

**West Thames College**

**Financial Regulations**

January 2018

# CONTENTS

<b>TERMINOLOGY</b>	<b>4</b>
<b>FINANCIAL REGULATIONS</b>	<b>7</b>
<b>A GENERAL PROVISIONS</b>	<b>7</b>
1 Background	7
2 Status of Financial Regulations	7
<b>B CORPORATE GOVERNANCE</b>	<b>9</b>
3 The Corporation	9
4 Accounting Officer	10
5 Committee Structure	10
6 Other Senior Managers with Financial Responsibility	11
7 Risk Management	13
8 Whistleblowing	14
9 Code of Conduct	15
<b>C FINANCIAL MANAGEMENT AND CONTROL</b>	<b>16</b>
10 Financial Planning	16
11 Financial Control	18
12 Accounting Arrangements	20
13 Audit Requirements	22
14 Treasury Management	25
15 Income	27
16 Other Income-Generating Activity	<a href="#">30</a>
17 Intellectual Property Rights and Patents	32
18 Expenditure	33
19 Pay Expenditure	43

20	Assets	47
21	Funds Held on Trust	49
22	Other	50
23	Appendices	53
	APPENDIX A: CAPITAL PROJECTS GROUP TERMS OF REFERENCE	54
	APPENDIX B: AUDIT COMMITTEE TERMS OF REFERENCE	54
	APPENDIX C: KEY CONTACTS IN THE FINANCE DEPARTMENT	61
	APPENDIX D: MAIN FEATURES OF THE PUBLIC INTEREST DISCLOSURE ACT 1998	67
	APPENDIX E: THE SEVEN PRINCIPLES OF PUBLIC LIFE FROM THE REPORT OF THE COMMITTEE FOR STANDARDS IN PUBLIC LIFE (THE NOLAN REPORT)	70
	APPENDIX F: DELETED AS REDUNDANT	
	APPENDIX G: SUMMARY OF PROTOCOLS FOR PROPOSED MAJOR DEVELOPMENTS	72
	APPENDIX H: INTERNAL AUDIT RESPONSIBILITIES	73
	APPENDIX I: FRAUD AND BRIBERY RESPONSE PLAN	74
	APPENDIX J: TREASURY MANAGEMENT POLICY STATEMENT	<a href="#">80</a>
	APPENDIX K: CONDITIONS OF CONTRACT FOR THE PURCHASE OF GOODS	82
	APPENDIX M: MAIN POINTS INCLUDED IN THE COLLEGE'S CODE OF TENDERING PRACTICE	<a href="#">86</a>
	APPENDIX N: MAIN POINTS IN THE BRIBERY ACT 2010	87

# TERMINOLOGY

## AUDIT COMMITTEE

---

A sub-committee of the corporation, independent of executive responsibility, which advises the corporation on issues related to internal audit, external audit and financial control. It is required to issue an annual report to the corporation which, *inter alia*, comments on the College's system of internal control.

## BUDGET HOLDER

---

The member of staff who has been assigned his or her own budget (other than a head of department) and is accountable to his or her head of department for it.

## CORPORATION

---

The College's governing body. The corporation was established under The Further and Higher Education Act 1992 and is ultimately responsible for the affairs of the College.

## EXECUTIVE DIRECTOR ( FUNDING AND FINANCE )

---

The chief financial officer of the College. He or she also has other responsibilities, such as estates and health and safety.

## **EXECUTIVE**

---

The senior post-holders responsible for the overall management of the College. The executive consists of the principal, assistant principal (learning), assistant principal (students) and the Executive Director (Funding and Finance).

## **FUNDING BODY**

---

For further education in England, this refers to the Skills Funding Agency (SFA) [formerly the Learning and Skills Council (LSC)], which provides funding as well as having a wide range of powers affecting the College. Youth funding is also provided by the Young People's Learning Agency (YPLA). References to "Funding Body/Bodies" refer to the SFA and YPLA as required by the context.

## **HEADS OF DEPARTMENT**

---

The programme manager or head of a non-academic department of the College who is responsible for the budget (where one exists) of his or her whole area/department. Budgets are allocated to all programme areas and most non-academic departments.

## **PROGRAMME AREA**

---

An academic department of the College.

## **PROGRAMME MANAGER**

---

The head of a programme area of the College who is responsible for the budget of his or her whole area.

## **PRINCIPAL**

---

The person with the ultimate executive responsibility for the management of the College. The principal fulfills the role of accounting officer, with specific financial and managerial duties prescribed by the funding body.

## **SENIOR MANAGEMENT TEAM**

---

The senior management team (SMT) assists the principal in running the College. Membership of this group includes the executive, deputy assistant principals, centre managers, director of information and learning technology, programme managers, head of student support and recreation, head of strategic marketing and communications, college accountant and head of student management information systems.

## **SENIOR POST-HOLDERS**

---

The principal and holders of the other senior posts whom the corporation have selected for the purposes of the articles of government of the College relating to the appointment and promotion of staff who are appointed by the corporation. The senior post-holders comprise the College's executive team.

# FINANCIAL REGULATIONS

## A GENERAL PROVISIONS

---

### 1 Background

- 1.1 West Thames College (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, which may only be amended by application to the Secretary of State for Education. The College is accountable through its corporation, which has ultimate responsibility for the effectiveness of its management and administration.
- 1.2 The College is an exempt charity by virtue of the Charities Act 1993.
- 1.3 The financial memorandum between the funding body and the College sets out the terms and conditions on which grant is made. The corporation is responsible for ensuring that conditions of grant are met. As part of this process, the College must adhere to the funding body's audit code of practice, which requires it to have sound systems of financial and management control. The financial regulations of the College form part of this overall system of accountability.

### 2 Status of Financial Regulations

- 2.1 This document sets out the College's financial regulations. It translates into practical guidance the College's broad policies relating to financial control. This document was approved by the corporation on 25 May 2005. It applies to the College and all its subsidiary undertakings.
- 2.2 These financial regulations are subordinate to the College's instruments and articles of government and to any restrictions contained within the College's

financial memorandum with the funding body and the funding body's audit code of practice.

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

- financial viability
- achieving value for money
- fulfilling its responsibility for the provision of effective financial controls over the use of public funds
- ensuring that the institution complies with all relevant legislation
- safeguarding the assets of the College.

2.4 Compliance with the financial regulations is compulsory for all staff connected with the College. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the College's disciplinary policy. The corporation will be notified of any such breach through the audit committee. It is the responsibility of heads of department to ensure that their staff are made aware of the existence and content of the College's financial regulations.

2.5 The audit committee is responsible for maintaining a continuous review of the financial regulations, through the Executive Director (Funding and Finance), and for advising the corporation of any additions or changes necessary.

2.6 In exceptional circumstances, this committee may authorise a departure from the detailed provisions herein, such departure to be reported to the corporation at the earliest opportunity.

2.7 The College's detailed financial procedures set out precisely how these regulations will be implemented and are contained in a separate manual which is available in all departments.

### **3 The Corporation**

3.1 The corporation is responsible for the management and administration of the College. Its financial responsibilities are to:

- ensure the solvency of the College and the safeguarding of the College's assets
- appoint, grade, suspend, dismiss and determine the pay and conditions of service of the 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.

## 4 Accounting Officer

- 4.1 The principal is the College's accounting officer and is responsible for ensuring the financial administration of the College's affairs in accordance with the financial memorandum with the funding body. As the accounting officer, the principal may be required to justify any of the College's financial matters to the Public Accounts Committee at the House of Commons.

In particular, the articles of government 3.(2).(e) charge the principal with responsibility:

*“...for preparing annual estimates of income and expenditure, for consideration and approval by the corporation, and for the management of budget and resources, within the estimates approved by the corporation.”*

The principal shall demonstrate his or her oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements, and form 5 of the three-year financial forecasts submitted to the funding body.

## 5 Committee Structure

- 5.1 The corporation has ultimate responsibility for the College's finances and confirms its previously stated view that it would be unable properly to meet its obligations in this respect were it to remit entirely to sub-committees any substantial responsibility for financial monitoring. The following committees are accountable to the corporation.

### 5.2 Capital projects group

This group is responsible for advising the executive team on the College's capital projects. It may approve capital spending on projects within limits defined on each occasion by the corporation. It will validate and monitor capital expenditure on specified projects in accordance with capital plans approved by the corporation.

### 5.3 Audit committee

The College is required by its financial memorandum with the funding body and by the funding body's audit code of practice to appoint an audit committee. The

committee is independent, advisory and reports to the corporation. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. The audit committee's terms of reference are shown at Appendix B.

#### 5.4 **Remuneration committee**

Consideration of senior post-holders' pay and conditions is the responsibility of the remuneration committee. It has the power to make recommendations to the corporation on their remuneration, including pay and other benefits, as well as contractual arrangements. The committee also advises on the appointment of the clerk to the corporation.

#### 5.5 **Other committees**

Other committees reporting to the corporation are: the Quality and Equality advisory Group, the Search Committee, the Community Advisory Group.

## 6 **Other Senior Managers with Financial Responsibility**

### 6.1 **The Executive Director (Funding and Finance)**

Day-to-day financial administration is controlled by the Executive Director (Funding and Finance), who in conjunction with the college accountant is responsible to the principal for:

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

efficient processes.

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

## **6.2 Heads of department**

Heads of department are responsible to the principal for financial management for the areas or activities they control. They are advised by the college accountant in executing their financial duties. The college accountant will also supervise and approve the financial systems operating within their areas of responsibility, including the form in which accounts and financial records are kept. Heads of department are responsible for establishing and maintaining clear lines of responsibility for all financial matters falling within the areas or activities they control. Where resources are devolved to budget holders, they are accountable to the head of department for their own budget.

Heads of department shall provide the college accountant with such information as may be required to enable:

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

## **6.3 All members of staff**

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

They should ensure that they are aware of the College's financial authority limits (see 18.2) and the values of purchases for which quotations and tenders are required (see 18.5).

They shall make available any relevant records or information to the college accountant or his or her authorised representative in connection with the implementation of the College's financial policies, these financial regulations and the system of financial control.

They shall provide the Executive Director (Funding and Finance) with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the corporation.

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

## **7 Risk Management**

- 7.1 The College acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable/unacceptable by the College will be set out in a separate risk management policy.
- 7.2 The corporation has overall responsibility for ensuring there is a risk management policy and a common approach to the management of risk throughout the College through the development, implementation and embedment within the organisation of a formal, structured risk management process.
- 7.3 In line with this policy, the corporation requires that the risk management policy and supporting procedures include:
- the adoption of common terminology in relation to the definition of risk and risk management
  - the establishment of college-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis
  - a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes (see above)
  - a decision on the level of risk to be covered by insurance (see 22.1)
  - detailed regular review at programme area or business support function level to identify significant risks associated with the achievement of key objectives and other relevant areas

- development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question
- regular reporting to the corporation of all risks above established tolerance levels
- an annual review of the implementation of risk management arrangements

The strategy and procedures must be capable of independent verification.

- 7.4 Heads of department must ensure that any agreements negotiated within their area of responsibility with external bodies cover any legal liabilities to which the College may be exposed. The advice of the Executive Director (Funding and Finance) should be sought to ensure that this is the case.

## **8 Whistleblowing**

- 8.1 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 whistleblower 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 the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.
- 8.2 Normally, any concern about a workplace matter at the College should be raised with the relevant member of staff's immediate line manager or head of department. However, the College recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.
- 8.3 A member of staff may, therefore, make the disclosure in confidence to the principal. If the member of staff does not wish to raise the matter with the principal it may be raised with the clerk to the corporation, who will refer the matter in confidence to the audit committee for investigation.
- 8.4 The full procedure for whistleblowing is set out in the College's whistleblowing policy, which is available through the personnel department. Further details of the

Public Interest Disclosure Act are set out at Appendix D.

## **9 Code of Conduct**

9.1 The College is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe. These principles are set out at Appendix E. Furthermore, as the College seeks to adopt best practice in the conduct of its affairs, it complies with all the provisions of the Combined Code of the Committee on Corporate Governance, published in June 1998 by the London Stock Exchange, in so far as they apply to the further education sector. In addition, the College expects that staff at all levels will observe its standards of conduct, which are available through the personnel department and which cover:

- probity and propriety
- selflessness, objectivity and honesty
- relationships.

9.2 Additionally, members of the corporation, the executive and the college accountant are required to disclose interests in the College's register of interests maintained by the clerk to the corporation. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the financial procedures.

9.3 In particular, no person shall be a signatory to a College contract where he or she also has an interest in the activities of the other party.

### **9.4 Receiving gifts or hospitality**

It is an offence under the Bribery Act 2010 for members of staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. See Appendix N for a summary of the main points of the Bribery Act. 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.

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. The frequency and scale of hospitality accepted should not be significantly greater than the College would be likely to provide in return.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the Executive Director (Funding and Finance) or the principal. Guidance on acceptable hospitality is contained in the College's standards of conduct, which are available through the personnel department. For the protection of those involved, the college accountant will maintain a register of gifts and hospitality received where the cash value is in excess of £20. All members of staff in receipt of such gifts or hospitality are obliged to notify the college accountant promptly. The college accountant will on a termly basis report to the executive all gifts and hospitality received which have been entered in the register.

## **C FINANCIAL MANAGEMENT AND CONTROL**

---

### **10 Financial Planning**

- 10.1 The Executive Director (Funding and Finance) is responsible for preparing annually a budget for the coming year for approval by the corporation and for preparing a three-year financial forecast for submission to the funding body. Financial forecasts should be consistent with the strategic plans and estates strategy approved by the corporation.

#### 10.2 **Budget objectives**

The corporation will, from time to time, set budget objectives for the College. These will help the Executive Director (Funding and Finance) in preparing his or her more detailed financial plans for the College.

#### 10.3 **Resource allocation**

Resources are allocated annually through the budget approved by the corporation. Heads of department are responsible for the economic, effective and efficient use of resources allocated to them.

#### 10.4 **Budget preparation**

The Executive Director (Funding and Finance) is responsible for preparing each year an annual revenue budget and capital programme for approval by the corporation. The budget should also include monthly cash flow forecasts for the year and a projected year-end balance sheet. The Executive Director (Funding and Finance) must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to heads of department as soon as possible following their approval by the corporation.

During the year, the Executive Director (Funding and Finance) is responsible for submitting revised budgets, where required, to the corporation for approval.

#### 10.5 **Capital programmes**

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

The Executive Director (Funding and Finance) will establish protocols for the inclusion of capital projects in the capital programme for approval by the corporation. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet. They are detailed in financial procedures para.8.2..

The Executive Director (Funding and Finance) will also establish procedures for the approval of variations, including the notification of large variations to the funding body, as laid down in funding body guidelines.

Following completion of a capital project with a value over £50,000, the Executive Director (Funding and Finance) will ensure that a post-project evaluation or final report is submitted to the capital projects group and corporation within 2 months, including actual expenditure against budget and reconciling funding arrangements where a variance has occurred, as well as other issues affecting completion of the project. Post-project evaluations may also need to be sent to the relevant funding body, as laid down in funding body guidelines.

#### **10.6 Overseas activity**

In planning and undertaking overseas activity, the College must have due regard to the relevant guidelines issued by the funding body. In its annual financial statements, the College is required to identify the costs incurred and contributions received in respect of overseas activities, separately from other costs, and to analyse both costs incurred and contributions received for members of the corporation, senior post-holders and all other staff.

#### **10.7 Other major developments**

Any new aspect of business, or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time should be presented for approval to the corporation (with prior review by the business planning advisory group, where appropriate).

The Executive Director (Funding and Finance) will establish protocols for these major developments to enable them to be considered for approval by the corporation. These will set out the information that is required for each proposed development as well as the financial criteria that they are required to meet. They are summarised at Appendix G and are shown in more detail in financial procedures.

## **11 Financial Control**

### **11.1 Budgetary control**

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively. Budget holders are responsible to their heads of department for the income and expenditure appropriate to their budget.

Significant departures from agreed budgetary targets must be reported immediately to the Executive Director (Funding and Finance) by the head of department concerned and, if necessary, corrective action taken.

Non-budgeted expenditure (capital and revenue) must be approved by the executive. Details must be included in the commentary to the management accounts prepared for the corporation.

#### 11.2 **Financial information**

The budget holders are assisted in their duties by management information provided by the college accountant. The types of management information available to the different levels of management are described in the detailed financial procedures, together with the timing at which they can be expected.

The Executive Director (Funding and Finance) is responsible for supplying financial accounts and reports on all aspects of the College's finances to the corporation on a basis determined by the corporation but subject to any specific requirements of the funding body.

#### 11.3 **Changes to the approved budget**

Any changes proposed to the budget approved in July will be considered by the corporation, usually in September.

#### 11.4 **Virement**

Budget holders are responsible for the monitoring and control of agreed budgets, including virement. Where a budget holder is responsible for more than one budget account, virement between budget accounts is permitted. Exceptions to this general rule apply as follows.

- Where a budget holder is responsible for the budgets of more than one cost centre, virement between cost centres is not generally permitted. In exceptional circumstances, virement between two cost centres may be permitted with the prior approval of the Executive Director (Funding and Finance)
- Virement from ring-fenced budgets such as photocopying and pay expenditure is permitted only with the prior approval of the Executive Director (Funding and Finance) or college accountant.
- Virement from resale and studio materials budgets is not permitted.

- Virement from capital expenditure budgets to revenue expenditure budgets is permitted only where the virement relates to expenditure of funds allocated in the capital programme and this expenditure did not meet the accounting criteria necessary for capitalisation. Virement from capital expenditure budgets to revenue expenditure budgets requires the prior approval of the college accountant.

#### 11.5 **Treatment of year-end balances**

At the year end, budget holders will not normally have the authority to carry forward a balance on their budget to the following year unless the Executive Director (Funding and Finance) has approved a specific scheme for carrying forward all or part of unspent amounts. The Executive Director (Funding and Finance) will usually give approval for specific departmental consumables and equipment account balances to be carried forward.

## 12 **Accounting Arrangements**

#### 12.1 **Financial year**

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

#### 12.2 **Basis of accounting**

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

#### 12.3 **Format of the financial statements**

The financial statements are prepared in accordance with the Statement of Recommended Practice *Accounting for Further and Higher Education*, subject to any specific requirements of the funding body.

#### 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 intended to be greater than the current book value. This will be determined by review by the relevant Centre Manager of the objectives and outcome of such building works projects, taking professional advice where necessary.

Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful life to the college of 50 years. Major adaptations to buildings are depreciated over the period of their useful economic life. Leasehold buildings are depreciated over the shorter of the remaining lease term or their useful economic life.

Expenditure incurred on the acquisition of assets other than land and buildings is capitalised where the acquisition cost per item is £250 or more. Grouped items may be capitalized, where appropriate.

Capitalised assets other than land and buildings will be depreciated over their expected useful economic life as follows.

- Motor vehicles 3 years
- Computer equipment 4 years
- Furniture and fittings and general equipment 5 years
- Cabling equipment of a permanent nature 10 years

Depreciation will commence in the month of acquisition.

#### 12.5 **Accounting records**

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

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

- official purchase orders
- paid invoices
- accounts raised
- bank statements
- copies of receipts

- paid cheques
- payroll records, including part-time lecturers' contracts.

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

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

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

#### 12.6 **Public access**

Under the terms of the Charities Act 1993, the corporation is required to supply any person with a copy of the College's most recent financial statements within two months of a request. The Act enables the corporation to levy a reasonable fee and this will be charged at the discretion of the Executive Director (Funding and Finance). The College will also allow members of the public to inspect the annual accounts during normal working hours and will make a summary available on the College's website.

#### 12.7 **Taxation**

The college accountant is responsible for advising budget holders, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the College. Therefore the college accountant will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, and corporation tax.

The college accountant is responsible for maintaining the College's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

### 13 **Audit Requirements**

#### 13.1 **General**

External auditors and internal auditors shall have authority to:

- access College premises at reasonable times

- access all assets, records, documents and correspondence relating to any financial and other transactions of the College
- require and receive such explanations as are necessary concerning any matter under examination
- require any employee of the College to account for cash, stores or any other institution property under his or her control
- access records belonging to third parties, such as contractors, when required.

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

The financial statements will be reviewed by the audit committee. On the recommendation of the audit committee they will be submitted to the corporation for approval.

### 13.2 **External audit**

The appointment of external auditors for the main financial statements of the College will take place annually and is the responsibility of the corporation. The corporation will be advised by the audit committee.

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

### 13.3 **Internal audit**

The internal auditor is appointed by the corporation on the recommendation of the audit committee.

The College's financial memorandum with the funding body requires that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in the funding body's audit code of practice. The main responsibility of internal audit is to provide the corporation, the principal and senior management with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation but has direct access to the corporation, principal and chair of the audit committee. The formal responsibilities of internal audit are detailed at Appendix H. The internal auditor will also comply with the Auditing Practices Board's auditing guideline *Guidance for Internal Auditors*.

#### 13.4 **Fraud bribery and corruption**

It is the duty of all members of staff, management and the corporation to notify the Executive Director (Funding and Finance) immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety. Note that the Bribery Act 2010 came into effect on 1<sup>st</sup> July 2011 – see summary in. Appendix N

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

- he or she will notify the principal and the audit committee (through its chair) of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report
- the 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 Executive Director (Funding and Finance) and/or the principal, the member of staff shall notify the chair of the audit committee, via the clerk to the corporation, of their concerns regarding irregularities.

### 13.5 **Value for money**

It is a requirement of the financial memorandum that the corporation of the College is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the funding body, the National Audit Office, the Public Accounts Committee or other relevant bodies.

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

### 13.6 **Other auditors**

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

## 14 **Treasury Management**

### 14.1 **Treasury management policy**

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

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

The Executive Director (Funding and Finance) will report to the corporation at least biannually on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him or her.

#### **14.2 Appointment of bankers and other professional advisers**

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

#### **14.3 Banking arrangements**

The college accountant is responsible, on behalf of the corporation, for liaising with the College's bankers in relation to the College's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the college accountant, who shall make proper arrangements for their safe custody.

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

All cheques drawn on behalf of the College must be signed in the form approved by the corporation. Cheques up to an agreed amount, specified in the College's detailed financial procedures, shall require one pre-printed signature. Cheques over the agreed amount must be signed by two authorised persons. Details of authorised persons and limits shall be provided for in the College's detailed financial procedures (see 18.2).

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. Details of authorised persons and limits shall be provided for in the College's detailed financial procedures (see 18.2).

The college accountant is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

## 15 Income

### 15.1 General

The college accountant 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 college accountant.

Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined by procedures approved by the executive.

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

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

The college accountant is responsible for ensuring that all claims for funds are made by the due date.

### 15.2 Maximisation of income

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

### 15.3 Receipt of cash, cheques and other negotiable instruments

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

All monies received must be paid to the finance department promptly in accordance with the financial procedures. The custody and transit of all monies received must comply with the requirements of the College's insurers.

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

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

#### 15.4 **Collection of debts**

The college accountant should ensure that:

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

Only the Executive Director (Funding and Finance) can implement credit arrangements and indicate the periods in which different types of invoice must be paid.

Debts may be written off only on the recommendation of the college accountant and with the permission of the Principal and Executive Director (Funding and Finance).

#### 15.5 **Student fees**

The procedures for setting and collecting tuition fees must be approved by the executive. The college accountant is responsible for ensuring that all student fees due to the College are received.

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

#### 15.6 **Student loans**

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

#### 15.7 **Emergency/hardship loans to students**

The College's scheme for emergency/hardship loans must be approved by the executive. This will include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made other than in accordance with the approved scheme.

The head of student support and recreation is responsible for ensuring the adequacy of the systems in place for:

- approving loans in accordance with the scheme
- paying loans that have been approved
- recovering loans that have been paid.

#### 15.8 **Staff loans**

The College's scheme for staff loans must be approved by the corporation. This will include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made other than in accordance with the approved scheme.

The Executive Director (Funding and Finance) in conjunction with the personnel team manager is responsible for ensuring the adequacy of the systems in place for:

- approving loans in accordance with the scheme
- paying loans that have been approved
- recovering loans that have been paid.

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

#### 16.1 **Private consultancies and other paid work**

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

- outside consultancies or other paid work may not be accepted without the consent of the principal.
- applications for permission to undertake work as a purely private activity must be submitted to the principal 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
- full details of any College resources required (for the calculation of the full economic cost)
- an undertaking that the work will not interfere with the teaching and normal College duties of the member(s) of staff concerned.

#### **16.2 Short courses and services rendered**

In this context a short course is any course which does not form part of the award-bearing teaching load of the department. This includes cost-recovery courses, such as self-supporting and full-cost courses.

Any staff wishing to run a short course must have the permission of their programme manager, the assistant principal (learning) and the Executive Director (Funding and Finance), who will all be required to authorise a fully completed short course proposal form submitted by the course organiser in accordance with the protocols noted in the financial procedures. The course organiser will be responsible to the programme manager for day-to-day management of the course.

The term ‘services rendered’ includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information.

#### **16.3 Off-site collaborative provision (franchising)**

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

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

The form of the contract shall be scrutinised in advance of its operation by the audit committee and approved by the corporation.

The impact of the contract(s) shall be subject to scrutiny by the corporation or delegated sub-committee. The format for regular reports shall be as stated in funding body guidance. They shall consider the risk factors associated with the proposed partnership and agree an appropriate entry in the College's financial forecast.

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

#### **16.4 European Union (EU) and other matched funding**

Any such project requires the approval of the Executive Director (Funding and Finance) prior to any commitment being entered into. Such approval shall be dependent upon the relevant head of department being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of the College's costing and pricing policy.

Individual applications for funds in excess of £100,000 shall be the subject of a report by the principal to the corporation which will set out, amongst other things, the potential risks generated by the project.

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

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

#### **16.5 Profitability and recovery of overheads**

All other income-generating activities must be self-financing or surplus-generating 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 programme manager and the Executive Director (Funding and Finance).

Other income-generating activities organised by members of staff must be costed and agreed with the Executive Director (Funding and Finance) before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the College's costing and pricing policy, in particular for the recovery of overheads.

**16.6 Deficits**

Any unplanned deficits incurred on other income-generating activities may be charged to the funds of the programme area or department concerned.

**16.7 Additional contributions to departments**

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

**16.8 Additional payments to staff**

Any proposal that involves additional payments to members of staff should be supported by a schedule of names and values and must be approved by the Executive Director (Funding and Finance).

**17 Intellectual Property Rights and Patents**

**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 corporation, on the recommendation of the executive, 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 college accountant is responsible for making payments to suppliers of goods and services to the College. For the purposes of these financial regulations all references to monetary limits and minima are deemed to be inclusive of VAT at the rate prevailing when the contract is entered into or the expenditure is committed.

### 18.2 Scheme of delegation/financial authorities

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

The college accountant shall maintain a register of authorised signatories and heads of department must supply him or her with specimen signatures of those authorised to certify purchase requisitions for processing and/or invoices for payment.

The college accountant must be notified immediately of any changes to the authorities to commit expenditure.

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

Expenditure on a single item in excess of £5,000 shall require the approval of the Executive Director (Funding and Finance). Expenditure on items in excess of £20,000 shall require the approval of the principal. Expenditure on items in excess of £50,000 shall require the approval of the chair of the corporation. Exceptions to the above approval limits apply for:

- payroll expenditure
- regular monthly expenditure relating to services provided by Protocol Professional associates
- expenditure relating to large-scale building contracts subject to tender, where a contract and payment schedule has been previously approved by the chair of the corporation.

Such expenditure shall require the approval of the Executive Director (Funding and Finance) or another person nominated by him or her.

### 18.3 Procurement

The College requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice. Factors to be considered in determining lowest cost are noted in the financial procedures and in the Procurement Guide for FE Colleges issued by the SFA..

To ensure value for money the College requires that certain categories of goods and services are purchased centrally. Orders for the following categories of goods and services must be placed through the departments listed below.

<i>Category</i>	<i>Department</i>
Computing equipment and software	IS
Furniture	Estates
Repairs and maintenance of buildings	Estates
Photocopying	Print Room
Advertising/Publicity	Marketing
Staff adverts	Personnel
Agency staff	Personnel

The Executive Director (Funding and Finance) must sign all leasing agreements and long-term contracts.

The college accountant is responsible to the Executive Director (Funding and Finance) for:

- ensuring that the College's purchasing policy is known and observed by all involved in purchasing for the College
- advising on matters of College purchasing policy 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 before they leave the College

The Executive Director (Funding and Finance) is responsible for:

- 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
- ensuring that the College complies with EU regulations on public purchasing policy.

#### 18.4 **Purchase orders**

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

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

Exceptions to the above general rule are purchases of the following goods and services.

- utilities such as gas, electricity, water, telephones, business rates etc.
- payroll services, including reimbursement of salary payments and associated deductions made by an external payroll bureau on behalf of the College
- hire of agency staff
- urgent premises maintenance
- perishable catering provisions

Verbal orders are not permitted unless exceptional circumstances apply. In exceptional circumstances, and only with the prior approval of the college accountant, urgent orders may be given verbally, but must be confirmed by an official purchase order endorsed 'confirmation order only' not later than the following working day.

It is the responsibility of the Executive Director (Funding and Finance) (through the college accountant) to ensure that all purchase orders refer to the College's conditions of contract (see Appendix K).

#### 18.5 **Register of Interests – Procurement**

Financial Accountant will maintain a Register of Interests – Procurement to be completed by all staff responsible for Procurement and Tendering purposes so

as to avoid their personal financial interest in any related parties, having a direct or in direct bearing on their decision making process for the purchase of goods or award of contracts. Guidance notes are attached to the reverse of the register of interest pro forma (see Appendix L)

**18.6 Tenders and quotations**

All budget holders must comply with the College's tendering procedures contained in the College's code of tendering practice, which are applicable as follows:

- under £5,000 – the budget holder must ensure that value for money is always obtained. This will normally require the budget holder to compare supplier price lists and catalogues or obtain verbal quotations, notes of which should be retained by the budget holder with other purchasing paperwork.
- from £5,000 to £50,000 – the budget holder shall be required to obtain at least three written quotations, copies of which must be attached to the purchase requisition and submitted to the finance department
- over £50,000 – all items will require at least three competitive tenders
- the award of contracts over £50,000 shall be reported to the corporation.

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

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

#### 18.7 **Post-tender negotiations**

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

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

In each case, a statement of justification should be approved by the principal 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 corporation.

#### 18.8 **Contracts**

Building contracts are the responsibility of the Executive Director (Funding and Finance) who will be advised by the capital projects group where appropriate.

Proposals will normally be initiated by the centre manager for the main site in respect of planned replacements, general improvement schemes, space planning or in response to requests from departments.

Consultants may be appointed if the project, as determined by the Executive Director (Funding and Finance) or capital projects group, is too large or too specialised for estates department resources. Appointments shall be subject to tendering and other procedures where appropriate.

Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the Executive Director (Funding and Finance) as appropriate for capital projects group consideration. Investment appraisals should comply with appropriate funding body guidance.

Following consideration by the capital projects group, and approval by the corporation, submissions should be forwarded to the funding body where appropriate. If the required agreement is secured from the funding body, funding body procedural rules should be followed. Funding body guidance on best practice should be followed even when funding body approval is not required.

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

Any variation to the College's conditions of contract for the purchase of goods (the main points of which are listed at Appendix K) must be approved by the Executive Director (Funding and Finance). However, standard College conditions of contract are not intended for building construction, capital projects, telecommunications equipment and services, and computer software. Wherever possible an industry standard contract approved by the Executive Director (Funding and Finance) should be used in these circumstances.

#### **18.9 EU regulations**

The Executive Director (Funding and Finance) is responsible for ensuring the College complies with its legal obligations concerning EU procurement legislation. EU procurement regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value – see the OJEU Tendering Guide available on The Bank.

The Executive Director (Funding and Finance) will advise heads of department on the thresholds that are currently in operation. A breach of these EU regulations is actionable by a supplier or potential supplier.

It is the responsibility of heads of department to ensure that their members of staff comply with EU regulations by notifying the Executive Director (Funding and Finance) of any purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements in journals such as the *Official Journal of the European Community* (OJEC).

The Executive Director (Funding and Finance) 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 heads of department to the Executive Director (Funding and Finance).

#### **18.10 Receipt of goods**

All goods shall be received at designated receipt and distribution points. The packages shall be checked for quantity and general description. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods.

All goods received shall be distributed on the day of receipt to the person who initiated the official order through his or her completion of an internal purchase requisition. Upon receipt of this internal delivery the requisitioner shall check the goods for quantity and/or weight and inspect them for quality and specification. If the goods are deemed to be unsatisfactory, the supplier shall be immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the supplier should be immediately notified.

It is good practice for persons receiving goods on behalf of the College to be independent of those who negotiated prices and terms and placed the official order.

#### **18.11 Payment of invoices**

The procedures for making all payments shall be in a form specified by the college accountant.

The college accountant is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by BACS batches or computer cheques. There will normally be three computer payment runs (BACS and cheques) per month. In exceptional circumstances the college accountant will prepare BACS, CHAPS or cheques manually for urgent payments.

Budget holders are responsible for ensuring that expenditure within their cost centres does not exceed funds available.

All official purchase orders state clearly that suppliers should submit invoices for goods or services to the finance department for payment. The finance department will register invoices and pass them to the relevant budget holder for authorisation. Invoices must be returned to the finance department as soon as they have been certified.

Care must be taken by the budget holder to ensure that discounts receivable are obtained.

Payments will only be made by the college accountant against invoices that have been certified for payment by the appropriate budget holder or designated authorised signatory.

Certification of an invoice or 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 expenditure budget account is quoted; this must be one of the budget accounts included in the budget holder's areas of responsibility and must correspond with the types of goods or service described on the invoice.

#### **18.12 Internal Charges**

When charges apply to goods or services transferred between departments, a general ledger journal form must be used. The journal form must be authorised by the 'paying' budget holder or designated authorised signatory and shall be

approved by the college accountant. Exceptions to the above authorisation requirement will be where regular internal recharges are made which affect multiple departments. Examples of these recharges are:

- photocopying charges relating to use of print room and satellite photocopiers
- catering charges relating to hospitality provided to visitors and for College events
- art shop purchases for resale

Separate, prior notification of the amount of the internal charge to be made by general ledger journal will be provided to the 'paying' budget holder by the 'selling' budget holder.

#### **18.13 Staff reimbursement**

The College's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement (see 19.5).

Where such purchases by staff are planned, the college accountant and the relevant head of department 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 week 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.

#### **18.14 College credit cards and charge cards**

Where appropriate, the Head of Department, in liaison with the College Accountant may approve the issuing of College credit cards or charge cards to staff delegated by budget holders. Such cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. The college accountant will be responsible for setting in place a system to monitor the use of College credit cards and charge cards and account for expenses charged through them.

#### **18.15 Petty cash**

The majority of non-pay supplies are to be procured through the creditors system in accordance with the College's detailed financial procedures for purchasing and payment. Where it is either not possible or impracticable to use the creditors system, and where prior approval of the budget holder has been obtained, items costing less than £100 may be paid from departmental petty cash. To ensure compliance with Inland Revenue and regulations, payments from petty cash must be supported by receipts or vouchers where practicable. Failure to submit appropriate receipts may delay reimbursement.

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

Although imprest accounts are the responsibility of the member of staff to whom they are entrusted, they will nevertheless be managed and controlled by the college accountant (through his or her designated finance officer).

Imprest accounts must not be used for:

- personal expenditure or for cashing personal cheques
- payment of wages or salaries (including overtime and one-off casual payments for work done, whether to employees or otherwise)
- payment of any bill or invoice in respect of which an official College order has been issued

Standard College petty cash forms are supplied by the finance department and must be used for recording all petty cash amounts.

Petty cash vouchers for reimbursement must be sent to the finance department, together with appropriate receipts, before the total imprest amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.

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

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 head of department.

#### **18.16 Other payments**

Payments for maintenance and other items to students on behalf of sponsoring organisations shall be made on the authority of the college accountant, supported by detailed claims approved by the head of department.

Individual payments under 'outward collaborative provision' contracts shall be authorised by the Executive Director (Funding and Finance). This authority shall be on the basis that the payment represents a bona fide element of the contract which has been approved by the corporation.

#### **18.17 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 within 30 days of either the provision of goods or services or the date on which the invoice was received.

#### **18.18 Project advances**

The college accountant and the relevant head of department 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 or charge 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 week 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.

#### **18.19 Giving hospitality**

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

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

### **19 Pay Expenditure**

#### **19.1 Remuneration policy**

All College staff will be appointed to the salary scales approved by the corporation and in accordance with appropriate conditions of service. All letters of appointment must be issued by the personnel office.

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

Salaries and other benefits for senior management will be determined by the remuneration committee set up by the corporation.

#### **19.2 Appointment of staff**

All contracts of service shall be concluded in accordance with the College's approved personnel practices and procedures and all offers of employment with the College shall be made in writing by the personnel department. Budget holders shall ensure that the Executive Director (Funding and Finance) and the personnel team manager are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

#### **19.3 Salaries and wages**

The Executive Director (Funding and Finance) is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Executive Director (Funding and Finance).

The personnel team manager will be responsible for keeping the Staffing Executive Group (SEG) or Executive Director (Funding and Finance) informed of all matters relating to staffing. In particular these include:

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

The personnel team manager should also ensure that all payroll elements are regularly processed within the following timetable:

- Overtime claims and sickness absence data submitted electronically to payroll agent by 4<sup>th</sup> of each month.
- Incremental progression is cross checked by 25<sup>th</sup> of each month to ensure implementation for the following month.
- Other payroll changes submitted to payroll agent by 10<sup>th</sup> of each month will be processed in full.
- New joiners who commence after 10<sup>th</sup> will receive 65% of their salary as an advance for the relevant month with a payslip adjustment being made the next month.
- Emergency payments required after 10<sup>th</sup> will be managed internally. Payments will be made via WTC Finance office with recovery made via payroll deduction from the next month salary payment.

The personnel team are responsible for all payroll administration with the finance team being responsible for analysing and preparing monthly journals. Part of this process includes checking for abnormalities and reconciling payments made to the payroll agent.

The college accountant, in conjunction with the personnel team manager and appropriate authorised signatory, is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.

The assistant principal (students), as senior manager for personnel, shall be responsible for keeping all records relating to payroll including those of a statutory nature.

All payments must be made in accordance with the College's detailed payroll financial procedures and comply with Inland Revenue regulations currently in force.

#### **19.4 Superannuation schemes**

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

The personnel department is responsible for day-to-day superannuation matters, including:

- paying contributions to various authorised superannuation schemes
- preparing the annual return to various superannuation schemes
- liaison with the College's pension fund administrators.

The personnel team manager is responsible for administering eligibility to pension arrangements.

#### **19.5 Travel, subsistence and other allowances**

All claims for payment of subsistence allowances, travelling and incidental expenses shall comply with the detailed staff expense policy set out in appendix V to the financial procedures.

Claims by members of staff must be authorised by their budget holder (or line manager in the case of budget holders). The certification by the budget holder 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 travel by the principal or members of the corporation shall be approved by the chair of the corporation. Arrangements for travel by the chair shall be approved by the chair of the audit committee.

#### 19.6 **Overseas travel**

All arrangements for overseas travel must be approved by the relevant executive team member in advance of committing the College to those arrangements or confirmation of any travel bookings. Arrangements for overseas travel by the principal or members of the corporation shall be approved by the chair of the corporation. Arrangements for travel by the chair shall be approved by the chair of the audit committee.

Where spouses, partners or other persons unconnected with the College intend to participate in a trip, this must be clearly identified in the approval request. The College must receive reimbursement for the expected costs it may be asked to cover for those persons in advance of confirming travel bookings. The College will not meet any costs relating to the accompanying spouse, partner or family member of an employee travelling on College business.

#### 19.7 **Payments to members of the corporation**

Members of the corporation, excluding the principal and staff representatives, do not receive remuneration other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. Claims for members of the corporation shall be approved by the chair of the corporation. Claims submitted by the chair shall be approved by the chair of the audit committee.

#### 19.8 **Severance and other non-recurring payments**

Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the corporation. Professional advice should be obtained where necessary. All such payments shall be authorised by the principal and calculations checked by the personnel team manager. Any individual amounts

that do not fall within the parameters above require approval by the corporation. In exceptional circumstances this approval may be given by the corporation chair in consultation with the principal, to be reported to the next meeting of the corporation. Amounts paid should be declared in the financial statements, as required by the funding body.

All matters referred to an industrial tribunal shall be notified to the corporation. All determinations of tribunals must be similarly notified.

## **20 Assets**

### **20.1 Land, buildings, fixed plant and machinery**

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

### **20.2 Fixed asset register**

The college accountant is responsible for maintaining the College's register of land, buildings, fixed plant and machinery. Heads of department will provide the college accountant with any information he or she may need to maintain the register.

The college accountant will at least annually produce listings of assets recorded in the fixed asset register for heads of department to undertake a physical check of their existence and specification. Heads of department will notify the college accountant of any discrepancy.

### **20.3 Inventories, stocks and stores**

Heads of department are responsible for maintaining inventories, in a form prescribed by the Executive Director (Funding and Finance), for all stocks and stores of consumables purchased for resale. Examples of the above are:

- catering supplies
- hair and beauty dispensary stores
- bookshop stocks
- art shop stores

Inventories must be checked at least annually as described in the College's detailed financial procedures.

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

Heads of department are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. The systems used for stores accounting in departments must have the approval of the Executive Director (Funding and Finance).

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

Those heads of department whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the college accountant 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 Safeguarding assets**

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

Moveable assets owned by the College valued at £500 or more shall, so far as is practical, be effectively marked to identify them as College property. Where practicable, vulnerable items costing less than £500, such as TVs, video recorders and other audio-visual equipment, shall also be marked.

#### **20.5 Personal use**

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

#### **20.6 Asset disposal**

Disposal of equipment and furniture must be in accordance with the College's

detailed financial procedures.

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

#### **20.7 All other assets**

Heads of department are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the College, whether tangible (such as stock – see above) or intangible (such as intellectual property – see section 17), including electronic data.

### **21 Funds Held on Trust**

#### **21.1 Gifts, benefactions and donations**

The Executive Director (Funding and Finance) 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.

#### **21.2 Student welfare and access funds**

The college accountant in conjunction with the head of student support and recreation will prescribe the format for recording the use of student welfare funds.

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

#### **21.3 Trust funds**

The Executive Director (Funding and Finance) 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 Executive Director (Funding and Finance) is responsible for ensuring that all the College's trust funds are operated within any relevant legislation and the specific requirements for each trust. He or she will also be responsible for investment of fund balances.

#### **21.4 Voluntary funds**

The Executive Director (Funding and Finance) shall be informed of any fund that is

not an official fund of the College which is controlled wholly or in part by a member of staff in relation to their function in the College.

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

## **22 Other**

### **22.1 Insurance**

The college accountant in conjunction with the Executive Director (Funding and Finance) 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 policy (see sections 7.1 to 7.4), all risks will have been considered by the resources and risk management executive group 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 college accountant is responsible for effecting insurance cover as determined by the above. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The college accountant will keep a register of all insurances effected by the College and the property and risks covered. He or she will also deal with the College's insurers and advisers about specific insurance problems.

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

The Executive Director (Funding and Finance), through the centre managers and estates manager, is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

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

#### **22.2 Learner records**

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

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

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

#### **22.3 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 its behalf. Any member of staff considering the use of a company or a joint venture should first seek the advice of the Executive Director (Funding and Finance), who should have due regard to guidance issued by the funding body.

Under the Learning and Skills Act 2000, a College needs the prior approval of the funding body before a company or a joint venture can be established. The corporation is responsible for ensuring that the required procedures are followed. The process involved in forming a company or a joint venture and arrangements for monitoring and reporting on the activities of these undertakings are documented in the College's financial procedures.

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 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.

#### **22.4 Security**

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

An officer shall be responsible for maintaining proper security and privacy of information held on the College's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act 1998. A data protection officer shall be nominated to ensure compliance with the Act and the safety of documents.

The Executive Director (Funding and Finance) 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 Executive Director (Funding and Finance). All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

#### **22.5 Students' Union**

The Students' Union is a constituent part of the College and, as such, is responsible to the corporation.

Subject to any constraints imposed by the funding body, the executive shall determine the level of grant to be paid annually to the Students' Union and approve their budget for the year.

#### **22.6 Use of the College's seal**

Where a deed or document requires the College's seal, it must be sealed by the principal or, in his or her absence, another member of the executive.

The principal is responsible for submitting an annual report at the July meeting of the corporation detailing the use of the College's seal since the last meeting.

#### **22.7 Provision of indemnities**

Any member of staff asked to give an indemnity, for whatever purpose, should consult the Executive Director (Funding and Finance) before any such indemnity is given.

### **23 Appendices**

Appendix A	Capital Projects Group Terms of Reference
Appendix B	Audit Committee Terms of Reference
Appendix C	Key Contacts in the Finance Department
Appendix D	Main Features of the Public Interest Disclosure Act 1998
Appendix E	The Seven Principles of Public Life from the Report of the Committee for Standards in Public Life (The Nolan Report)
Appendix F	Deleted as redundant
Appendix G	Summary of Protocols for Proposed Major Developments
Appendix H	Internal Audit Responsibilities
Appendix I	Fraud Response Plan
Appendix K	Conditions of Contract for the Purchase of Goods
Appendix L	Register of Interests - Procurement
Appendix M	Main Points Included in the College's Code of Tendering Practice
Appendix N	Main points in the Bribery Act 201



---

## APPENDIX A: CAPITAL PROJECTS GROUP TERMS OF REFERENCE

### 1 *Membership*

---

The Group shall comprise at least five and up to seven Members of the Board, one of whom shall be the Principal. The Group shall elect a Chair and Vice Chair from amongst its Members. The Clerk to the Corporation shall act as Clerk to the Group.

### 2 *Quorum*

A meeting shall be quorate when any three Members are present.

### 3 **Attendance at Meetings**

The Committee may require the attendance, regularly or occasionally, of other Members of the Board, college staff and external advisors, as it considers will assist it in its remit. The Clerk shall attend all meetings of the Group.

### 4 **Frequency of Meetings**

The Group shall meet at such times and with such frequency as it deems necessary for the proper conduct of its business, or as the Corporation directs. There is no minimum annual requirement for meetings of the Capital Projects Group.

### 5 **Reporting Procedures**

The Clerk to the Corporation shall maintain appropriate records of the proceedings of the Group, which shall be reported to the Corporation by such minutes or reports, as the Group deems appropriate, or as otherwise directed by the Corporation.

## Remit

The Capital Projects Group shall be responsible for:-

- advising the Executive Team on capital projects
- approving capital spending on projects, within limits defined on each occasion by the Corporation
- validation and monitoring capital expenditure on specified projects, in accordance with capital plans approved by the Corporation
- undertaking such other tasks related to capital projects and developments as the Board may, from time to time, remit to the Group

---

## APPENDIX B: AUDIT COMMITTEE TERMS OF REFERENCE

### MEMBERSHIP

---

- 1 The committee shall be appointed by the corporation and shall comprise four members, at least three of who shall be members of the corporation. Elected staff members of the corporation shall be eligible for membership of the committee, provided that they do not have significant executive, management, financial or budgetary responsibilities.
- 2 If it so wishes, the corporation may appoint to the audit committee an external member who is not a member of the corporation and who has appropriate expertise.
- 3 In order to maximise the committee's independence and objectivity, the following people shall not be eligible for membership of the committee:
  - the principal
  - College employees with executive responsibility at senior level.
  - members of the College's finance advisory committee.
  - the chair of the corporation.
  - members of the corporation who have significant interests in the College.
- 4 The chair and vice chair of the committee will be selected by the committee. An external co-opted member is not eligible to be chair of the committee
- 5 The clerk to the corporation shall be clerk to the committee and shall attend all its meetings.

### QUORUM

---

- 6 A meeting of the Committee shall be quorate when two Members are present.

## **ATTENDANCE AT MEETINGS**

---

- 7 The internal auditor shall be entitled to attend and speak at all meetings of the committee but shall not be entitled to vote.
- 8 The financial statements auditor and funding auditors shall be entitled to attend and to speak at all meetings of the committee where business relevant to them is being discussed, but shall not be entitled to vote.
- 9 The committee may invite the corporation's advisers or other third parties to attend the committee, as it feels necessary. Such persons shall be entitled to speak, but not to vote, at meetings.
- 10 The principal or some other senior manager who is responsible for the College's internal control shall normally attend meetings at the invitation of the committee. Other managers may be invited to attend meetings, particularly where their area of responsibility is under discussion. The principal and senior managers shall be entitled to speak at such meetings, but not to vote.
- 11 The committee shall be entitled, whenever it is satisfied that it is appropriate to do so, to go into confidential session and (subject to the rules as to quoracy set out at paragraph 6 above) to exclude any, or all participants and observers, except the clerk to the committee.

## **FREQUENCY OF MEETING S**

---

- 12 The committee will normally meet at least three times a year. The internal, financial statements and funding auditors may request additional meetings if they consider it necessary, and the committee will try to comply with such requests. In order to carry out its functions, the committee must consider a minimum number of items of business each year, and those items are currently set out in the Table attached to Supplement A to the Interim Audit Code of Practice.

## **POWERS**

---

- 13 The corporation authorises the committee to investigate any activity within its terms of reference. The corporation grants the committee rights of access to obtain all the information it considers necessary from any corporation member, any committee of the corporation or any employee of the College. All corporation members and employees of the College are directed to co-operate with any request made by the committee.
- 14 The corporation authorises the committee, if it thinks fit, to consult directly with the internal audit service, the financial statements auditor and the funding auditor.
- 15 The committee is authorised by the corporation to obtain outside legal or other independent professional advice and to secure the attendance at its meetings of outsiders with the relevant experience and expertise if it considers this is necessary, provided that the committee may not incur direct expenditure in this respect in excess of £1,500 in any period of 12 months without the prior approval of the corporation.

## **REPORTING PROCEDURES**

---

- 16 The committee shall report its proceedings to the corporation via the minutes of its meetings and by such other reports as the corporation may from time to time specify.

## **TERMS OF REFERENCE**

---

- 17 To advise the corporation on the adequacy and effectiveness of the corporation's systems of internal control, and its arrangements for risk management, control and governance processes and of arrangements for securing economy, efficiency and effectiveness (value for money).
- 18 To advise the corporation on the appointment, reappointment, dismissal and remuneration of the internal audit service and financial statements auditor.

- 19 To advise the corporation on the scope and objectives of the work of the internal audit service, the financial statements auditor and the funding auditor.
- 20 To ensure effective co-ordination between the internal audit service, the funding auditor and the financial statements auditor, including determining whether the work of the funding auditor should be relied upon for internal audit purposes.
- 21 To consider and advise the corporation on the audit needs assessment and strategic and annual internal audit plans for the internal audit service.
- 22 To advise the corporation on internal audit assignment reports and annual reports and on control issues reported in the management letters of the financial statements auditor and the funding auditor, and on management's response to these.
- 23 To monitor, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports, the funding auditor's management letter and spot-check reports and the financial statements auditor's management letters.
- 24 To consider and advise the corporation on relevant reports by the National Audit Office, the SFA, other funding bodies and, where appropriate, management's response to these.
- 25 To establish, in conjunction with college management, relevant annual performance measures and indicators and to monitor the effectiveness of the internal audit service and financial statements auditor through these measures and indicators. To decide, based on this review, whether a competition for price and quality of the audit service is appropriate.
- 26 To produce an annual report for the corporation and accounting officer, which should include the committee's advice on the effectiveness of the College's risk management, control and governance processes, and any significant matters arising from the work of the internal audit service, the funding auditors and the financial statements auditor.
- 27 To ensure that all allegations of fraud and irregularity are properly followed up.
- 28 To be informed of all additional services undertaken by the internal audit service, the

financial statements auditors and the funding auditors.

---

## APPENDIX C: KEY CONTACTS IN THE FINANCE DEPARTMENT

### INTRODUCTION

---

- 1 The finance department is located in room E09 on the ground floor of the millennium building. Official opening hours are between 9.00 am and 5.00 pm, Monday to Friday, although there is usually somebody in the office from 8.30 am to 6.00 pm (5.30 pm on Friday).
- 2 In order to obtain maximum benefit from the finance department, it is important to observe the published deadlines. The deadlines have been established in order to guarantee the delivery of particular services which might not otherwise be achievable.
- 3 The main services are listed on the following pages together with appropriate contact names. There is also a list at the end of the document which gives contact details for individual post-holders.

### EXCHEQUER SERVICES

---

- 4 Exchequer services cover the following functions.
- 5 **Creditor payments.** This section pays all sums owed by the College other than payroll items. Payments are made mainly to suppliers of goods and services but the section also administers petty cash payments and, on instructions received from the student services department, access fund and emergency loan payments to students. Payments are made mainly within the UK but special arrangements can be made for payments to other countries and in other currencies. For payments queries please contact one of the accounts assistants – purchase ledger. Current duties and responsibilities will be posted on the finance web page of the College's intranet.

- 6 **Collection of income.** All income due to the College must be banked through the finance department. Payments are received by BACS, cheque, cash, credit cards or debit cards and are in sterling. Instalment facilities are available for some categories of student in relation to their tuition fees. Overdue debts are pursued in consultation with other departments and, where appropriate, debt collection agencies are used and court action is taken. Security arrangements for cash in transit are made for transfers between the finance department and the bank and for transfers to the finance department from other College sites. For income queries please contact the accounts assistant – sales ledger. Current duties and responsibilities will be posted on the finance web page of the College’s intranet.
- 7 **Payroll.** The College’s payroll is managed by an external payroll bureau. The college accountant is responsible for submission of all PAYE returns. All standing data and adjustments are effected through the personnel department. For all payroll queries please contact the personnel department.
- 8 **Insurance.** All aspects of insurance cover and claims are handled by the finance department. Prompt notification of all losses by the use of the appropriate form is essential if claims are to be processed effectively. Failure to notify the police in cases of theft or criminal damage can also invalidate cover. For insurance queries please contact the financial accountant.
- 9 **Controlled stationery.** In order to comply with financial regulations, to ensure that current versions of documents are used and to avoid duplication of control numbers, it is important to order these items from the finance department. They include internal purchase requisition forms, sales invoice requisitions, receipts, claim forms, travel forms, etc. To order supplies of controlled stationery please contact the appropriate accounts assistant. Current duties and responsibilities will be posted on the finance web page of the College’s intranet. Some forms may also be available for printing at this intranet web page.

## FINANCIAL ACCOUNTING

---

- 10 Many of the functions under this heading will not directly affect programme areas and departments. They include maintenance of the accounting system,

preparation of final and other accounts, tax returns, etc. Another such function relates to treasury management, which encompasses borrowing and lending, cash flow forecasting and management of the bank accounts. There are, however, several services which are for the specific benefit of users.

- 11 **Advice on other services rendered and financing of projects.** Advice is available for the preparation of bids for projects, especially in relation to external funding. For queries relating to other services rendered and project financing please contact the college accountant.
- 12 **Use of system.** Advice and training is provided for heads of department to access and use the data held in the accounting system. For queries relating to the operation of the accounting system please contact the curriculum management accountant.

## **M ANAGEMENT ACCOUNTING**

---

- 13 Much of the work in this area is at a corporate level. This includes the preparation of the financial plan, consolidation and submission of planning data to the funding council, compilation of the detailed annual budget and production of comparative statistical data. The Executive Director (Funding and Finance) must also provide regular monitoring statements and financial advice to the corporation and its committees.
- 14 **Budget monitoring.** Each budget holder is responsible for the monitoring and control of his or her own budget but assistance is available from finance department staff. At programme area and department level, budget reports are produced indicating income and expenditure against budget at account code level. All users also receive assistance from finance staff in order to ensure that budget monitoring statements are being received, understood and used. For queries relating to budget maintenance please contact the curriculum management accountant.
- 15 **Budget planning.** Advice is available for all budget managers. For queries relating to budget planning please contact the college accountant or curriculum

management accountant.

## MANAGEMENT CONTROL

---

- 16 A range of services provided by the finance department relate to the overall control of the College's systems. Some of these are mandatory.
- 17 **Internal audit.** All Colleges must have an independent internal audit function which operates in conjunction with the audit committee. The Executive Director (Funding and Finance) is responsible for the receipt and co-ordination of responses to audit reports and for the implementation of audit committee projects.
- 18 **Procedures and regulations.** Financial regulations and detailed financial procedures are maintained and disseminated by the finance department. Again, their existence is a funding council and audit committee requirement. For queries relating to management control matters please contact the college accountant.

## PURCHASING

---

- 19 The purchasing function is generally devolved, with authority to purchase granted to budget holders within the threshold framework stipulated in the financial regulations.
- 20 **Tender process.** Production and issue of documentation; tender evaluation; contract award recommendations; European procurement directive application.
- 21 **Operational issues.** Purchasing advice and guidance on the acquisition of goods/services; assistance with compiling specifications; quotations; sourcing of vendors; negotiations; maintenance of the purchasing manual and associated guide notes.
- 22 **Purchasing consortium.** The College is a member of the Crescent Purchasing Consortium, a national purchasing consortium for further education colleges.

- 23 For all purchasing issues contact one of the accounts assistants – purchase ledger.

## **FINANCE DEPARTMENT POST- HOLDERS AND CONTACT DET AILS**

---

Post: Executive Director Funding and Finance

Name: Mark Cooper

Phone: 020 8326 6305

Email: [mark.cooper@west-thames.ac.uk](mailto:mark.cooper@west-thames.ac.uk)

Post: Financial Accountant

Name: Mukesh Patel

Phone: 020 8326 2293

Email: [mukesh.patel@west-thames.ac.uk](mailto:mukesh.patel@west-thames.ac.uk)

Post: Assistant Financial Accountant

Name: Farah Mustafa

Phone: 020 8326 2435

Email: [farah.mustafa@west-thames.ac.uk](mailto:farah.mustafa@west-thames.ac.uk)

Post: Management Accountant

Name: Lorna Wellington

Phone: 020 8326 2197

Email: [lorna.wellington@west-thames.ac.uk](mailto:lorna.wellington@west-thames.ac.uk)

Post: Assistant Management Accountant

Name: Pauline D'Mello-Maplesden

Phone: 020 8326 2122

Email: [Pauline.D'Mello-Maplesden@west-thames.ac.uk](mailto:Pauline.D'Mello-Maplesden@west-thames.ac.uk)

Post: Accounts Assistant

Name: Jasbinder (Jas) Bagri

Phone: 020 8326 2279

Email: [jasbinder.bagri@west-thames.ac.uk](mailto:jasbinder.bagri@west-thames.ac.uk)

Post: Accounts Assistant

Name: Sumeet Takkar

Phone: 020 8326 2249

Email: [sumeet.takkar@west-thames.ac.uk](mailto:sumeet.takkar@west-thames.ac.uk)

Post: Accounts Assistant

Name: Rajan Bangar

Phone: 020 8326 2153

Email: [rajan.bangar@west-thames.ac.uk](mailto:rajan.bangar@west-thames.ac.uk)

---

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

### SUMMARY

---

The Act came into force on 2 July 1999. It encourages people to blow the whistle about malpractice in the workplace and is designed to ensure that organisations respond by acting on the message rather than against the messenger. The Act applies to employees blowing 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 applies whether or not the information is confidential and extends to malpractice occurring in the UK and any other country or territory. In addition to employees, it covers trainees, agency staff, contractors, home workers, trainees and every professional in the NHS. Employment law restrictions on minimum length of service and age do not apply. At present, the Act does not cover the genuinely self-employed, volunteers, the army, intelligence services or police officers. The Act has been described as ‘the most far reaching whistleblower protection in the world’.

### INTERNAL DISCLOSURES

---

A disclosure in good faith to a manager or the employer will be protected if the whistleblower has a reasonable suspicion that the malpractice has occurred, is occurring or is likely to occur.

### REGULATORY DISCLOSURES

---

The Act protects disclosures made in good faith to prescribed bodies such as the Health and Safety Executive, the Financial Services Authority and the Inland Revenue, where the whistleblower has a reasonable belief that the information and

their allegation(s) are substantially true.

## **WIDER DISCLOSURES**

---

Wider disclosures (eg to the police, the media, MPs, and non-prescribed regulators) are protected if, in addition to the tests for regulatory disclosures, they are reasonable in all the circumstances and they meet one of the three preconditions. Provided they are not made for personal gain, these preconditions are that the whistleblower:

- reasonably believed they would be victimised if they raised the matter internally or with a designated regulator
- reasonably believed a cover-up was likely and there was no regulator
- had already raised the matter internally or with a prescribed regulator.

An employee who makes a wide, public disclosure is more likely to be protected if there was no internal procedure set up.

## **FULL PROTECTION**

---

Where the 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 an employee is sacked, they may apply for an interim order to keep their job. Not all disclosures made by an employee are protected under the Act. Those that are include criminal acts, health and safety violations, breaches of legislation and miscarriages of justice. However, such acts are only protected as long as the disclosure is made in good faith to the employer, or any other person authorised under a procedure set up by the employer for this purpose. (Disclosures can also be made to appropriate regulatory bodies, such as the Health and Safety Executive.) Where an employee reasonably suspects malpractice (and this includes any crime), they will be protected from victimisation where they raise the matter in good faith with a person who is legally responsible for whistleblowing.

## QUALIFYING AREAS

---

The qualifying areas consist of information that the employee reasonably believes tends to show one or more of the following matters is either happening now, took place in the past, or is likely to happen in the future:

- a criminal offence
- the breach of a legal obligation
- a miscarriage of justice
- a danger to the health or safety of any individual
- damage to the environment
- deliberate covering up of information tending to show any of the above five matters.

---

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

**SELFLESSNESS**

---

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

**INTEGRITY**

---

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

**OBJECTIVITY**

---

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

**ACCOUNTABILITY**

---

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

## **OPENNESS**

---

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

## **HONESTY**

---

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

## **LEADERSHIP**

---

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

---

APPENDIX G: SUMMARY OF PROTOCOLS FOR PROPOSED  
MAJOR DEVELOPMENTS

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

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

More detail on these protocols can be found the College's financial procedures.

---

## APPENDIX H: INTERNAL AUDIT RESPONSIBILITIES

### AS ADVISED BY THE LEARNING AND SKILLS COUNCIL

---

The SFA's audit code of practice was issued in 2004. Internal auditors are required to adopt the Government Internal Audit Standards (GIAS).

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

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

---

## APPENDIX I: FRAUD AND BRIBERY RESPONSE PLAN

### PURPOSE

---

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

### INITIATING ACTION

---

- 2 All actual or suspected incidents should be reported without delay to the Executive

Director (Funding and Finance). The Executive Director (Funding and Finance) should, within 24 hours, hold a meeting of the following project group to decide on the initial response:

- assistant principal (students), being the executive member with overall responsibility for personnel management (chair)
  - a senior representative of internal audit (IAS)
  - Executive Director (Funding and Finance).
- 3 The project group will decide on the action to be taken. This will normally be an investigation, led by internal audit. The decision by the project group to initiate a special investigation shall constitute authority to internal audit to use time provided in the internal audit plan for special investigations, or contingency time, or to switch internal audit resources from planned audits.

## **PREVENTION OF FURTHER LOSS**

---

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

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

## **ESTABLISHING AND SECURING EVIDENCE**

---

- 8 A major objective in any fraud investigation will be the punishment of the perpetrators, to act as a deterrent to other personnel. The College will follow disciplinary procedures against any member of staff who has committed fraud. The College will normally pursue the prosecution of any such individual.
- 9 Internal audit will:
- maintain familiarity with the College's disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation
  - establish and maintain contact with the police where appropriate
  - establish whether there is a need for audit staff to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act
  - ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

## **NOTIFYING THE FUNDING BODY**

---

- 10 The circumstances in which the College must inform the funding body about actual or suspected frauds are detailed in the funding body's audit code of practice. The principal is responsible for informing the funding body of any such incidents.

## **RECOVERY OF LOSSES**

---

- 11 Recovering losses is a major objective of any fraud investigation. Internal audit shall ensure that in all fraud investigations, the amount of any loss will be

quantified. Repayment of losses should be sought in all cases.

- 12 Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice should also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The College would normally expect to recover costs in addition to losses.

## **REFERENCES FOR EMPLOYEES DISCIPLINED OR PROSECUTED FOR FRAUD**

---

- 13 The personnel policy handbook includes a requirement that any request for a reference for a member of staff who has been disciplined or prosecuted for fraud shall be referred to the personnel department. The personnel department shall prepare any answer to a request for a reference having regard to employment law.

## **REPORTING TO THE CORPORATION**

---

- 14 Any incident matching the criteria in the funding body's audit code of practice (as in paragraph 10 above) shall be reported without delay by the principal to the chairs of both the corporation and the audit committee.
- 15 Any variation from the approved fraud response plan, together with reasons for the variation, shall be reported promptly to the chairs of both the board of governors and the audit committee.
- 16 On completion of a special investigation, a written report shall be submitted to the audit committee containing:
- a description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud
  - the measures taken to prevent a recurrence
  - any action needed to strengthen future responses to fraud, with a follow-up report on whether or not the actions have been taken.

This report will normally be prepared by internal audit.

## **REPORTING LINES**

---

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

## **RESPONSIBILITY FOR INVESTIGATION**

---

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

## **REVIEW OF FRAUD AND BRIBERY RESPONSE PLAN**

---

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

---

## APPENDIX J: TREASURY MANAGEMENT POLICY STATEMENT

### 1. Treasury Management Policy

The Finance and Capital Projects Committee is responsible for approving a treasury management policy statement setting out a strategy and policies for cash management, long-term investments and borrowings. The Finance and Capital Projects Committee has a responsibility to ensure implementation, monitoring and review of such policies.

All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Executive Director (Funding and Finance) and an appropriate reporting system set up.

The Executive Director (Funding and Finance) and the Financial Accountant are together responsible for the investment of cash surpluses at short term on money markets through the College bankers and in the investment accounts of other major banks and building societies, as approved by the Finance and Capital Projects Committee.

All borrowing shall be undertaken in the name of the College and shall conform to any relevant Funding Bodies' requirements. The Executive Director (Funding and Finance) will report to the Finance and Capital Projects Committee on the activities of the treasury management operation.

### 2. Treasury management statement

The College defines the policies and objectives of its treasury management activities as ***"the management of its cash flows, banking, potential money market and capital transactions, the effective control of the risks associated with these activities and the pursuit of optimum performance consistent with those risks"***.

It believes that one of the prime criteria by which its effectiveness will be measured is the successful identification, monitoring, and control of risk.

It acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives and accordingly will employ suitable performance measurement techniques within the context of effective risk management.

### **3. Key aspects of treasury management**

#### ***Cash flow management***

Managing day-to-day cash balances at the bank, investing surplus funds as required and undertaking cash flow forecasting and management.

#### ***Investing cash deposits***

Ensuring that Cash balances obtain the highest interest possible whilst the organisations in which investments are held comply with the minimum credit rating as set by the Finance and Capital Projects Committee.

#### ***Investments***

All investments will be made in order to maximise returns for the College within acceptable risk parameters agreed by the Finance and Capital Projects Committee.

#### ***Borrowings***

Any borrowings will only be made with the approval of the Corporation following the recommendations of the Finance and Capital Projects Committee.

### **4. Recommended practice**

In line with recommended practice the College confirms that:

- It has in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of its treasury management activities;

- One of its prime objectives is the effective management and control of risk;
- It has in place suitable measures to effectively monitor its performance;
- It supports the adoption of a Treasury Management Policy Statement and has in place effective Treasury Management Practices;

Accordingly it will create and maintain:

- A Treasury Management Policy Statement, stating the policies and objectives of its treasury management activities;
- Suitable Treasury Management Practices, which set out the manner in which the College will seek to achieve its policies and objectives and manage and control its activities.

The Finance and Capital Projects Committee will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual review report.

The College will delegate responsibility for the implementation and reporting of its treasury management policies and practices and the execution and administration of its treasury management decisions to the Executive Director (Funding and Finance) who will act in accordance with the College's policy statement and Treasury Management Practices.

---

APPENDIX K: CONDITIONS OF CONTRACT FOR THE  
PURCHASE OF GOODS

**LIST OF HEADINGS**

---

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

REGISTER OF INTERESTS - PROCUREMENT

To be completed by all staff responsible for Procurement

All responsible staff involved in the process of procurement are invited to register all business interests, financial or otherwise, which they or (so far as they are aware) their spouses or partners, children or other close relatives, may have and to supply details of any benefits which they may have received in connection with their employment at West Thames College. Staff should inform the Financial Accountant whenever their circumstances change and interests are acquired or cease.

Please refer to the guidance notes overleaf and to the provision in the college's Code of Conduct which relates to conflicts of interest. Copies of the Code of Conduct have been supplied to all Staff. Additional copies can be obtained from HR.

Staff's Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

Department: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Nature of Interest/Potential area of Conflict	Date interest disclosed	Date interest changed or

## GUIDANCE NOTES

Appendix L

1 Any interest, financial or otherwise, which is likely, or would, if publicly known, be perceived as being likely to interfere with the decision making process for procurement purposes should be disclosed to the College. The interest will then be recorded in a **REGISTER** which will be maintained by the Financial Accountant. This Register enables Staff to disclose relevant business interests in a manner which is open and transparent and demonstrates to the public that such interests have not influenced the College's decision-making process. Staff are reminded that the Register is open to public inspection.

2 Staff are in the best position to decide what business interests are relevant and should be disclosed. However, they may find it helpful to consider whether any particular interest should be disclosed by reference to the following headings, which are set out as general guidelines:-

<b>Category of Interest</b>	<b>Information to be disclosed</b>
Paid employment	Name of employer
Self employment/consultancy	Names of significant customers/clients accounting for more than say, 10% of the income of individual or firm
Directorships of commercial companies	Name of companies
Significant share holdings	Name of companies in which the corporation Member owns 5% or more of the issued share capital
Elected office	Name of authority
Unremunerated trusteeships or participation in the management of charities and other voluntary bodies	Name of body
Public appointments (paid or unpaid)	Name of body
Membership of professional bodies and trade or other associations	Name of body
Gifts or hospitality offered by outside bodies and arising from employment at the College	Nature and approximate value of the gift and the name of the donor

3 Staff are invited to provide the same information, if known to them in respect of their spouses or partners, children or other close relatives (e.g. living in the same household or a dependant). Staff should ask themselves whether members of the public, knowing such information, would reasonably conclude that the relevant interest might influence their judgement.

## APPENDIX M: MAIN POINTS INCLUDED IN THE COLLEGE'S CODE OF TENDERING PRACTICE

---

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

---

## APPENDIX N: MAIN POINTS IN THE BRIBERY ACT 2010

### **Background**

The Bribery Act 2010 came into force on 1<sup>st</sup> July 2011. The Act deals only with bribery and does not cover other forms of white collar crime.

The Act repeals or revokes a number of previous Acts of Parliament the significant ones being: -

- Public Bodies Corrupt Practices Act 1889
- Prevention of Corruption Act 1906
- Prevention of Corruption Act 1016

### **The Bribery Act 2010 – Quick Start Guide:**

#### **The Offences**

The Act creates the following statutory offences:

- Section 1: a general offence covering offering, promising or giving a bribe;
- Section 2: a general offence covering requesting, agreeing to receive or accepting a bribe;
- Section 6: a distinct offence of bribing a foreign public official to obtain or retain business; and,
- Section 7: a new strict liability offence for commercial organisations where they fail to prevent bribery by those acting on their behalf.

#### **Sanctions/Penalties**

Individuals and commercial organisations that are found guilty of an offence under sections 1, 2 or 6 are liable:

- on summary conviction – to imprisonment for a maximum term of 12 months (individuals only) or to a fine not exceeding the statutory maximum, currently £5,000
- on conviction on indictment – to imprisonment for a maximum term of 10 years (individuals only) or to an unlimited fine, or both.

Individuals and commercial organisations guilty of an offence under section 7 are liable on conviction on indictment to a fine, which is unlimited.

Whilst formal guidance as to how the courts are to approach the level of fines is yet to be published, recent judicial comment suggests that the English courts will adopt sentencing that is at least as stringent as the US, with the courts increasing assertiveness in assessing and handing down stark sentences. If the same approach as currently taken by the EU is adopted, companies could face the imposition of fines at a level of up to 10% of a company's turnover.

As well as the imposition of legal penalties, commercial organisations in breach of the Act are likely to face other consequences: contracts being void; likely exclusion from public contracts and suppliers; reputational issues; brand damage; to name but a few.

### **How can the College be found to be liable?**

The college could be liable if a senior person within the organisation commits a bribery offence. This person's activities would then be attributed to the organisation.

The college could also be guilty of an offence if a person associated with it bribes another person, intending to obtain or retain business or a business advantage for the organisation.

'Associated person' is defined in section 8 of the Act as “a person who performs services for or on behalf of [the commercial organisation]” which is to be determined by “reference to all the relevant circumstances and not merely the nature of the relationship between the [person and the commercial organisation]”. There is a presumption that any employee of a commercial organisation is an ‘associated person’, unless the contrary is shown; however, the definition extends far beyond just employees and also covers agents, subsidiaries or even a joint venture partner.

### **Defence to the Corporate Offence**

The college will not be deemed to have committed an offence of failing to prevent bribery if it can show that it had “adequate procedures” in place to prevent bribery. What counts as “adequate” will depend on the bribery risks faced by the college.

There are six principles which should be followed: -

- Proportionality – Actions taken should be proportional to the risks faced
- Top Level Commitment – Those at the top of an organisation are in the best position to ensure their organisation conducts business without bribery.
- Risk Assessment – Think about the risks that we might face. Some research into the markets we operate in and the people with deal with might be prudent especially for new business arrangements.
- Due Diligence – Knowing who you are dealing with can help protect the organisation from taking on people who might be less than trustworthy.
- Communication – Ensuring that all employees and others who perform services on behalf of the organisation are aware of the relevant policies and procedures and the basis on which the organisation conducts its business

- Monitoring and Review – The risks faced and the effectiveness of controls can change over time it is therefore important that the organisation reviews its procedures on a regular basis to ensure their appropriateness.

No policy or procedure is capable of detecting and preventing all bribery. A risk-based approach recognises that the bribery threat to organisations varies across business sectors, business partners and transactions.

### **Hospitality**

Bona fide hospitality and promotional, or other business expenditure which seeks to improve the image of the commercial organisation, better to present products and services, or establish cordial relations, is recognised as an established and important part of doing business and it is not the intention of the Act to criminalise such behaviour.

However it is acknowledged that hospitality and promotional business expenditure could be employed as a bribe.

But, as a general proposition, hospitality or promotional expenditure which is **proportionate** and **reasonable** given the business of the college is unlikely to engage the Act.

### **Financial Implications:**

Potentially there is a risk that the college can be fined up to 10% of its turnover if it is found to be guilty of an offence under Section 7 of the Bribery Act 2010