the academic year beyond 5% of its annual income or £250k (whichever is the smaller).

For these purposes, income will be the budgeted total income for the current year as approved by the Corporation.

In dealing with individual cases, the College will always consider the soundness of the internal controls systems, the efficiency with which they operate and will take any necessary steps to prevent any failing recurring.

College approval

Requests to write off debts in excess of £10,000 must be referred in writing to the CFO for submission to the Corporation for consideration. Debts below this level may be written off with the approval of the CFO. The CFO will provide the Audit Committee with an annual review of debts written off.

14.8. Student Fees

The procedures for collecting tuition and other fees must be approved by the CFO. They are 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 risks being excluded from attending classes and may have services withdrawn 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.

14.9. Security of Documents

The CFO 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 CFO. All such documents shall be held in an appropriately secure digital location.

15. Grants and Contracts

15.1. Applications

The CFO is responsible for examining every formal application for grant and shall ensure that there is adequate provision of resources to meet all commitments. The CFO 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.

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

15.2. 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.

16. Other Income-Generating Activity

16.1. Private Consultancies and Other Paid Work

Unless otherwise stated in a member of staff's contract:

- Outside consultancies or other paid work may not be accepted without the consent of a member of the Executive (in the case of members of the Executive, the Chief Executive & Principal; and in the case of the Chief Executive & Principal, consent must be obtained from the Chair of the Corporation).
- 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 such work must be kept by the relevant executive and copies provided to HR where the work has been approved.

16.2. Sub-Contracting and Partnerships

Subcontracting is defined as any delivery to a programme of learning by a third party. It does not matter if this is by a third party recruited to deliver on site (travel to teach), online learning or whether it is described as a service. If that delivery contributes in any way to the learner's programme of study and is delivered by someone or an organisation not directly under the control of the College then this is considered to be subcontracted delivery.

A subcontractor is therefore a third party that is engaged in a contractual and legally binding arrangement, to deliver education and training provision that the DfE or WMCA funds. All such arrangements must be subject to the following procedure.

The College will demonstrate that the proposed arrangement aligns with the College's strategic plan and that procurement complies with funding body requirements. The Corporation shall approve the College's subcontracting plan prior to the academic year and the College will make the appropriate declaration with each relevant funding body.

There shall be a contract signed by the CFO 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 will only be awarded to legal entities that the Corporation and Chief Executive & Principal determine are of high quality and low risk. If the legal entity is a registered company, it must be recorded as 'Active' on the Companies House database. Contracts will not be awarded if:

- It has an above average risk warning from a credit agency.
- It has passed a resolution (or the court has made an order) to wind up or liquidate the company, or administrators have been appointed.
- The statutory accounts are overdue.

The Corporation must be satisfied that all subcontracting enhances the quality of the offer to learners. The College must robustly manage and monitor all the subcontractors to ensure that high-quality delivery is taking place that meets the specific funding requirements for each programme being delivered.

The College will remain ultimately responsible for all provision subcontracted. If the sub-contractor fails to deliver, the College will be responsible for making alternative arrangements for the delivery of education and training.

The College will ensure that learners and employers supported through subcontracting arrangements know about the College's and the subcontractor's roles and responsibilities in providing the learning. Monitoring and compliance checks will be in accordance with guidance provided by the relevant Funding Agency.

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.

16.3. Other Matched Funding

Any such project requires the approval of the CFO prior to any commitment being entered into. Such approval shall be dependent upon the relevant budget holder being able to demonstrate that eligible match funds are available and that the project has a positive financial return.

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.

16.4. Profitability and Recovery of Overheads

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 by the CFO within the business planning process.

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

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

16.5. 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 Assistant Principal.

17. Intellectual Property Rights

17.1. 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.

17.2. Patents

The Finance and Estates 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.

17.3. 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.

18. Expenditure

18.1. General

The CFO is responsible for ensuring appropriate arrangements to making payments to suppliers of goods and services to the College.

18.2. Scheme of Delegation/Financial Authorities

The scheme of delegation maintains robust internal controls; it is approved by the Corporation and reviewed every three years, or more often if needed.

Managers are responsible for purchases within their area. The raising of payment requests or purchase requisitions may be delegated to named individuals within a department, however the authority to commit expenditure against a budget cannot be delegated by a budget holder. Budget holders and those with delegated responsibility are required to observe the purchasing policies and financial procedures. The Head of Finance shall maintain a register of authorised signatories and budget holders must supply them with specimen signatures of those with delegated authority to commit expenditure on behalf of the College.

Any employee of the College who has any pecuniary, family or other interest, direct or indirect, in any supplier of goods or services to the College, shall be responsible for making a declaration of interest to the Director of Corporate Governance.

Budget holders are not authorised to commit the College to expenditure without first reserving sufficient funds (normally via an official purchase order) to meet the purchase cost in the current budget year and, where appropriate, ensuring continued provision in projected budget years.

The member of staff (or budget holder) authorising the invoice for payment must be different from the member of staff responsible for inputting the purchase order. Expenditure on a single item in excess of £10,000 shall require the approval of the CFO. The summary of financial limits is detailed in Appendix E.

18.3. **Procurement**

The College is bound by the requirements of public sector procurement and must demonstrate that public funds have been used as intended by Parliament. The procurement policy sets out the College's approach to procurement and is approved by the Corporation.

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 procurement policy.

The Procurement Co-ordinator is responsible to the Head of Finance for:

- Ensuring that the College's procurement policy and associated procedures are known and observed by all involved in purchasing for the College.
- Advising on matters of College purchasing procedures and practice.
- Advising and assisting departments where required on specific departmental purchases.
- Developing appropriate standing supply arrangements on behalf of the College to assist budget holders in meeting their value for money obligations.
- Vetting all orders above £3,000 before they are approved.
- The drafting and negotiation of all large-scale purchase contracts (generally in excess of £50,000) undertaken by the College, in collaboration with the responsible department; and
- Ensuring that the College complies with relevant regulations on public purchasing.

18.4. **Purchase Orders**

The ordering of goods and services shall be in accordance with the College's procurement policy/purchasing procedures.

Official College orders must be used for the purchase of all works, goods or services, except those made using College credit cards, petty cash payments, or other exemptions approved by the CFO.

Official orders shall not be raised for any personal or private purchases, nor shall personal or private use be made of College contracts.

It is the responsibility of the Procurement Co-ordinator to ensure that all purchase orders refer to the College's conditions of contract.

No contractual relationship or inferred contractual relationship should be entered into with a supplier without an approved official purchase order first being in place.

18.5. **Tenders and Quotations**

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

- Under £3,000 (except for Amazon orders, where threshold = £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 £3,001 to £20,000 – the budget holder shall be required to obtain at least three quotations unless the requirement is waived by the Head of Finance or the Finance Manager.
- From £20,001 to £PCR threshold – the budget holder shall be required to obtain three written quotations unless the requirement is waived by the Chief Finance Officer.
- Over £PCR threshold – all items will require a minimum of three competitive tenders unless the requirement is waived by the Chief Executive & Principal.
- The award of contracts over £100,000 shall be reported to the Finance and Estates Committee.

Where a budget holder regularly uses a supplier for goods and services, an annual test of value for money, as outlined above, can be applied to the aggregate annual spend. See also Appendix C for the College's key tendering principles.

The Corporation may wish to monitor contracts of a higher value through the Finance and Estates Committee.

The finance team will review expenditure and may request confirmation from the budget holder that value for money has been obtained and will highlight any potential issues to the CFO.

18.6. 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 Co-ordinator to ensure compliance with legislation and Financial Regulations.

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

- Background to the procurement.
- Reasons for proposing post-tender negotiations.
- Demonstration of the improved value for money.

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

18.7. Contracts

Conditions of contract for the purchase of goods or services will be followed as described in the College's detailed financial procedures.

All contracts, agreements, leases or other forms of contractual documentation will be the responsibility of the CFO who will ensure the acceptability of their terms and provisions in relation to college policy, the condition of funding contract, the college financial handbook, relevant legislation and the Financial Regulations.

Contract proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the CFO as appropriate. Investment appraisals should comply with appropriate funding body guidance.

No contract, or similar document, will be binding upon the College unless authorised in accordance with Appendix E of these Regulations.

Contracts may be extended on a 3+1+1 basis, meaning an initial term of three years with the option to extend for two additional one-year periods. The decision to extend a contract will be based on performance reviews and the continued alignment with the College's strategic objectives and financial regulations. Where the value of the annual contract exceeds £100,000, Finance and Estates Committee will be notified.

18.8. Public Procurement Regulations 2023

The CFO is responsible for ensuring the College complies with its legal obligations concerning procurement legislation. UK 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 CFO will advise heads of department 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 budget holders to ensure that their members of staff comply with regulations by notifying the CFO of any purchase that is likely to exceed the thresholds. This will need to be done well in advance to permit advertisements in journals such as the Find a Tender Service.

The Procurement Act 2023 became effective on 25th February 2025. This legislation lays out new rules and procedures for central government departments, their arms-length bodies and the wider public sector when selecting suppliers and awarding contracts with a value above certain thresholds.

The CFO 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 CFO.

18.9. 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.

Approval of invoices via the finance system will mean that goods have been received and are of the appropriate standard. 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.

18.10. Payment of Invoices

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

The Head of Finance 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 at least once a month. Budget holders are responsible for ensuring that expenditure within their departments does not exceed funds available.

Suppliers should be instructed by the budget holder to submit invoices for goods or services directly to the finance department.

Payments will only be made by the Head of Finance against invoices that can be matched to a receipted order (electronic system).

Receipting an electronic order will ensure that:

- The goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory.
- Where appropriate, it is matched to the order.
- Invoice details (quantity, price discount) are correct.
- The invoice is arithmetically correct.
- The invoice has not previously been passed for payment.
- 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.

18.11. **Staff Reimbursement**

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

Where such purchases by staff are planned, the CFO and the relevant 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.

Reimbursement of staff expenses will be made through the payroll system administered by Human Resources and not by Petty Cash.

18.12. **College Credit Cards**

Where appropriate, the Chief Executive & Principal or the CFO 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.

Holders of college credit cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Cards must not be loaned to another person, nor should they be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs.

The Head of Finance will be responsible for setting in place a system to monitor the use of college credit cards and account for expenses charged through them. The Procurement Co-ordinator shall determine what information is required on purchases made with credit cards from cardholders and deadlines for receipt in the finance section to enable financial control to be maintained and cardholders must provide that information.

18.13. **Petty Cash**

Petty cash should only be used where a purchase cannot be made via the standard finance system or use of the college credit card. Petty cash expenditure should not exceed £20. The Head of Finance shall make available to departments such as they consider 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 annual checks by the finance team.

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.

18.14. **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:

- Small businesses can charge interest on overdue invoices.
- Interest is chargeable on sales made after 1 November 1998.
- The rate of interest is currently 8% per annum above the official daily rate of the Bank of England.
- The Act also applies to overseas organisations.
- The College can be sued for non-payment.

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

18.15. **Project Advances**

The CFO and the relevant manager 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 will 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.

18.16. Providing Hospitality

Staff entertaining guests from outside bodies at lunch time should normally use the College's catering facilities. Any alternative arrangements must be approved in advance by the CFO or HoF.

The limits concerning acceptable expenditure for entertaining guests are set out in the College's Gifts and Hospitality Policy.

18.17. Special Payments

Certain transactions may fall outside of the College's planned range of activity and may exceed statutory and contractual obligations. Special payments are therefore subject to greater control than other payments. They include:

- Staff severance payments.
- Compensation payments.
- Ex-gratia, extra-contractual, extra statutory and extra-regulatory payments.

Such payments need to be justified in the public interest against key public sector principles and require DfE approval. Further details can be found in Appendix I.

18.18. Novel, Contentious and Repercussive Transactions

Novel, contentious and repercussive transactions must always be referred to DfE for approval and the request must be made to DfE before the transaction occurs. Sufficient time should be allowed for proposals to be considered, given that approval may also be needed from HM Treasury.

- Novel transactions are those of which the college has no experience or are outside its range of normal business.
- Contentious transactions are those that might cause criticism of the college by Parliament, the public or the media.
- Repercussive transactions are those that may have wider financial implications for the sector or which appear to create a precedent.

There is no financial threshold in relation to novel, contentious or repercussive financial arrangements.

18.19. Indemnities, Letters of Comfort and Guarantees

The College may take on liabilities by:

- providing indemnities.
- writing a letter or statement of comfort.

- Issuing specific guarantees.

Such contingent liabilities mean that future expenditure may arise if certain conditions are met, or certain events happen. For this reason, DfE approval may be required in certain cases.

19. Pay Expenditure

19.1. Remuneration Policy

All college staff will be appointed to the salary scales approved by the Chief Executive & Principal under delegated authority from the Corporation and in accordance with appropriate conditions of service. All letters of appointment or variations in conditions of service must be issued by the Human Resource department.

Salaries and other benefits for senior post holders including the Director of Corporate Governance will be determined by the Corporation as set out within the Senior Post Holder Remuneration Policy.

19.2. Appointment of Staff

All contracts of service shall be concluded in accordance with the College's approved human resource practices and procedures and all offers of employment with the College shall be made in writing by the Director of Human Resources. Budget holders shall ensure that the Director of Human Resources is provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

19.3. Salaries and Wages

The Director of Human Resources is responsible for ensuring correct 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 Human Resources.

The Director of Human Resources is responsible for ensuring correct payments to non-payroll workers and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.

The Director of Human Resources shall be responsible for ensuring all records relating to payroll including those of a statutory nature, are properly kept.

All payments must be made in accordance with the College's detailed payroll procedures and comply with His Majesty's Revenue and Customs regulations.

19.4. Superannuation Schemes

The Payroll Officer is responsible for day-to-day superannuation matters, including:

- Paying contributions to various authorised superannuation schemes.

- Preparing the annual return to various superannuation schemes.
- Administering the College's pension fund.

The Director of Human Resources is responsible for administering eligibility to pension arrangements and for deciding when deductions should begin or cease for staff.

19.5. Agency Staff

Orders for agency staff should only be made by the written approval of the Director of Human Resources and HoF, following Executive approval. Other members of staff must not place orders directly with a supplier of agency staff.

19.6. 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 Human Resources and in accordance with the rules set out in the College's business expenses policy.

Claims by members of staff must be authorised by their Head of Department (or Chief Executive & Principal in the case of Executive post holders). The certification by the Head of Department shall be taken to mean that:

- The journeys were authorised.
- The expenses were properly and necessarily incurred.
- The allowances are properly payable by the College.
- Consideration has been given to value for money in choosing the mode of transport.

Arrangements for reimbursement for travel by:

- The Chief Executive & Principal shall be approved by the CFO.
- The Director of Corporate Governance shall be approved by the Chief Executive & Principal.
- Members of the Corporation shall be approved by the Director of Corporate Governance.

19.7. Overseas Travel

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

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.

19.8. Severance Payments

Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the Corporation. DfE approval is required for special staff severance payments, which are set out in the college financial handbook.

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 & Principal and calculations checked by the Director of Human Resources.

Amounts paid should be declared in the financial statements.

All matters referred to an industrial tribunal shall be notified to the Corporation at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

19.9 Senior Pay Controls

For new appointments with proposed remuneration at or above £150,000 or the pro rata equivalent for part-time staff or performance related pay above £17,500 approval is required before the post is advertised. For existing staff, approval must be sought in relation to any adjustment of total remuneration or terms and conditions which takes an individual to, or above, this threshold.

For existing staff whose remuneration meets or exceeds the threshold, approval is required for pay awards above 9%. For remuneration below the threshold approval is not required where a pay award up to and including 9% takes remuneration above the threshold.

20. Assets

20.1. Land, Buildings, Plant and Equipment

The commitment to purchase, lease (long-term) or rent land, buildings, plant or equipment can only be undertaken with authority from the Corporation. Contracts for the acquisition, disposal or leasing of land and property will be authorised as specified in Appendix E of the Regulations.

The Head of Finance is responsible for maintaining the College's register of land, buildings, plant and equipment, whether purchased or leased. Budget holders will provide the Head of Finance with any information they may need to maintain the register.

20.2. Inventories

Managers are responsible for maintaining inventories, in a form prescribed by the CFO, for all plant, equipment, furniture and stores in their departments with a value in excess of £100. The inventory must include items donated or held on trust. Inventories must be checked at least annually as described in the College's detailed financial procedures.

When transferring assets, for example equipment, between departments, a transfer record must be kept and the inventories amended accordingly.

20.3. Stocks and Stores

Managers are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their areas. The systems used for stores accounting in departments must have the approval of the CFO.

Managers 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.

Those managers whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the CFO and that instructions to appropriate staff within their departments are issued in accordance with advice contained in the College's detailed financial procedures.

20.4. Security of Assets

Managers are responsible for the care, custody and security of the buildings, stock, stores, furniture and cash under their control. They will consult the CFO 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 are to be stored in a key safe or carried on the person of those responsible at all times. The loss of such keys must be reported to the CFO immediately.

College property shall not be removed from the College premises unless in accordance with the ordinary course of the College's activities or otherwise used for the purposes except when authorised by a specific instruction of the Chief Executive & Principal or CFO.

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

20.5. Personal Use

Personal use of assets owned or leased by the College is allowed only where such use has received prior approval by the Chief Executive & Principal or CFO.

20.6. Asset Disposal and Impairment

The college can dispose of fixed assets without DfE's approval. This is subject to:

- The proposed disposal not being novel, contentious or repercussive.
- Maintaining the principles of regularity, propriety and value for money.

However, here are restrictions regarding how a college may use the proceeds of any fixed asset disposal, depending upon the type of asset:

- Moveable fixed assets.
- Land and buildings.
- Novel, contentious and repercussive disposals.

20.6.1. Moveable fixed assets

In the case of moveable fixed assets (i.e. non land and buildings such as vehicles, IT kit, etc.) the college must consider:

- Whether the assets concerned may have been acquired with the assistance of a grant or donation from a third party, including (but not limited to) DfE and whether the conditions of any such grant or donation set terms relating to the disposal or the use of proceeds of disposal.
- Whether there are plans in place to ensure that:
  - investment in moveable fixed assets is sufficient to ensure the ongoing ability of the college to deliver appropriate provision for learners is not depleted, and
  - moveable fixed assets can be replaced and/or upgraded when they reach the end of their economic life, if required.

Subject to the above, the college may apply the proceeds of disposal (if any) at its own discretion, subject to the usual considerations as set out above.

Disposal of equipment and furniture must be in accordance with procedures agreed by the Corporation and limits detailed in Appendix E. All asset disposals should be communicated to the finance department in a timely manner.

20.6.2. Land & Buildings

In the case of land and buildings (whether freehold or leasehold), the proceeds of disposal must be used for capital reinvestment in further fixed assets and/or to:

- Repay loans, to DfE and to banks.
- Repay any overpayments of DfE grants, or satisfy grant conditions where a repayment to DfE is due (for example overage).
- Exceptionally, provide working capital for colleges to avoid the risk of insolvency.

Approval must be sought from the DfE for the use of proceeds from the disposal of land and buildings for the purpose of avoiding insolvency. This process should begin in good time and well in advance of the disposal itself.

Disposal of land and buildings must only take place with the authorisation of the Corporation.

20.6.3. Novel, contentious and repercussive disposals

Colleges need to consider whether any particular disposal could be considered novel, contentious or repercussive. DfE has produced separate guidance on transactions that may be considered to be novel, contentious or repercussive, which stresses that it is not practical to set out an exhaustive list of examples. In the case of asset disposals, such instances could include (but are not limited to) sale and lease-back arrangements, disposal of sites that are considered a community amenity, disposals to a related party, gifts or disposals that are below market value. The perception of the transaction may be as important as its substance, and in such cases, the college must ask DfE for permission for the disposal itself as well as for the application of the proceeds.

20.6.4. **Impairment**

Impairment refers to the decline in the future economic benefits or service potential of an asset, over and above the use reflected through depreciation.

At each reporting date, the CFO will carry out an annual review of impairment indicators and will take into consideration both internal and external factors in accordance with the minimum considerations identified in FRS 102. If impairment indicators are identified and are considered material in nature, all recoverable amounts and subsequent impairment losses will be calculated in accordance with FRS 102.

Impairment testing will be carried out on all classifications of property and any individual non-property assets with a net book value in excess of £100,000 at the reporting date.

Colleges should use the DfE college approvals form to request permission for any transactions beyond the permissions outlined above.

Where approval is not required by DfE, you still must be able to show you applied the proper scrutiny to the case. Relevant decisions must be documented and their benefits outlined in a business case. This must be provided to DfE in a timely manner, if requested.

21. Treasury Management

The Corporation is responsible for approving a Treasury Management Policy statement setting out a strategy and policies for cash management, long-term investments and borrowings. The Corporation also has a responsibility to ensure implementation, monitoring and review of such policies.

The CFO will report on the activities of the treasury management operation and on the exercise of treasury management powers delegated to them.

An annual treasury management policy is prepared by the CFO and is presented to the Corporation for approval.

21.1. **Investment**

The CFO is responsible to the Chief Executive & Principal and has delegated powers, in accordance with the approved Treasury Policy, to invest funds and must submit regular reports to Corporation. The HoF must maintain a register of investments.

21.2 **Borrowing**

All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated by the Corporation to the CFO and an appropriate reporting system established. All borrowing shall be undertaken in the name of the institution and shall conform to any relevant funding body requirements.

Public sector organisations may borrow from private sector sources only if the transaction delivers value for money for the Exchequer. Because commercial lenders face higher financing costs, in practice it is very unlikely that the College will be able to satisfy this condition for future private sector borrowing. Any proposals for new private sector commercial borrowing need DfE approval, this excludes finance leases.

The College must follow the consent process for requests relating to future borrowing and amendments to existing agreements. Further details can be found in Appendix I.

21.3 Cashflow

The CFO is responsible for maintaining a cash flow forecast that is sufficient to regulate expenditure within the defined borrowings as well as meeting budgeting needs.

The relevant budget holders must agree timing of payments for large projects within the capital budget with the CFO.

22. Funds Held on Trust

22.1. Gifts, Benefactions and Donations

The CFO 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.

22.2. Student Welfare and Access Funds

The CFO will prescribe the format for recording the use of student welfare funds. Records of access funds will be maintained according to funding body requirements.

22.3. Trust Funds

The CFO is responsible for maintaining a record of the requirements for each trust fund and for advising the Corporation on the control and investment of fund balances.

The Corporation 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.

22.4. Voluntary Funds

The CFO 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, as required. The CFO shall be entitled to verify that this has been done.

22.5. Bursaries, Grants and Other Authorised Expenditure

Payments may be made to students for bursaries, grants and other authorised expenditure. All payments must be supported by detailed claims or other appropriate evidence and approved by Student Finance or the budget holder as appropriate.

23. Other

23.1. Student Records

College management is responsible for the timely and accurate reporting of key targets. These reports will include appropriate comparatives and projections. They will be considered by the Corporation on a regular basis.

Staff are responsible for complying with college procedures relating to student records and ensuring 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 accurately recorded on the College registers; staff must ensure that changes in the learning programmes of students are recorded.

23.2. Insurance

The College must have adequate insurance cover in compliance with its statutory and contractual obligations.

The CFO 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, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets.

The CFO is responsible for effecting insurance cover as determined by the Corporation. They are therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The CFO will keep a register of all insurances effected by the College and the property and risks covered. They will also deal with the College's insurers and advisers about specific insurance problems.

Managers must ensure that any agreements negotiated by their departments with external bodies cover any legal liabilities to which the College may be exposed. The CFO's advice should be sought to ensure that this is the case. Managers must give prompt notification to the CFO of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks.

Managers must advise the CFO immediately of any event that may give rise to an insurance claim. The CFO will notify the College's insurers and, if appropriate, prepare a claim in conjunction with the relevant Manager for transmission to the insurers.

The Executive Director of Estates & Capital Projects is responsible for keeping suitable records of plant equipment which is subject to inspection by the 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, as well as ensuring their vehicle is roadworthy and will provide evidence of this to Human Resources on request.

23.3. Companies and Joint Ventures

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

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

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

Where the College is the majority shareholder in a company, the funding body requires that the company's financial year must be consistent with that of the College.

23.4. Security

The Head of IT Services shall be responsible for maintaining proper security and privacy of information held on the College's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act 1998. The Assistant Principal of MIS and Data who is the designated Data Protection and Freedom of Information Officer should ensure compliance with the Act and the safety of documents.

The CFO 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 CFO. All such documents shall be held in an appropriately secure, fireproof location and copies held electronically.

23.5. Students' Union

The Students' Union is a separate legal entity from the College but is recognised to fulfil a valuable role in relation to the College's learners.

Subject to any constraints imposed by the funding body, the Corporation shall determine the level of grant to be paid annually to the Students' Union. The Corporation requires the Union to provide details of its proposed budget to assist in determining the appropriate level of grant.

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

In accordance with an agreement between the College and the Students' Union, the Union will provide annual statements of income and expenditure to the CFO and the Corporation for information purposes only.

At year end the Students' Union financial statements will be audited by an appropriately qualified firm of auditors and will be presented to the Corporation for information. In accordance with an agreement between the College and the Students' Union, the College's internal auditor shall have access to records, assets and personnel within the Students' Union in the same way as other areas of the College.

23.6. **Use of the College Seal**

Where a deed or document requires the College's seal, it must be sealed by the Director of Corporate Governance or, in their absence, the CFO, in the presence of two members of the Corporation.

The Corporation seal shall be kept in a secure place in the custody of the Principalship. The procedure for the application, recording and reporting of the Corporation seal is detailed in the Standing Orders.

23.7. **Provision of Indemnities**

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

23.8. **Authorised Signatories**

The College's authorised signatories for the purposes of signing of legal documents and contracts are the Chief Executive & Principal and the CFO. The list of authorised signatories is set out in Appendix F.

All staff should be made aware that contracts and agreements must only be signed in accordance with these arrangements.

The authorised signatories for the College's wholly owned subsidiary, Transformational Technologies Partnership Limited, for the purposes of signing legal documents and contracts are two people from the Board of Directors, Company Secretary and College Chief Finance Officer, at least one of which must be a Director.

24. APPENDICES

Appendix A: The Seven Principles of Public Life from 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 B: 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.
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 whistleblower making a disclosure to a manager or the employer will qualify for protection if they have:

- 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.
- 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 whistleblower 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 HMRC, where the whistleblower 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 whistleblowers 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 HMRC, are ignored);
- The worker must:
  - have previously disclosed substantially the same information to their employer or to a prescribed person; or
  - 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
  - reasonably believe (where there is no prescribed person) that material evidence will be concealed or destroyed if disclosure is made to the employer; and
  - in all the circumstances of the case, it must be reasonable for the worker to make a wider disclosure.

Whistleblower Protection

Where a whistleblower 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 C: Tendering Procedures

Tendering Principles

- Duty to comply by the College's staff.
- Public Procurement Regulations 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.

Tendering Procedures

1. Invitations to tender must be accompanied by comprehensive and clearly written specifications, which shall include:
    a. the nature and purposes and, where applicable, the duration of the contract;
    b. quality and best economic value requirements;
    c. the specification and quantities of the goods or services to be supplied (except in the case of "design and build" contracts where only an outline specification need be supplied);
    d. the time(s) or range of time(s), as appropriate, and place(s) at which the goods or services are to be supplied;
    e. a copy of the conditions of contract with which the successful contractor will be required to comply;
    f. a copy of any formal contract or sub-contract document which the successful contractor will be required to sign or execute;
    g. a returnable tender form which indicates:
        i. the tenderer's signature or seal;
        ii. that the tender form is to be returned to the Chief Executive & Principal or their nominee by a stated date and time;
        iii. that the College does not bind itself to accept or nominate the lowest, or any, tender;
        iv. that every tender must be submitted via electronic submission on the college's chosen tendering portal bearing the word "TENDER" followed by the subject to which the tender relates and the tender reference number.
2. No tender will be considered if it is submitted other than by the college's tendering portal.
3. It is the responsibility of the relevant Manager to make arrangements for every tender received to be retained in secure custody unopened until the time appointed for its opening – practically this will be via the college's tendering portal.

4. Paper tenders are not accepted.
5. The prices quoted in the tender should be recorded immediately on a tender form containing the name of the project or item together with the list of those invited to tender. The price should be recorded opposite the name of the appropriate tenderer. If a reply is not received this should be indicated. A note shall be made of the number of tenders, if any, not opened and the reason(s) for not opening them.
6. No tender received after the time and date by which it is to be received or which contravenes any provision of this Schedule shall be considered.
7. Where, in their view, circumstances so warrant, the CFO in consultation with the Chief Executive & Principal, may postpone for such period as they may consider reasonable the time and date by which the tenders concerned shall be received.

Acceptance of Tender

8. Having followed the procedures required by the financial regulations, as outlined above, departments are then required to evaluate the tenders and recommend to the Chief Executive & Principal to:
    a. accept the lowest tender; or
    b. accept a tender other than the lowest (this may only be justified by reference to the 'comprehensive and clearly written specifications' referred to in paragraph 1); or
    c. refuse to accept any tender.
9. The outcome of the tender evaluation should be noted in a report to the Chief Executive & Principal or where appropriate, the Corporation. Where the outcome is the acceptance of a tender other than the lowest, the reason should also be recorded in the report.

Appendix D: Purchase Order Conditions

1. Conditions of Purchase

1.1. The Conditions shall apply to all contracts for the purchase of Goods by the Buyer from the Seller to exclusion of all other Terms and Conditions including any terms or conditions which the Seller may purport to apply under any sales offer or similar document.

1.2. Dispatch or delivery of the Goods by the Seller to the Buyer shall be deemed conclusive evidence of the Seller's acceptance of the conditions.

1.3. Any variation of these Conditions (including any special Terms and Conditions agreed between the parties) shall be inapplicable unless agreed in writing by the Buyer.

2. Price

2.1. The Price shall be the price set out on the purchase order. The price is exclusive of VAT which shall be due at the rate prevailing on the date of the Seller's invoice.

2.2. The Buyer may set off against the Price (including any applicable VAT payable) amounts due from the Seller whether under the applicable contract of sale or otherwise.

3. Nature and Quality

3.1. The quantity and description of the Goods shall be as specified in the Purchase Order.

3.2. All representations, statements or warranties made or given by the Seller, its servants and agents (whether orally in writing or in any of the Seller's brochures or catalogues and advertisements) regarding the quality and fitness for purpose of the Goods or any of the Goods shall be deemed to be express conditions of the sale.

3.3. The Seller shall ensure that all Goods shall be manufactured, stored tested and packed in accordance with all British Standards applicable to them and that all the Goods are of merchantable quality and are fit for the purposes for which the Buyer intends to use such Goods.

4. Delivery

4.1. Delivery shall be made to the Buyer's address on the delivery date specified on the Purchase Order.

4.2. The Seller upon receiving notice to that effect from the Buyer shall repair or replace free of charge Goods damaged or lost in transit and due delivery of the Goods shall not be deemed to have taken place until replacement or repaired Goods have been delivered by the Seller to the Buyer. The Buyer reserves the right to hold such damaged Goods at the Seller's risk or to return them at the risk and expense of the Seller.

5. Acceptance

5.1. The Buyer shall not be deemed to have accepted any part of the Goods until after the Buyer has actually inspected the Goods and ascertained that they are in accordance with the contract. The Buyer may reject Goods which are not in accordance with the contract until a reasonable time after such inspection.

5.2. The Buyer may by notice to the Seller prior to acceptance, reject any Goods which are not in accordance with the contract. The Buyer may set off against any payment due to the Seller (whether under this contract or otherwise) the Price of such Goods.

6. Title and Risk

6.1. Title shall pass to the Buyer on delivery of the Goods.
6.2. Risk shall pass to the Buyer on delivery of the Goods.

7. Proper Law of Contract

7.1. This contract is subject to the Law of England and Wales

Appendix E: Summary of Financial Limits

Authorisation of Contracts and Orders

When applying the limits referred to below, the "value" for those orders/contracts, which relate to the continuous supply of goods or services over several years, will be the total value over the period of supply.

Description	Requirement	Authority for Approval
Up to £3,000 (or £1,000 for Amazon)	Estimated price	Budget holder
£3,001 to £20,000	Three quotations	Head of Finance or Finance Manager
£20,001 to £PCR threshold	Three written quotations	Chief Finance Officer
Over £PCR threshold	Three competitive tenders	Chief Finance Officer
Contracts over £100,000	Report to Finance and Estates Committee for information	Chief Finance Officer

All amounts are inclusive of VAT at the applicable rate (Standard rate currently 20%).

Circumstances in which the above requirements may be waived

The requirement to follow the procedures set out above can be waived in exceptional circumstances, for example:

- Where there is no genuine competition.
- Where the continuity of design or supply is the overriding factor.
- Where there is other commercial advantage.
- Where there is a need to act urgently, for example where safety or security are at risk.
- Where 'preferred supplier' status exists.

The procedures can only be waived with the express prior authority of the Head of Finance or Finance Manager (up to £10,000), the Chief Finance Officer (up to £50,000) or the Chief Executive & Principal (over £100,000).

A file on all such exceptions will be maintained by the Head of Finance (or other delegated officer) and be available for inspection by the members of the Corporation.

Budget Variations

Expenditure Type	Value	Authority for Approval
Major capital projects, building works and IT projects	Up to £10,000 Up to £100,000 Over £100,000	HoF CFO Chief Executive & Principal
Income and Expenditure (provided no detriment to operating position)	Up to £10,000 Up to £50,000 Over £100,000	HoF CFO Chief Executive & Principal

Losses, Write Offs and Compensation

Bad Debts	Up to £10,000	Chief Finance Officer
	£10,000 and above	Corporation
Write off exceeds	1% annual income or £45k	DfE prior approval

	individually	
Write off cumulative total	Over 5% of annual income or £250k whichever is smaller	DfE prior approval
Waiver of Fees		See fees policy for current year

Credit Cards
Issue of credit cards approved by the Chief Executive & Principal or Chief Finance Officer.

Petty Cash

Up to £20	Head of Finance

Disposal of Assets

Purchase Cost or Net Book Value (for assets on the fixed assets register)	Authority for Approval
Up to £10,000	Head of Finance
£10,001 to £50,000	Chief Finance Officer
£50,001 and above	Chief Executive & Principal
Land and buildings greater than £100,000	Corporation

Leasing and Hire Purchase Commitments

Equivalent Purchase Price	Authority for Approval
Up to £250,000	Chief Finance Officer
£250,000 and above	Chief Executive & Principal
Land and Buildings greater than £100,000	Corporation

Appendix F: List of Authorised Signatories

Dudley College of Technology

Panel A	Chair of Corporation Chief Executive & Principal Chief Finance Officer
Panel B	Vice Principal Executive Director of Estates & Capital Projects
Panel C	Head of Finance Finance Manager

Up to and including £1,000	Any single signatory from A, B or C
£1,001 up to and including £10,000	Any two signatories from A, B or C
£10,001 up to and including £100,000	Any one from A, B or C plus anyone from A or any two from A.
Over £100,000	Any two from A

Transformational Technologies Partnership Limited (TTPL)

Signatures to be in accordance with TTPL's bank mandate, which will be consistent with the College's bank mandate.

Panel	Any Director Company Secretary College's Chief Finance Officer (if not a TTPL Director).

Up to and including £1,000	Any one signatory from above
Over £1,000	Any two signatories from above

Appendix G: Internal Audit Responsibilities

As Advised by the Department for Education (DfE)
(Extract from Guidance: The scope of work of audit committees and internal auditors in college corporations)

It is a requirement of the Audit Committee under the college financial handbook to advise the Corporation on the adequacy and effectiveness of the College Corporation's assurance framework.

To help provide this assurance, the College uses the services of an internal audit service provider.

The internal audit programme takes a holistic view of the corporation with all aspects and systems, financial and non-financial, being in scope, although financial control systems and learner data are at the core of the programme. It will include the evaluation and testing of controls on a sample basis. It also includes data analytics to enable coverage of the entirety of a given dataset. It examines the effectiveness of financial governance and oversight by the board and risk driven topics such as organisational culture, management information, and/or business continuity arrangements. Internal auditors also review the corporation's processes for data accuracy and learner records as well as IT systems (including cyber security).

Any system that impacts on the effective operation of a corporation may be included in scope of the review programme, as determined by the audit committee. They may choose to review specific policies, systems and operations. They should identify how well risks are managed, whether effective processes are in place and whether agreed procedures are being followed. The testing will also identify areas where efficiencies or changes should be made.

The areas of testing to be covered will be shaped by the risk profile of the corporation, the maturity of financial and other systems and the concerns of the audit committee. The work of internal audit will cover both "business as usual" elements as well as emerging high risk areas, and will be cyclical, prioritising higher risk areas but also ensuring that all systems are assessed as to whether coverage is merited on a regular basis. For example, the corporation may assess that core strategic systems are assessed every year, but that a three-year cycle will ensure that all systems are considered with sufficient regularity to determine whether coverage is required or whether alternative assurances (including internal assurances as part of a well-developed Board Assurance Framework) are in place.

If the corporation uses a Board Assurance Framework (BAF), the audit committee may draw on it to support its work by providing a structured means of identifying and mapping the main sources of assurance available to and received by the corporation and coordinating them to best effect. This provides a framework for the committee to focus on strategic and reputational risks rather than just the operational issues.

The work programme will be informed by an audit needs assessment (ANA) in accordance with the methodology of the internal audit provider. An ANA involves breaking down the corporation's activities by function or business system and then scoring the risk of each by consideration of several factors, such as (but not limited to):

- Whether achievement of strategic priorities is put at risk if the function or business system is not delivering as expected.

- Monetary value (income and expenditure).
- Volume of transactions.
- Complexity of the system.
- Sensitivity of the system.
- Stability of the system.
- Potential fraud risks.
- The strength of management controls (and the extent to which controls are deemed to reduce the level of inherent risk).
- Whether work has been carried out on that system recently (and what the outcome of any recent work was).

The ANA is a form of risk management, which results in a list of potential audit areas along with their respective risk scores. These are then ranked with the highest scoring systems at the top. Those with high scores usually warrant inclusion in the programme every year (where they are within the control of the corporation to at least some extent), whereas those with lower scores may only feature, say, every third year. The schedule of potential work is then presented to the audit committee for consideration, challenge and approval.

Where such a structured approach may be challenging given the finite number of audit days available, then the audit work plan may be developed on the basis of key organisational risks, prior year assurances, other sources of assurance and the business-critical nature of key systems and processes.

Appendix H: Fraud Response Plan

1. Purpose

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:

- Assign responsibility for investigating the incident.
- Establish circumstances in which external specialists should be involved.
- 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.
- 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.
- Recover losses.
- Punish the culprits.
- Deal with requests for references for employees disciplined or prosecuted for fraud.
- Inform and establish lines of communication with the police.

2. Reporting Fraud and Theft

All actual or suspected incidents of fraud and theft should be reported to the CFO without delay. Where the CFO is suspected of fraud or theft the report should be made to the Chief Executive & Principal.

When reports of fraud or theft are made, the suspicions will be treated seriously, and all details provided will be recorded accurately and in a timely manner. The decision by someone to report a suspected fraud may be traumatic for them, and those reporting fraud are assured that all information will be treated in the strictest confidence. Anonymity will be preserved if requested and where it is reasonably practicable to do so.

The CFO will be responsible for liaising in a timely manner with Internal Audit. At this stage, management should take steps to prevent further losses, for example by suspending payments without compromising evidence or alerting the alleged perpetrators.

Management should consider whether the potential seriousness of fraud or theft is such that the College's insurers and/or funding body should be advised on the likelihood of a fraud report.

3. Initial Enquiry

On receiving details of a suspected theft or fraud, an initial review will be undertaken on the further action that will be required. The CFO will be responsible for this and for liaising in a timely manner with Internal Audit. Further action may include referral to:

- The Director of HR: fraudulent activity is a breach of contract and where there are reasonable grounds for suspicion, then suspension of the suspects may be required pending the outcome of enquiries. It may be necessary to plan the timing of suspension to prevent the suspects from accessing, destroying or removing evidence. The rights of staff on suspension must be acknowledged, for example a right to union representation and to be informed of the reason for their suspension
- The Internal Auditors
- The relevant funding body
- West Midlands Police: delays in contacting the Police may prejudice the gathering of evidence and future enquiries.

4. Conducting an Enquiry

Once it is determined that there is sufficient evidence to justify a fuller investigation, a decision should be made as to whether an internal investigation is appropriate, led by College or Internal Audit staff, or the matter referred to the police.

For internal investigations, the detailed remit and scope of the investigation should be decided; for example, is it to confirm there is sufficient evidence to support the allegations, to gather evidence for handing to the police, or to quantify the potential loss involved? Other elements to be decided are who should undertake the investigation, reporting deadlines and procedures, and regular review points. No decision should be taken in respect of an internal investigation without first liaising with the police and where relevant the Crown Prosecution Service. It is imperative that the College does not prejudice a criminal investigation.

All details should be recorded fully and accurately, bearing in mind that documentation will be required for any future action or possible prosecution.

5. Recovery of Loss

Any losses suffered by the College should be fully and accurately recorded, and costs/loss of income correctly apportioned. In addition to the direct cost of losses attributable to fraud, costs associated with the enquiry should be recorded. These will be needed under loss reporting procedures for insurers and potentially by the courts if the decision to prosecute is taken.

It will be important to consider, in the event of a loss of income involving grant funded activity, to have regard to funders 'lagged funding' methodology. This involves claiming lost income not just in the year incident happened (Year 0), but also up to Year +4. Where the loss is substantial, there should be consultation with insurers about legal advice for recovering losses through the courts, including if relevant, freezing the suspect's assets pending conclusion of the investigation.

6. Staffing Issues

The College will follow its disciplinary procedures against any member of staff who has or is reasonably suspected of committing fraud.

Any interviews with suspects should be undertaken strictly in accordance with established procedures. No interviews should take place without first seeking advice from the Director of HR and, if necessary, the police on the relevant procedures to be followed, having regard to the need to avoid prejudicing against any criminal proceedings.

If fraud is suspected which involves staff, appropriate disciplinary action will be taken. Such action may be considered not only against those found to have perpetrated the fraud, but also against managers whose negligence may have facilitated it.

7. Reporting During the Investigation

Confidential reports about the investigation should be communicated to the Chair of the Corporation, the Chair of the Audit Committee, the Chief Executive & Principal and auditors. Where necessary, reports should be provided to the relevant funding body.

The scope of the report should include quantification of losses; progress on recovery action and criminal prosecution; progress with disciplinary action; actions taken to prevent and detect similar incidents; next steps.

8. Concluding an Investigation

At the end of the investigation, irrespective of the outcome, it is important to review the position and see what lessons can be learned. Such reviews will help identify any weakness in internal control that initially led to fraud and should highlight any deficiencies that should be addressed.

On completion, a written report should be submitted to the Audit Committee for consideration. The report should cover the description of the incident, the loss incurred, the people involved and means of perpetrating the fraud. It should set out the measures taken to prevent a recurrence and any timetabled actions for monitoring. It should also cover the proposed route to recover losses, prosecuting offenders and the steps to manage risks to organisational reputation.

Glossary

ACAS	Advisory, Conciliation and Arbitration Service
CFO	Chief Finance Officer
DfE	Department for Education
HMRC	Her Majesty's Revenue and Customs
HoF	Head of Finance
HR	Human Resources
MIS	Management Information Systems
NI	National Insurance
PCR	Public Contracts Regulations
PSP	Payment Services Provider
SAR	Suspicious Activity Report
SLG	Senior Leadership Group
TTPL	Transformational Technologies Partnership Limited
WMCA	West Midlands Combined Authority
Disposal	Any process whereby title to an asset passes to a third party such as sale, conveyance, auction, scrappage, gifting, etc.
Land & Buildings	Any title or interest in land and/or buildings. By proceeds we mean net proceeds, i.e. after the costs of sale (e.g. professional fees) have been deducted, and also after any finance secured over the asset by a third party such as a bank has been settled.
Net proceeds	Any fixed asset disposal that are being held as cash pending reinvestment or repayment of overpaid grant or other debt should be accounted for as restricted cash and so will not count as cash for the purposes of the solvency ratio used to determine the college's financial health