

<b>Policy Title</b>	City College Plymouth Financial Regulations
<b>Policy Category</b>	Compliance
<b>Owner</b>	Chief Financial Operations Officer
<b>Group Executive Lead</b>	Chief Financial Operations Officer
<b>Date Written</b>	July 2025
<b>Considered By</b>	Update of 2024 version approved by Corporation
<b>Approved By</b>	Corporation
<b>Date Approved</b>	7 July 2025
<b>Equality Impact Assessment</b>	The implementation of this policy is not considered to have a negative impact on protected characteristics.
<b>Freedom of Information</b>	This document will be publically available through the City College Plymouth website and Staff Central.
<b>Review Date</b>	July 2026
<b>Policy Summary</b>	<p>The Financial Regulations translate the Group's broad policies relating to financial control into practical and operational guidance. They are subordinate to the Corporation's Instrument and Articles of Government and must comply with the terms of the College's funding agreement with the Department for Education (DfE), the Framework and Guide for External Auditors and reporting accountants of Colleges and the College Financial Handbook. Compliance with these regulations is compulsory for all colleagues.</p> <p>Financial policies and procedures set out how these regulations must be implemented.</p>
<b>Changes to Earlier Versions</b>	
<b>Previous Review /Approval Date</b>	<p><b>Approved July 24</b></p> <p>Below are the main changes made in this version for approval:</p>
<b>July 25</b>	<ul style="list-style-type: none"> <li>• Job titles updated where required.</li> <li>• CLDO approve EPA costs per student if over £5,000 before submission to the Head of Finance (HoF) for final approval (4.2).</li> <li>• Three quotations must be gained.</li> <li>• Purchase limit increased from £1,000 to £5,000 (3.1).</li> <li>• References to the Board of Governors updated to the Corporation throughout the document for consistency.</li> <li>• References to the Audit Code of Practice have been replaced with ones to the</li> </ul>

	<p>Framework and Guide for External Auditors and Reporting Accountants of Colleges (throughout).</p> <ul style="list-style-type: none"> <li>• The UK Public Procurement Act 2023 replaces outdated references to EU-based (OJEU) rules from 2024/25 and Public Contracts Regulations 2015.</li> <li>• Over-threshold in line with UK procurement legislation (UK Public Procurement Act 2023).</li> <li>• Greater emphasis on cyber risk management following the new government guidance for FE.</li> <li>• References to the Education and Skills Funding Agency (ESFA) have been replaced with the Department for Education (DfE).</li> <li>• Section 16 Data Protection and Cyber Security has been deleted.</li> <li>• Clause added (18.3) to reflect DfE expectations on sustainability and ESG.</li> <li>• Clause added (18.4) to reflect the UK Data Protection and Digital Information Bill (DPDI) and strengthened cyber governance.</li> <li>• Section 24 Managing Public Money (MPM) Compliance replaces the previous Section 24 entitled 'Reclassification of Colleges (ONS/DfE).</li> <li>• Appendix A: CCP Quotations and Tenders updated to reflect new legislation.</li> </ul>
<b><u>Linked Documents (Matrix of delegation)</u></b>	
<b>Document Title</b>	Scheme of Delegation Matrix
<b>Scheme of Delegation Matrix</b>	Scheme of Delegation Matrix reviewed July 25

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## **GENERAL PROVISIONS**

### **1.1 STATUS OF FINANCIAL REGULATIONS**

These Financial Regulations govern the conduct of the Corporation of City College Plymouth (the College), its members, staff and agents in relation to all financial matters. They shall be read in conjunction with and be subordinate to the Further and Higher Education Act 1992, the Learning and Skills Council Act 2000, the Instrument and Articles of Government of the College and the Financial Memorandum for the time being between the Department for Education (DfE) and the College.

The College is an exempt charity by virtue of the Charities Act 1993.

The financial memorandum between the DfE and the College sets out the terms and conditions on which a grant is made. The Corporation is responsible for ensuring that conditions of the grant are met. As part of this process, the Corporation must adhere to the funding bodies' Joint Audit Code of Practice, which requires it to have sound systems of financial and management control and is inclusive of the changes brought about by the ONS reclassification and the new requirements relating to Managing Public Money (MPM). The financial regulations of the Corporation form part of this overall system of accountability.

### **1.2 COMPLIANCE**

This document sets out the College's financial regulations. It applies to both the College and its subsidiary company.

The College's financial regulations should be used in conjunction with the now published College Financial Handbook 2025, which includes a schedule of musts; a list of requirements used as a tool for auditing Regularity. This helps ensure the College's financial regulations remain compliant with Managing Public Money (MPM).

The purpose of these financial regulations is to provide control over the totality of the College's resources and provide management with assurance that the resources are being properly applied for the achievement of the College's Strategic Plan and Business Objectives. Those objectives include:

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

The Chief Financial Operations Officer (CFOO) shall ensure that all members of the Corporation and all Budget Holders are provided with copies of the current Financial Regulations, which apply to all staff and that appropriate training in their application is provided. Compliance with the financial regulations is compulsory for all staff connected with the College. All Budget Holders must sign the financial regulations receipt form to

confirm that they have received these regulations on an annual basis to ensure all staff know and are aware of their responsibility and accountability. 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.

Where specific matters are not directly covered by the Financial Regulations, they should be resolved within the spirit of the policies and guidelines contained herein.

It is the responsibility of the Head of Finance (HoF) and all line managers to ensure that their staff are made aware of the existence and content of the Financial Regulations.

The Corporation is responsible for the oversight and governance of the College. Its financial responsibilities are to:

- Operate in accordance with the instruments and articles of governance.
- Ensure the solvency of the College and the safeguarding of its assets.
- Appoint, grade, suspend, dismiss and determine the pay and conditions of service of the Chief Executive/Principal, Director of Governance and other Designated 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.
- Appoint the 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.
- Approve an annual budget before the start of each financial year.
- Determine the tuition fees policy on an annual basis.
- Ensure that the Corporation and the College complies with the Framework and Guide for External Auditors and Reporting Accountants of Colleges and the College Financial Handbook (from August 2025).
- Approve the College's Strategic Plan.
- Approve the annual financial statements.

The Corporation must notify the funding body in writing if at any time there is a significant deterioration (not limited to but a downward trend in any of the key indicators on the balanced scorecard) in its financial position. Where the funding body has concluded that there is a significant risk to the College's financial position, the funding body may require the College to put in place a plan that will secure a recovery to a satisfactory financial position.

The Chief Executive/Principal is responsible for ensuring that the controls and policies set by the Corporation to ensure the proper use of public funds and management of the College are adhered to. The Chief Executive/Principal is also required to advise the

Corporation if any controls or policies are incompatible with the law or provisions of the College's statutory authorities. The Chief Executive/Principal may be required to justify any of the Corporation's financial matters to the Public Accounts Committee in this regard.

In particular, the Articles of Government 3(2)(c) charge the Chief Executive/Principal with responsibility for:

*"...preparing annual estimates of income and expenditure for consideration and approval by the Corporation and the management of budget and resources within the estimates approved by the Corporation."*

The Chief Executive/Principal, in their role as Chief Accounting Officer of the College and on the advice of the CFOO, is responsible for ensuring that suitable financial systems and procedures are put in place. They are also responsible for ensuring the systems and procedures are operated to effect the controls and policies set by the Corporation, to provide auditable accounting records, and to provide reliable, relevant and timely financial information to the Corporation and to Budget Holders, to aid decision-making.

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

The Executive Leadership Team (ELT) is responsible to the Chief Executive/Principal for the sound financial management of the areas or activities they control. They are advised by the CFOO in executing their financial duties. The CFOO will supervise and approve all financial systems, procedures and controls including the form in which accounts, procurement and other financial records are kept. The ELT is responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters.

Day to day financial administration is controlled by the HoF and CFOO, who is responsible to the Chief Executive/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 reports, accounts and other financial statements which the College is required to submit to the funding body and other authorities.
- Ensuring that the College maintains satisfactory financial systems and internal controls.
- Providing professional advice and guidance on all matters relating to financial policies and procedures.
- Monitoring and reporting on financial risk management throughout the College.
- Day to day liaison with internal and external auditors in order to achieve efficient processes and controls.

The Chief Executive/Principal and the CFOO shall report annually and more regularly if necessary to the Corporation on the effectiveness of the Financial Regulations and propose such amendments as are deemed necessary.

### **1.3 NEW COMMITMENTS**

The CFOO shall be consulted on any matter which is liable to materially affect the financial position of the College, before any provisional or new commitment is incurred or before any report thereon is made to the Corporation. Any such report shall include details of the financial implications on both the remainder of the current financial year and the next full year and the comments of the CFOO.

### **1.4 NEW LEGISLATION AND REGULATIONS**

All College Budget Holders are responsible for informing the CFOO of any legislation, notification, consent, approval, circular or letter received from a Government Department or other official source in relation to their activities that may affect the financial affairs of the College.

### **1.5 WAIVER OF FINANCIAL REGULATIONS**

The Chief Executive/Principal shall have delegated powers to waive Financial Regulations where necessary to ensure sound financial control and the effective running of the financial affairs of the College, subject to any powers reserved to the Corporation itself. All requests for financial waivers must be on the necessary form (Waiver of Financial Regulations Form) and be accompanied with confirmation from the HoF that the financial implications for the College have been taken into account and such waivers shall be reported to the Chief Executive/Principal.

The HoF shall maintain a record of all waivers for inspection at Corporation meetings and by Internal and External Audit as part of the annual report.

### **1.6 DEPUTISING THE CHIEF EXECUTIVE/PRINCIPAL**

The CFOO shall have the authority to deputise for the Chief Executive/Principal in their absence regarding financial matters, this will then be reflected through the delegation structure in an appropriate way so as to avoid any segregation of duty conflicts. (Deputy Delegation structure reflected on the delegation matrix.)

### **1.7 GOVERNANCE MODEL**

The College operates a carver model based governance with a main Corporation Board and two committees (Audit and Remuneration).

## **2 BUDGET PROCEDURES**

In accordance with best practice and generally accepted accounting principles, the College is required to account separately for revenue items (which are generally written off in the year in which they arise) and capital items (which are depreciated over their expected useful economic lives).

The CFOO is responsible for preparing annually a financial plan for approval by the Corporation and for preparing financial forecasts for submission to the funding body.

Financial plans should be consistent with the strategic plans and accommodation strategy approved by the Board.

The CFOO is responsible for preparing each year an annual revenue budget and capital programme for consideration and approval by the Corporation. The budget should also include cash flow forecasts for the year and a projected year-end balance sheet. The CFOO must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to Budget Holders as soon as possible following their approval by the Corporation.

During the year, the CFOO is responsible for submitting revised forecasts.

### **2.1 ANNUAL ESTIMATE OF INCOME AND EXPENDITURE**

The Chief Executive/Principal shall submit to the Corporation an annual estimate of income and expenditure required to support the College in achievement of its objectives for the financial year commencing on the following 1st August.

The CFOO shall prepare that estimate for the Chief Executive/Principal in the light of past and future commitments, intended activity, DfE guidance and similar information. College Budget Holders shall ensure that all relevant information is provided to the HoF and CFOO for review and approval, in accordance with the agreed timetable, to enable the estimate to be prepared.

The Chief Executive/Principal may authorise the inclusion of contingency amounts and estimates of Corporation expenditures, whilst ensuring the financial objectives determined by the Corporation are achieved.

The approval of the estimate by the Corporation signifies its authorisation as a budget to incur the expenditures so identified.

Once the overall budget has been approved by the Corporation, each Budget Holder within the College will be allocated an appropriate portion of income and expenditure (and staffing numbers - permanent and temporary - implied by this portion) as their local budget. Budget Holders are responsible to the Chief Executive/Principal, as Accounting Officer, for the financial management of the funds devolved to them. Budget Holders are therefore responsible for achieving their income targets and for constraining expenditures within their target levels. The HoF and CFOO are responsible for advising them in the execution of their financial duties.

Budget Holders are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters. A Budget Holder may not exceed a delegated budget without the prior written approval of the CFOO. Any changes in staffing against the agreed budget require the express prior approval of the recruitment panel (Staffing Review Group (SRG)).

## **2.2 AUTHORISATION OF EXPENDITURE**

No expenditure shall be authorised without budget approval, nor shall expenditure be authorised other than by the CFOO whose authority shall be delegated to the responsible Budget Holder or their line manager in accordance with the provisions of paragraph 4.2 below.

## **2.3 REVENUE BUDGET CONTROL REPORTS**

The HoF shall provide the Chief Executive/Principal and all Budget Holders with relevant monthly budgetary control and such other information as may be required from time to time. This will include:

- Overall monthly summary
- Set of financial key indicators with a commentary
- Report on performance against funding and student number targets
- Income and Expenditure account with expenditure to date; estimated outturn for year as a whole and variance from budget
- Summary Budget Holder reports by school/faculty/department
- Balance Sheet
- Cash flow

These accounts are produced within 10 working days of the close of the month and are distributed immediately to the ELT, once agreed with the Chief Executive/Principal. Distribution to Drivers for Change Managers, Union representatives, where required members of the Corporation and external agencies would come directly from the Chief Executive/Principal or CFOO. They are formally discussed by the Corporation on a regular basis.

In all cases where it appears that the approved budget may be exceeded, it shall be the responsibility of the Budget Holder to inform the HoF immediately, together with proposals as to how the overspend would be funded. No unfunded overspends will be allowed without the express prior approval of the CFOO.

## **2.4 VIREMENT**

Any cases for virement within revenue budgets must be agreed at Budget Holder Level and by the HoF. Budget Holders may request the transfer of sums between any main heads of expenditure within their budgets, subject to the following exceptions:

- (a) Virement shall not be permitted between staffing and other Heads of Departments and Corporate Services Managers.
- (b) Virement shall not be permitted from capital to revenue budget, but can be permitted from revenue to capital.

No virement shall be permitted which will create growth in expenditure in future years, without the express approval of the Chief Executive/Principal on the advice of the CFOO.

Requests for transfers between main heads of expenditure within budgets must be made in writing by Budget Holders to the HoF.

At the year end, Budget Holders may not carry forward balances on their budgets to the following year. Capital budget may be carried forward, subject to the approval of the Corporation.

### **3 CAPITAL EXPENDITURE BUDGET**

Value over £500,000 approval is requested from the Corporation.

#### **3.1 DEFINITION**

The capital programme includes all expenditure on land, buildings, equipment, including IT equipment and infrastructure, software, fixtures, fittings, 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.

Capital expenditure is defined as being on the purchase of items with an expected useful economic life of over one year and with a value at purchase in excess of £5,000 including VAT.

On capitalisation these items become fixed assets of the College, subject to its depreciation policy (see below) and accounted for within the College's Fixed Asset Register held by the Finance Department under asset categories of:

- Land and buildings
- Short-life accommodation
- Plant
- Motor vehicles
- Furniture, fixtures and fittings
- Equipment
- Computer equipment
- Software

Note: In determining whether a purchase is capitalised, the following guidelines apply:

- Renovations of buildings (including any costs of professional fees, VAT, etc.) which significantly affect their value, usefulness or expected lifetime are in general capitalised, whereas repairs and redecorations are not;
- Purchase of a single item of furniture (eg a chair) for £100 is not capitalised; a single purchase of ten or more such items to equip a room is generally capitalised.

#### **3.2 CAPITAL FUNDING**

The CFOO, in consultation with the Chief Executive/Principal/ELT, is responsible for submitting bids for such funding, the allocation of such funding to the agreed projects and the monitoring of the capital projects and reports to the board. All capital projects should be supported by:

- A statement which demonstrates the project's consistency with the strategic plans and accommodation strategy approved by the Corporation.

- Initial budget for the project for submission to the Corporation. The budget should include a breakdown of costs including professional fees, VAT and funding sources.
- Financial evaluation of the plans together with their impact on revenue plus advice on the impact of alternative plans where applicable.
- Investment appraisal in an approved format which complies with funding body guidance on option and investment appraisal.
- Demonstration of compliance with normal tendering procedures and funding body regulations.
- Cash flow forecast.

The Financial Memorandum with the DfE allows colleges to supplement ring-fenced funds, with funding from the recurrent element of the main allocation, from borrowings, from other sources (eg Lottery Funds) and from their general reserves. The Corporation is responsible for approving any such capital expenditure.

DfE require the College to consult them on relevant projects in accordance with the Financial Memorandum.

The CFOO is responsible for providing regular management information to support any capital projects. These regular statements concerning all capital expenditure should be provided to the Chief Executive/Principal, ELT and to the Corporation for monitoring purposes.

Following completion of a capital project, a final report should be submitted to the Corporation recording actual expenditure against budget and reconciling funding arrangements where a variance has occurred. Overspending on capital projects is not permitted unless by agreement with the Corporation.

### **3.3 AUTHORISED OFFICERS.**

A Senior Project Manager will be appointed for every capital project. The Senior Project Manager may incur expenditure up to the approved value of the project excluding the general contingency.

### **3.4 VARIATIONS TO THE CAPITAL PROJECTS.**

Where the cost of a variation requires the use of some or the entire general contingency for the project the limits for approval of such variations must be formally approved by the ELT.

The Chief Executive/Principal must approve any variation that is likely to overspend the general contingency provided for a project. This power may be delegated if appropriate and agreed by the board. If the overspend is likely to impact on the overall budget of the College, the Chief Executive/Principal should seek approval from the Corporation.

### **3.5 CAPITAL BUDGET**

Fixed assets and their associated depreciation are allocated to budget-centres in the accounts. All requests for capital items must be endorsed by the CFOO before they are submitted to the Chief Executive/Principal or Corporation for approval.

All requests shall show in detail:

- (a) Realistic programme of their estimated capital expenditure for such years as may be specified.
- (b) Order of priority to be given to the various projects.
- (c) Implications of the various projects on the annual revenue estimates

Capital expenditure from Revenue Budget:

Purchases of capital equipment from revenue budgets will be made under the usual purchasing procedures, except indicating that they are capital in nature.

### **3.6 CAPITAL PLANNING**

The CFOO shall draw up an annual plan for capital expenditures and disposals, detailing for the next financial year on-going projects and any proposed new projects (along with any continuing capital expenditure from all these projects into the following two years).

The proposed projects will have been selected from submissions made by College Budget Holders and prioritised according to the College's strategic plans and intentions.

The plan shall also outline the impact of these expenditures and depreciation and any other running costs for the next financial year. The plan shall be consistent with the Financial Forecast submitted to the DfE.

The CFOO, in consultation with the Chief Executive/Principal, shall submit this plan to the Corporation for approval, such approval signifying the Corporation's authorisation of the plan as a budget from which to incur the expenditure identified or to dispose of identified assets.

As circumstances dictate, the CFOO may from time to time submit amendments to this plan, including supplementary items as opportunities arise, for consideration by the Corporation.

### **3.7 DEPRECIATION POLICY**

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

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value. Such expenditure may be classed as fixtures and fittings and depreciated accordingly.

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item is £5,000 or more. Grouped items (eg a suite of computers) with an individual value of less than £5,000, but a group value of £5,000 or more will be capitalised.

The purchase of software systems and associated installation costs, including professional fees, may be capitalised as intangible assets. Annual support costs, licences etc are revenue costs and may not be classed as capital.

Capitalised assets shall be depreciated in the College accounts over their expected useful economic lives as follows:

Land - not depreciated

- Freehold buildings - 40 years
- Major adaptations to - between 20 and 50 years
- General equipment – 15% per annum (6.67 years)
- Furniture, Fixtures and Fittings -15% per annum (6.67 years)
- Computer equipment – 25% per annum (4 years)
- Vehicles – 25% per annum (4 years)
- Software – 25% per annum (4 years)

### **3.8 ASSET DISPOSALS**

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

The College has a responsibility under the Waste Electronic and Electrical Equipment Directive (WEEE) and other EU directives to ensure the disposal of certain equipment is responsible and traceable and therefore all disposals of furniture and equipment, including IT equipment, should be made in accordance with the College Asset Disposal Policy.

Redundant items should be offered to other Departments in the first instance.

Obsolete items for which the College has no use may be disposed of. Disposals must be processed by the Finance department.

Redundant assets should be provisionally valued by the Department:

- The disposal of assets provisionally valued at over £50,000 must be approved by the Chief Executive/Principal, and where practicable should be disposed of by way of a formal written tender. For each disposal valued at over £50,000 a formal legal sale form, arranged through the College Director of Governance, must be signed by the purchaser and copied to the HoF.
- The disposal of assets provisionally valued at over £1,000 must be approved by the CFOO and where practicable should be disposed of by way of a formal written tender. For each disposal valued at over £1,000 a formal legal sale form, arranged through the college Director of Governance, must be signed by the purchaser and copied to the HoF.
- Disposal of Equipment currently valued between £250 and £1,000 must be approved by the HoF.

- Disposal of assets valued in excess of £100 but below £250 must be approved by the Curriculum Lead Development Officer (CLDO)/Corporate Services Manager.

Redundant equipment may be donated to charities and schools with the express agreement of the HoF.

Items provisionally valued at over £100 must not be sold to employees or members of their immediate family, unless offers from outside the College have been sought.

Where the highest bid is made by a member of staff, or a connected person, that fact must be formally notified in writing to the CFOO. Where the highest bid received is from the CFOO, the matter shall be determined by the Chief Executive/Principal.

Asset values may be written down (or off) from College accounts on the advice of the CFOO.

A disposal will mean that an item will permanently leave the College and be deleted from the Asset Register. In the disposal process the following information will be formally recorded:

- Number of items disposed of
- Date of disposal
- Disposal value
- Reason for disposal
- Details of disposal

An asset valuation exercise takes place on an annual basis with property valuation completed 2 years ago. Any material change to the valuation of assets or the report will be reported to the Corporation.

### **3.9 SECURITY OF ASSETS**

It will be the responsibility of each Budget Holder to ensure that proper security is maintained at all times for all buildings, furniture, equipment, stocks, stores, cash etc., under their control.

Whilst each employee has a responsibility for the security of the property of the Corporation, it is the responsibility of Budget Holders to apply routine security practice in relation to Corporation property held in their departments or functions. Corporation property shall not be removed without the express written permission of the appropriate supervising officer, or in their absence, the Chief Executive/Principal. Any breach of agreed security practices shall be reported to the CFOO.

The Executive of Estates and Assets shall keep up-to-date plans of all College properties. The Executive of Business Intelligence, Growth and Skills (Management Information Systems) shall keep an up-to-date inventory of all College IT equipment. Relevant Budget Holders shall keep up-to-date inventories of all College equipment in their control.

The HoF shall keep the College fixed asset register up-to-date.

Items on the Fixed Assets Register shall be subject to periodic verification in preparation for end of year external audit by a designated officer and any discrepancies shall be reported to the CFOO.

Any damage to the Corporation's premises, vehicles or equipment or loss of equipment or supplies shall be reported by staff members first to their appropriate supervising officer, who shall inform the CFOO and an incident report should be completed as soon as is practicable. Any loss due to theft or believed to be stolen should also be reported to the College Director of Governance, who will advise whether a police log should be raised and an insurance claim submitted.

### **3.10 DONATED ASSETS**

Any proposal to donate any equipment or other form of asset to the College must be submitted to the CFOO, together with a risk assessment.

The CFOO or the Chief Executive/Principal is responsible for deciding whether the donation may be accepted. The CFOO (with the HoF), will ensure the recording and registering of all donated assets for insurance and accounting purposes.

### **3.11 PERSONAL USE**

Assets owned or leased by the College shall not be subject to personal use without proper authorisation, exemptions may apply to working from home on College equipment guidance and approval to be obtained from the Head of IT. In exceptional circumstances this permission may also be extended to registered students where the student has signed to accept responsibility for damage to or loss of the equipment. All Budget Holders should establish an adequate audit trail of such movements by use of a register of loaned equipment.

## **4 PURCHASING AND PAYMENT**

The CFOO is responsible for making payments to suppliers of goods and services to the College. Payment terms reference the statutory 30 day commitment.

The Corporation requires all Budget Holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible costs consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice ('value for money').

All College staff and Corporation members are to maintain professional standards in all dealings with suppliers and are expected to work together for the best overall benefit to the College.

### **4.1 SCHEME OF DELEGATION/FINANCIAL AUTHORITIES (Refer to Matrix for summary)**

The Head of Department (HoD) is responsible for purchases within their 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 and procurement policies and financial procedures.

The HoF shall maintain a register of authorised signatories and Heads of Department/ ELT must supply specimen signatures of those authorised to certify invoices for payment. Requests for authorised signatory rights must be approved in writing by the CFOO.

Under procedures agreed by the CFOO, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits.

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

Heads of Department and Budget Holders are not authorised to commit the College to expenditure without first reserving sufficient funds to meet the purchase cost.

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

Expenditure on a single item / order in excess of £10,000 shall require the approval of the HoF before a commitment is made. Expenditure on single items / orders in excess of £10,000 up to £50,000 shall require the approval by the CFOO or the HoF along with a member of the ELT. Single item / orders over £50,000 up to £100,000 can be approved by Chief Executive/Principal. Single item/orders over £100,000 must be approved by the Corporation. See matrix for detail.

In considering the cost of items and budget authority levels, due to the VAT status of the College, VAT must be considered as part of the cost. Budget managers should take advice from the Finance department if unsure.

### **4.2 PURCHASE ORDERS**

The ordering of goods and services shall be in accordance with the College's detailed financial procedures and purchasing and procurement policies. CLDOs approve End Point Assessment costs per student of over £5,000 before submission to the Head of Finance for final approval. See matrix for individual role values.

Official College orders must be placed for the purchase of all goods or services, except those made using company credit cards or petty cash or are exempted items. Purchases made by using company credit cards should be done so in accordance with the detailed GPC (Government Procurement Card) procedure.

Certain services such as Gas, Electricity, Rates, Water, Rent, as well as other types of expenditure such as food stuffs, motor vehicle parts and exam fees require only budgetary authority and certification. A complete list of items exempted from the purchasing ordering system is available from the HoF. Exempted purchases must follow the related operational procedures available from the HoF. In granting budgetary authority, regard shall be given to whether the item to be purchased is proper to that

budget.

It is the responsibility of the CFOO (through the HoF) to ensure that all purchase orders refer to the College's conditions of contract.

The College reserves the right to refuse to accept liability for any commitment entered into by any member of College staff or Corporation, other than according to these regulations: the supplier may then enforce liability on the individual who made the commitment.

### **4.3 TENDERS AND QUOTATIONS**

Heads of Department and delegated Budget Holders must comply with the College's tendering procedures outlined in the Procurement policy and procedures. Furthermore, initial central approval is required for any purchase order in excess of £5,000. Whilst budget holders have varying levels of value, the procurement thresholds must be followed; the varying levels only determine the level at which more senior budget holder approval must be sought. Tendering procedures apply as follows:

- Under £5,000 – the Budget Holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained.
- From £5,000 (£2,000 for minor works) to £25,000 – the Budget Holder shall be required to obtain at least three quotations. In exceptional circumstances, written quotes may be dispensed with, but only with the express permission of the CFOO recorded using Appendix A of these regulations.
- From £25,000 to £100,000 – the Budget Holder shall be required to obtain at least three competitive tenders. The opportunity must also be published on Contracts Finder.
- Over £100,000 (single item) - the Budget Holder shall be required to obtain at least five competitive tenders and approval by the Corporation. The opportunity must also be published on Contracts Finder.
- Over £214,904 (Goods and Services) / £5,572,609 (Jan 2024) (Works) a full Tender to be completed and advertised on the Government's 'Find a Tender' in line with UK procurement legislation (UK Public Procurement Act 2023).

The College Procurement Officer must be consulted on all formal tenders for goods in excess of £25,000, and in the interests of best value, quality and consistency should be consulted on quotations for goods below this level.

Consideration should always be given to the use of EU tendered frameworks for goods in excess of £25,000 in the first instance.

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

#### **4.4 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

Advice should always be sought from the College procurement officer/ HoF before entering into any post tender negotiations. The procurement process allows for competitive dialogue.

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

Over-threshold tenders must follow the relevant guidance in line with current procurement legislation (UK Public Procurement Act 2023).

#### **4.5 CONTRACTS**

All contracts involving the College shall be signed by the Chief Executive/Principal or their nominee after scrutiny by the Director of Governance.

Contracts relating to the acquisition or disposal of sites and land and buildings are the responsibility of the Corporation and are administered by the CFOO, taking advice from appropriate external advisors and the Director of Governance.

Consultants may be appointed if the project, as determined by the Corporation, 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 CFOO, as appropriate, for consideration by the Corporation. Investment appraisals should comply with appropriate DfE guidance.

Every contract shall be in writing and should specify:

- (a) the work, materials, supplies or services to be provided
- (b) the quality standards to be adhered to
- (c) the price to be paid, with a statement of discounts or other deductions
- (d) ) the time or times within which the contract is to be informed
- (e) the procedure for variations, termination, penalties for non-compliance or security for the due performance of any contract including liquidated damages where works are not completed in the time specified

### **4.6 REGULATIONS**

The CFOO is responsible for ensuring the College complies with its legal obligations concerning procurement legislation. Current limits with regard to requirements for the Find a Tender process can be found on the [Find a Tender - gov.uk](https://www.findatender.gov.uk) website; procurement regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding the threshold value.

It is the responsibility of the Executive Leadership Team/HoDs to ensure that their members of staff comply with current procurement legislation (UK Procurement Act 2023) by notifying the Procurement Officer of any purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements via the Government's central digital platform and Find a Tender service.

### **4.7 RECEIPT OF GOODS**

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

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

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

### **4.8 PAYMENT OF INVOICES**

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

The CFOO is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by BACS transfer at least weekly.

In exceptional circumstances the HoF will prepare cheques manually for urgent payments.

Heads of Department are responsible for ensuring that expenditure within their departments does not exceed funds available.

Suppliers should be instructed by the Budget Holder to submit invoices for goods or services to the finance department.

Care must be taken by the Budget Holder to ensure that discounts receivable are obtained.

Payments will only be made by the HoF against invoices that have been certified for payment by the appropriate HoD or Budget Holder and / or matched against a receipted

order.

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

- the goods have been received, examined and approved with regard to quality and quantity, or those 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
- where appropriate, an entry has been made on a stores record or departmental inventory
- an appropriate cost centre is quoted; this must be one of the cost centre codes included in the Budget Holder's areas of responsibility and must correspond with the types of goods or service described on the invoice

The timing of payment of supplies shall be at the discretion of the CFOO, who shall have regard to the liquidity of the institution. Normal procedure will be to pay between one month and two months after the receipt of the invoice. Arrangements shall not be made with suppliers which commit the College to earlier settlement terms without the prior agreement of the CFOO. All suppliers must be approved and set up through the Finance Department.

Payments to collaborative partners will be made subject to checks on delivery by the franchise partner. Appropriate quality checks must be made on the provision being delivered by partners.

### **4.9 COLLEGE CREDIT CARDS**

Government Procurement Cards (GPC) are supplied by Barclaycard. Authority to hold a College Barclaycard is subject to approval by the CFOO.

Company Barclaycards held by individuals may only be used for approved expenditure. This is generally in support of student trips and activities. The use of Barclaycard for training and development activities may only be made by the Head of People Management.

Company Barclaycards may be used in exceptional circumstances for certain types of expenditure which is detailed in the Financial Procedures. Barclaycards must not be used for normal purchases of goods, although online ordering of goods and supplies using the GPC will be permitted in certain circumstances as outlined in the detailed GPC procedures. All such orders must be made by the Procurement office and is not permitted to be made by general card managers.

All purchases made by credit card must follow the detailed GPC procedure.

Any changes to the overall GPC credit limit must be approved by the Corporation.

Managers of such cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Cards must not be loaned to another person, nor should they be used for personal or private purchases. Limits ranging from

£3000 to £15000 depending on department/role and single item limits are also in place. There are a total of 14 cards registered across 7 areas of the College (ELT, Procurement, People Management, International and Strategic Partnerships, Marketing and Business Engagement, Exams, Business Hospitality, Health).

Card managers should obtain approval to purchase from the relevant Budget Holder in advance of making the purchase via a GPC – Purchase Order following the College procurement rules and should ensure that there is sufficient budget available to meet the costs.

The HoF shall determine what information is required on purchases made with purchasing cards from card managers and deadlines for receipt in the finance section to enable financial control to be maintained and card managers must provide that information.

Budget managers utilising the College GPC are directly responsible to the CFOO for the propriety and controls of all expenditure incurred, utilisation of cards will be withdrawn should there be any instance of misuse.

### **4.10 PETTY CASH**

A single item with a value of below £150 may be made from Petty cash on the grounds of efficiency or urgency. Approval to use petty cash should be sought in advance from the Budget Holder and in consultation with the HoF or their representative. Reimbursement of spend will only be made on presentation of a voucher and relevant receipts and with an authorised signature from the Budget Holder.

Petty cash advances may be made, subject to approval by the HoD and providing adequate notice has been given to the Cash Office. Such advances must be signed for by the relevant member of staff, who will become personally liable for the security of cash in their presence. The purpose and timing of spend will be required in advance. All unused cash together with receipts to support actual expenditure incurred should be returned to the Cash Office within a timely manner and in no circumstances later than 2 working days after the event. The CFOO shall make available to departments such imprests as they consider 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. There are 6 departments with petty cash floats ranging from £10 to £150, College total £530 and two main cash floats £3,000 and £2,500.

Requisitions for reimbursement must be sent to the HoF, together with appropriate receipts or vouchers, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed. The member of staff granted a float is personally responsible for its safekeeping. 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 HoD or other nominated person.

Standard College petty cash books are supplied by the HoF and must be used for recording all imprest accounts.

#### **4.11 PROJECT ADVANCES**

The CFOO and relevant HoD may jointly approve cash advances for projects carried out away from the College where cash expenditure may be unavoidable (this is to follow the Petty Cash process and procedure). Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or a College credit card.

Receipts or paid invoices will be retained for all sums expended in this way. Upon completion of the project to which the advance relates, within one month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to a project or individual is outstanding.

#### **4.12 FOREIGN TRAVEL (CAXTON) CARDS**

All foreign travel to be authorised in advance by the Corporation for Senior Post Holders and the Chief Executive/Principal. All advances for foreign travel should be made using the College travel (Caxton) card. Requests to use the card, the currency and the amount required should be notified to the Cash Office at least 7 working days prior to any travel. All requests must be signed by the relevant Budget Holder. The HoF will arrange for the card to be credited with the necessary funds in the relevant currency denomination. The cards must be signed for and become the responsibility of the member of staff leading on the foreign travel. The card and all supporting receipts and vouchers for the spend must be returned to the Cash Office within 2 working days of the end of the trip. The card must only be used for authorised spend. The Caxton card may be used for an emergency cash advance in foreign countries in exceptional circumstances. The Caxton card may not be used to pay for goods and services in Sterling.

#### **4.13 GIVING HOSPITALITY**

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

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

### **5 INCOME AND BANKING**

The HoF 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 must have the approval of the CFOO.

Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined by procedures approved by Corporation. The CFOO will be consulted about policy for pricing goods and services offered for sale, the prices charged will be agreed by the Chief Executive/Principal, in consultation with the CFOO.

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

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

The CFOO is responsible for making arrangements to ensure that all claims for funds, including grants and contracts, are made by the due date.

Only members of staff authorised by the CFOO shall collect or accept monies due to the College and official receipts shall be issued for all such amounts at the time of collection. No member of staff shall give a receipt for money received on behalf of the college on any form other than an official till receipt or by an official receipt form. Such receipts shall be obtained, stored, recorded and distributed in a manner approved by the CFOO.

Payments to the college for goods or services including trips, college events and short courses may be made via the College on-line store. The HoF is responsible for adding items to the store but it is the relevant departmental officer's responsibility to ensure the information remains accurate. An appropriate electronic receipt will be sent for all transactions made via the store. The duty of providing information, calculating, checking and recording the sums due to the college shall be separated as completely as possible from the duty of collecting these sums and members of staff charged with the duty of examining and checking the accounts of cash transactions shall not, themselves, be engaged in any of these transactions.

### **5.1 APPOINTMENT OF BANKERS**

The Corporation is responsible for the appointment of the College's bankers. The appointment shall be for a specified period after which consideration shall be given by Corporation to competitively tendering the service.

### **5.2 BANKING AND INVESTMENT ARRANGEMENTS**

The CFOO is responsible for, on behalf of Corporation, 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 CFOO who shall make proper arrangements for their safe custody.

Only the CFOO and HoF 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 Corporation. The agreed signatories on the College's main bank account are:

- (a) Chief Executive/Principal
- (b) Chief Financial Operations Officer
- (c) Head of Finance

Any variation to this list must be approved by the Corporation. One signature is necessary for cheques up to £2,000 in value. Above £2,000, two signatories are required.

Weekly payment runs must be prepared by the Finance Supervisor and reviewed and approved by either the HoF, CFOO or Chief Executive/Principal up to the value of £1 million limit. Corporation to approve and amend limits. Ad hoc Bacs payments exceeding £2,000 must be counter signed by the CFOO or other authorised bank signatory in accordance with the bank mandate provisions. Transfers between bank accounts may only be made by the CFOO or the HoF.

All petty cash imprests must be authorised by the CFOO or the HoF and maintained within agreed limits. A list of approved imprests is held by the HoF.

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

The CFOO shall be responsible for the investment of any surplus working balances and any other earmarked funds of the College.

The CFOO shall be empowered to seek such advice as they deem necessary for the efficient handling of the College's funds.

Any borrowing of funds must receive prior approval from the Corporation and must fully comply with the requirements set out under the ONS reclassification and associated government guidance.

### **5.3 CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS**

A college electronic till will be provided to the commercial training areas and these must be used for taking monies. Other departments who take monies on a regular basis should encourage use of the college online store in the first instance.

Members of staff whose duty it is to collect or hold cash shall be provided with a safe, or where this is not appropriate, lockable cash box which should be held securely. The employee concerned shall hold only one key and all other duplicates shall be lodged with the HoF, who will maintain a register of all authorised key managers.

Monies paid direct to departments from whatever source, other than the online store, must be recorded by the department on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments. All monies received must be paid to the cashier promptly and in accordance with a timetable prescribed by the CFOO and set out in 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.

Cheques will be made payable to 'City College Plymouth' and bank credits paid into the College's current account.

The CFOO shall prescribe the system for transporting cash.

The College encourages payment by the following methods:

- (a) Electronic transfer/BACS
- (b) Direct Debit
- (c) Cash/Cheque
- (d) Credit Card
- (e) Direct payment via the online store

Where a bank card machine is issued to departments to enable card transactions, it is the responsibility of the relevant department to ensure the card machine is securely held in accordance with PCI DSS (Payment Card Industry Data Security Standard) industry regulations. Guidance on the regulations will be made available by the HoF.

### **5.4 THE COLLECTION OF DEBTS**

The CFOO 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 CFOO (or following consultation, the HoF) can implement credit arrangements and indicate the periods in which different types of invoice must be paid. All invoices are requested to be settled within 30 days from the date of the invoice, with the exception of contracts which are in line with the terms agreed by the CFOO and stage payments for course fees which are administered by the HoF. Any subsequent changes must be submitted to the Corporation for approval.

A request to issue a credit note up to £150 can be approved by the HoD/Corporate Services Manager and those listed in line with correct descriptions per the authorisation matrix.

A request to issue a credit note for over £150 to £5,000 must be approved by the HoF. Requests for credit notes in excess of £2,000 will require two authorised signatures. Descriptions can be found on the authorisation matrix.

Requests to write off debts in excess of £10,000 must be referred in writing to the CFOO for submission to the Corporation for consideration. Debts below this level may be written off with the permission of the CFOO (following consultation with the HoF).

Unpaid debts will be subject to the College's Debt Collection Procedures. This may

ultimately include referral to an external debt collection agency. Interest (at the approved rate, currently 4%) and costs may be added to the amount due for all debts referred to an external agency.

### **5.5 STUDENT FEES**

The procedures for collecting tuition and residence fees must be approved by the CFOO. A tuition fees policy will be approved annually and published on the college website. Any student who has not paid an account for fees or any other item owing to the College shall not be awarded a degree or any diploma, certificate and qualification from the College until all outstanding debts have been cleared. The name of such students shall not be included on any pass lists until all outstanding accounts have been settled in full. Such students or their employers if fee-sponsored shall be prevented from re-enrolling at the College, and from using any of the College's facilities.

## **6 GRANTS AND CONTRACTS**

Where approaches are to be made to outside bodies for support for projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the HoD/Corporate Services Manager to ensure that the financial implications have been appraised by the CFOO. This will include obtaining a set of grant terms and conditions from each organisation providing funding under £10,000 to enable appropriate monitoring of compliance.

The CFOO is responsible for examining every formal application for a grant in excess of £10,000 and shall ensure that there is adequate provision of resources to meet all commitments. The CFOO should ensure that the full cost of the project is established.

Grants and contracts shall be accepted on behalf of the institution by the Chief Executive/Principal or CFOO. The HoF shall maintain all financial records relating to research grants and contracts and shall initiate all claims for reimbursement from sponsoring bodies by the due date.

Each grant or contract will have a named supervisor or grant manager and will be assigned to a specific Budget Holder.

Control of pay and non-pay expenditure will be contained within the project cost centre. The head of the project cost centre may delegate day-to-day control of the account to a supervisor or grant manager; any overspend or under-recovery of overheads is to be the clear responsibility of the project cost centre with any loss being a charge on departmental funds.

### **6.1 GRANT AND CONTRACT CONDITIONS**

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

grant manager to ensure that conditions of funding are met.

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

## **6.2 EUROPEAN UNION (EU) AND OTHER MATCHED FUNDING**

Any such project requires the approval of the CFOO prior to any commitment being entered into. Such approval shall be dependent upon the Partnerships Team 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 £500,000 shall be the subject of a report by the CFOO to the Chief Executive/Principal who will recommend to the governing body for approval, 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 HoD 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

Appropriate systems should be maintained to ensure that expenditure has been incurred in a proper manner and the financial management has been sound. It is the responsibility of the named project manager to ensure adherence to College regulations and procedures and to maintain full audit trails.

Final claims for project expenditure should be approved by an authorised signatory member of the Partnerships Team before final authorisation by the Chief Executive/Principal or CFOO.

## **7 OTHER INCOME-GENERATING ACTIVITY**

### **7.1 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 Chief Executive/Principal and in the case of Senior Staff the Corporation.
- Voluntary work is encouraged and should be discussed with the line manager (ie Governors and community support).
- Applications for permission to undertake work as a purely private activity must be submitted to the Chief Executive/Principal, as appropriate, and include the following information:
  - the name of the member(s) of staff concerned
  - the title of the project and a brief description of the work involved

- the proposed start date and duration of the work
- 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 Collegial duties of the member(s) of staff concerned

### **7.2 COLLABORATIVE PROVISION (INCLUDING 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:

- (a) The Corporation will annually approve the subcontracting arrangements for the College.
- (b) The impact of the contract(s) shall be subject to scrutiny by the Corporation. The format for regular reports shall be as stated in DfE guidance.
- (c) They shall consider the risk factors associated with the proposed partnership and agree on an appropriate entry in the College's financial forecast.
- (d) Funding rules and conditions must be incorporated.
- (e) Where the partnership would represent a significant departure from the College's Strategic Plan, the Corporation shall approve the departure and the Chief Executive/Principal shall seek the views of and inform the DfE.

### **7.3 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 Chief Executive/Principal in consultation with the CFOO.

Other income-generating activities organised by members of staff must be costed and agreed with the CFOO 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.

Any unplanned deficits incurred on other income-generating activities will be charged to departmental funds.

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

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 Head of People Management and in the case of a HoD, the Chief Executive/Principal.

## **8 PAY EXPENDITURE**

The overall framework for pay is the responsibility of the Corporation.

The Chief Executive/Principal shall be authorised to make arrangements to pay all salaries, wages, superannuation benefits, compensation and other emoluments properly payable by the College.

Appointments of all employees shall be made in accordance with policies, establishments, grades and rates of pay, as adopted and approved annually by the Corporation.

The remuneration of the Chief Executive/Principal, senior post holders and Director of Governance will be determined by the Remuneration Committee.

All other remuneration will be set in line with policies agreed through the Corporation.

All College staff will be appointed to a salary within the framework approved by the governing body and in accordance with appropriate conditions of service. All letters of appointment must be issued by the People Management office. The Head of People Management will be responsible for keeping the CFOO and the Payroll MHR, informed of all matters relating to personnel for budgetary purposes. In particular these include:

- (i) appointments, resignations, dismissals, suspensions, secondments and transfers
- (ii) absences from duty for sickness or other reason, apart from approved annual leave with pay
- (iii) changes in remuneration other than normal increments and pay awards and agreements of general application
- (iv) information necessary to maintain records of service for superannuation, income tax, national insurance, etc

Payments to employees, for whatever reason, will normally be regarded as payments to be made through payroll. Requests for payments to be made via submission of an invoice rather than through payroll will be made only in exceptional circumstances and only following approval by the HoF who will undertake the relevant tests necessary to ensure the employee meets all the self-employed requirements as set by HMRC.

All Part-time Lecturers will enter into a contract with the College before they receive payment. Part-time lecturing commitments must be recorded in keeping with normal College policies, as other commitments. Part Time Lecturers will be paid monthly in arrears following submission of a pay claim in accordance with payroll claims procedures. Deductions from employees' pay must be properly authorised, either by the employee or by receipt of a court order.

All Budget Holders have a responsibility to ensure each absence through sickness is notified to the People Management department as laid down in the College Absence Reporting Policy.

The HoF is responsible for checking payroll reports and arranging for any amendments within the timescale laid down by the Payroll agents.

Payment will be made on the twenty-fifth day of each month (or earlier if this date should fall on a weekend). All payments will be made by BACS transfer. The HoF (or in their absence a second bank authorised signatory) will be required to sign the monthly BACS authorisation, having regard to payroll system reports and totals.

### **8.1 SUPERANNUATION SCHEMES**

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

The Chief Financial Operations Officer will provide an annual report to the Corporation.

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

- paying contributions to various authorised superannuation schemes
- preparing the annual return to various superannuation schemes
- administering the College's pension fund

## **9 TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES**

Reimbursement of travel and subsistence and other expenses will be made in accordance with the travel and subsistence policy.

Authorised travel and subsistence payments at agreed rates are made through the purchase ledger.

Other payments to employees should only be made in exceptional circumstances also through the purchase ledger and authorised by the HoF.

All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the CFOO.

Claims by members of staff must be authorised by their HoD/Corporate Services Manager (or ELT member as appropriate). The certification by the HoD 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 Chief Executive/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 Audit Committee.

### **9.1 OVERSEAS TRAVEL**

In further education Colleges, all arrangements for overseas travel must be approved by the CFOO in advance of committing the College to those arrangements or confirmation of any travel bookings. Arrangements for overseas travel by the Chief Executive/Principal

or members of the governing body shall be approved by the Chair of the Corporation. Arrangements for travel by the Chair shall be approved by the Corporation.

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

Payment for authorised hospitality will be made in accordance with agreed rates. Claims for hospitality must be accompanied by a list of those being entertained, a statement of the purpose of the entertainment, and a copy of the approval form.

Cash Advances for travel and subsistence may be made in appropriate cases, in accordance with the current College Procedures. Under normal circumstances, staff will be expected to use a College Caxton card or a Company Barclaycard rather than cash.

### **9.2 ALLOWANCES FOR MEMBERS OF THE GOVERNING BODY**

Claims for members of the Corporation will be authorised by the CFOO. Claims for meeting attendance and other expenses will be based on the staff travel and subsistence policy.

## **10 TAX**

The College is an exempt charity as defined under the Charities Act 1993 and can claim exemption from corporation tax on its income and gains. The same is not necessarily true for any subsidiary company.

The College is registered for VAT and as an educational institution operates to special rules agreed with HM Customs and Excise.

The CFOO, on behalf of the Chief Executive/Principal and Corporation is responsible for ensuring that the College properly meets its obligations to taxation authorities and does so without undue disadvantage to the College.

The CFOO 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 institution. Therefore, the CFOO will liaise with the HoF to instruct departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.

## **11 INSURANCES**

### **11.1 INSURANCE RESPONSIBILITY**

The CFOO, HoF and Director of Governance are responsible for the College's insurance arrangements, including provision of advice on the types of cover available. The HoF and Director of Governance shall effect all necessary insurance cover and, in appropriate

consultation with the CFOO and relevant College Budget Holders, negotiate all claims made by the College upon its insurers. Annual report to the Corporation.

### **11.2 NOTIFICATION OF RISKS**

Each appropriate person shall give immediate notification to the Director of Governance (who will report these to the CFOO) of all new risks, property or vehicles, which require to be insured or of any alterations affecting existing insurance. As part of the overall risk management strategy, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified.

### **11.3 NOTIFICATION OF CLAIMS**

Each appropriate person shall immediately notify the Director of Governance and HoF in writing of any loss, liability or damage to College property or any event, including a claim against the College, which is likely to lead to a claim by the College in respect of any insurance.

### **11.4 REVIEW OF INSURANCES**

The CFOO shall review annually as part of budget preparation or at any such period as may be deemed necessary, all insurances, in consultation with the appropriate persons.

### **11.5 PROVISION OF INDEMNITY**

Each appropriate person shall consult the CFOO upon the terms of any indemnity which the College is requested to give.

## **12 ASSETS, STOCKS, STORES AND SECURITY**

The CFOO has responsibility for agreement of the College's IT strategy.

The Executive of Estates and Assets is responsible for the security of the College premises.

The Chief Executive/Principal is responsible for the custody and control of all stocks and stores held on College premises, although they may designate individuals to discharge that responsibility on their behalf.

The Head of MIS and IT is responsible for the security of the College networked computer systems. The Head of MIS and IT, via IT staff, is responsible for ensuring appropriate back up procedures and contingency disaster recovery arrangements and security of the College's computerised accounting systems and taking appropriate back-up copies of the computer files.

### **12.1 PREMISES AND FIXED ASSETS**

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 CFOO immediately. All Budget Holders are responsible for maintaining the security of assets under their control and recorded on their inventories.

## **12.2 CASH, CHEQUES AND STATIONERY**

Cheques, purchase orders, receipts and other numbered stationery are to be treated as items of value and stored accordingly.

Petty Cash and cash receipts must be kept securely. List of managers.

Personal cheques may not be cashed through College accounts.

## **12.3 COMPUTERS AND IT**

Computers and IT are subject to the College's IT Policy and Guidelines.

All IT hardware and software is purchased through the procurement of IT central purchasing arrangements. No other cost centres are authorised to purchase computer equipment or software. Normal approval procedures apply for computer/IT expenditure.

Hardware and Software purchases are determined in line with corporate policy and objectives. New hardware is normally purchased, or leased where more cost effective. No second hand software is purchased.

The IT Department is responsible for the backup of networked software and data. Individual users are responsible for the backup of data on local hard drives, although the use of local drives for data storage is discouraged. The IT Department ensures that networked computer equipment is protected as far as possible from virus attack.

## **12.4 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 DfE requirements where exchequer-funded assets or exchequer funds are involved.

Authority for the hire of equipment by employees must be given by the relevant Budget Holder. Equipment should be hired at market prices and within authorised expenditure limits.

## **12.5 STOCKS AND STORES**

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 CFOO.

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 CFOO and that instructions to appropriate staff within their departments are issued in accordance with advice contained in the College's detailed financial procedures.

## **12.6 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 CFOO in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

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

## **13 ACCOUNTING ARRANGEMENTS**

### **13.1 FINANCIAL YEAR**

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

### **13.2 BASIS OF ACCOUNTING**

The consolidated financial statements are prepared on the historical cost basis of accounting and in line with FRS102 (Financial Reporting Standard), the FE/HE SORP (Statement of Recommended Practice) and the DfE accounts direction.

### **13.3 ACCOUNTING INSTRUCTIONS**

The HoF shall regulate the day to day financial management of the College by the issue of detailed instructions to College Budget Holders to supplement these regulations and by the maintenance of an accounting manual to document the procedures followed within the Finance Department.

### **13.4 ACCOUNTING RECORDS AND PROCEDURES**

All accounting records and procedures for use within the College shall be compiled by or under the direction of the HoF. They shall be retained in accordance with statutory requirements for audit purposes.

### **13.5 PERIODIC AND FINAL ACCOUNTS**

The CFOO is responsible on behalf of the Corporation for the preparation and submission to DfE of audited annual accounts, in accordance with the requirements of DfE. Budget Holders and other personnel shall furnish information, to a timetable determined by the HoF each period, to assist the closing of the College's accounts.

The accounts shall be signed by the Chief Executive/Principal, as accounting officer, and by the Chair or one other member of the Corporation as appointed for this purpose by the Corporation. The Corporation shall make reasonable arrangements to make copies of the accounts publicly available.

In preparing such statements, proper regard shall be made to any standard accounting practices or statements of recommended practice relevant to the Corporation. The DfE may make such requirements as it thinks fit from time to time as to the information to be

contained in the accounts, the manner in which they are to be presented and the methods and principles according to which they are to be prepared.

The Corporation is required by law to retain prime documents for seven years or twelve years with reference to documents executed as deeds and up to thirty years for some personnel and pension documentation. For European Union funded projects the prime documents should be retained as per the guidelines for that particular project. Other prime documents should be kept indefinitely. Prime documents include:

- Official purchase orders
- Paid invoices
- Accounts raised
- Bank statements
- Copies of receipts
- Paid cheques
- Payroll records, including part-time lecturers' contracts
- Employers Liability Insurance Certificates must be kept for 40 years

The HoF and CFOO will make appropriate arrangements for the retention of electronic records.

Members of staff must ensure that retention arrangements comply with any specific requirements of funding bodies.

In cases of doubt concerning the retention of prime documents, advice should be sought from the HoF, CFOO or Director of Governance.

### **13.6 ACCOUNTING DUTIES**

The following principles shall be observed in the allocation of accounting duties:

- (a) The duties of providing information regarding sums due to or from the College and of calculating, checking and recording those sums shall be separated so far as possible from the duty of collecting and disbursing them;
- (b) Staff charged with the duty of examining and checking the accounts of cash shall not themselves be engaged in those transactions.

## **14 AUDIT**

The Corporation shall appoint external auditors and review and monitor performance through the Audit Committee.

### **14.1 APPOINTMENT OF AUDITORS**

The appointment of internal and external auditors for the College shall have regard to the requirements of the DfE. Tendering for audit shall take place at least every five years.

## **14.2 AUDIT COMMITTEE**

The Audit Committee shall advise the Corporation on the effectiveness of the College's internal control systems (ie the whole system of control, financial, management and otherwise, established by the CFOO and HoF) in order to:

- Carry on the business of the College in an orderly and efficient manner
- Ensure adherence to management policies and directives
- Safeguard assets
- Secure as far as possible the completeness and accuracy of records; and to prevent waste
- Ensure compliance with updated guidance on fraud, risk and public money

The Audit Committee shall advise the Corporation on the appointment and remuneration of external auditors and the scope of their work. They shall receive the management letter and report submitted by the external auditors on the College's final accounts each year.

The Audit Committee shall consider and advise the Corporation on the annual and longer-term plans for Internal Audit. The Audit Committee shall receive, consider and advise the Corporation on internal audit reports including the annual report of internal auditors and shall monitor the implementation of approved recommendations.

## **14.3 INTERNAL AUDIT**

Internal Audit under the direction of the CFOO shall ensure an effective internal audit of the College's financial, accounting and other processes, systems, transactions or functions which impinge on the efficiency, effectiveness or economy of the College's operations or activities.

Internal Audit is responsible for giving assurance to the Chief Executive/Principal and the Corporation on the effectiveness of all financial and other controls and for assisting managers by evaluating and reporting to them on the effectiveness of the controls for which they are responsible.

The CFOO shall inform the auditors, as soon as possible, of all cases of suspected or discovered fraud or irregularity, whether external or internal. The CFOO shall also inform the Chief Executive/Principal and the Audit Committee of their actions.

At the College's request, Internal Audit shall make arrangements to carry out all necessary investigations and consultations and shall, if of the opinion that there is any material irregularity or illegality in connection with the College's affairs, report the matter to the CFOO who will forthwith inform the Chief Executive/Principal and the Audit Committee.

Internal Audit shall have the right to make an independent report direct to the Chief Executive/Principal or Audit Committee. Internal Audit shall issue an annual report to the Corporation through the Audit Committee on the activities of the internal audit function.

#### **14.4 EXTERNAL AUDIT**

The College's external auditors shall advise the Corporation on the trueness and fairness of the annual financial statements of the College's financial transactions in the period under review and its financial position at the date of the balance sheet. They shall also advise the Corporation and DfE on the completeness, accuracy and appropriateness of the College's ILR (Individual Learner Record) returns to the DfE. They may also be asked to audit other controls, systems and returns to official bodies.

In addition, an external audit will carry out a 'regularity audit', which will review matters covered by these regulations and any other terms and conditions required by the funding body, the Public Accounts Committee or government department. The outcome of this audit will be reported in a separate management letter.

#### **14.5 AUTHORITY OF AUDITORS**

External auditors and internal auditors shall have authority to:

- (a) Enter at all reasonable times any College premises or land
- (b) Have access to all assets, records, documents and correspondence relating to any financial and other transactions of the College
- (c) Require and receive such explanations as are necessary concerning any matter under examination
- (d) Require any employee of the College to account for cash, stores or any other College property under their control
- (a) Access records belonging to third parties, such as contractors, when required

#### **14.6 VALUE FOR MONEY**

It is a requirement of the financial memorandum that the Corporation of the institution is responsible for delivering value for money from public funds in accordance with the financial memorandum with the funding body, Framework and Guide for External Auditors and Reporting Accountants of Colleges and College Financial Handbook.

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 due 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.

### **15 ACCOUNTABILITY AND BUSINESS ETHICS**

The College is a recipient of public funds and as such is accountable for the use of those funds. The Chief Executive/Principal may be required to attend the House of Commons Public Accounts Committee to explain the receipt and use of public funds.

The Corporation requires the College to operate to business ethics of the highest

standards, especially with regard to the disbursement of public funds.

### **Fair Competition**

Whilst keeping advantage of the College as a prerequisite, all Corporation members and College staff are required to eschew any business arrangements which might hinder openness and fair competition. In particular all information given out in the course of business should be true and fair and should never be designed to mislead.

### **Confidentiality**

All Corporation members and College staff are required to maintain confidentiality with regard to any information obtained in confidence, whether commercial or otherwise. In particular, no such information should be used for personal gain.

## **15.1 RESPONSIBILITY OF EMPLOYEES**

All employees must conduct College business in accordance with the highest standards of public life and business ethics.

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

They shall make available any relevant records or information to the HoF and CFOO or their authorised representative in connection with the implementation of the Corporation's financial policies, these financial regulations and the systems of financial control.

Whenever any employee becomes aware of any matter that involves, or is likely or suspected to involve, any irregularity or illegality, the employee concerned shall immediately inform the appropriate member of the College's Executive Team. This person shall forthwith draw the matter to the attention of the Chief Executive/Principal, so that such audit action may be instigated as may be deemed necessary. The Chief Executive/Principal will report any such information together with the action plan to the next Audit Committee.

## **15.2 CODE OF CONDUCT**

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. In addition, the College expects that staff at all levels will observe its code of conduct, contained in its detailed financial procedures, which covers:

**Selflessness** – Managers of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

**Integrity** – Managers of public office must avoid placing themselves under any obligation to people or organisations that might try.

**Objectivity** – Managers of public office must act and make decisions impartially, fairly and

on merit, using the best evidence and without discrimination or bias. In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, managers of public office should make choices on merit.

**Accountability** – Managers of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

**Honesty** – Managers of public office should be truthful and 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** – Managers of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs. Managers of public office should promote and support these principles by leadership and example.

Additionally, members of the Corporation, senior management or those involved in procurement are required to disclose interests in the College's register of interests maintained by the Director of Governance (or other designated officer). 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.

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

### **15.3 DECLARATIONS AND REGISTERS OF INTEREST**

In order to minimise any potential perceptions of a conflict of interest, Corporation members and College staff are required to register with the Director of Governance any interests in bodies with whom the College may do business. Should any business decision arise which may affect the interest of a Corporation member or College staff member, they are to declare it and offer to withdraw from the decision-making process: the Director of Governance is to keep a record of such declarations and decisions.

### **15.4 BUSINESS GIFTS AND HOSPITALITY**

To minimise any potential perceptions of impropriety, bias or prejudice, Corporation members and College staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) that is other than of insignificant value (less than £25) 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 institution 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 relevant Budget Holder or the CFOO. All such receipts other than the most trivial are to be recorded by the Director of Governance.

It is an offence under the Prevention of Corruption Act 1906 for members of the Corporation or staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity.

The guiding principles to be followed by all members of the Corporation and 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.

The College will authorise only reasonable, appropriate and proportionate entertainment and promotional expenditure which is pre-authorised by the relevant Budget Holder. This principle applies to employees and associated persons, whether based in the UK or overseas.

### **15.5 GIVING HOSPITALITY**

Staff entertaining guests from outside bodies at lunch time should normally use the College's catering facilities. Where this is not the case, permission must be obtained in advance from the Chief Executive/Principal and reasons must be stated when submitting a claim for reimbursement. Levels of hospitality should be modest and appropriate for the occasion.

The College will not meet the costs of meals or entertainment attended only by College staff, whether it is under the guise of a team meeting, working lunch, team building or other, unless the event has been run with Staff Development approval and given in writing and prior to the event.

### **15.6 WHISTLEBLOWING**

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.

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

A member of staff may, therefore, make the disclosure to one of the staff designated for this purpose, for example the Director of Governance. If the member of staff does not wish to raise the matter with this person, or with the Chief Executive/Principal or the Chair of the Corporation, it may be raised with the Chair of the Audit Committee.

### **15.7 BRIBES**

The College prohibits staff and Corporation members from offering, giving, soliciting or accepting any bribe. The bribe might include cash, a gift or other inducement, to or from any person or organisation, wherever they are situated and irrespective of whether or not they are a public official/body or private person or company, by any individual governor, employee, agent or other person or body acting on the College's behalf. The bribe might be made in order to:

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

This regulation is not intended to prohibit appropriate corporate entertainment and/or hospitality undertaken in connection with the College's business activities, provided the activity is customary under the circumstances, proportionate, and properly recorded / disclosed to the College in accordance with its procedures. All such activities must be reported to the PA to the Chief Executive/Principal, and the Director of Governance in the case of Corporation members.

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

## **16 EMERGENCY POWERS**

In an emergency, the Chief Executive/Principal, or the most senior member of staff on site, is empowered to waive these regulations for the express purpose of safeguarding people or property and only for the duration of the emergency. Any such waiver is to be reported in writing to the next Corporation meeting, such a report to be held on record.

## **17 RESTRICTED POWERS**

All persons appointed to administer student funds including individual student trips must furnish a statement of receipts and payments to the HoF in a timely manner (within 10 working days of the activity or at the time of claim/reimbursement of related expenses, whichever is the earlier).

## **18 RISK MANAGEMENT**

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 or unacceptable by the College will be set out in a separate risk management strategy.

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

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

- the adoption of common terminology in relation to the definition of risk and risk management
- the establishment of College-wide criteria for the measurement of risk, linking 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
- detailed regular review at department or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas
- development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question
- regular reporting to the Corporation of all 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.

Heads of Department must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the College may be exposed. Advice should be sought from the Director of Governance to ensure that this is the case.

### **18.1 PREVENTION OF FRAUD**

It is the responsibility of the Chief Executive/Principal to ensure that the Group's systems both Administrative and Financial incorporate effective internal controls with the object of minimising the risk of accidental errors and preventing fraud and misappropriation of assets. In accordance with the Economic Crime and Corporate Transparency Act 2023 (effective from 1 September 2025) and public sector guidance under Managing Public Money (MPM), the College must take proactive steps to prevent fraud.

The CFOO, who has delegated responsibility from the Chief Executive/Principal along with Internal Auditors and Audit Committee will advise the Chief Executive/Principal on the controls and internal checks to be included in financial processes and systems. In providing this advice they will have due regard to best practice and funding guidance. The basic concept that must be adhered to is that no single person has the responsibility for all aspects of a transaction but rather, as far as it is possible, the work is shared between two or more colleagues. Through this segregation of duties it is ensured that someone is responsible for checking the work of others.

The College will continue to review its fraud risk controls and reporting structures in line with the obligations introduced by the 2023 Act.

### **18.2 DETECTION OF FRAUD**

In cases where colleagues or Internal Auditors discover fraud or misappropriation or have reasons to believe that one has occurred, the matter must be reported immediately to the CFOO via email. The CFOO will decide what further action needs to be taken and inform the Chief Executive/Principal. Where required by Audit Code of Conduct the Chief Executive/Principal will notify the Chair of the Audit Committee and/or funding bodies.

Where identified the Corporation must inform the Chair of the Audit Committee, external auditors and internal auditors (if applicable) as soon as practically possible. The DfE must also be informed when the amounts are significant, that is exceeding £10,000 in value, as soon as possible.

### **18.3 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) AND CARBON CONSIDERATIONS**

In line with the DfE's Sustainability and Climate Change Strategy (2022), the College is committed to embedding environmental sustainability within its financial planning, procurement and risk management processes. ESG considerations must be taken into account in major capital investments and procurement decisions to ensure long-term value and environmental responsibility. Where appropriate, ESG reporting practices should be developed and integrated into the College's governance framework.

### **18.4 PENDING LEGISLATION AND CYBER RISK MANAGEMENT**

The College recognises the forthcoming changes expected under the UK Data Protection and Digital Information Bill (DPDI), which will update existing data protection laws post 2025. Although not yet enacted, the College will monitor developments to ensure readiness and future compliance. In addition to existing obligations under the GDPR and Computer Misuse Act 1990, the College will strengthen cyber security practices in line with updated government guidance for Further Education, including risk assessment, staff training and incident response planning.

## **19 INTELLECTUAL PROPERTY RIGHTS AND PATENTS**

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.

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

In the event of the College deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property procedures issued by the College and contained in the College's detailed financial procedures.

## **20 USE OF THE CORPORATION SEAL**

The management and application of the Corporation Seal is the responsibility of the Director of Governance and shall be authenticated by:

- the signature of either the Chair or of some other individual authorised generally or specifically by the Corporation Board to act for that purpose, and/or
- the signature of any two members of the Corporation Board, and the
- Director of Governance to witness signatures.

Where a deed or document requires the Corporation Seal, it must be sealed by the Director of Governance or, in their absence, the CFOO, in the presence of a member of the Corporation.

The Director of Governance is responsible for submitting an annual report to the Corporation detailing the use of the seal during the preceding twelve months.

## **21 COMPANIES**

In certain circumstances it may be advantageous to the College to establish a company to undertake services on its behalf.

The Corporation is responsible for approving the establishment of companies (or joint ventures) and the procedure to be followed in order to do so. The process involved in forming a company and arrangements for monitoring and reporting on the activities of subsidiary undertakings will be the responsibility of the Corporation.

The Corporation will undertake a thorough review of the business plan and any proposed control arrangements for a new Company.

The establishment of and arrangements for a company will meet DfE requirements.

The Corporation should ensure that following the establishment of a separate company, a formal Memorandum of Understanding is established between the College and the Company, setting out the relationship between the Company and the College.

Before any College funds are made available to a Company, the Corporation should ensure that it will receive a satisfactory return and that the College bears an acceptable level of risk.

DfE funds may be used to purchase goods and services from a company or joint venture, subject to the usual requirements with regard to value for money. However, DfE funds should not be used to fund or subsidise private trading ventures by the College, either through direct transfers of cash or indirect funding or subsidy arrangements such as granting subsidiaries more favourable terms of trade than other customers and providing staff free of charge or at a rate which does not cover the full costs involved.

It is the responsibility of the Corporation to establish the shareholding arrangements. Directors of Companies will be appointed in accordance with the articles of the company and in accordance with the guidance issued by the DfE.

## **22 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 Corporation shall determine the level of grant to be paid annually to the Students' Union and approve their budget for the year.

The Finance Department is responsible for maintaining its financial records and preparing its annual summary statement. These may be operated within the College's broader financial framework.

At year end the Students' Union accounts will be approved by the College and presented to the Corporation for information. In accordance with an agreement between the College and the Students' Union, the College's Internal Auditor shall have access to records, assets and personnel within the Students' Union in the same way as other areas of the institution.

## **23 RECLASSIFICATION OF COLLEGES (ONS/DfE)**

The DfE reclassification of Colleges in November 2022 has resulted in a number of changes to certain types of transactions.

Financial transactions:

### **23.1 Management of surpluses**

The default MPM position is that, for grant-funded government bodies, any unspent grant will be clawed back by the funding body at year-end. However, it is essential that longer term financial planning is the cornerstone of the sector's financial sustainability, and so colleges will be able to carry forward any surpluses at year end without limit, including for investment in capital assets. This agreement may require us to collect additional information from you and we will be in touch about this in due course. Colleges' freedom to carry forward surpluses does not alter existing arrangements for recovering funding due to ineligibility or under-delivery.

### **23.2 Asset disposals**

Colleges will continue to be able to manage their assets, including their estate, and to retain the proceeds of disposals. However, colleges will be required to ringfence the

proceeds for reinvestment in capital assets. We will keep this approach in place until the end of the current Spending Review period (31 March 2025), when it will be reviewed. We may also need to collect additional information from you about your disposals.

### **23.3 Special severance payments**

Special severance payments are payments that are discretionary and additional to those arising from statutory and contractual redundancy or severance terms. MPM's position is that making such payments on top of the normal entitlements does not usually provide good value for money or offer fairness to the taxpayers who fund them. Special severance payments should therefore only be considered in exceptional cases. However, special severance payments can be an important mechanism to allow employers to reform and react to new circumstances in the workplace.

Accordingly, such payments may be permitted when there is a clear, evidenced justification for doing so and when all relevant internal policies and procedures have been followed, and all alternative actions have been fully explored and documented.

Colleges will have delegated authority to make individual severance payments, provided any non-statutory/non-contractual element is under £50k or under 3 months' salary, whichever is the lower. Beyond this, DfE approval will be required. Furthermore, any proposed payments of whatever value that are linked to a non-disclosure agreement will also require DfE approval and, where supported, we will refer them to HMT for final consent. Additionally, in accordance with current Guidance on Public Sector Exit Payments, colleges must obtain prior DfE approval before making a special staff severance payment where: an exit package which includes a special severance payment is at, or above, £100,000, and/or the employee earns over £150,000.

Regardless of the above delegations, any special severance payment which is novel, contentious or repercussive, of whatever value, must be referred to DfE for approval and, where supported, we will refer to HMT for final consent.

It will be important that in those cases where approval is required that colleges refrain from entering into legally binding agreements until that approval has been obtained.

### **23.4. Compensation payments**

Compensation payments provide redress for loss or injury, for example personal injuries, traffic accidents or damage to property. If a college is considering a compensation payment, it must base its decision on a careful appraisal, including legal advice where relevant, and ensure value for money. If a college concludes that a compensation payment should be made, it has delegated authority to approve individual payments provided any non-statutory/non-contractual element is under £50k. Where the college is considering a non-statutory/non-contractual payment of £50k or more, DfE's prior approval must be obtained.

### **23.5 Ex gratia payments**

Ex gratia payments are another type of transaction going beyond statutory or contractual cover, or administrative rules. This could include payments to meet hardship caused by

official failure or delay, and to avoid legal action due to official inadequacy. Ex gratia transactions must always be referred to DfE for prior approval, whatever the amount.

### **23.6 Write-offs**

We recognise that most sums written off by colleges are likely to be relatively small. Consequently, DfE consent to a write-off will only be required if the individual loss/write-off exceeds 1% of annual income or £45k individually (whichever is smaller), or 5% of annual income cumulatively (subject to a £250k cumulative ceiling).

### **23.7 Indemnities, guarantees and letters of comfort**

Central government bodies should not be entering into liabilities without explicit parliamentary authority, other than those arising in the normal course of business. We recognise that many commercial contracts will, in the normal course of business, include indemnity clauses; these will not be restricted and DfE consent will not be required. Beyond this, DfE consent will be required in respect of indemnities beyond the normal course of business, guarantees and letters of comfort in excess of:

- 1% of annual income or £45k (whichever is smaller); or
- 5% of annual income cumulatively (subject to a cumulative ceiling of £250k).

### **23.8 Finance leases**

As you may know, there are two types of lease: operating leases and finance leases. Whilst finance leases constitute a form of borrowing, colleges will be able to continue with any existing finance leases until they come to the end of their term and will also be able to enter into new finance leases.

### **23.9 Senior pay controls**

Colleges remain responsible for setting the pay of their workforce. However, reclassification means that they will fall within the scope of HMT's senior pay controls. We will update our existing guidance on senior pay to reflect the principles set out in HMT's guidance, and work with the sector to make sure that colleges are able to seek approval for any new or amended reward packages that fall within scope of the controls.

### **23.10 Insurance**

Central government organisations should not generally take out commercial insurance because it is better value for money for the taxpayer to cover its own risks. However, there are some circumstances where commercial insurance is appropriate. We are exploring an alternative to commercial insurance for colleges with the Department's Risk Protection Arrangement scheme. For the moment, colleges can continue with their existing insurance arrangements, and can renew or take out new commercial insurance.

### **23.11 Commercial operations and subsidiaries**

Colleges will remain free to conduct commercial operations, including through subsidiary companies. However, all subsidiary companies will be subject to the same MPM-based

controls outlined in this letter as their parent college. If the purpose of any such subsidiary could be deemed to be novel, contentious or repercussive then the acquisition or establishment of such a subsidiary will also require prior DfE approval.

### **23.12 Novel, contentious and repercussive transactions**

Novel transactions are those of which your college has no experience or are outside its range of normal business. Contentious transactions are those that might cause criticism of the corporation by Parliament, the public or the media. Repercussive transactions are those likely to cause pressure on other colleges or other parts of the public sector to take a similar approach and hence have wider financial implications. Transactions by colleges or their subsidiaries that may be considered novel, contentious and/or repercussions must always be referred to DfE for prior approval. If supported, DfE will refer to HMT for final consent.

### **23.13 Private sector borrowing**

Private sector borrowing refers to any borrowing from commercial lenders but also loans from local authorities and any other non-public sector organisations. Existing and future lending from DfE to colleges is excluded.

MPM is clear that from the date of reclassification colleges, as public sector organisations, may borrow from private sector sources only if the transaction delivers better value for money for the Exchequer. Because non-government lenders face higher financing costs, in practice it is very unlikely that colleges will be able to satisfy this condition for future private sector borrowing.

To ensure adherence to MPM by colleges post-reclassification, a consent process by DfE for college requests relating to future borrowing and amendments to existing agreements as detailed below will be implemented. College DfE learner funding agreements will be updated in December 2022 to reflect this consent process as a new condition of funding. The main commercial lenders to the sector will be made aware of this new consent requirement. It is recognised that any restriction due to MPM on the availability of borrowing facilities to colleges following reclassification presents challenges to colleges both in respect of existing and future debt funding. New DfE initiatives relating to the learner funding profile and new DfE capital funding are being introduced to the sector to assist with funding areas previously provided by the private sector.

### **23.14 Existing borrowing**

Existing borrowing is any debt taken out and utilised (drawn down for loans) by the college or a related-subsiary up to 29 November 2022 in the form of a facilities agreement, senior debt finance agreement, working capital facility, term-loan, overdrafts, revolving credit facility, PFI property finance agreement (whether recognised on the balance sheet or not) and any other financing agreement.

The consent process will not apply to existing debt balances at the point of reclassification. Colleges should continue to repay such debt under the agreement terms to maturity. We expect that colleges will be able to ensure that any balances on variable

type facilities (overdrafts and revolving credit facilities (RCFs)) are worked down to nil or repaid in full at maturity of the facilities.

Term loan balloon payments (at maturity) Colleges may have existing term debt with outstanding balances remaining at maturity. If this residual debt cannot be refinanced by a commercial lender compliant with MPM and a college does not have sufficient cash reserves to meet in full, then DfE will consider a request for financial assistance from a college at the relevant time.

### **Amendments to existing facility agreements**

The college must obtain the written consent of the DfE before entering into any amendment to arrangements for existing borrowing within the scope of

MPM and provide evidence how the change meets MPM rules.

Amendments which may be within the scope of MPM include, but are not limited to, changes relating to the term of a loan, repayment profile change, interest rate change outside of the existing agreement terms (including any move between a variable and a fixed interest rate) and providing additional security.

Amendments and other colleges actions related to facilities which are not within the scope of MPM and therefore do not require the written consent of the DfE include:

- Providing periodic standard written representations to lenders.
- Changes to financial and non-financial covenants.
- Changes to standard clauses following underlying legislation changes or other reasons which are not within the scope of MPM as defined above.

### **23.15 Future borrowing**

New borrowing refers to any new debt or refinancing of the above existing borrowing types of debt and any new drawdown of existing borrowing facilities from 29 November 2022 onwards.

New finance arrangements or drawdown of funds post-reclassification under existing finance arrangements will be subject to MPM rules and colleges will be required to obtain the written consent of DfE in advance of committing to any new financing arrangements or actioning any new drawdowns of overdrafts, RCFs or loans.

The college is required to:

- Submit a formal request (Tab: Request 3) for consent using the college requests procedure set out above.
- Receive written confirmation from the DfE of consent.
- As a condition of any consent, if given, supply a copy of the executed new agreement by email (as above) within 2 weeks of completion. Unutilised borrowing facilities (including undrawn term loans).

**APPENDIX A**  
**CITY COLLEGE PLYMOUTH**  
**QUOTATIONS AND TENDERS**

Quotations and tenders are required under the College's Financial Regulations and Procurement Procedures in compliance with the UK Public Procurement Act 2023 and the College's internal governance standards. These processes ensure transparency, fairness and value for money in all procurement activity.

All purchases or projects **over £5,000 (inclusive of VAT)** require competitive market engagement, unless otherwise exempt under the Procurement Policy. For **minor works**, the threshold is £2,000.

Where it is not practical to obtain the minimum required number of quotations or tenders, a justification must be provided below. This exemption must be approved in accordance with the College's Waiver of Financial Regulations procedure.

Please note that these requirements are for the protection of both the College and members of staff involved. It must be obvious that for all transactions, current Financial Regulations and Procedures have been followed which evidence impartiality and value for money.

**Minimum Requirements (inclusive of VAT):**

<b>Value Range</b>	<b>Requirement</b>
Over £5000 (£2000 for minor works) up to £25,000	Minimum <b>3 written quotations</b> from appropriate suppliers
£25,000 up to £100,000	Minimum <b>3 competitive tenders</b> and listing on <b>Contracts Finder</b>
Over £100,000	Minimum <b>5 competitive tenders</b> , Contracts Finder listing and <b>Corporation approval</b>
Over threshold for regulated procurement (£214,904 for goods/services; £5,372,609 for works, as of January 2024)	Full compliance with the <b>UK Public Procurement Act 2023</b> and notice on <b>Find a Tender</b>

**Explanation for Non-Compliance (if applicable):**

*Provide detailed rationale, including efforts made, market limitations and any associated risk mitigation measures.*

Signed \_\_\_\_\_

Dated \_\_\_\_\_

The signatory confirms that all applicable procurement regulations and College procedures have been followed. The selected quotation or tender represents best value for the College.

**Please attach this form to the relevant Internal Requisition.**