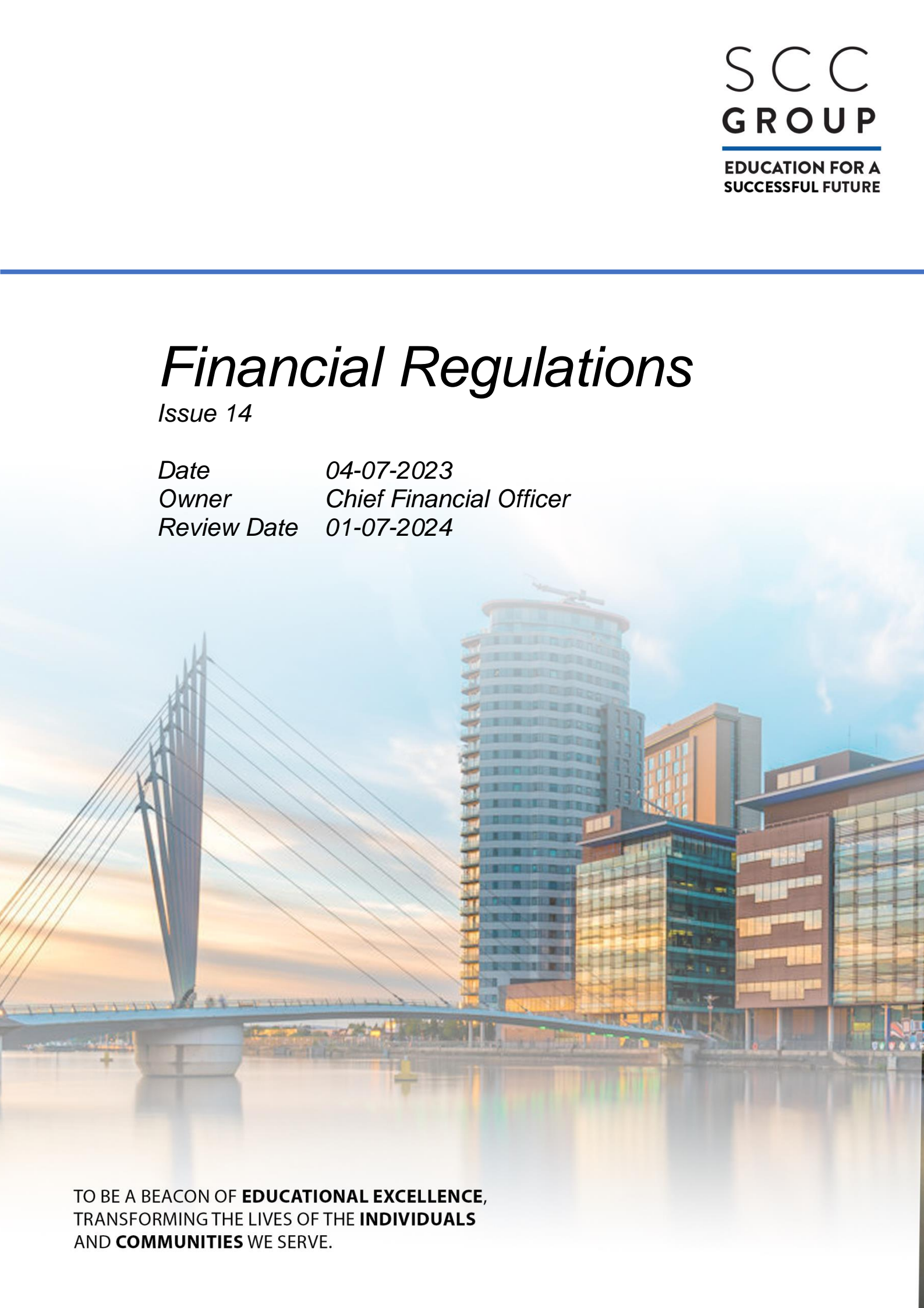


Financial Regulations

Issue 14

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TO BE A BEACON OF **EDUCATIONAL EXCELLENCE**,
TRANSFORMING THE LIVES OF THE **INDIVIDUALS**
AND **COMMUNITIES** WE SERVE.

CONTENTS

1.	Introduction	4
1.1.	Background	4
1.2.	Terminology	4
2.	Status of the Financial Regulations	5
3.	Financial Control	6
3.1.	The Corporation	6
3.2.	Committee structure	6
3.3.	Audit requirements	8
3.4.	Responsibilities	9
3.5.	Budgeting	12
3.6.	Accounting policies	15
3.7.	Student Data Management	18
3.8.	Accounting returns	16
3.9.	Accounting records	16
4.	Income and banking	20
4.1.	General	18
4.2.	Appointment of bankers	18
4.3.	Banking arrangements	18
4.4.	Income	21
4.5.	Debt management	20
4.6.	Student fees	25
4.7.	Other Income Generating Activity	26
5.	Expenditure	27
5.1.	General	27
5.2.	Authorities	27
5.3.	Petty cash	28
5.4.	Cash advances	24
5.5.	Purchase orders	25
5.6.	Approved Suppliers	25
5.7.	Contracts	25
5.8.	UK regulations	31
5.9.	Payment of invoices	31
5.10.	Credit and Purchasing Cards	32
6.	Salaries and wages	29
6.1.	Payroll	29
6.2.	Overtime	30
6.3.	Over/Under Payments	30

6.4.	Agency staff	31
6.5.	Superannuation	31
6.6.	Salary advances	31
7.	Assets	32
7.1.	Land, buildings, fixed plant and machinery	32
7.2.	Asset Register	32
7.3.	Inventories	32
7.4.	Asset disposal	32
7.5.	Security	33
7.6.	Loan of College Property	33
7.7.	Losses of or damage of College Property	33
7.8.	Insurance	33
8.	Investments, Borrowings and Trust Funds	35
9.	Travel, subsistence and other allowances	36
9.1.	General	36
9.2.	Overseas visits	36
9.3.	Travel, subsistence and out-of-pocket expenses	36
9.4.	Travel and Subsistence: Corporation Members	36
9.5.	Staff use of own car on College Business	37
9.6.	Relocation expenses	37
9.7.	Student Overseas Travel	38

Appendices

Appendix 1	Bank signatories	39
Appendix 2	Public Interest Disclosure Act	40
Appendix 3	Summary of authorisation limits	45

1. Introduction

1.1. Background

Under the Apprenticeships, Skills, Children and Learning Act 2009, from 1 April 2017, the Education Funding and Skills Funding Agency (ESFA) is responsible for commissioning and funding further education.

To enable the Funding Body to obtain assurance over the appropriate spend and use of public funds, a Post 16 Audit Code of Practice has been established which describes the inter-dependencies and responsibilities that exist between the different funding bodies and learning providers and the required assurance arrangements. The financial memorandum between the ESFA and the College sets out the terms and conditions of funding upon which the respective grants for adult provision and 16-18 provision are made.

The Corporation is responsible for ensuring that conditions of grant are met. As part of this process the College must adhere to the Post 16 Audit Code of Practice which requires it to have sound systems of financial and management control. The Financial Regulations of the College form part of this overall system of accountability.

1.2. Terminology

The Corporation

The body ultimately responsible for the affairs of the College.

Group Principal & Chief Executive (Group Principal)

The person with the ultimate executive responsibility to funding agency for the management of the College. The Group Principal is the Accounting Officer.

Budget holder

The member of staff who has been assigned their own budget and is accountable to their Line Manager for it.

Chief Financial Officer

The Chief Financial Officer has operational oversight of financial matters on behalf of the Group Principal and the Governing Body.

Strategy, Finance & Resources Committee

The Committee of the Corporation with delegated responsibility for financial matters.

Office for Students (OfS)

The Higher Education Funding Council for England has now been replaced by the Office for Students.

Education Funding and Skills Agency (ESFA)

The Education Funding and Skills Agency (ESFA) has responsibility for funding education and skills from 1 April 2017.

2. Status of the Financial Regulations

These Financial Regulations set out the responsibility for financial management and control within the College, and translate into practical guidance the College's broad policies relating to financial control. These Financial Regulations were approved by the Corporation on 4th July 2023.

These Financial Regulations are subordinate to the College's charter and statutes and to any restrictions contained within the College's Financial Memorandum with the ESFA, OfS and the Post 16 Audit Code of Practice.

Compliance with the Financial Regulations is compulsory for all staff connected with the College. Any member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the College's disciplinary procedures. Any such breach will, where appropriate, be notified to the Corporation through the Audit Committee.

It is the responsibility of Heads of Departments/Function to ensure that their staff are made aware of the existence and content of the Financial Regulations and that an adequate number of copies are available for reference within their department/cost centre. The Financial Regulations are also available on the staff intranet, and all staff should be aware of the content.

The Strategy, Finance & Resources Committee is responsible for maintaining a continuous review of the Financial Regulations and related policies, and advising the Corporation of any additions or changes necessary.

The College's detailed Financial Procedures set out precisely how the Financial Regulations will be implemented and are maintained within the Finance Department. Procedures and guidance are available on the College intranet or on request from the Finance Department.

3. Financial Control

3.1. The Corporation

The Corporation is responsible for the management and administration of the College. The Corporation's financial responsibilities are to:

- ensure the solvency of the College and safeguard the College's assets. There is a general requirement for corporations to receive a report on at least a termly basis that reviews the College's financial position (all members of the Corporation are provided with monthly Management Accounts which provide the financial position for review);
- ensure the effective and efficient use of resources;
- ensure that the funds provided by the ESFA, Greater Manchester Combined Authority, the Local Authority and OfS are used in accordance with the terms and conditions specified in the College's financial memorandum;
- ensure that financial control systems are in place and are working effectively;
- ensure that the College complies with the Post 16 Audit Code of Practice;
- approve the College's strategic plan;
- plan and conduct its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure;
- approve an annual budget before the start of each financial year;
- approve annual estimates of income and expenditure and to approve the annual financial statements; and
- appoint the College's internal and external auditors.

Further detail is provided in the Standing Orders of the Corporation of Salford City College updated in March 2023.

3.2. Committee structure

The Corporation has ultimate responsibility for the College's finances. Oversight of the College's finances is delegated to the Strategy, Finance & Resources Committee, and the Audit Committee, who are accountable to the Corporation. The Audit Committee has been established, under the terms of the Financial Memorandum, and powers are delegated to this Committee in accordance with the Memorandum. The Corporation has also established a Human Resources & Organisational Development Committee, a Remuneration Committee, a Governance & Search Committee and Quality & Standards Committee to assist in the governing of the College.

A more detailed list of responsibilities is set out in the Terms of Reference for Committees of the Corporation, included in the Standing Orders of the Corporation of Salford City College updated in March 2023.

Financial Monitoring Responsibilities of the Strategy, Finance & Resources Committee

The Strategy, Finance & Resources Committee is responsible for the monitoring of the College's financial position and the economy, effectiveness and efficiency of financial control systems of the College. The Committee will examine annual estimates of income and expenditure, the management accounts and the yearly financial statements and recommend their approval to the Corporation. It will ensure that short-term budgets are in line with agreed longer term plans and that both are followed. It will consider any other matters relevant to the financial duties of the Corporation and make recommendations accordingly. The Committee will also ensure that the Corporation has adequate information to enable it to discharge its financial responsibilities.

A more detailed list of responsibilities is set out in the Committee's Terms of Reference.

Audit Committee

Colleges are required by their financial memorandum with the Funding Bodies, the Instrument and Articles of Government and by the Post 16 Audit Code of Practice to appoint an Audit Committee. The Committee is independent, advisory and reports to the Corporation. It consults with the internal and external audit providers. The Committee is responsible for identifying and approving appropriate performance measures for the internal and external service and for monitoring their performance. It must also satisfy itself that arrangements are in place to promote economy, efficiency and effectiveness.

A more detailed list of responsibilities is set out in the Committee's Terms of Reference, included in the Standing Orders of the Corporation updated in March 2023.

The audit requirements of the College are set out in the Post 16 Audit Code of Practice.

Risk Management

The Corporation acknowledges the risks inherent in the College's activities and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health.

The Corporation has overall responsibility for ensuring there is a common approach to the management of those risks which pose a significant threat to the achievement of its business objectives and financial health. This will be achieved through the development and implementation of a structured risk management process.

The Audit Committee shall be responsible for the regular review of the adequacy of risk management arrangements.

The Group Principal is responsible for developing a risk management strategy in order to identify the risks facing the College and types of protection required covering these risks. The strategy should cover important liabilities such as terrorism and be sufficient to meet any potential risk to all assets.

3.3. Audit requirements

Introduction

The Funding Bodies through their Financial Memorandum require Salford City College to put in place appropriate audit arrangements. These arrangements include:

- the appointment of an internal audit service;
- the terms of reference and scope of the internal audit service in the College and circulation of their reports;
- the establishment of an Audit Committee;
- the provision of financial statements and regularity audit in accordance with the guidelines embodied in the Post 16 Audit Code of Practice.

Although not specifically requested any longer by the ESFA, SCC Group have continued to make use of an internal audit service. The Audit Committee specifically deals with and recommends to the Corporation:

- the appointment of an internal audit service with specific expertise in the FE Sector including funding audit;
- the terms of reference and scope of the internal audit service in the College and circulation of their reports;
- the provision of an internal audit opinion to inform the Statement of Corporate Governance and Internal Control.

The financial statements and internal audit providers have authority to:

- access the College premises at reasonable times;
- access all asset records, documents and correspondence relating to any financial and other transactions of the College;
- require and receive such explanations as are necessary concerning any matter under examination;
- require any employee of the College to account for cash, stores or any other College property under their control; and
- access to all records belonging to third parties, such as contractors when required.

Appointment of auditors

The Corporation should re-appoint the internal audit service provider and financial statements audit provider formally each year on the advice of the Audit Committee. It is best practice to subject the internal and financial statements audit providers to competition for both quality and price every three years. However, if the contract allows, the College may choose to extend the appointment of the audit providers on an annual basis for operational reasons with the maximum term being five years before the service is put out to competitive tender. If the service provider undergoes a merger,

de-merger, take-over or other significant re-organisation, the College may review its appointment and, if the College so determines, subject such provision to competition for both quality and price. If the provider is changed, the contract with the incoming provider should start on the day after expiry of the outgoing provider to ensure continuity of provision. This should be in place for the contract to begin in the appropriate financial year to ensure that opinions can be given for the full year.

Financial Statements Audit

The primary role of the financial statements audit is to report on the College's financial statements and to carry out such examination of the statements, underlying records, control systems and student numbers as are necessary to reach their opinion on the statement and to report on the appropriate use of funds.

The financial statements auditors also conduct a regularity audit in order to ensure that expenditure has been properly incurred. The regularity audit is undertaken as part of a tri-partite agreement with the lead funding body of the College.

Their duties will be in accordance with advice set out in the Post 16 Audit Code of Practice and the Auditing Practices Board's International Standards on Auditing.

Additional requirements may also be specified by the Office for Students in relation to the provision of Higher Education programmes.

Internal Audit

The internal audit service's work shall be performed by an external audit firm, in line with the Public Sector Internal Audit Standards or latest relevant guidance.

The internal audit service will submit reports at least termly on the College's activities to the Audit Committee, and will also produce an annual report, which can be submitted to the ESFA, together with the audited financial statements.

Independence

The internal audit service must be independent in its planning and operation and have direct access to the Corporation, the Chair of the Audit Committee, and the Group Principal.

Other auditors

The College may from time to time be subject to audit investigation by external bodies such as the ESFA, OfS, National Audit Office, European Court of Auditors and HM Revenue and Customs. These Bodies will be deemed to have the same rights of access as the external and internal auditors.

3.4. Responsibilities

Group Principal

The Group Principal is the College's designated Accounting Officer and is responsible for the effective and efficient financial administration of the College's affairs.

The Group Principal is responsible to the Corporation for preparing annual estimates of income and expenditure for consideration by the Corporation, for the management of budget and resources within the estimates approved by the Corporation, and for presenting audited accounts to the Corporation.

The Group Principal shall be responsible for ensuring that funds from the Funding Bodies are only used for the purpose for which they are given and in accordance with any terms and conditions attached to them. These terms and conditions include those set out in the Financial Memorandum. As Accounting Officer, the Group Principal may be required to appear before the Committee of Public Accounts, alongside the Chief Executive of the ESFA, on matters relating to funds paid by the Funding Bodies to the College and the use made by the College of such funds. The Group Principal has a duty to report to the Funding Bodies should the Corporation adopt a policy or commission an action which is incompatible with the terms of the Financial Memorandum or which would infringe the requirements of probity or regularity.

The Group Principal is responsible for advising the Corporation in writing if any action or policy under consideration by them is incompatible with the terms of the Financial Memorandum or would infringe the requirements of probity or regularity. The Group Principal is also responsible for advising the Corporation in writing if the Corporation appears to be failing to act where required to do so by the Financial Memorandum or where required to meet the requirements of probity or regularity. The report should include a reference to the Group Principal's duty to report to the Funding Bodies should the Corporation seek to over-rule his or her advice. Where the Corporation determines to proceed despite the advice of the Group Principal, the Group Principal should consider the reasons the Corporation has given for its decision. If after considering the reasons given by the Corporation, the Group Principal still considers that he or she could not defend such a policy or action then he or she should advise the Chief Executive of the ESFA in writing of the situation at the College. The Funding Body would not consider the provision of such a written report to the Corporation or the notification to the ESFA as grounds to take disciplinary action or suspend a Group Principal.

Chief Financial Officer

Day to day financial administration is controlled by the Chief Financial Officer. The Chief Financial Officer is responsible to the Group Principal for:

- preparing annual capital and revenue budgets and the financial element of strategic plans and financial forecasts;
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations (excluding month 1);

- preparing the College's annual accounts and other financial statements and accounts which the College is required to submit in accordance with the guidelines issued by the Funding Bodies and within recommended accounting practice, and arranging for their audit;
- presenting the accounts to both Audit and Strategy, Finance & Resources Committees for approval, before being presented to the Corporation for formal approval and signature;
- administration of College companies;
- preparation of all required financial statutory returns (apart from student data returns);
- ensuring that the College maintains satisfactory financial systems;
- reporting of breaches of financial regulations directly to the Corporation;
- providing professional advice on all financial matters to the Governing Body;
- ensuring that where budgetary control is delegated, budget holders manage their budgets within delegated limits; and
- acting as liaison with the college auditors.

The Chief Financial Officer shall report to the Governing Body any issues giving cause for concern with regard to the general stewardship of public funds.

In the absence of the Chief Financial Officer, their authority is delegated to the Head of Finance.

Deputy / Senior Vice / Vice / Assistant Principals and Directors

The Deputy / Senior Vice / Vice / Assistant Principals and Directors are responsible to the Group Principal for financial management of the curriculum centres, and are advised and subject to scrutiny by the Chief Financial Officer in executing financial duties. The Chief Financial Officer will also supervise and approve the financial systems operating within each department including the form in which accounts and financial records are kept.

Deputy / Senior Vice / Vice / Assistant Principals and Directors are responsible for establishing and maintaining clear lines of responsibility within their departments for all financial matters.

Head of Finance

The day to day operations of the finance department are delegated to the Head of Finance.

In the absence of the Chief Financial Officer, their authority is delegated to the Head of Finance.

Deputy Head of Finance / Finance Manager

The Deputy Head of Finance and Finance Manager are responsible for specific operational areas of the finance department, delegated from the Head of Finance.

In the absence of the Head of Finance, or whenever required to ensure segregation of duties, their authority is delegated to the Deputy Head of Finance and/or Finance Manager.

In the absence of the Chief Financial Officer, their authority is delegated to the Head of Finance, but not to the Deputy Head of Finance or Finance Manager, with the exception being the delegation of staffing approvals to the Deputy Head of Finance. However, to ensure segregation of duties, the authority of the Head of Finance can then be delegated to the Deputy Head of Finance and/or Finance Manager where required.

Centre Principals / Heads of Department / Heads of Function

Heads of Department and budget cost centre managers are responsible to the Centre Principals or relevant member of the Senior Leadership Team for financial management in their areas.

When resources are devolved to budget holders, they are accountable to their Line Manager for their own budget.

3.5. Budgeting

Resource allocation

Resources are allocated annually by the Corporation in accordance with the strategic objectives of the College on the recommendation of the Strategy, Finance & Resources Committee.

Heads of Department / Function are responsible for the economic, effective and efficient use of resources allocated to them.

Budget preparation

The Chief Financial Officer, in conjunction with the Senior Leadership Team, is responsible for preparing an annual revenue budget and capital programme for consideration by the Strategy, Finance & Resources Committee, before submission to the Corporation for final approval. The Corporation shall not delegate the approval of the annual estimates of income and expenditure. The Corporation will be asked to determine, by resolution, the approval of the budget.

The budget should include an income and expenditure account, cash flow forecasts for at least a 12-month period and a projected year-end balance sheet. The Chief Financial Officer must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to Heads of Department / Function as soon as possible following their approval by the Corporation.

During the year, the Chief Financial Officer, in conjunction with the Senior Leadership Team, is responsible for submitting material budget revisions to the College's surplus / deficit (excluding pension adjustment) to the Strategy, Finance & Resources Committee for consideration, before submission to the Corporation for approval.

Capital programmes

Capital expenditure is expenditure in excess of £2,000 (including VAT) on an individual, or group of related items or as defined in the accounting policies disclosed in the College Financial Statements and Report.

Capital assets also comprise items with a life in excess of the accounting period, which have a material intrinsic value.

The Director of Business Operations, in conjunction with the Chief Financial Officer from an affordability perspective, shall prepare a rolling programme of capital projects after consultation with the appropriate primary budget holders. The programme of capital projects will be updated annually.

The Chief Financial Officer shall consolidate those capital projects agreed with the Group Principal into the College's capital budget for submission to the Corporation for consideration.

Major capital expenditure on land, buildings, and associated costs, can only be considered as part of the capital budget approved by the Corporation.

The Director of Business Operations is responsible for providing regular summary statements concerning all capital expenditure to the Strategy, Finance & Resources Committee for monitoring purposes. A summary of capital expenditure funding source and project category is reported by the Chief Financial Officer in the monthly management accounts.

Proposed capital projects greater than £25,000 up to £50,000 (including VAT) should be supported by:

- a specification of work, and should be reviewed and approved by the Chief Financial Officer; and
- competitive quotes from at least three contractors.

Proposed capital projects of £50,000 to £100,000 (including VAT) should be consulted with Chief Financial Officer and supported by either tender / negotiated tender or written quotations or specification. Approval is required by the Group Principal and one other on the approved list in Appendix 1.

All capital investment projects involving expenditure greater than £100,000 (including VAT) should have a project management structure, which is overseen by the Head of Estates and Facilities, and reported to the Strategy, Finance & Resources Committee as appropriate. For individual capital projects over £1 million, the project management structure should be approved by the Strategy, Finance & Resources Committee. The structure schedule should include the following:

- the procedure for appointment of professional advisers;
- the terms of reference for professional advisers;
- the nomination of staff member responsible for the project;
- the level of delegated authority which specific staff members may exercise and an indication of when and to whom the more important matters should be referred;
- an indication of the frequency of report, and who should make reports to the Strategy, Finance & Resources Committee, together with a report on the financial status of the project; and
- how often a financial appraisal of the project will be submitted to the Strategy, Finance & Resources Committee. The approval of expenditure should follow the procedure set out in these Financial Regulations. Any expenditure in excess of approved budgets should be approved by the appropriate bodies and should be reported to the Strategy, Finance & Resources Committee at the earliest opportunity.

Individual elements or single capital projects over £100,000 (including VAT) must be subject to formal tender procedures either by open tender with public notice given or from a select list of tenderers approved by the Group Principal and Chief Financial Officer, and be reported to the Chair of Strategy, Finance & Resources Committee and to the Strategy, Finance & Resources Committee as soon as practical by the Director of Business Operations.

The above procedures may only be waived where economy, efficiency or effectiveness may be impaired. In such cases, a single supplier may be selected, subject to Public Contracts Regulations (PCR 2015) limits. The SLT lead responsible for the expenditure should formally document the reasons for a single supplier. This rationale should be approved by the Group Principal and the Chief Financial Officer as a single tender waiver, and reported to the Strategy, Finance & Resources Committee retrospectively.

Post tender negotiations

Post tender negotiations, in order to improve price, delivery or other terms and conditions, can be entered into by the Chief Financial Officer, Director of Business Operations and the Head of Estates and Facilities provided:

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

In each case, a statement of justification should be approved by the Chief Financial Officer prior to the negotiations. Detailed records of all post tender negotiations must be retained.

Projects and business developments

Any new project or activity which will require an investment in buildings, resources or staff time must be authorised in accordance with the financial limits set out Appendix 3.

All major developments should have business costs prepared in a format determined by the Chief Financial Officer.

Financial planning

The Chief Financial Officer is responsible for preparing annually a rolling financial plan for approval by the Corporation on the recommendation of Strategy, Finance & Resources Committee, and for submitting the financial forecasts to the funding body. The financial forecasts should be consistent with the Strategic Plans and Estates Strategy approved by the Corporation.

Before the beginning of each financial year, the College budget shall be prepared under the direction of the Chief Financial Officer for submission to the Corporation for their consideration and approval (normally at the July meeting).

A timetable for budget preparation shall be determined by the Chief Financial Officer and, where applicable, shall be in accordance with the Funding Body's requirements. The budgets of income and expenditure are required to be submitted to the Strategy, Finance & Resources Committee, and be approved by the Corporation by the 31st July prior to the year in question.

Once the Corporation has approved the annual estimates of income and expenditure, the Group Principal is authorised to incur expenditure in accordance with the Financial Regulations and approved budgets.

The approved budget provides an overall surplus/deficit (excluding pension adjustment), split into budget headings. Decisions made by management which cause the surplus/deficit (excluding pension adjustment) to be materially exceeded adversely, require a revised budget to be submitted to the Strategy, Finance & Resources Committee for consideration, before submission to the Corporation for approval.

Budgetary control

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

Budgets will be reviewed monthly by the Chief Financial Officer, in conjunction with the Senior Leadership Team, and will reflect changes in activity levels and any agreed amendments to the College's operational and strategic plans.

The Group Principal, through the Chief Financial Officer, shall be required to submit three reports per annum to the Strategy, Finance & Resources Committee outlining the actual income/expenditure in comparison to estimate, and to highlight and explain significant variances. These reports will also include an amended out-turn forecast for that financial year. Monthly Management Accounts will be provided to all Corporation

members with a quarterly forecast submitted documenting any potential changes to the outturn position. Where there are significant changes to report outside of the quarterly forecasting cycle, then a revised forecast may be provided in addition to a quarterly forecast.

The Group Principal shall promptly inform the Corporation of any matter which is liable to materially affect the finances of the College.

Budget responsibility for revenue and capital expenditure shall be delegated to budget holder/department/function nominees.

Whilst the budget holder may delegate the supervision of budgets to secondary budget holders, they cannot delegate their budgetary responsibilities.

No expenditure may be incurred by budget holders, which is not matched by uncommitted approved budget provision, unless the Chief Financial Officer gives specific authorisation.

The Chief Financial Officer shall be responsible to the Group Principal for maintaining the budgetary performance of the College as a whole, within the boundary of the decisions taken by the Group Principal, Senior Leadership Team and Corporation. The Chief Financial Officer shall be responsible for providing budget holders with accurate and timely information regarding budgetary performance.

Virements

The Chief Financial Officer, shall be permitted to exercise virement between all budget heads (except those specifically excluded by the Corporation) provided that the action does not involve the College in any additional financial commitment which it will be unable to meet in respect of any subsequent year.

Virement involving additional financial commitments in respect of subsequent years shall be reported to the Strategy, Finance & Resources Committee / Corporation if it is materially outside the agreed budget.

Virement shall not be permitted, either by the Chief Financial Officer or by the Strategy, Finance & Resources Committee, if it detrimentally affects the estimated surplus or deficit, unless approved by the Corporation.

Revenue Budgets

A budget is an approved sum allocated for income or expenditure over a specific time span, normally one financial year. The budget is usually expressed as a financial value and, where the budgeted resource is related to staffing expenditure, it may also be expressed as an envelope of hours.

The Chief Financial Officer has the authority to allocate supplementary revenue budgets to enable overspending/under recoveries to take place. Monthly management accounts and quarterly forecasts are provided to all Corporation members on a monthly basis, and discussed in detail at Strategy, Finance & Resources Committee. These financial reports provide details of updated budgets / forecasts against budget

categories, as a result of budget virements. Material virements) are required to be specifically highlighted to the Strategy, Finance & Resources Committee.

Any overspending / under recovery which is likely to result in a material change to the College's approved surplus / deficit position (excluding pension adjustment) is to be reported to the Strategy, Finance & Resources Committee.

All College income is attributable to the College purse. The Chief Financial Officer may, at their discretion, attribute income-led resource to individual budget holders. In those circumstances, the allocation of resources is made after such income has been earned and in line with a clearly defined agreement.

Budget holders will have the following responsibilities:

- authorising expenditure against budget;
- monitoring expenditure commitments during the year with reference to the budget for that year;
- explaining any variations from budget; and
- reporting as soon as possible to the Chief Financial Officer or Head of Finance if it is envisaged that the budget will be either under or overspent.

The Chief Financial Officer will provide detailed reports to monitor income and expenditure against a profiled budget for all budget holders. Reports will be provided to all budget holders monthly.

Budget Holders provide all information relevant to the College's finances as requested by the Chief Financial Officer or their nominee. Such information includes the profiling of budgeted expenditure which must recognise and take cognisance of the need to phase expenditure in such a way as to be broadly in step with the receipt of College funds. This is to facilitate the management of cash flow of the College.

Budget Holders must maintain adequate records to ensure proper management of their resources. These records may be examined by Internal or External Auditors.

All financial transactions must be correctly coded against income and expenditure codes and, where applicable, to balance sheet codes. The code structure and chart of accounts are established by the Chief Financial Officer or their nominee to classify income and expenditure by department and by type.

External Reporting

The Chief Financial Officer is responsible for the production of all financial reports to external bodies such as the ESFA, the Local Authority, the External and Internal Auditors, HMRC etc. These reports will encompass items such as financial accounts, management accounts, budgets, income and expenditure forecasts, cash flow forecasts, VAT returns, PAYE, NI Returns, Pension returns etc.

3.6. Accounting policies

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and in accordance with the FE HE Statement of Recommended Practice (SORP), the Funding Body's College Accounts Direction and in accordance with Financial Reporting Standard 102.

Format of the accounts

The accounts are prepared for the financial year ending 31st July, in the format required by the lead funding body.

Basis of consolidation

If there are subsidiary companies in operation, the financial statements should consolidate the financial statements of the College and all its subsidiary undertakings for the financial year, where material.

3.7. Student Data Management

Data Collection Procedures

The College's student data shall be that which is contained within the centrally managed MIS system. Responsibility for the accuracy of the data held within the system shall be overseen by a nominated member of the Senior Leadership Team, currently this is with the Director of Business Operations. Ultimate responsibility for the student data rests with the Group Principal and the Corporation. Failure to comply with the standard instructions for enrolling and subsequent monitoring of students' attendance and achievement, constitutes a breach of the College's Financial Regulations, and will be reported to the Group Principal. Serious and persistent breaches can be regarded as misconduct and render the member of staff concerned liable to disciplinary proceedings.

Retention and Achievement

All staff responsible for teaching students should ensure that all efforts are expended to ensure that students remain enrolled at the College, and that their achievements are recorded in line with the student data management guidelines. Evidence of achievements shall be that contained within the guidelines, which will stipulate what evidence is required by the Funding Body. Failure to comply with this instruction constitutes a breach of the College's Financial Regulations, and will be reported to the Group Principal.

Attendance Monitoring

All staff responsible for teaching students should ensure that student attendance is monitored and recorded in line with the student data management guidelines, including timely withdrawals. Records of attendance shall comply with the guidelines, which will stipulate what is required as evidence for the Funding Body, and to support

government funded initiatives. Failure to comply with this instruction constitutes a breach of the College's Financial Regulations and will be reported to the Group Principal.

3.8. Accounting returns

The Chief Financial Officer is responsible for consolidating and despatching financial returns and other periodic financial reports to the Funding Body and other agencies as required. The Chief Financial Officer is also responsible for ensuring all grants notified by the funding agency and other bodies are received and correctly included in the accounts.

3.9. Accounting records

The Chief Financial Officer is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.

The College is required by law to retain prime documents for seven years (where relating to property matters 12 years). These include:

- official orders;
- paid invoices;
- accounts raised;
- bank statements;
- copies of all receipts;
- payroll records;
- part-time lecturer contracts;
- expense claims;
- health and safety records;
- student data records; and
- complete paper record transactions for each year from the computerised accounting system.

The above list is not intended to be exhaustive. Professional advice should be sought if there is uncertainty about the retention period for documents. In exceptional circumstances e.g. fire it is recognised that this may not be possible however, all reasonable steps to retain the documentation should be taken.

Additionally, for auditing and other purposes, other financial documents should be retained for three years.

4. Income and banking

4.1. General

The Chief Financial Officer is responsible for ensuring that appropriate procedures are in operation to enable the College to receive all income to which it is entitled. All receipts, forms, invoices, tickets or other official documents are to be regarded as controlled stationery and must have the approval of the Chief Financial Officer.

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

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

The Chief Financial Officer is responsible for ensuring that all grants notified by the Funding Body and other organisations are received and appropriately recorded in the College's accounts.

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

4.2. Appointment of bankers

The Corporation is responsible for the appointment of the College's bankers on the recommendation of the Chief Financial Officer to the Strategy, Finance & Resources Committee.

4.3. Banking arrangements

Bank accounts

The Group Principal shall authorise all arrangements for the opening of bank accounts and shall be authorised to operate such bank accounts considered necessary, including variations in the College's banking terms and overdraft arrangements. The Chief Financial Officer or their nominee shall have day-to-day control of all the banking arrangements.

Every such bank account shall include 'Salford City College' and details of the account in its designation at the bank.

The Chief Financial Officer or their nominee is responsible for the maintenance and operation of the College's electronic banking arrangements. This will include the selection of College staff nominated to operate electronic payment systems, decisions concerning appropriate levels of authorisation and liaison with the bank. The list of authorisers must be kept updated on a regular basis.

All electronic payments are required to be approved by two approved signatories within the process. A list of those authorised is included at Appendix 1.

No other department or section shall be empowered to operate bank accounts in the name of the College and no cheques or financial instrument made payable to the College or intended to be made payable to the College, shall be endorsed and credited to any other account.

No department shall operate bank accounts in names other than Salford City College, for any reason whatsoever. Any cheques which are incorrectly addressed and which are intended to reimburse Salford City College, must be forwarded to the Finance Department for banking arrangements to be made.

The Prize Funds are held on trust by the College. Funds will be managed by the Finance Department and includes monies collected through donations, prize funds and interest accrued by holding such monies.

Management of cash balances (Treasury Management)

The Chief Financial Officer shall be responsible for reviewing if any cash surpluses should earn a competitive rate of interest, within the context of the market and College finances. This shall be achieved by means of interest-bearing current accounts, deposit accounts or term (or money-market) deposits. The Chief Financial Officer or their nominee will periodically compare the interest rate earned on any interest-bearing current accounts with market rates to ensure they remain competitive. Interest received shall be shown as such in the College's accounts.

The College policy on investment of surplus funds is to invest in cash instruments e.g. certificates of deposit to generate interest returns. This reflects a desire to minimise risk. It also assesses the use of sole institutions against the risk of investment failure. Its investment policy is to invest only in institutions regulated by the FSA or successor bodies. Further details are recorded in the College's Treasury Management Policy.

4.4. Income

General

The Chief Financial Officer or their nominee shall be responsible for the security and prompt banking of all monies received. All monies received must be banked at least weekly. Monies not banked immediately, must be held in an appropriate and secure place and the total of these monies must not exceed the values stipulated in the College's insurance policies.

Monies due to the College from external organisations shall be requested on College invoices issued by the Finance Department. Other members of staff are not permitted to deal directly on this matter unless they have written authorisation from the Chief Financial Officer. Any written authorisations issued prior to the approval of these Financial Regulations will need to be forwarded to the Chief Financial Officer for revised consideration.

BACS is the preferred method of receipt. Where this is not possible, cheques should always be payable to Salford City College.

Any suspected losses of income should be reported immediately to the Chief Financial Officer or their nominee.

Cash flow management

The Chief Financial Officer shall be responsible for the efficient management of the College's cash flow.

The Chief Financial Officer shall prepare an annual cash flow forecast for inclusion in the financial schedules of the College's 12-month strategic plan. A rolling 12-month cash flow forecast will also be included in the management accounts.

The Chief Financial Officer or their nominee is responsible for ensuring that all bank accounts are reconciled to the College's accounting records in a timely fashion and at least on a monthly basis.

The reconciliation and review process shall extend to all College bank accounts including those, which do not form part of the College's balance sheet.

Cash receipts

All monies received from whatever source must be recorded on an official receipt by the department concerned on a daily basis together with the form in which they were received.

Money must be paid promptly to the cashier and custody of all cash holdings must comply with the requirements of the College's insurers.

No deductions may be made from any cash collected on behalf of the College prior to paying into the cashier.

Personal or other cheques must not be cashed out of money received on behalf of the College.

Cheque payments are accepted from students. The student number and name must be noted on the back of the cheque and initialled by the officer receiving the cheque.

Payments by debit and credit card by students must follow the appropriate authorisation procedures.

Charity collections

Staff wishing to organise charity fundraising events must first ensure that the charity they intend to fundraise for is registered with The Charity Commission via their website. Any publicity material must contain the name and registered number of the charity.

The member of staff organising the event must contact Finance to arrange delivery of a charity collection bucket(s), and all monies must be held in these buckets. Donations must not be kept in envelopes or unsealed containers. Each bucket must be assigned to a collector, and the organiser is responsible for ensuring the sealed buckets are securely stored on site (preferably in the safe at reception) and are returned to Finance

at the end of the event. Finance will then count the donations and arrange payment to the charity.

Post opening

Post will be sorted in the general administration office and distributed daily. Postal remittances should be recorded in a post book before being taken to the Finance Department. Finance related post is collected by a member of the Finance team. This post is opened in the Finance Department.

This procedure applies to all premises occupied by the College and should incorporate all remittances, including those which may have been addressed to a name other than 'Salford City College'.

Fees and Charges

The Director of Business Operations or other nominated officer shall undertake a regular review of fees and charges and report on the updated policy at least annually to the Strategy, Finance & Resources Committee.

4.5. Debt management

The Chief Financial Officer or their nominee is responsible for monitoring the College's credit management exposure.

If Heads of Departments / Function suspect that payment for goods and services provided shall not be received, or shall be received only after a long delay and after much effort on the part of the College, they should consult the Chief Financial Officer as soon as possible and before further goods and services are provided.

Where doubts exist about the creditworthiness of a customer, e.g. with a customer with whom no previous experience has been gained, or where an existing customer is requesting a higher than normal level of credit, further enquiries should be made before the transaction takes place.

The collection of debts

All requests for payment for goods or services provided by the College should be made on the Official College invoice form approved by the Group Principal.

The Chief Financial Officer or their nominee should ensure that:

- (debtor) invoices are raised promptly in respect of income due to the College;
- (debtors) are raised on official College invoices;
- swift and effective action is taken to collect overdue debts including the referral to third party debt collection agencies; and
- outstanding debts are monitored and reports are prepared for managers.

Budget holders and others concerned with the generation of income should ensure that notification of the need for a sales invoice is rendered to the Finance Department for all income due, as soon as the service is provided, or earlier if the circumstances permit. The approval of the Chief Financial Officer must be obtained before any departure from the College's invoicing system. Appropriate debt recovery procedures must be in place, with any material changes determined by the Group Principal and the Chief Financial Officer.

Under HM Treasury's *Managing Public Money*, the College is able to authorise write-offs up to the following limits without seeking further approval from the Department for Education:

- Any individual write-off that is £45,000 or less, or 1% or less of annual income (whichever is smaller)
- Cumulative write-offs within the academic year totalling £250,000 or less, or 5% or less of total income (whichever is smaller).

Income will be the forecast total income for the current academic year.

The Chief Financial Officer is responsible for informing the Strategy, Finance & Resources Committee in advance of any write-off that will exceed these limits. Should the Committee approve the write-off, the Chief Financial Officer must gain approval from DfE in advance of the write-off being actioned.

Within the delegated limits above, the authority for writing off individual bad debts or raising net credit notes is as follows:

- any written request to write off a debt up to £1,000 (excluding VAT) may be authorised by the Head of Finance;
- any written request to write off a debt up to £10,000 (excluding VAT) may be authorised by the Chief Financial Officer;
- requests to write off debts between £10,000 and £25,000 (excluding VAT) may be authorised by the Group Principal plus 1 other approved signatory from Appendix 1;
- requests to write off debts in excess of £25,000 (excluding VAT) must be authorised by the Strategy, Finance & Resources Committee.

4.6. Student fees

Learner fees

General

The collection of all learner fees, i.e. tuition, registration fees, materials, etc. shall be in accordance with the arrangements approved by the Chief Financial Officer. Tuition, registration fees and other costs are due for payment in full at enrolment, unless otherwise detailed below or as outlined in the Tuition Fee Policy.

Tuition and registration fees

The tuition, registration fees and other costs are due for payment in accordance with the fees policy by the learner at enrolment, except in those cases where a sponsor acceptable to the College has taken responsibility for payment of the fees or where the learner has been allowed to pay their fees in instalments or via an official student loan.

Non-payment

If a learner is responsible for paying their own fees they may not be permitted to continue in attendance after the third week of the commencement of the course if they have not paid the tuition, registration or other fees, or made satisfactory arrangements with the College for payment.

For learners who are being funded by sponsorship there must be a letter confirming payment for the learner for enrolment to take place. If payment is not forthcoming then the College's debt recovery procedures will be followed.

If a learner has not paid an account or made arrangements satisfactory to the College for payment, then the learner shall not be allowed to sit any final examination until the outstanding account has been settled.

Fee remission policy

Fees will be remitted in accordance with the guidance issued by the Funding Bodies and in addition, the College operates a fee remission policy designed to assist those learners in financial hardship.

Franchise, Full Cost and External Funded Provision

- When such contracts are being negotiated, a full-cost benefit analysis needs to be undertaken and this must show that the project is viable on both an academic and financial basis. This must be evidenced in the contract file and authorised by the Group Principal, the Chief Financial Officer, or an officer nominated on their behalf.
- Where the partnership would represent a significant departure from the College Strategic Plan, the Corporation shall approve the departure, and the Group Principal shall seek the views of, and inform the funding body.

4.7. Other Income Generating Activity

Contracts committing the College to the delivery of education and training in addition to that included in the curriculum plan must be approved by the Senior Leadership Team along with a business plan for the proposed venture and appropriate due diligence taking place before any written agreement is entered into with third parties and delivery commences.

4.8. Indemnities, guarantees or letters of comfort

When entering into contracts where the College is the provider, the College is permitted under HM Treasury's *Managing Public Money* to give indemnities, guarantees or letters of comfort arising in the normal course of business.

The College is also permitted to give indemnities, guarantees or letters of comfort beyond the normal course of business up to the following limits:

- Individually, 1% of annual income or £45,000 (whichever is smaller);
- Cumulatively, 5% of annual income or £250,000 (whichever is smaller).

The Group Principal is responsible for seeking DfE approval in advance of the College entering into contracts that give indemnities, guarantees or letters of comfort in excess of these limits.

5. Expenditure

5.1. General

The Group Principal, with day to day responsibility delegated to the Chief Financial Officer, has overall responsibility for making payment to suppliers of goods and services to the College. The Group Principal is authorised to incur expenditure up to, but not materially exceeding, the amount specified in the principle headings of expenditure in the approved budget and to incur expenditure against income.

Under HM Treasury's *Managing Public Money*, the College is not allowed to make any transactions that are novel, contentious or repercussive. The definitions of these terms are:

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

The Chief Financial Officer must obtain consent from the DfE before these types of transactions can be made.

5.2. Authorities

Budget Holders are responsible for all orders issued by their department/cost centre. However, they may delegate the authority to place orders or incur expenditure to members of staff within their department/cost centre. Orders must only be placed by persons authorised to do so by the budget holder.

The Chief Financial Officer shall maintain a register of authorised signatories. The Chief Financial Officer must be notified promptly of any changes to staff with delegated authority or for requests to vary the limitation of their authority.

The person authorising expenditure must ensure that it is a valid charge on the College and that adequate funds exist to meet the expenditure. Any person authorising expenditure who does not have adequate budgetary provision is considered to be in breach of the College's Financial Regulations and will be included in the report to the Group Principal and, ultimately, to the Corporation and will need to provide a written explanation of the circumstances leading to the breach.

Requisitions raised electronically should be approved by the Budget Holder and the originator should confirm delivery of the goods or service. Suppliers are expected to quote a valid College order number on all invoices. Payment may be withheld for any invoices submitted without an order unless exempted under Paragraph 5.5.

The Chief Financial Officer or their nominee is responsible for ensuring that all purchase requisitions and authorised expenditure have been completed in line with the College's purchasing procedures and authorised as specified in Appendix 3.

The Finance Department will not assist or become involved in any transaction for purchases of a personal nature and furthermore, may also question transactions that seem to be of a personal nature or an inappropriate use of College funds.

Purchases of any description or any means of purchase should not be delivered to a home address. This includes purchases on a College credit or purchasing card, or those made via the internet. Expenses and petty cash cannot be claimed or reimbursed on items delivered to a home address. Only in an emergency situation where the College is not able to follow standard operating procedures, such as a pandemic, will this regulation be reviewed. In such circumstances, temporary regulations will be put in place and communicated to all staff, and it would be expected that any request for delivery to a home address would require the approval in advance, following a timely request, from the budget holder, Head of Centre where applicable, SLT lead and Chief Financial Officer.

5.3. Petty cash

The Chief Financial Officer or their nominee shall operate an imprest system for floats for the disbursement of petty cash expenses.

Wherever possible, purchases should be made by raising orders via the College authorised requisitioning system or through use of a College credit/purchasing card, using established College supplier accounts, particularly for internet purchases.

Petty cash expenditure should only be used in rare circumstances and must:

- be approved in advance by the Budget Holder;
- be in line with College policies;
- be reclaimed via this method immediately and at the very latest within two weeks of the date of the receipt to be reimbursed;
- not be used to circumvent official ordering procedures;
- not be used for capital purchases;
- not be used to pay out Staff salaries.

The issue of petty cash will be made against a petty cash slip. Receipts must be provided for all petty cash purchases, where appropriate. The maximum amount which can be reclaimed through petty cash is £20 (including VAT) per claim. Expenditure exceeding this amount (whether in single or multiple claims) or that is older than two weeks of the receipt must be reclaimed as expenses and processed through the payroll, provided it complies with the expenses policy and process.

Multiple petty cash claims must not be used to reimburse staff. Such occurrences should also be reimbursed via the payroll.

Petty cash claims must be approved by the claimant's Head of Department and budget holder, or where the claimant is the Head of Department by their line manager, with all claims referred up through the management chain in the event of the line manager's absence. No one may authorise their own petty cash claim.

No income received on behalf of the College should be paid into petty cash accounts.

Petty cash boxes must be secured overnight and in a secure place during the day in compliance with the requirements of the College's insurers. The nominated officer responsible for the petty cash float shall, if so requested, provide the Chief Financial Officer with a statement showing the current state of the imprest.

At the end of the financial year a certificate of the balance held should be completed by the member of staff responsible for the float, countersigned by the Head of Finance or a person nominated and returned to the Finance Department.

The Head of Finance should ensure that where a nominated officer leaves the employment of College, the petty cash imprest is properly handed over to their successor.

5.4. Cash advances

Cash advances may be made available in a manner approved by the Chief Financial Officer or their nominee to budget holders to facilitate necessary expenditure in respect of approved events, trips within the UK or overseas, or other situations deemed necessary by the Chief Financial Officer. Such advances will be exceptional, requested in adequate time (usually notice of at least one calendar month) to ensure sufficient cash balances are available and all such imprests must be cleared immediately on return. The maximum cash advance for overseas trips is £500 and for all other events is £200, unless otherwise approved by the Chief Financial Officer. The cash advance can be made in cash or into a bank account.

5.5. Purchase orders

The Group Principal shall be responsible for the overall arrangement of all official orders issued for supplies and services required by the College with day to day responsibility delegated to the Chief Financial Officer.

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

Official orders must be issued for all goods and/or services supplied to the College except for suppliers of public utility services, periodical payments such as rent or rates, other formal contracts, petty cash purchases or other exceptions as approved in advance by the Chief Financial Officer.

It is the responsibility of the Chief Financial Officer to ensure that all purchase orders refer to the College's conditions of contract.

Order requisitions must only be raised by persons authorised to do so. The Chief Financial Officer shall maintain an up to date register of authorised budget holders, together with specimen signatures and authorisation codes as appropriate.

Budget holders shall ensure that purchases are made at the most favourable rates by obtaining estimates on the basis that all factors will be taken into account in obtaining best value for money for the College.

5.6. Approved Suppliers

The College, where possible, shall use suppliers from the Crescent Purchasing Consortium pre-selected framework lists or other consortia as recommended by College's purchasing advisors.

If there is a significant unusual purchase then the suppliers shall be reviewed for their quality of work, financial health and project experience.

Quotes and tenders are to be obtained in accordance with specified threshold levels that are outlined in Appendix 3.

5.7. Contracts

Contracts over £100,000 (including VAT) in value are reported upon to the Strategy, Finance & Resources Committee and are administered by the Senior Leadership Team and the Chief Financial Officer. Quotes and tenders are to be obtained in accordance with specified threshold levels that are outlined in Appendix 3.

All contracts must be approved and signed by the SLT lead responsible for the area to which the contract relates. Any contract with length of more than one year must also be approved by the Senior Leadership Team, before being signed by the appropriate SLT lead.

Proposals for schemes shall be presented in the form of specification of works. Investment appraisals should comply with appropriate Funding Body guidance.

Following consideration by the Strategy, Finance & Resources Committee and approval by the Corporation, submissions should be forwarded to the appropriate Funding Body. If required, agreement by the Funding Body must be secured and the Funding Body's procedural rules should be followed.

Funding Body guidance on best practice should be followed even when their specific approval is not required.

Material variations in contract value must be reported to the Group Principal, Chief Financial Officer and the Strategy, Finance & Resources Committee and approval requested. Proposals should identify any necessary additional funding required.

The standard payment terms of the College are 30 days – contracts with payment terms of less than 30 days must not be signed unless approved by the Chief Financial Officer.

All contracts will attempt to ensure best value for money. Further guidance is available from the Finance Department.

5.8. UK regulations

Where the contract being entered into is in excess of the relevant financial threshold, it must be advertised through the UK Government Find a Tender Service (FTS).

The College expects all contracts and contractors to comply with UK regulations.

Budget holders should notify the Chief Financial Officer as soon as they are aware of any purchase likely to exceed the applicable thresholds.

5.9. Payment of invoices

The procedures for making all payments shall be in a form specified by the Chief Financial Officer.

The Chief Financial Officer or their nominee 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.

Suppliers should be instructed by the budget holder to submit invoices for goods or services directly to the College Finance Department, and the invoices should be in the name of Salford City College.

Heads of Department / Function are responsible for ensuring that expenditure within their department/cost centre does not exceed funds available.

Payments will only be made by the Chief Financial Officer or their nominee against invoices which have been appropriately approved for payment by the appropriate budget holder through the electronic purchasing system. Certification of an invoice will ensure that:

- the goods/services have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;
- where appropriate, it is matched to the order;
- invoice details (quantity, price, discount) are correct;
- the invoice has not previously been passed for payment;
- where appropriate, an entry has been made on a stores record or departmental inventory; and
- an appropriate cost centre and account code 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.

All purchase orders and invoices must be input through the College's electronic purchasing system.

No claim for payment by the College will be considered unless an official order is raised. Failure to do so or obtain the specific prior approval of the Chief Financial Officer shall result in the individual being personally liable for any such costs.

All changes to supplier bank details must be supported by documentation received from the supplier and must only be actioned in accordance with financial procedures.

For revenue expenditure, three quotations are to be obtained for expenditure greater than £10,000 (including VAT).

For expenditure over £50,000 (including VAT) a formal specification and competitive bid process is to be adopted, unless the item involved is of a specialist nature or where the Group Principal or Chief Financial Officer is satisfied that in the interests of economy, efficiency, and effectiveness such a process would not be in the interests of the College (e.g. in the case of an emergency, operational requirements etc.). Further details are given in Appendix 3 of these regulations.

The above procedures may only be waived where economy, efficiency or effectiveness may be impaired. In such cases, a single supplier may be selected, subject to Public Contracts Regulations (PCR 2015) limits. The SLT lead responsible for the expenditure should formally document the reasons for a single supplier. This rationale should be approved by the Group Principal and the Chief Financial Officer as a single tender waiver, and reported to the Strategy, Finance & Resources Committee retrospectively.

5.10. Credit and Purchasing Cards

The Chief Financial Officer, or their nominee, has responsibility for the opening and closing of all Salford City College credit and purchasing card accounts.

Credit and purchasing cards may only be issued following approval by the Chief Financial Officer. Cards are restricted to budget holders in the first instance, and only where deemed necessary for smooth business operations. It is acknowledged that variations to this may be required, and the allocation of a card to a non-budget holder must be assessed and approved by the Chief Financial Officer.

Limits for credit and purchasing cards are to be approved by the Chief Financial Officer. Once set, these may be amended temporarily or permanently, to reflect and meet business need.

Credit and purchasing cards may only be used by the individual named on particular cards to purchase necessary goods or services (including travel and subsistence) whilst on College business. Detailed receipts where available and a description of the expenditure must be provided to the Chief Financial Officer or their nominee in all circumstances.

Purchases through the College's ordering system which are required to be paid via credit or purchasing card, will be paid for by the Finance credit card.

Credit and purchasing cards are only used where the normal purchasing process is not feasible or appropriate. All purchases should still comply with paragraph 5.2 above and are subject to the quotation / tendering rules outlined in paragraph 5.9 above.

5.11. Special Severance, Compensation and Ex-Gratia Payments

Under HM Treasury's Managing Public Money, the College has authority to make the following payments to departing staff within defined limits. The delegated limits are:

- Compensation payments – individual payments where non-statutory / non-contractual element is under £50,000
- Ex-gratia, extra-contractual, extra-statutory or extra-regulatory payments – no delegated authority
- Special Severance payments – individual payments where non-statutory / non-contractual element is under £50,000 or under three months' gross salary, whichever is lower, subject to:
 - The exit package including a special staff severance payment being below £100,000 in total, and;
 - Employee earns less than £150,000.

All payments in excess of these limits must have DfE consent prior to transaction.

6. Salaries and wages

6.1. Payroll

General

The College shall only employ staff for which financial provision has been made. Any further appointments that may cause the budget limits to be exceeded will require an amended budget to be approved by the Strategy, Finance & Resources Committee for recommendation to the Corporation.

All vacancies are to be approved by the Senior Leadership Team. Without their authorisation no advertising will be undertaken.

The Chief Financial Officer or his/ her nominee shall be responsible for the maintenance of the payroll records and for the provision of relevant information to enable all salaries, wages and other emoluments to be paid.

The Chief Financial Officer or his/ her nominee shall also be responsible for the maintenance of the related records, including those of a statutory nature.

The Group Principal, via the Chief Financial Officer, is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All time sheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Group Principal.

All College staff will be appointed on a salary / scale / framework approved by the Corporation and in accordance with appropriate conditions of service. All letters of appointment must be issued by the HR Department. The Chief Financial Officer, in conjunction with the Director of Human Resources, will be responsible for the maintenance of all matters relating to personnel for payroll purposes in particular these include:

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

The Chief Financial Officer shall be responsible for ensuring that the general ledger control accounts for PAYE/NIC and other deductions are reconciled on a monthly basis.

The Chief Financial Officer will also be responsible for reviewing the system of internal control relating to payroll.

The rules concerning employment off-payroll were changed by HMRC in April 2017, such that it is now the responsibility of the College to adopt the correct taxation treatment for individuals. The details of any such recurring arrangement which involves a supply of labour must be discussed with HR and Finance before commencement. In general, such contracts will be deemed to be within the scope of the new legislation, and therefore the College will have to deduct PAYE and NICs from any amounts paid to the contractor, as well as making employer NIC payments. The only exceptions to this will be where the contractor can demonstrate that they are outside the scope, which will usually be for one of the following reasons.

Outside the scope of reform

- agency or similar third party supplying the worker to the public sector directly employs the worker and PAYE and NIC deducted. There is separate guidance for employment intermediaries supplying workers in this way.
- agency or similar third party supplying the worker uses an umbrella company to employ the worker and PAYE and NIC deducted (and the worker does not work through an intermediary such as their own company).
- organisations outside of the provisions of the Freedom of Information acts, which will almost exclusively be in the private sector.
- workers who provide their services either through their Personal Service Company (PSC) or as a sole trader who would not be an employee if they were engaged directly. These workers are likely to have a significant level of financial risk associated with delivering their work and have a high level of control over how, where and / or when they do that work.
- where a public authority has fully contracted out services to a service provider and the workers do not personally provide their services to the client.

Any documentation relating to determinations that people are outside the scope of the legislation must be documented and held by HR.

The Director of Human Resources should ensure that any working arrangements are checked using the tools provided by HMRC to underpin the decision where IR35 applies (Off Payroll Working).

Any sessional teaching staff must be in possession of a valid contract of employment, signed by the appropriate member of the Senior Leadership Team.

All payments must be made in accordance with the College's detailed payroll financial procedures and comply with HM Revenue and Customs regulations. The Chief Financial Officer is responsible for ensuring that relevant returns are made to the appropriate authorities within the statutory timescales prescribed.

6.2. Overtime

Overtime should only be paid in exceptional circumstances where alternatives (such as time off in lieu) is not practicable or possible. Overtime must be approved in advance by the relevant SLT line manager. No claim for overtime will be processed

unless approved by the appropriate budget holder. Overtime must be claimed within three months of the overtime being earned. Any claim submitted more than three months may not be paid. Payment after this period will only be made in extenuating circumstances and a letter of explanation for the delay must accompany the claim form and such claims will only be paid with the express approval of the Chief Financial Officer.

6.3. Over/Under Payments

Employees must ensure that they check any payments made to them and report any under or over payments made at the earliest opportunity. Where the College identifies a discrepancy in an employee's salary, this will be notified in writing at the time of the identification. If this relates to an underpayment, the full value will be reimbursed in the next salary payment run. If the employee has been overpaid, it is the College's intention that this will also be recovered in the next salary payment run. However, in exceptional circumstances, as authorised by the Chief Financial Officer, a repayment option may be approved.

6.4. Agency staff

Requests for agency staff should only be made with the prior approval of a member of the Senior Leadership Team in conjunction with the Chief Financial Officer. Members of staff must not contact an agency to request agency cover without this prior approval. All requests should be processed through the Director of Human Resources or their nominee. Where specific requirements may need discussion, the Director of Human Resources or their nominee may invite the recruiting member of staff to participate in discussions with the agency to specify requirements. Future dealings will then resort back to the Director of Human Resources or their nominee.

6.5. Superannuation

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

The Chief Financial Officer is responsible for day-to-day superannuation matters including:

- paying of contributions on time to various authorised superannuation schemes; and
- preparing the annual return to various superannuation schemes.

6.6. Salary Advances

College staff salaries are normally paid monthly by Bacs on the 21st of each month (or the next available working day if 21st falls on a weekend or Bank Holiday). The College does not normally pay salary advances but these will be considered in exceptional circumstances where an individual faces significant hardship. The decision to grant an advance payment is at the College's discretion and the following points should be noted:

- There is no entitlement to an advance of salary. All requests will be determined on an individual basis based on individual circumstances
- Before an approach is made for an advance, the individual must have exhausted all other options of obtaining assistance
- The College can only give assistance in exceptional circumstances.

To request a salary advance, the member of staff must contact the Director of Human Resources outlining the reason(s) for the request and indicating the alternative sources of help they have considered. Advance payments should be for a one-off emergency and not used as a budgeting tool by individuals.

The decision to award a salary advance must be made by the Director of Human Resources, Group Principal and the Chief Financial Officer. Approved requests will be passed to the payroll team for processing. Advances will be recouped from the following month's payroll. Exceptionally, a short-term regular monthly payment plan may be agreed upfront. All advanced amounts must be repaid before a staff member leaves the College's employment and failure to do so will trigger the College's debt collection procedures.

7. Assets

7.1. Land, buildings, fixed plant and machinery

The purchase, lease or rent of land or buildings or fixed plant can only be undertaken with authority from the Corporation and with reference to the Funding Body or OfS requirements where exchequer funded assets or exchequer funds are involved.

7.2. Asset Register

The Chief Financial Officer or their nominee is responsible for maintaining the College's register of land, buildings, fixed plant and machinery.

The purchase of all capital assets should be included within the College's Asset Register.

Where an asset is disposed of, this should be in accordance with College regulations, and the Head of Department should inform the Chief Financial Officer that the item should be removed from the Asset Register.

College property should not be removed from College premises or used other than in accordance with the ordinary course of College business, except with the specific approval of the Director of Business Operations, Group Principal & Chief Executive, or Chief Financial Officer. Any property removed from College premises shall be recorded in a schedule maintained by an Officer nominated by the Director of Business Operations. Failure to gain such approval may result in disciplinary action.

The College will maintain assets records in accordance with its accounting policies as specified in the annual accounts. This allows for assets under £2,000 (including VAT) to be capitalised if they have a life in excess of one year and have an intrinsic operating value to the College.

7.3. Inventories

In addition to the asset register, designated managers / Heads of Departments, such as the manager responsible for IT, are responsible for maintaining inventories for all plant, equipment, furniture and stores in their departments with an individual item value in excess of £1,000 (including VAT).

The inventory must include items donated or held on trust.

Inventories should be available for inspection by the Chief Financial Officer or their nominee and retained in the form prescribed by the Chief Financial Officer as described in the College's detailed Financial Procedures Manual.

Where items of a more moveable nature are involved, stock checks should be carried out regularly and evidence of these checks should be forwarded to the Chief Financial Officer.

7.4. Asset disposal

The disposal of any College asset must be approved and authorised in accordance with the authorisation limits below in advance of any action being taken.

Disposal of land and buildings must only take place with the authorisation of the Corporation. The Director of Business Operations, supported by the Chief Financial Officer, is responsible for ensuring that the appropriate Funding Bodies' consent is obtained for the disposal of all land and buildings, and where exchequer funds were involved in the acquisition of equipment assets.

The removal of any asset from the College must be supported by a letter of authorisation from the Chief Financial Officer.

The authorisation levels for disposing of assets are specifically:

- any written request to dispose of an item with a Net Book Value (NBV) below £5,000 may be authorised in a manner approved by the Chief Financial Officer;
- requests to dispose of assets with a Net Book Value (NBV) between £5,000 and £50,000 must be authorised by the Group Principal plus one other approved signatory from Appendix 1;
- requests to dispose of assets with a Net Book Value (NBV) above £50,000 must be authorised by the Strategy, Finance & Resources Committee.

7.5. Security

Heads of Department/Managers are responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, cash, etc. under their control. He/she shall consult the Chief Financial Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Keys to safes or other similar containers are to be carried with the person responsible at all times. The loss of such keys must be reported to the Chief Financial Officer immediately.

7.6. Loan of College Property

College property should not be removed from the College's premises without the prior permission of the Budget holder. Laptops may be removed by the individual to whom the computer is assigned but remain College property.

Any private use of College owned assets (e.g. vehicles, computer equipment removed to home address) must be reported by the Budget Holder to the Chief Financial Officer or their nominee and may result in a tax liability for the individual concerned.

7.7. Losses of or damage of College Property

Any losses or damage to college property must be notified immediately to the Chief Financial Officer and Director of Business Operations so that an insurance claim can be made where appropriate.

7.8. Insurance

The Chief Financial Officer is responsible for developing an insurance strategy identifying the risks facing the College, the types of insurance cover to protect against those risks and the level of cover proposed. The Strategy, Finance & Resources Committee will consider and approve the strategy for each renewal. The Group Principal will have delegated power to authorise additional, often temporary insurance to meet further risks that may arise.

The Chief Financial Officer or their nominee is responsible for effecting insurance cover for the College, for negotiating all claims on behalf of the College, and for maintaining the necessary records. The Chief Financial Officer or their nominee will keep a register of all insurances affected by the College and the property and risks covered.

The Chief Financial Officer shall arrange for the provision of insurance services to be market tested at least every five years, with a report on this exercise being submitted to the Strategy, Finance & Resources Committee.

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

General Cover

College property will be insured for damage to buildings and damage to and/or loss of contents (including computers, money, and property in transit).

College vehicles will be comprehensively insured for authorised drivers. The Chief Financial Officer or their nominee shall make any necessary arrangements to check that staff that use their vehicles, in any way, for College business have adequate insurance cover. Unless by specific resolution of the Corporation, the College will not accept responsibility for claims other than in respect of vehicles insured by the College.

The College has employers, public and products liability cover, which includes liability to employees, students and other third parties for death, injury or disease (on College premises or world-wide where staff or students are on College activities). The College also maintains cover for cyber-attacks.

If a loss of college property takes place whilst in the possession of an employee whilst off the College's premises and the College's insurance policies do not cover this then the employee should seek to make an appropriate claim on their personal insurance.

Notification of new items to be insured

It is the responsibility of budget holders and other designated officers to notify the Chief Financial Officer or their nominee, in writing, of any new items purchased or disposed of or of any event which will affect the insurance cover provided by the College.

Claims Procedure

Claims for stolen cash or goods should be made as soon as the loss is discovered. General procedures are as follows:

All cases involving the theft of cash or equipment must be reported directly to the Chief Financial Officer or their nominee, to the appropriate insurance lead (Head of Finance, Head of Estates and Facilities, and Director of Human Resources), to the Budget Holder, and to the police after consultation with the relevant SLT member. All thefts and malicious damage must be reported to the police within a reasonable period of time and details of the report recorded otherwise the insurance claim may be rejected.

The reporting officer must notify the Chief Financial Officer or their nominee and the appropriate insurance lead, the latter of whom will contact the insurance company/broker and forward an insurance claim form or appropriate details as required. If appropriate, a copy may also be sent to the College's Internal Audit Service.

8. Investments, Borrowings and Trust Funds

All investments of monies under the control of the College shall be in the name of the Salford City College or in the name of approved nominees and made under arrangements approved by the Strategy, Finance & Resources Committee. The Treasury Management Strategy will be presented annually by the Chief Financial Officer and approved by the Strategy, Finance & Resources Committee. The Chief Financial Officer will produce an annual report for the Corporation detailing investments placed and the returns generated.

All securities, which are the property of or, in the name of the College, shall be held in the custody of the Group Principal or the College's banker or approved nominees.

All borrowings must be authorised by the Chief Financial Officer or their nominee and be affected in the name of the College.

Whenever possible, trust funds will be in the name of the College. All employees acting as trustees by virtue of their official position shall deposit all securities relating to such trust funds with the Group Principal unless the deed provides otherwise.

9. Travel, subsistence and other allowances

9.1. General

Travel and subsistence expenses are only payable for official journeys on College business, i.e. journeys that are necessary for the proper performance of the individual member of staff's duties. All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Chief Financial Officer.

9.2. Overseas visits

All staff, including members of the Senior Leadership Team, must have the prior written approval of the Group Principal before any overseas visit is booked. Air and overseas travel for any employee must be booked through the Finance Department.

The Group Principal must have prior written approval from the Chair of the Corporation, or nominated member of the Corporation, before any overseas visit is booked.

Members of the Corporation should have the approval of the Chair of the Corporation, before any overseas visit is undertaken, or in the case of the Chair of the Corporation, approval should be via a resolution of the full Corporation.

Once an overseas visit is completed, a full report of the outcome of the visit, matched against objectives, future plans (if relevant) and full costs associated with the visit, must be logged centrally with the Group Principal, or nominated person. Where the visit includes a member of the Senior Leadership Team, the report should be forwarded to the next available meeting of the Strategy, Finance & Resources Committee.

9.3. Travel, subsistence and out-of-pocket expenses

Employees will be expected to use the most efficient and economical means of transport for business travel. All staff must travel second/standard class.

All expenses claims should be approved in advance by the budget holder, with the limit being £50 (including VAT). In exceptional circumstances, any claims over £50 (including VAT) should also have prior approval from the Chief Financial Officer, and any such claims must be countersigned by the Chief Financial Officer before submitting to payroll for processing.

All travel subsistence and out-of-pocket expenses must be claimed in accordance with the College's travel and subsistence procedures. Allowances can be found in Appendix 3.

All travel and subsistence claims should be submitted to payroll within three months of the expenditure being incurred. Any claims submitted more than three months after the expenses were incurred must be accompanied by a letter of explanation for the delay, and such claims will be paid only with the express written approval of the Chief Financial Officer or Group Principal.

9.4. Travel and Subsistence: Corporation Members

The rate of mileage allowance payable by the College to Corporation Members will not be in excess of the rates agreed by the Corporation for the relevant year.

Corporation Members are entitled to claim mileage allowance incurred in the attendance of formal Corporation or Committee meetings and any other approved meetings.

Corporation Members are expected to travel second/standard class except where express permission is given by the Corporation when undertaking official Corporation duties. Travel and subsistence of Governors will be claimed at the same rates and are subject to the same control procedures as the College staff as outlined in paragraph 9.5 below and Appendix 3.

9.5. Staff use of own car on College Business

Any member of staff using their own car on College business MUST be in possession of a current driving licence, valid MOT for the vehicle being used and a current insurance policy, which covers business use and indemnifies the employer against third party claims. There will be no additional contribution from the College to cover any increased cost for business insurance cover as this is deemed to be covered by the mileage rate.

The importance of these requirements cannot be emphasised too strongly to all staff as their motor insurance cover would be totally invalidated if they used their own private car on College business when in fact they were only covered for social domestic and pleasure purposes.

The Chief Financial Officer shall be responsible for maintaining a register of insurance details in respect of each member of staff who will be required to present their certificate of insurance annually to the Chief Financial Officer or their nominee.

It is the responsibility of the individual to ensure that the Chief Financial Officer or their nominee periodically reviews their current insurance certificate together with a copy of their driving licence.

The Strategy, Finance & Resources Committee shall consider and approve a mileage allowance on an annual basis, April to March, with reference to the rates published by HM Revenue and Customs.

Claims should be submitted to Payroll, on a regular basis and not accumulated, a month in arrears; giving full details of times, starting and finishing points, places visited and reasons for the journeys. Claims received in excess of three months old will not be paid without the approval of the Chief Financial Officer which will only be provided in exceptional circumstances.

Business travel will only be reimbursed in line with HM Revenue & Customs guidance, which is currently covered by EIM32300 and available on www.gov.uk, i.e. the journey being made is significantly different from the ordinary commuting journey. A journey

that is for practical purposes substantially the same as the employee's ordinary commuting journey is treated as if it were also ordinary commuting.

Travel to visit customers, clients or suppliers from both a temporary or permanent workplace is generally allowable unless it is a similar journey. Travel of a similar distance but in a different direction altogether would be allowable.

The College will not normally pay for any *mileage incurred by staff on travelling from their home to their normal and expected place of work*. Staff are expected to work at any of the College's sites and therefore mileage will only be paid for miles travelled between College sites during the working day. Any exception to this rule must be approved by the Chief Financial Officer before the claim is submitted. Any payment may be classed as a taxable benefit under HM Revenue and Customs rules and regulations.

For travel between sites a claim should be made for the agreed mileage figure.

9.6. Relocation expenses

Under particular circumstances the College may have a strong preference for staff appointed to live in the locality, in which case a relocation allowance will be made up to a sum specified by the Governing Body. Such a provision would be made in the application and would be approved by Chief Financial Officer or by the Corporation in respect of senior post holders.

The allowance would be valid for up to twelve months from the date of appointment and be payable in accordance with the approved policy.

Should the post become vacant for whatever reason within 24 months, the individual would be required to repay the allowance calculated on a monthly incremental basis.

9.7. Student Overseas Travel

Any overseas student trip requires prior approval by both the Head of Department / Function and the relevant Deputy / Senior Vice / Vice / Assistant Principal.

Appendix 1

Bank signatories

1. Cheques/BACS

The appointed bankers shall be authorised to honour two of the under mentioned managers on all documents relating to the College accounts:

- Group Principal & Chief Executive
- Chief Financial Officer
- Deputy Principal
- Vice Principal – Professional Services
- Head of Finance

All cheques and BACs payments from the bank accounts will require two signatures.

Transfers using the appointed bankers' online software must have dual authorisation by any of the managers listed above and/or:

- Deputy Head of Finance
- Finance Manager
- Director of Apprenticeships and Employer Engagement

Transfers between bank accounts and Investments

The appointed bankers shall honour the authorisation for the transfer of funds between bank accounts by the officers named above.

Transfers are initially notified by telephone or email and authorised in writing or electronically by any two of the above.

Appendix 2

The Public Interest Disclosure Act

1 Background

The Public Interest Disclosure Act (Whistle Blowers Charter) has been introduced to protect employees who expose serious wrongdoing at work and gives them protection against victimisation by their employer.

Although the College supports this Act, has procedures in place for its implementation and encourages staff to draw management's attention to any problems, the use of the Act's protection needs careful consideration by you.

This document sets out the general philosophy of the Act but employees are advised to take advice (i.e. from their Union) before formally implementing Whistle Blowing.

The Act gives protection if conditions are met and procedures followed, but disciplinary action could be incurred if the conditions or procedures are not met or followed.

As this College has an "open door" management style, (backed up by email), where all levels of management are open and available to all levels of staff, it is hoped that any apparent wrongdoing can be discussed and rectified within College without formal procedures.

The purpose of the Act is to enable an employee to highlight a serious malpractice (i.e. a crime) without fear of retribution from their employer. It is not intended for grievances, as this is already covered by the College's existing "Grievance Procedure".

2 Purpose

The purpose of the Act is to make it more likely that where there is malpractice, which threatens the College, you will – rather than turn a blind eye – raise the concern and do so in a responsible way. The Act seeks to achieve this by offering you protection against victimisation if you raise your concern in the ways specified in the legislation.

The Act directs you towards raising the matter internally in the first instance and using the internal whistle blowing procedure, it seeks to encourage you to use this. Where it is not reasonable to raise the matter internally or where the matter is not properly addressed internally, the Act also protects you where you make an external disclosure in a specified way.

If you choose to disclose information in a way not covered by the Act, you will lose its protection.

2.2 Scope

The Act covers all employees of the College, both full and part-time and agency contract staff.

The information to which the Act applies

The Act only applies where you disclose information about a malpractice, which involves a:

- crime or breach of regulatory, administrative or common law;
- miscarriage of justice;
- danger to health and safety
- damage to the environment

It also applies where attempts are made to cover up such malpractice.

2.3 Raising the concern internally: general

You will normally be expected to raise the matter internally unless there are sound reasons not to.

Preconditions

Where you have information about a specified malpractice, you are protected against victimisation where you raise it internally provided that you:

- reasonably believe the information tends to show a specified malpractice; and
- are acting in good faith.

2.4 Raising the concern internally: specifies with the employer

You are protected when you raise the concern with the College in accordance with the Whistle Blowers' procedure.

Where the malpractice is caused by or is the legal responsibility of a third party, (an agency lecturer) you are also protected if you raise the matter with that third party.

2.5 Raising the matter externally: general

The Act recognises two broad types of disclosure. The first, dealt with above, covers cases where the concern is raised within a confidential or working relationship. The second, considered below, is where the information is disclosed to an outside body.

Preconditions for all outside disclosures

For an outside disclosure to be protected, you must:

- reasonably believe the information tends to show a specified malpractice;
- be acting in good faith;
- not be motivated by personal gain; and
- reasonably believe that the information is substantially true.

These preconditions, which are higher than those, which apply for raising the matter internally, apply in all the following circumstances.

2.6 Raising the matter externally: authorised regulators

While the Act recognises two broad types of disclosure (internal and external) it does provide that there may be a half-way house, which you may consider before making a wider, public disclosure.

The authorised Regulators for the College is the ESFA.

2.7 Raising the matter externally: other disclosures

First stage requirements

At the risk of repetition, for any outside disclosure to be protected you must first meet the following preconditions:

- reasonably believe the information tends to show a specified malpractice;
- be acting in good faith;
- not be motivated by personal gain; and
- reasonably believe that the information is substantially true.

Second stage requirements

You should have first raised the concern internally or, if there is one, with an authorised regulator.

A wider disclosure can also be protected if it is not raised internally or with an authorised regulator (provided all the first and third stage requirements are met) where:

- you reasonably believed you would be victimised if you raised the matter internally or with the authorised regulator; or
- you reasonably believed that there would be a cover-up if you raised the matter internally.

Third stage requirements

You must also show that that particular disclosure was reasonable in all the circumstances.

In determining whether the disclosure is reasonable, particular attention will be paid to:

- whether the person to whom the disclosure was made was appropriate;
- the seriousness of the malpractice;
- whether the danger or risk still existed;
- the response of the College or authorised regulator where the concern had been raised with them; and
- whether you made use of any whistle blowing procedure authorised by his employer.

3 Procedure

The Public Interest Disclosure Act will hopefully not be used very often because it is only intended for serious wrongdoing at work.

As a consequence, because the nature of an alleged malpractice could be very involved and wide-ranging, it is difficult to formulate a detailed procedure within time scales.

Nevertheless, the following procedure is recommended to be followed:

3.1 Internal Disclosure

The Act expects you to raise the matter internally initially, unless there are sound reasons not to:

3.1.1 Satisfy yourself that the malpractice relates to:

- crime or breach of regulatory administrative or common law;
- miscarriage of justice;
- danger to health and safety;
- damage to the environment and you
- reasonably believe the information tends to show a specified malpractice; and
- are acting in good faith

3.1.2. Discuss the problem with somebody who is not involved directly, such as a colleague or union representative.

This will help to ensure that the above criteria are being met (very important) and also that you are not over reacting to a situation.

3.1.3 Prepare a detailed and concise written report.

Submit the report to either the Clerk or Chief Financial Officer.

- 3.1.4 To ensure your report is not ignored a copy will be returned to you, signed and dated by the Clerk and Chief Financial Officer with an indicative date (not exceeding fifteen working days) when you will be informed in writing of the current situation relating to the report. This might only be in general terms.
- 3.1.5 The Group Principal and the Corporation will be informed of the receipt of the report.
- 3.1.6 Further written notes will be sent to you at intervals (not exceeding fifteen working days) setting out the current situation.
- 3.1.7 When the investigation of the alleged malpractice is completed, you will be informed of the outcome in writing.

3.2 External Disclosure

The preconditions (which must be met if you are to have protection from the Act) for outside disclosure are higher than those for internal disclosure.

- 3.2.1 The information about a malpractice must involve a:
- crime or breach of regulatory, administrative or common law;
 - danger to health and safety;
 - damage to the environment.
- 3.2.2 Protection is given to you by the Act provided that you:
- reasonably believe the information tends to show a specified malpractice;
 - are acting in good faith
 - not be motivated by personal gain, and
 - reasonably believe that the information is substantially true.

The final above two points are additional for external disclosure.

- 3.2.3 The Act expects you to raise the matter on a phased basis:
- internally;
 - externally to the authorised regulator the ESFA;
 - externally in a wider public manner (i.e. the press).
- 3.2.4 External disclosure is summarised previously in points 2.6 and 2.7.
- 3.2.5 There is no formal College procedure for external disclosure and you are strongly advised to discuss the disclosure with your Union in your own interest.

3.2.6 To ensure protection from “The Public Interest Disclosure Act” you MUST follow the requirements and preconditions of the Act.

Appendix 3 Summary of authorisation limits

Revenue Expenditure

Up to £10,000 (including VAT)

The budget holder shall use good sense and have the discretion to decide whether or not to obtain quotations, but value for money must always be paramount.

From £10,000 up to £50,000 (including VAT)

The budget holder shall be required to draw up a specification for the goods/services; to obtain at least three written quotations (to be retained by the Budget Holder).

Note: All advertised contracts over £30,000 (including VAT), by law, must be published on Contracts Finder. Details of all contract awards (whether advertised or not) over £30,000 (including VAT) must be published on Contracts Finder.

From £50,000 (including VAT) to UK PCR 2015 limit of £213,477 (including VAT)

The Budget Holder shall be required to draw up a specification for the goods/service for inclusion in a competitive tender process. Tender processes included assessing suppliers against both cost and quality criteria, whilst meeting the specification requirements.

Frameworks offer an opportunity to run a mini competition across all their categories which can reduce timescales and identify suitable suppliers. Staff are encouraged to seek support from the College Procurement Officer to ensure a suitable process is undertaken to protect the College from unfair contract terms being accepted and a transparent process being undertaken.

Contracts over £100,000 must be reported to the next Strategy, Finance & Resources Committee for noting.

Over £213,477 (including VAT) (the Public Contract Regulations 2015 (PCR 2015) threshold for goods and services)

The Budget Holder is legally required to ensure all purchases with a contract value over the threshold are competitively tendered in line with PCR 2015 rules. All Staff are required to inform the College Procurement Officer of any instances where spend/contracts exceed the threshold. Prior notice will ensure that adequate time can be allowed to follow a compliant process which meets the requirements of PCR 2015. Typically, three to six months are required to complete this process, so forward planning is paramount at least six months in advance.

The PCR 2015 limit is currently £213,477 (including VAT).

Staff should note the threshold of £213,477 (including VAT) relates to the contract value and/or aggregated value of purchases, so the following instances should be noted:

Estimated purchase cost for goods and services over the value of £189,330 (excluding VAT) require a PCR 2015 compliant procurement process;

Repeat purchases of goods and services over a four-year period, not covered by a contract, require a PCR 2015 compliant procurement process;

All tendered exercises should be carried out electronically via an e-tendering system to ensure a transparent process has been performed and a clear audit trail is available.

The aggregated value of purchases of goods and services over a four-year period, requires a PCR 2015 compliant procurement process i.e. the total cost of bus services, not the cost per route, would be considered.

Over £250,000 (including VAT)

Contract values over £250,000 (including VAT) require the approval of the Strategy, Finance & Resources Committee before a contract can be awarded. Guidance on how to gain this approval is available from the Chief Financial Officer.

Further key points

Use of purchasing consortia enable Staff to access PCR compliant contracts without the need to undertake complex PCR compliant tender processes (e.g. Crescent Purchasing Consortium);

When using purchasing consortia frameworks all suppliers should be invited to bid, unless there is specific allowance to make a direct award. The College's Procurement Service can provide further guidance.

For spend under £189,330 (excluding VAT) the CPC quick quote tool is available and can quickly return pricing from framework suppliers. The College's Procurement Service can provide further guidance.

These procedures may be waived where there is a sole supplier of specific goods or services (e.g. certain software licenses). Justification for avoiding the completion of procurement rules to said suppliers is required by submission of a single tender waiver request to the Group Principal and Chief Financial Officer.

Capital Expenditure

For works expenditure over £5,336,937 (including VAT) PCR 2015 must be adhered to, in order to ensure compliance.

Capital purchases should only be made in relation to projects approved by the Senior Leadership Team. Order approvals will be in line with those for Revenue outlined above, once appropriate steps have been taken to ensure value for money in line with section 5.9 of these Regulations.

Purchases of capital items greater than £10,000 and up to £25,000 (including VAT) which are not part of a project require approval by the Chief Financial Officer in addition to the steps above and should be supported by competitive quotes from three contractors.

Proposed capital projects greater than £25,000 up to £50,000 (including VAT) should be supported by:

- a specification of work, and should be reviewed and approved by the Chief Financial Officer; and
- competitive quotes from at least three contractors.

Proposed capital projects valued above £50,000 (including VAT) should be supported by:

- a specification of work, drawn up and agreed by the Head of Estates and Facilities, should be reviewed and approved by the Chief Financial Officer, appropriate subcommittee or the Senior Leadership Team; and
- written responses/quotes from at least three contractors/ suppliers.

Individual elements or single capital projects over £100,000 (including VAT) must be subject to formal tender procedures either by open tender with public notice given or from a select list of tenderers approved by the Group Principal and Chief Financial Officer and be reported to the Strategy, Finance & Resources Committee as soon as practical.

The above procedures may only be waived where economy, efficiency or effectiveness may be impaired. In such cases, a single supplier may be selected, subject to Public Contracts Regulations (PCR 2015) limits. The SLT lead responsible for the expenditure should formally document the reasons for a single supplier. This rationale should be approved by the Group Principal and the Chief Financial Officer as a single tender waiver, and reported to the Strategy, Finance & Resources Committee retrospectively.

Travel and subsistence

The tables below set out the appropriate approvers and limits for travel and subsistence claims for individuals employed by or representing the College.

(i) Staff

Employee	Value	Approver
Group Principal (UK)	All	Chair of Corporation
Group Principal (Overseas)	All	Chair of Corporation, on recommendation of Strategy, Finance & Resources Committee
Senior Leadership Team	All	Group Principal
Clerk	All	Chair of Corporation
Head of Centre / Head of business functions	All	Line manager (being the appropriate member of Senior Leadership Team)
All other staff	All	Budget holder (or where the claimant is the budget holder, their line manager)

In the case of absence, the approver can nominate in writing an appropriate individual to approve the expenses, in conjunction with the Chief Financial Officer.

The current private car mileage rates for each tax year 6th April to 5th April are based on the HM Revenue and Customs rates, and non-taxable for business use are:

First 10,000 miles	45p
Above 10,000 miles	25p
Overnight Accommodation	£100 (including VAT) per night £125 (including VAT) per night in London within the M25
Overnight Subsistence	A contribution of £20 (including VAT) will be made towards the cost of an evening meal including non-alcoholic beverage subject to appropriate receipts.

Claims for breakfast will not be reimbursed except where already included in the hotel rate. Therefore, breakfast added to the standard room rate will not be reimbursed.

(ii) Governors

Governor	Value (including VAT)	Approver
Governors	Up to £250	Clerk
Governors	Over £250	Chair of Corporation
Chair of Corporation	Up to £250	Clerk and Vice Chair of Corporation
Chair of Corporation	Over £250	Clerk, Vice Chair of Corporation, and Chair of Audit Committee

Asset Disposals

Value (including VAT)	Approver
NBV up to £5,000	Chief Financial Officer
NBV £5,000 to £50,000	Group Principal plus 1 other approved signatory from Appendix 1
NBV over £50,000	Strategy, Finance & Resources Committee

Individual Bad Debt Write offs and Net Sales Credit Notes

Value (excluding VAT)	Approver
Up to £1,000	Head of Finance
Up to £10,000	Chief Financial Officer
£10,000 – £25,000	Group Principal plus 1 other approved signatory from Appendix 1
Over £25,000	Strategy, Finance & Resources Committee