



FINANCIAL REGULATIONS AND PROCEDURES

PART 1: FINANCIAL REGULATIONS

PART 2: PROCEDURES



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FINANCIAL REGULATIONS

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TERMINOLOGY

The following general terms have been used in these regulations.

Audit Committee

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

Budget Holder

The member of staff who has been assigned his or her own budget and is accountable to the Principal for it. In exceptional circumstances this role may be undertaken by someone seconded from another College or other professional institution (e.g. auditors etc.)

Executive Director of Finance Estates & Risk Management

The chief financial officer of the institution.

Finance Manager

Lead accountant overseeing day to day operations of the finance function.

Clerk to Corporation

The Clerk is responsible for advising the Corporation on the operation of its powers, the conduct of its business, procedural matters and matters of governance practice. The Clerk provides guidance, advice and administrative support at meetings of the Corporation Board and Committee of the Board and may intervene when the Clerk considers that Corporation Board is acting inappropriately or beyond its powers.

Employment and Finance Committee

The committee with delegated responsibility for employment and financial matters.

Funding Bodies

- Education Skills & Funding Agency(ESFA)
and subsequent replacements
- Office For Students (OfS)
- Greater Manchester Combined Authority (GMCA)

Corporation

The College Corporation ultimately responsible for setting the strategic direction of the College.

Centre Directors/Head of Department

The head of an academic or service area who is responsible for the budget of his or her whole function.

Principal

The person with the ultimate executive responsibility for the management of the institution and the accountable officer. He/she is accountable for the use of public funds provided by the funding body and may be requested to appear before the Government's Public Accounts Committee.

Senior Leadership Team (SLT)

A variety of terms is used for the senior leadership that assists the Principal in running the institution. The senior postholders, including the Principal, Deputy Principal, Executive Director of Finance Estates & Risk Management and the Assistant Principal, Executive Director of Business & Student Support, Executive Director Performance Planning & Information Systems, and Executive Director Business Development, Apprenticeships and Future Skills are referred to as Senior Leadership Team.

Internal Audit

An assurance function that provides an independent and objective opinion to the organisation on the control environment by evaluating its effectiveness.

External Audit

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

A GENERAL PROVISIONS

1 Background

- 1.1 The institution is a further education corporation created under the provisions of the Further and Higher Education Act 1992, as amended by the Education Act 2011. Its structure of governance is laid down in the instrument and articles of government, which may only be amended by application to the Secretary of State for Education. The institution is accountable through its governing body, which has ultimate responsibility for the effectiveness of its management and administration.
- 1.2 The institution is an exempt charity by virtue of the Charities Act 1993.
- 1.3 The financial memorandum between the funding body and the institution sets out the terms and conditions on which grant is made. The governing body is responsible for ensuring that conditions of grant are met. As part of this process, the institution must adhere to the funding body's audit code of practice, which requires it to have sound systems of financial and management control. The financial regulations of the institution form part of this overall system of accountability.

2 Status of Financial Regulations

- 2.1 This document sets out the institution's financial regulations. It translates the institution's broad policies relating to financial control into practical guidance. It has been based on the latest CIPFA best practice guidance 'A model set of Financial Regulations 2013' edition. This document will be considered for approval by the governing body on 12 March 2021. It applies to the institution and all its subsidiary undertakings.
- 2.2 These financial regulations are subordinate to the institution's instruments and articles of government and to any restrictions contained within the institution's financial memorandum with the funding body and the funding body's audit code of practice.
- 2.3 The purpose of these financial regulations is to provide control over the totality of the institution's resources and provide management with assurances that the resources are being properly applied for the achievement of the institution's strategic plan and business objectives, including:
 - financial viability and sustainability;
 - achieving value for money;
 - fulfilling its responsibility for the provision of effective financial controls over the use of public funds;
 - ensuring that the institution complies with all relevant legislation;
 - safeguarding the assets of the institution.

- 2.4 Compliance with the financial regulations is compulsory for all staff connected with the institution. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the institution's disciplinary policy. The governing body will be notified of any significant breaches through the Audit Committee. It is the responsibility of Managers (as defined at page 9 Section 6.3) to ensure that their staff are made aware of the existence and content of the institution's financial regulations.
- 2.5 The Audit Committee is responsible for maintaining a continuous review of the financial regulations, through the Executive Director of Finance Estates & Risk Management, and for advising the governing body of any additions or changes necessary.
- 2.6 In exceptional circumstances, this Committee may authorise a departure from the detailed provisions herein, such departure to be reported to the governing body at the earliest opportunity.
- 2.7 The institution's detailed financial procedures set out precisely how these regulations will be implemented and are contained in a separate manual which is available in all areas.
- 2.8 The College's financial objectives are detailed in its Financial Policy (see Appendix A).
- 2.9 These Financial Regulations, Policy and Procedures will not discriminate either directly or indirectly against any individual on grounds of gender, race, ethnicity or national origin, sexual orientation, marital status, religion or belief, age, trade union membership, disability, socio-economic status, offending background or any other personal characteristic. It will be applied fairly and consistently to all staff, students and other stakeholders.

B CORPORATE GOVERNANCE

3 The Governing Body

3.1 The governing body is responsible for the management and administration of the institution. Its financial responsibilities are to:

- ensure the solvency of the institution and the safeguarding of the institution's assets;
- appoint, grade, suspend, dismiss and determine the pay and conditions of service of the Principal and other senior post-holders;
- set a framework for pay and conditions of service of all other staff;
- ensure that the financial, planning and other management controls, including controls against fraud and theft, applied by the institution are appropriate and sufficient to safeguard public funds;
- approve the appointment of external auditors and an internal audit service;
- secure the efficient, economical and effective management of all the institution's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in the institution is not put at risk;
- ensure that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution;
- plan and conduct its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure;
- approve an annual budget before the start of each financial year;
- determine tuition fees;
- ensure that the institution complies with the funding body's audit code of practice;
- approve the institution's strategic plan;
- approve the annual financial statements.

4 Accountable Officer

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

4.2 In particular, the articles of government 3.(2).(e) charge the Principal with responsibility:
"...for preparing annual estimates of income and expenditure, for consideration and approval by the governing body, and for the management of budget and resources, within the estimates approved by the governing body."

4.3 The Principal shall demonstrate his or her oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements, and the financial forecasts submitted to the funding body.

5 Committee Structure

5.1 The governing body has ultimate responsibility for the institution's finances, but delegates specific powers and processes to the committees detailed below. These committees are accountable to the governing body. A diagram depicting the committee structure is included at Appendix K.

5.2 Employment & Finance Committee

Monitoring of the institution's financial position and financial control systems is undertaken by the Employment & Finance Committee. The committee will examine annual estimates and accounts (including the accounting policies upon which they are based) and recommend their approval to the governing body. It will ensure that short-term budgets are in line with agreed longer-term plans and that they are followed. It will consider any other matters relevant to the financial duties of the governing body and make recommendations accordingly. The committee will also ensure that the governing body has adequate information to enable it to discharge its financial responsibilities. A more detailed extract from the Employment & Finance Committee's terms of reference is shown at Appendix B.

5.3 Audit Committee

Institutions are required by their financial memorandum with the funding body and by the funding body's audit code of practice to appoint an Audit Committee. The committee is independent, advisory and reports to the governing body. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. A more detailed extract from the Audit Committee's terms of reference is shown at Appendix C. The audit requirements of the institution are set out in the funding body's audit code of practice.

5.4 Remuneration Committee

Consideration of Senior Leadership's pay and conditions is the responsibility of the remuneration committee. It has the power to make recommendations to the governing body on their remuneration, including pay and other benefits, as well as contractual arrangements.

5.5 Standards Committee

Consideration of the institution's quality of teaching & learning is challenged at this committee.

5.6 Search Committee

This committee deals with the appointment of governors.

6 Other Senior Managers with Financial Responsibility

6.1 Executive Director of Finance, Estates & Risk Management

The Chief Financial Officer and responsible to the Principal, reporting to the Corporation in relation to preparing the following:

- annual capital and revenue budgets and financial plans;
- monthly management accounts;
- annual accounts and other financial statements and accounts which the institution is required to submit to other authorities;
- financial control systems;
- financial policies and procedures;
- internal and external auditors
- preparing the institution's annual accounts and other financial statements and accounts which the institution is required to submit to other authorities;
- Key lead with internal and external auditors in order to achieve efficient processes;

6.2 Finance Manager

Day-to-day financial administration is controlled by the Finance Manager, who is responsible to the Executive Director of Finance Estates & Risk Management for:

- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
- ensuring that the institution maintains satisfactory financial systems;
- providing professional advice on all matters relating to financial policies and procedures;
- Appendix D shows, for the main areas in which advice is sought, details of the key contacts within the finance department.

6.3 Centre directors, Heads of department, Programme managers (Managers)

Managers are responsible to the Principal for financial management for the areas or activities they control. They are advised by Executive Director of Finance, Estates & Risk Management in executing their financial duties. The Executive Director of Finance, Estates & Risk Management will approve the financial systems operating within their departments, including the form in which accounts and financial records are kept. Managers are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters. Where resources are further devolved to other members of staff, they are accountable to their Manager for their own budget.

Managers shall provide the Executive Director of Finance, Estates & Risk Management with such information as may be required for:

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

6.4 All members of staff

All members of staff should be aware and have a general responsibility for the security of the institution's property, for avoiding loss and for due economy in the use of resources. They should ensure that they are aware of the institution's financial authority limits (see 18.2 and Appendix E) and the values of purchases for which quotations and tenders are required (see 18.6). They shall make available any relevant records or information to the Executive Director of Finance, Estates and Risk Management or his or her authorised representative in connection with the implementation of the institution's financial policies, these financial regulations and the system of financial control. They shall provide the Executive Director of Finance Estates & Risk Management with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the governing body.

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

7 Risk Management

- 7.1 The institution acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable/unacceptable by the institution will be set out in a separate risk management strategy.
- 7.2 The governing body has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the institution through the development, implementation and embedment within the organisation of a formal, structured risk management process. However, it is the responsibility of the Audit Committee to regular review the Risk Management Policy and risk register and makes recommendations for approval to the full governing body. There is also a Risk Management Group chaired by the Executive Director of Finance, Estates & Risk Management made up of key SLT members and cross college managers and leaders to inform the risk management strategy and review of key risks prior to discussion at the Audit committee.
- 7.3 In line with this policy, the governing body requires that the risk management strategy and supporting procedures include:
- the adoption of common terminology in relation to the definition of risk and risk management;
 - the establishment of institution-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis;
 - a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes (see above);
 - a decision on the level of risk to be covered by insurance (see 22.1);
 - detailed regular review at department or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas;
 - development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question;
 - regular reporting to the governing body of all risks above established tolerance levels;
 - an annual review of the implementation of risk management arrangements;
 - the strategy and procedures must be capable of independent verification.
- 7.4 Managers must ensure that any agreements negotiated within their areas with external bodies cover any legal liabilities to which the institution may be exposed. Advice of Senior Leadership team and/or The Clerk should be sought to ensure that this is the case.

Whistleblowing

- 8.1 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc.), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.
- 8.2 Normally, any concern about a workplace matter at the institution should be raised with the relevant member of staff's immediate line manager or more Senior Leadership. However, the institution recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.
- 8.3 A member of staff may, therefore, make the disclosure to one of the staff designated for this purpose, for example the Clerk. If the member of staff does not wish to raise the matter with this person, or with the Principal or the chair of the governing body, it may be raised with the chair of the Audit Committee.
- 8.4 The full procedure for whistleblowing is available from the College intranet or the Clerk. Further details of the Public Interest Disclosure Act are set out at Appendix G.

9 Code of Conduct

- 9.1 The institution is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe.
- 9.2 In addition, the institution expects that staff at all levels will observe its code of conduct, as outlined in the College's Professional Guidelines, which covers:
- probity and propriety;
 - selflessness, objectivity and honesty;
 - relationships.
- 9.3 Additionally, members of the governing body, Senior Leadership or those involved in procurement are required to disclose interests in the institution's register of interests maintained by the Clerk (or other designated officer). They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the financial procedures.
- 9.4 In particular, no person shall be a signatory to an institution contract where he or she also has an interest in the activities of the other party.
- 9.5 Receiving gifts or hospitality

Following its introduction in July 2011, the Bribery Act 2010 came into force for dealing with members of staff accepting corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The Act introduced new offences for acts of bribery by individuals, or persons associated with relevant organisations. The penalties are severe for any employee convicted under the Act which could mean a criminal record with 10 years imprisonment and unlimited fines. The guiding principles to be followed by all members of staff must be:

- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest;
- the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

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

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the relevant manager or the Executive Director Finance, Estates & Risk Management. Guidance on acceptable hospitality is contained in the detailed financial procedures. For the protection of those involved, the Executive Director Business & Student Support will maintain a register of gifts and hospitality received where the value is in excess of £50. Members of staff in receipt of such gifts or hospitality are obliged to notify the Executive Director Business & Student Support promptly.

C FINANCIAL MANAGEMENT, PLANNING AND CONTROL

10 Financial Planning

10.1 The Executive Director Finance, Estates & Risk Management is responsible for preparing annually a rolling two-year financial plan for approval by the governing body on the recommendation of the Employment and Finance Committee and for preparing financial forecasts for submission to the funding body. Financial plans should be consistent with the strategic plans and estates strategy approved by the governing body.

10.2 Budget objectives

The governing body will, from time to time, set budget objectives for the institution. These will help the Executive Director Finance, Estates & Risk Management in preparing his or her more detailed financial plans for the institution.

10.3 Resource allocation

Resources are allocated annually by the governing body on the recommendation of the Employment and Finance Committee, and on the basis of the above objectives. Managers are responsible for the economic, effective and efficient use of resources allocated to them.

10.4 Budget preparation

The Executive Director Finance, Estates & Risk Management is responsible for preparing each year an annual revenue budget and capital programme for consideration by the Employment & Finance Committee before submission to the governing body. The budget should also include a cash flow forecast for the year and a projected year-end balance sheet. The Executive Director Finance, Estates & Risk Management must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to Budget Holders as soon as possible following their approval by the governing body.

During the year, the Executive Director Finance, Estates & Risk Management is responsible for submitting any revised budget proposals to the Employment & Finance Committee for consideration before submission to the governing body for approval.

10.5 Capital Programmes

The capital programme includes all expenditure greater than £1,000 with a useful life on land, buildings, equipment, furniture and associated costs whether or not they are funded from capital grants or capitalised for inclusion in the institution's financial statements. Expenditure of this type can only be considered as part of the capital programme approved by the governing body.

The Executive Director Finance, Estates & Risk Management will propose an annual capital budget to the Corporation based on projects identified by:

- Head of Facilities & Risk Management – re building work and equipment;
- Head of IT – re IT and telecommunications
- Executive Director Performance Planning & Information
- Centre Directors/ heads of service.

The Executive Director Finance, Estates & Risk Management will also establish procedures for the approval of variations, including the notification of large variations to the funding body, as laid down in funding body guidelines.

The Executive Director Finance, Estates & Risk Management is responsible for providing regular statements concerning all capital expenditure to Employment & Finance Committee for monitoring purposes.

Following completion of a major capital project greater than £250k, a post-project evaluation or final report should be submitted to the Employment & Finance Committee including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Post-project evaluations may also need to be sent to the relevant funding body, as laid down in funding body guidelines.

10.6 Overseas activity

In planning and undertaking overseas activity, the institution must have due regard to the relevant guidelines issued by the funding body.

10.7 Other major developments

All proposed establishment of a new company or joint venture must be taken via the Employment & Finance committee for recommendation to the full governing body. Any new aspect of business which will require an investment in buildings, resources or staff time of more than £250,000 should be presented for approval to the Employment and Finance Committee with appropriate justifications.

11 Financial Control

11.1 Budgetary control

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

Significant departures from agreed budgetary targets must be reported immediately to the Executive Director Finance, Estates & Risk Management by the budget holder concerned and, if necessary, corrective action taken.

11.2 Financial information

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

The Executive Director Finance, Estates & Risk Management is responsible for supplying budgetary reports on all aspects of the institution's finances to the Employment & Finance Committee on a basis determined by the Employment & Finance Committee but subject to any specific requirements of the funding body.

11.3 Changes to the approved revenue budget

Changes proposed to the approved budget which are not the subject of additional funding will be first considered by the Employment & Finance Committee, which will make proposals to the governing body, unless they fall within the delegated approval arrangements:

- Principal - changes up to £50,000;
- Employment & Finance Committee - changes from £50,000 - £100,000

11.4 Virement

Where a budget holder is responsible for more than one budget, virement is permitted between budgets in line with the Financial Procedures.

Virement between budgets held by different budget holders is permitted in line with the Financial Procedures.

The Executive Director Finance, Estates & Risk Management is responsible for reviewing requests for virement of resources between ring fenced allocations and submitting proposals to the Executive for consideration if appropriate.

11.5 Treatment of year-end balances

At the year end, budget holders will not normally have the authority to carry forward a balance on their budget to the following year unless the Employment & Finance Committee has approved a specific scheme for carrying forward all or part of unspent amounts for capital projects or funds held on behalf of students/third parties.

12 Accounting Arrangements

12.1 Financial year

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

12.2 Basis of accounting

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

12.3 Format of the financial statements

The financial statements are prepared in accordance with the Statement of Recommended Practice *Accounting for Further and Higher Education*, subject to any specific requirements of the funding body, and in accordance with the provisions of the Companies Act 1985, if that is appropriate.

12.4 Capitalisation and Depreciation

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

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item is £1,000 or more. Capitalised assets other than land and buildings will be depreciated in accordance with policies determined by the Employment and Finance Committee.

12.5 Accounting records

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

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

- official purchase orders;
- paid invoices;
- accounts raised;
- bank statements;
- copies of receipts;
- payroll records, including part-time lecturers' contracts.

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

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

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

12.6 Public access

Under the terms of the financial memorandum and funding agreement, the governing body is required to supply any person with a copy of the institution's most recent financial statements within two months of a request. The Act enables the governing body to levy a reasonable fee and this will be charged at the discretion of the Executive Director Finance, Estates & Risk Management. The institution will also allow members of the public to inspect the statement of accounts during normal working hours, and make a summary available on the institution's website.

12.7 Taxation

The Executive Director Finance, Estates & Risk Management is responsible for advising Managers, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the institution. Therefore, the Executive Director Finance, Estates & Risk Management will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.

The Executive Director Finance, Estates & Risk Management is responsible for maintaining the institution's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

13 Audit Requirements

13.1 General

External auditors and internal auditors shall have authority to:

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

The Executive Director Finance, Estates & Risk Management is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

Following consideration by the Employment & Finance Committee, the financial statements will be submitted to the governing body for approval.

13.2 External audit

The appointment of external auditors for the main financial statements of the institution will take place annually and is the responsibility of the governing body. The governing body will be advised by the Audit Committee.

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

13.3 Internal audit

The internal auditor is appointed by the governing body on the recommendation of the Audit Committee.

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

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

13.4 Fraud and corruption

It is the duty of all members of staff, management and the governing body to notify the Executive Director Finance, Estates & Risk Management immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

The Executive Director Finance, Estates & Risk Management shall immediately invoke the fraud response plan, which incorporates the following key elements (see Appendix I for fuller details):

- he or she will notify the Principal and the Audit Committee (through its chair) of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report;
- the Principal (or other designated officer) shall inform the police if a criminal offence is suspected of having been committed;
- any significant cases of fraud or irregularity shall be reported to the funding body in accordance with their requirements as set out in the audit code of practice;
- the Audit Committee shall commission such investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate;
- the internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the Audit Committee on the suspected irregularity. Such report shall include advice on preventative measures.

If the suspected fraud is thought to involve the Executive Director Finance, Estates & Risk Management or senior postholders, the member of staff shall notify the chair of the Audit Committee or Clerk to the Governors directly of their concerns regarding irregularities.

The College has also developed a Counter Fraud Strategy. The primary aim of the strategy is to prevent fraud from occurring. The primary objective is underpinned by the following objectives:

- Self assessment and action planning
- Ensuring appropriate policies and procedures are in place and regularly reviewed
- Raising awareness cross college
- Fraud response procedure with clear actions and responsibilities

- Review and continuous improvement
- Creating an anti-fraud culture

13.5 Value for money

It is a requirement of the financial memorandum that the governing body of the institution is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the funding body, the National Audit Office, the Public Accounts Committee or other relevant bodies. Internal audit is to have regard to value for money in its programme of work. This will be used to enable the Audit Committee to refer to value for money in its annual report. An Annual Value for Money Report will be taken to the Audit Committee on an annual basis to demonstrate the college is delivering value for money from public funds.

13.6 Other auditors

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

14 Treasury Management

14.1 Treasury Management Policy

The Employment & Finance Committee is responsible for approving a treasury management policy statement setting out a strategy and policies for cash management, long-term investments and borrowings. This will require compliance with funding body rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the financial memorandum. The Employment & Finance Committee has a responsibility to ensure implementation, monitoring and review of such policies.

All executive decisions concerning borrowing, investment or financing (within policy parameters – see Appendix J) shall be delegated to the Executive Director Finance, Estates & Risk Management. All borrowing shall be undertaken in the name of the institution and shall conform to any relevant funding body requirements.

The Executive Director Finance, Estates & Risk Management will report to the Employment & Finance Committee on the activities of the treasury management operation.

14.2 Appointment of bankers and other professional advisers

The governing body is responsible for the appointment of the institution's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Employment & Finance Committee. The appointment shall be for a **5 year period** after which consideration shall be given by the Employment & Finance Committee to competitively tender the service.

14.3 Banking arrangements

The Executive Director Finance, Estates & Risk Management is responsible, on behalf of the Employment & Finance Committee, for liaising with the institution's bankers in relation to the institution's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the Finance Manager, who shall make proper arrangements for their safe custody. Only the Executive Director Finance, Estates & Risk Management may open or close a bank account for dealing with the institution's funds. All bank accounts shall be in the name of the institution or one of its subsidiary companies.

All cheques drawn on behalf of the institution must be signed in the form approved by the Employment & Finance Committee. Details of persons authorised to sign cheques and their authority limits shall be provided for in the institution's detailed financial procedures. All automated transfers on behalf of the institution, such as BACS or CHAPS, must also be authorised in the appropriate manner and on the basis approved by the Employment & Finance Committee. Details of authorised persons and limits shall be provided for in the institution's detailed financial procedures (see 18.2 and Appendix E).

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

15 Income

15.1 General

The Finance Manager is responsible for ensuring that appropriate procedures are in operation to enable the institution to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the Finance Manager.

Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined by procedures approved by the Employment & Finance Committee, and are approved by the governing body.

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

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

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

15.2 Maximisation of income

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

15.3 Receipt of cash, cheques and other negotiable instruments

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

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

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

Receipts by credit or debit card: the institution may only receive payments by debit or credit card using procedures approved by the Finance Manager.

Internet receipts: any member of staff wishing to arrange for payment to be made to the institution by the internet should seek guidance from the Finance Manager at an early stage.

15.4 Collection of debts

The Finance Manager should ensure that:

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

Only the Executive Director Finance, Estates & Risk Management can implement credit arrangements and indicate the periods in which different types of invoice must be paid.

Requests to write off debts in excess of £5,000 must be referred in writing to the Executive Director Finance, Estates & Risk Management for submission to the Employment & Finance Committee for consideration. Debts below this level may be written off with the permission of the Executive Director Finance, Estates & Risk Management.

15.5 Student fees

The procedures for collecting tuition and residence fees must be approved by the Executive Director Finance, Estates & Risk Management. He or she is responsible for ensuring that all student fees due to the institution are received.

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

15.6 Refunds

The institution seeks to minimise the opportunities for money laundering in accordance with the Money Laundering Regulations 2007. Where refunds are required they should be made to the original payer and follow the method by which the money was received.

15.7 Student loans

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

16 Other Income-Generating Activity

16.1 Private consultancies and other paid work

The College should benefit from all income generated by work undertaken by college staff. Unless otherwise stated in a member of staff's contract:

- applications for permission to undertake work as a purely private activity must be submitted to the Principal, and include the following information:
 - the name of the member(s) of staff concerned;
 - the title of the project and a brief description of the work involved;
 - the proposed start date and duration of the work;
 - full details of any institution resources required (for the calculation of the full economic cost);
 - an undertaking that the work will not interfere with the teaching and normal institutional duties of the member(s) of staff concerned.

16.2 Subcontracting

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

There shall be a contract, signed by the Principal (or delegated representative) and on behalf of any partner organisation in place before any provision is made.

The form of the contract shall be scrutinised in advance of its operation and approved by the Audit Committee or the governing body.

The impact of the contract(s) shall be subject to scrutiny by the Employment and Finance Committee or the governing body. They shall consider the risk factors associated with the proposed partnership and agree an appropriate entry in the institution's financial forecast.

16.3 European Union (EU) and other matched project funding

Any such project requires the approval of the Executive Director Finance, Estates & Risk Management prior to any commitment being entered into. Such approval shall be dependent upon the relevant Manager being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of the institution's costing and pricing policy.

Individual applications for funds in excess of £250,000 shall be the subject of a report by the Principal to the governing body (or delegated committee) which will set out, amongst other things, the potential risks generated by the project.

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

- this is on the basis of a written contract which allows for full audit access to detailed records;
- appropriate monitoring procedures are in place to ensure that the outputs are achieved

- and the provision is of suitable quality;
- payments are only made against detailed invoices.

16.4 Profitability and recovery of overheads

All other income-generating activities must be self-financing or surplus-generating unless approved by the Principal.

Income-generating activities organised by members of staff must be costed and agreed with the Executive Director Finance, Estates & Risk Management before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the institution's costing and pricing policy, in particular for the recovery of overheads.

16.5 Additional payments to staff

Any proposal that involves additional payments to members of staff must be approved by the Executive.

17 Intellectual Property Rights and Patents

- 17.1 Certain activities undertaken within the institution including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.
- 17.2 In the event of the institution deciding to become involved in patents and/or the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property procedures issued by the institution and contained in the institution's detailed financial procedures.

18 Expenditure

18.1 General

The Finance Manager is responsible for making payments to suppliers of goods and services to the institution.

18.2 Scheme of delegation/financial authorities

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

The Finance Manager shall maintain a register of authorised signatories and Managers must supply him or her with specimen signatures of those authorised to certify invoices for payment (for paper-based systems).

Under procedures agreed by the Executive Director Finance, Estates & Risk Management, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits (for electronic systems).

The Executive Director Finance, Estates & Risk Management or the Finance Manager must be notified immediately of any changes requested to the individuals able to commit expenditure.

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

Authorisation of invoices payment must be in accordance with the detailed financial procedures. (see appendix E for Authorisation Limits)

Expenditure on a single item in excess of £5,000 shall require two signatures, one of whom shall be a member of the Senior Leadership Team.

18.3 Procurement

The institution requires all budget holders, irrespective of the source of funds and level of expenditure, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice and the College's strategic objectives.

18.4 Purchase orders

The ordering of goods and services shall be in accordance with the institution's detailed financial procedures/purchasing policies.

Official institution orders must be placed for the purchase of all goods or services, except those made using purchasing cards, company credit cards or petty cash. In exceptional circumstances, urgent orders may be given orally but must be confirmed by an official purchase order endorsed 'confirmation order only', following normal ordering authorisation procedures.

In respect of the named postholders and types of corporate expenditure shown in the table below, there is no requirement to raise an order (in accordance with Procedure C/2 – Ordering of Goods and Services) and the individual, alone, may certify the invoice for payment irrespective of value:

Postholder	Area of expenditure
Executive Director Finance, Estates & Risk Management	Audit services Banking services Professional advice Insurances Legal fees Pension capital costs
Head of Facilities & Risk Management	Licence arrangements Rates Emergency building repairs < £1000 Utilities
Head of IT	Telephone and line charges
HR Manager/Executive Director/Cost Centre Manager/Cost Centre Team Leader (<£1k)	Agency staff, vouchers and payroll deductions to third parties including childcare vouchers.
Student & College Services Manager	Neopost – franking machine top ups Stationery orders
MIS Manager/Cost Centre Manager/Cost Centre Team Leader (<£1k)	Examination and related charges (e.g. registration fees)
All Budget Holders	Subscriptions to organisations Long term lease regular charges (once agreed) Subcontracted provision Consumables for commercial outlets/ food/animal food & consumables.

Transferring goods or services between departments, must be done in accordance with the financial procedures.

18.5 Purchasing cards

The operation and control of the institution's purchasing cards is the responsibility of the Finance Manager.

Holders of purchasing cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Cards must not be loaned to another person, nor should they be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs. The Finance Manager shall determine what information is required on purchases made with purchasing cards from cardholders and deadlines for receipt in the finance section to enable financial control to be maintained and cardholders must provide that information.

Details of the operation of the scheme are set out in the financial procedures.

18.6 Tenders and quotations

Goods and services purchased by the College should be obtained in the most cost-effective manner whilst ensuring value for money and ethical procurement is achieved. This includes supporting local businesses by buying local wherever possible as part of the College's pledge to the Rochdale Together strategy. Various tools and resources are available to staff to help with the sourcing of goods and services, in the correct manner. The Crescent Purchasing Consortium (CPC) are owned by the FE sector and their frameworks have been designed specifically to provide goods and services to the education sector. SMEs are encouraged to participate in their tenders through their lot structures and local supplier engagement therefore this tool should be utilised where possible.

Managers and delegated budget holders must comply with the institution's tendering procedures, as detailed below. **Staff should note that values shown below relate to contract values, not annual spend and thresholds are excluding VAT.**

Up to £4,999

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. Quotes (wherever possible) should be sought from at least one supplier operating within the Rochdale Borough/ Greater Manchester area. The CPC quick quote tool is also available and can quickly return pricing from framework suppliers.

from £5,000 to £59,999

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). Quotes (wherever possible) should be sought from at least one supplier operating within the Rochdale Borough/ Greater Manchester area. The CPC quick quote tool is also available and can quickly return pricing from framework suppliers.

from £60,000 to £189,330

The Budget Holder shall be required to draw up a specification for the goods/service for inclusion in a competitive tender process. The CPC frameworks offer an opportunity to run a mini competition across all their categories. Purchases outside of the CPC frameworks will require a tendering process to be managed and local suppliers operating within the Rochdale Borough/Greater Manchester area (where possible) should be invited to tender for the opportunity. 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.

over £189,330 (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 PCR2015 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 3-4 months are required to complete this process, so forward planning is paramount.

The PCR2015 limit is currently £177,897 (excluding VAT) as at 1 January 2022 for goods & services and £4,269,549 (excluding VAT) for works

Staff should note the threshold of £177,897 relates to the contract and/or aggregated value of purchases, so the following instances should be noted:

Estimated purchase cost for goods and services over the value of £177,897 require a PCR2015 compliant procurement process;

Repeat purchases of goods and services over a 4 year period, not covered by a contract, require a PCR2015 compliant procurement process;

The aggregated value of purchases of goods and services over a 4 year period, requires a PCR2015 compliant procurement process i.e. the total cost of bus services, not the cost per route, would be considered.

Over £250,000

Contract values over £250,000 require the approval of the Employment and Finance Committee before a contract can be awarded. Guidance on how to gain this approval is available from the Executive Director Finance, Estates & Risk Management.

Contracts Finder

For contract opportunities that exceed £25,000 the College are also required to ensure that a Contract Notice is published on Contracts Finder (in addition to Find a Tender Service) This does not apply where the College is making an opportunity known to a closed group of suppliers who have already been selected onto a Framework Agreement.

Once a contract has been awarded as a result of a procurement process, the College must also publish a Contract Award Notice on Contracts Finder with details of who has won the contract and the contract value. The Procurement Officer can assist with this.

The following points require further clarification:

Use of purchasing consortia enable Staff to access PCR compliant contracts without the need to undertake complex PCR complaint tender processes (e.g. Crescent Purchasing Consortia); When using purchasing consortia frameworks all suppliers should be invited to bid, unless there is specific allowance to make a direct award. The College Procurement Officer can provide further guidance;

Partnership or consortium arrangements specifically approved by the Employment & Finance Committee or the governing body and exempt from the above rules. Details are available from the Executive Director Finance, Estates & Risk Management;

Sole suppliers of specific goods or services (e.g. software licenses). Justification for avoiding the completion of procurement rules to said suppliers is required by submission of an Exceptional Circumstances Form to the Executive Director Finance, Estates & Risk Management.

18.7 Contracts

Major building contracts are the responsibility of the Employment & Finance Committee and are administered by the institution's Head of Facilities & Risk Management. Proposals will normally be initiated by the Head of Facilities & Risk Management in respect of planned replacements, general improvement schemes, space planning or in response to requests from departments.

Consultants may be appointed if the project, as determined by the Employment & Finance Committee, is too large or too specialized for estates department resources. Appointments shall be subject to tendering and other procedures where appropriate.

Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the Executive Director Finance, Estates & Risk Management as appropriate for Employment & Finance Committee consideration. Investment appraisals should comply with appropriate funding body guidance.

Following consideration by the Employment & Finance Committee, and approval by the governing body, submissions should be forwarded to the funding body where appropriate. If the required agreement is secured from the funding body, funding body procedural rules should be followed. Funding body guidance on best practice should be followed even when funding body approval is not required.

The achievement of value for money will be an objective in the letting of all contracts. All works contracts in excess of £4,269,549 (excluding VAT) must be advertised via the UK Government's Find a Tender Service (FTS).

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

18.8 New Regulations post Brexit

Due to the Brexit transition period ending at 11pm on 31 December 2020, the OJEU has ceased to apply to UK organisations. The UK Government's Find a Tender Service (FTS) is now live in place of OJEU and Tenders Electronic Daily (TED) – the European public procurement journal.

The Executive Director Finance, Estates & Risk Management is responsible for ensuring the institution complies with its legal obligations concerning procurement legislation. Procurement regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value.

The Executive Director Finance, Estates & Risk Management will advise Managers on the thresholds that are currently in operation. A breach of these regulations is actionable by a supplier or potential supplier.

It is the responsibility of Managers to ensure that their members of staff comply with regulations by notifying the Executive Director Finance, Estates & Risk Management of any purchase that is likely to exceed the thresholds. This will need to be done well in advance (typically 4-6 months) in order to permit advertisements in journals such as Find a Tender Service (FTS) and Contracts Finder.

The Executive Director Finance, Estates & Risk Management is also required to submit to the funding body annually details on expenditure which exceeds the threshold. Copies of the relevant documentation falling into this category must be provided by Managers to the Executive Director Finance, Estates & Risk Management.

18.9 Receipt of goods

All goods shall be received at designated receipt and distribution points. They shall be checked for quantity and/or weight and inspected for quality and specification. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods. All goods received shall be entered onto an appropriate goods received document or electronic receipting system on the day of receipt. If the goods are deemed to be unsatisfactory, the record shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified.

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

18.10 Payment of invoices

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

Payment for trips, flights and accommodation and large items of equipment should be paid as far as possible using the college credit card quoting an official order number. This allows for additional buyer protection.

Budget Holders are responsible for ensuring that expenditure within their departments does not exceed funds available.

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

Care must be taken by the budget holder to ensure that discounts receivable are obtained. Payments will only be made by the Finance Manager against invoices that have been certified for payment by an appropriate signatory in the manner as defined in the financial procedures.

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

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;
- where appropriate, it is matched to the order;
- invoice details (quantity, price discount) are correct;
- the invoice is arithmetically correct;
- the invoice has not previously been passed for payment;
- where appropriate, an entry has been made on a stores record or departmental inventory;
- an appropriate cost centre is quoted; this must be one of the cost centre codes included in the budget holder's areas of responsibility and must correspond with the types of goods or service described on the invoice.

18.11 Staff reimbursement

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

Where such purchases by staff are planned, a Finance Officer and the relevant Manager may jointly approve cash / bank transfer advances to staff who are going to incur expenditure on the institution's behalf. Receipts or paid invoices will be retained for all sums expended in this way. Upon completion of the travel or project to which the advance relates, within one month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid.

18.12 Institution credit cards

The Executive Director Finance, Estates & Risk Management may approve the issuing of institution credit cards to senior staff. Such credit cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. The Finance Manager will be responsible for setting in place a system to monitor the use of institution credit cards and account for expenses charged through them.

18.13 Petty cash

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

Requisitions for reimbursements must be sent to the Finance Manager, together with appropriate receipts or vouchers, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.

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

Standard institution petty cash books are supplied by the Finance Manager and must be used for recording all imprest accounts.

At the end of the financial year, the head of department should confirm the remaining balance as at 31 July to the Finance Manager.

18.14 Other payments

Payments from bursary schemes and other items to students on behalf of sponsoring organisations shall be made on the authority of the Student & College Services Manager, supported by the appropriate evidence.

Individual payments under subcontracts shall be made in compliance with the terms of the contract, when all necessary terms and conditions have been met.

18.15 Giving hospitality

In order not to fall foul under the Bribery Act 2010, hospitality should be **proportionate and reasonable**, and in accordance with the financial procedures.

19 Pay Expenditure

19.1 Remuneration policy

All institution staff will be appointed to the salary scales approved by the governing body and in accordance with appropriate conditions of service. All letters of appointment must be issued by Human Resources.

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

Salaries and other benefits for senior post holders will be determined by the Remuneration Committee set up by the governing body.

19.2 Appointment of staff

All contracts of service shall be concluded in accordance with the institution's approved Human Resource practices and procedures and all offers of employment with the institution shall be made in writing only by persons authorised by the Senior Leadership Team, normally delegated to the Executive Director Business & Student Support. Budget holders shall ensure that the HR Manager is provided promptly with all information that he or she may require in connection with the appointment, resignation or dismissal of employees. New staff appointments and contract amendments require prior approval by the Senior Leadership team.

19.3 Salaries and wages

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

The Executive Director of Finance, Estates & Risk Assessment is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.

The Executive Director Business & Student Support shall be responsible for keeping all records relating to payroll including those of a statutory nature.

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

19.4 Pension schemes

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

The Executive Director of Finance, Estates & Risk Assessment is responsible for day-to-day superannuation matters, including:

- paying contributions to various authorised superannuation schemes;
- preparing the annual return to various superannuation schemes;
- administering the institution's pension fund arrangements.

19.5 Travel, subsistence and other allowances

All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in accordance with the Financial Procedures.

Claims by members of staff must be authorised by their line manager. The certification by the line manager shall be taken to mean that:

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

Arrangements for travel by the Principal or members of the governing body shall be approved by the chair of the governing body or Director of Finance, Estates & Risk. Arrangements for travel by the chair shall be approved as delegated by the Audit Committee.

Claims more than three months in arrears will not normally be processed unless approved by the Executive Director of Finance, Estates & Risk Assessment

19.6 Overseas travel

All arrangements for overseas travel must be approved by two members of the Senior Leadership Team in advance of committing the institution to those arrangements or confirmation of any travel bookings. Arrangements for overseas travel by the Principal or members of the governing body shall be approved by the chair of the governing body. Arrangements for travel by the chair shall be approved by the Audit Committee.

Where spouses, partners or other persons unconnected with the institution intend to participate in a trip, this must be clearly identified in the approval request. The institution must receive reimbursement for the expected costs it may be asked to cover for those persons in advance of confirming travel bookings.

Where the institutions equipment is taken overseas, appropriate arrangements for its security and insurance must be in place.

College Trips/visits

Members of staff must ensure that charges/funds available for taking students on college trips cover the cost of the trips and the appropriate approval has been obtained via the Evolve system.

19.7 Governing Body Expenses

Claims for members of the governing body will be authorised by the Clerk. Claims for meeting attendance will be based on standard amounts for each individual, but only reasonable expenses can be reimbursed.

19.8 Severance and other non-recurring payments

Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the governing body through the Employment & Finance Committee. Professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments shall be authorised by the Employment & Finance Committee and calculations checked by the Executive Director Business & Student Support. In exceptional circumstances this authorisation may be given by the chair of the Employment and Finance Committee in consultation with the Principal, to be reported to the next meeting of the relevant committee. Amounts paid should be declared in the financial statements.

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

20 Assets

20.1 Land, buildings, fixed plant and machinery

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

20.2 Fixed asset register

The Finance Manager is responsible for maintaining the institution's register of land, buildings, fixed plant and machinery. Managers will provide the Finance Manager with any information he or she may need to maintain the register.

20.3 Inventories

Managers are responsible for maintaining inventories, in a form prescribed by the Finance Manager, for all plant, equipment, furniture and stores in their departments with a value in excess of £1,000. The inventory must include items donated or held on trust.

Centre directors/ programme managers/ Heads of service must carry out a physical check at least annually to ensure that their inventories are up to date.

20.4 Stocks and stores

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

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

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

20.5 Safeguarding assets

Managers are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc. under their control. They will consult the Head of Facilities & Risk Management in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

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

20.6 Personal use

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

20.7 Asset disposal

Disposal of equipment and furniture must be in accordance with procedures agreed by the Employment & Finance Committee and contained in the institution's detailed financial procedures. An asset disposal form must be completed and approved prior to any asset being disposed of.

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

20.8 All other assets

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

21 Funds Held on Trust

21.1 Gifts, benefactions and donations

The Executive Director of Finance, Estates & Risk Assessment is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the institution and initiating claims for recovery of tax where appropriate.

21.2 Student welfare and Bursary funds

The Student & College Services Manager will prescribe the format for recording the use of student welfare funds.

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

21.3 Trust funds

The Executive Director of Finance, Estates & Risk Assessment is responsible for maintaining a record of the requirements for each trust fund and for advising the Employment & Finance Committee on the control and investment of fund balances.

The Employment & Finance Committee is responsible for ensuring that all the institution's trust funds are operated within any relevant legislation and the specific requirements for each trust. They will also be responsible for investment of fund balances.

21.4 Voluntary funds

The Executive Director of Finance, Estates & Risk Assessment shall be informed of any fund that is not an official fund of the institution which is controlled wholly or in part by a member of staff in relation to their function in the institution.

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

22 Other

22.1 Insurance

The Executive Director of Finance, Estates & Risk Assessment is responsible for the institution's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy (see sections 7.1 to 7.4), all risks will have been considered and those most effectively dealt with by insurance cover will have been identified.

This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be considered and approved by the Employment & Finance Committee on an annual basis.

The Executive Director of Finance, Estates & Risk Assessment is responsible for effecting insurance cover as determined by the Employment & Finance Committee. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Executive Director of Finance, Estates & Risk Assessment will keep a register of all insurances affected by the institution and the property and risks covered. He or she will also deal with the institution's insurers and advisers about specific insurance problems.

Managers must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the institution may be exposed. The Executive Director of Finance, Estates & Risk Assessment's advice should be sought to ensure that this is the case. Managers must give prompt notification to the Executive Director of Finance, Estates & Risk Assessment of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. Managers must advise the Executive Director of Finance, Estates & Risk Assessment immediately of any event that may give rise to an insurance claim. The Head of Facilities & Risk Management in conjunction with the head of department must review for transmission to the insurers.

The Head of Facilities & Risk Management is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

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

22.2 Companies and joint ventures

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

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

It is the responsibility of the governing body to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the institution. These and other arrangements will be set out in a memorandum of understanding.

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

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

22.3 Security

Keys to safes or other similar containers must be held in a secure environment at all times. The loss of such keys must be reported to the Executive Director of Finance, Estates & Risk Assessment.

The Executive Director Performance Planning & Information shall be responsible for maintaining proper security and privacy of information held on the institution's computer network. Appropriate levels of security will be provided, such as passwords and multi-factor authentication for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act 2018 and in accordance with General Data Protection Regulation (GDPR) brought into force on 25 May 2018. The Executive Director Performance Planning & Information is the college's nominee to ensure full compliance with both the existing Act and GDPR.

The Executive Director of Finance, Estates & Risk Assessment is responsible for the safekeeping of official and legal documents relating to the institution. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Executive Director of Finance, Estates & Risk Assessment. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

22.4 Use of the institution's seal

Where a deed or document requires the institution's seal, it must be sealed by the Clerk or, in his/her absence a Senior Post holder, in the presence of a member of the governing body.

23 Appendices

Appendix A	Financial Policy
Appendix B	Employment & Finance Committee Terms of Reference
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Appendix D	Key Contacts in the Finance Department
Appendix E	Authorisation Limits
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APPENDIX A: FINANCIAL POLICY

- 1 The College wishes to remain financially sound so as to
 - Provide high quality resources to support teaching and learning
 - Protect itself from unforeseen adverse changes in enrolments
 - Generate sufficient funds to invest in improved accommodation and technology
- 2 The College wishes to maintain, or attain, the confidence of funders, suppliers, bankers and auditors.
- 3 The College wishes to maintain and raise awareness of college staff of the financial environment under which it operates.
- 4 Specifically these objectives will be achieved by :
 - a) Maintaining a sound financial base (solvency and liquidity):
 - i) we will aim to maintain cash days of 30 or more
 - ii) we will aim to achieve at least a break even position or better on an annual basis
 - iii) we will aim to generate a positive cash inflow from operating activities
 - b) Improving financial management:
 - i) we will produce management accounts on a monthly basis incorporating an income and expenditure account, balance sheet, 12 month rolling cash flow forecast,
 - ii) we will adopt and strengthen procedures for testing the desirability and affordability of any proposals which have a financial implication
 - iii) we will adopt and strengthen post implementation review procedures to assess the success or otherwise of major investments (building, information technology, staffing, marketing etc.)
 - c) Maintaining the confidence of funding bodies, suppliers and professional advisors:
 - i) Providing financial and non-financial returns on time and in the agreed format
 - ii) Ensuring all returns requiring certification by auditors are unqualified
 - iii) Adhering to the college's policy to pay all suppliers within 30 days of receipt of an invoice
 - iv) Improving our systems and internal audit controls
 - v) Implementation of recommendations on internal/external audit reports.
 - d) Raising awareness of financial issues:
 - i) providing advice, guidance and training to staff, management and governors on funding, funding methodologies, budgeting and the college's financial procedures
 - ii) providing adequate information to ensure staff, management and governors are kept up to date with the financial position of the college
 - e) Improving the stock of college accommodation and equipment

- i) generating sufficient funds to ensure the college's specified programme of planned maintenance can be undertaken
- ii) generating sufficient funds to ensure the college can invest in new technology and equipment required to support learning programmes and college administration
- iii) ensuring adequate procedures are in place to protect assets from loss, theft and neglect.

5 This policy will not discriminate either directly or indirectly against any individual on grounds of gender, race, ethnicity or national origin, sexual orientation, marital status, religion or belief, age, trade union membership, disability, socio- economic status, offending background or any other personal characteristic. It will be applied fairly and consistently to all staff, students and other stakeholders.

6 Policy approved by the Corporation 8 December 2022

Review Date November 2023

APPENDIX B: EMPLOYMENT AND FINANCE COMMITTEE TERMS OF REFERENCE

1. Introduction.

The Hopwood Hall College Further Education Corporation hereby resolves to adopt the following terms of reference for the Employment & Finance Committee.

2 Objective

- 2.1 The Committee shall monitor the financial position of the College and any subsidiaries to assist the Corporation Board in fulfilling their statutory responsibilities with regard to the solvency of the College and the Corporation, the safeguarding of their assets and the approval of annual estimates of income and expenditure.
- 2.2 The Committee shall advise the Corporation on the appropriateness of the College Financial Plan, Human Resources Strategy, IT Strategy and Property Strategy in relation to the delivery of the overall College Strategic Plan.
- 2.3 The Committee shall advise the Corporation on the determination of the College's employment, E&D, health, safety and welfare and industrial relations policies.

3 Membership & Quoracy

- 3.1 The Committee shall be appointed by the Corporation and shall comprise of up to six Members of the Corporation, which shall normally include the Corporation Chair and the Principal & Chief Executive (unless he/she has chosen not to be a Member of the Corporation).
Up to 2 Co-opted members who are not Governors.
- 3.2 Student Members of the Corporation and Members of the Audit Committee are excluded from membership of the Employment & Finance Committee.
- 3.3 A quorum shall be three Members of the Committee.
- 3.4 The Chair of the Committee shall be appointed by the Corporation save that the Principal & Chief Executive and any Staff Members shall not be appointed as Chair.
- 3.5 If the Chair is absent from any meeting of the Committee, the Members present shall elect one of their number to act as Chair for the meeting save that the Principal & Chief Executive and any Staff Members shall not be eligible to be so elected.
- 3.6 The terms of office of Members of the Committee shall be determined by the Corporation except that the term of office of any Member of the Committee shall not exceed four years.
- 3.7 Members who reach the end of their term of their office shall be eligible for re-appointment to the Committee.

4 Attendance at Meetings

- 4.1 The Principal & Chief Executive (if he/she has chosen not to be a Member of the Corporation), the Deputy Principal, the Executive Director Finance,

Estates & Risk Management, the Executive Director Business & Student Support, and the Executive Director of Planning & Performance shall normally attend meetings at the invitation of the Committee. The Committee may invite other senior managers or other persons as may be desirable and necessary to attend meetings.

- 4.2 Other Corporation Members shall also have the right of attendance as observers.

5 Frequency of Meetings

- 5.1 Meetings shall be held not less than three times in each academic year.
- 5.2 A Special Meeting may be convened by the Clerk at the requested of the Chair of the Employment & Finance Committee and at such meetings the Agenda shall normally be limited to consideration of a single, or related items. Standing items shall not be included in the Agenda for a Special Meeting.
- 5.3 In accordance with provisions in the Instrument & Articles of Government of the College, “meeting” includes a virtual meeting at which the members attending are present in more than one room, provided that by use of video or telephone conferencing facilities and/or electronic communication, it is possible for every person present at the meeting to communicate with each other.

6 Authority

- 6.1 The Employment & Finance Committee is authorised by the Corporation to investigate any activity within its terms of reference. The Committee is also authorised to seek any information it requires from any employee of the College and its subsidiaries and all employees of the College and its subsidiaries are directed to co-operate with any request for information made by the Committee.
- 6.2 The Employment & Finance Committee is authorised by the Corporation to obtain outside independent professional advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary, provided that the Committee may not incur direct expenditure in this respect in excess of £5,000 (plus VAT) in any College financial year without the prior approval of the Corporation.

7 Duties

- 7.1 The Employment & Finance Committee shall consider and make recommendations to the Corporation on:
- the College two-year Financial Plan, incorporating the annual estimates of income and expenditure;
 - major variations of income and/or expenditure against plan;
 - capital expenditure requirements, including loans, if any;
 - College Financial Regulations and any revisions thereto;
 - the statutory annual financial statements;
 - the financial health of the College;
 - the solvency of the College and the Corporation and the safeguarding of their assets;

- the policy and framework for the appointment, pay and conditions of service of members of staff, other than the holders of designated Senior Posts;
- the Property Strategy, including accommodation-related issues including refurbishment and planned maintenance programmes and major capital developments;
- the College's resource and space utilisation having regard to effectiveness, appropriateness and value for money;

7.2 The Employment & Finance Committee shall be responsible for:

- monitoring the College budget and the receipt of monthly management accounts;
- reviewing arrangements for securing value for money, solvency and safeguarding of assets;
- ensuring financial influences are considered in decision-making;
- approving virements between various budget headings greater than £50,000 up to £100,000 within the approved Revenue budget set for the year;
- approving the awarding of all contracts greater than £250,000
- approving the write off of individual debts greater than £5,000
- determining tuition and other fees;
- reviewing the regulations governing management of finances and capital assets, including the College Financial Regulations, and making recommendations to the Corporation on any necessary amendments;
- determining the College investment and borrowing policies including monitoring College banking arrangements and reviews of the Treasury Policy;
- monitoring all capital projects, including the Property Strategy;
- monitoring the financial performance of College subsidiaries;
- determining, within the amount included in the approved budget for staff costs, the annual pay reviews for staff other than holders of designated Senior Posts;
- oversight of insurance arrangements;
- the development of policy and procedures in respect of Health and Safety, equal opportunities, pay structures and other employment matters;
- arrangements for the recognition of trade unions and other forms of employee representation.

8 Reporting Procedures

- ### 8.1
- The Clerk to the Corporation shall act as Clerk to the Employment & Finance Committee and shall circulate the minutes of the meetings of the Committee to all Corporation Members.

Approved by the Corporation Board on 11th May 2021

1 Constitution

The Hopwood Hall College Further Education Corporation hereby resolves to adopt the

- 1.1 following terms of reference for the Audit Committee which is established under Clause 6 of the Articles of Government of the College.
- 1.2 The Audit Committee will fulfil the requirements for the Corporation to establish an Audit Committee in accordance with the terms of:
 - The Instrument & Articles of Government of the College;
 - The most recent Post 16 Audit Code of Practice;
 - The Financial Memorandum with the Funding Agencies.

2 Objective

- 2.1 The Audit Committee shall assess and provide the Corporation with an opinion on the adequacy and effectiveness of the Corporation's assurance arrangements, framework of governance which may include the Board assurance framework, risk management and control processes for the efficient and effective use of resources, solvency of the College and the safeguarding of its assets.
- 2.2 The Audit Committee shall ensure that the internal control systems and processes including audit activities, of the Corporation and any of its subsidiaries are monitored actively, independently and objectively in order to:
 - Improve the effectiveness of the College's internal controls;
 - Maintain the independence and effectiveness of the internal audit function;
 - Provide a sounding board for College management on issues of concern in connection with the College's internal control systems;
 - Advise on the reliability of the College's information systems;
 - Underpin the objectivity and independence of the financial statements and regularity auditors;
 - Increase public confidence in the objectivity and fairness of the Corporation's financial reports and in the quality of College systems for risk management and corporate governance.
 - Provide a medium of communication from the Corporation's auditors that is not controlled by College management.

3 Membership

- 3.1 The Committee shall be appointed by the Corporation and shall comprise up to seven Members of which no more than three Members shall be co-opted external Members.
- 3.2 Membership shall include individuals with an appropriate mix of skills and experience to allow the Committee to discharge its duties effectively.

Collectively, Members of the Audit Committee should have recent, relevant experience in risk management, finance and assurance.

- 3.3 Members of the Corporation's Employment & Finance Committee, the Chair of the Corporation and the Principal & Chief Executive, shall be ineligible for membership of the Audit Committee.
- 3.4 A quorum for meetings shall be three Members of the Audit Committee.
- 3.5 The Chair of the Audit Committee shall be appointed by, and be an Independent Member of the College Corporation Board.
- 3.6 If the Chair is absent from any meeting of the Committee, the Members present shall choose one of their number to act as Chair for that meeting.
- 3.7 The terms of office of Members of the Audit Committee shall be determined by the Corporation except that the individual term of office of any Member of the Committee shall not exceed four years.
- 3.8 Any Member who reaches the end of their term of office shall be eligible for re-appointment to the Committee.

4 Attendance at Meetings

- 4.1 Members of College Management shall normally attend meetings at the invitation of the Committee, particularly where their area of responsibility is the subject of an audit report. The Committee shall also have the power to invite such other persons to attend meetings as may be desirable and necessary.
- 4.2 The Clerk to the Corporation shall be the Clerk to the Audit Committee.
- 4.3 The Internal Auditor must be invited to attend all meetings, as must the Financial Statements and Regularity Auditor where business relevant to them is being discussed.
- 4.4 The Audit Committee has the right, whenever it is satisfied that it is appropriate to do so, to go into confidential session and exclude any, or all, participants and observers, except the Clerk to the Audit Committee. When the Committee exercises this right, the rules relating to quoracy must be observed.

5 Frequency of Meetings

- 5.1 Meetings shall be held not less than once in each term (i.e. a minimum of three meetings in each academic year). The Internal Audit Service provider and Financial Statements and Regularity Auditor may request a meeting if they consider that one is necessary.
- 5.2 In accordance with the provisions of the Instrument & Articles of Government of the College, "meeting" includes a virtual meeting at which the members attending are in more than one room, provided that by the use of video or telephone conferencing facilities and/or electronic communication, it is

possible for every person present at the meeting to communicate with each other.

6 Authority

- 6.1 The Audit Committee is authorised by the Corporation to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any Corporation Member, Committee of the Corporation or employee of the College and all Corporation Members and employees of the College are directed to co-operate with any request made by the Audit Committee.
- 6.2 The Audit Committee has the right to consult the Internal Audit Service provider and the Financial Statements and Regularity Auditor directly, and has the right to scrutinise any activity within its terms of reference, which may involve engaging a third party to assist.
- 6.3 The Committee is restricted from adopting an executive role

7 Duties

The Audit Committee must:

- 7.1 Assess and provide the Corporation with an opinion on the adequacy and effectiveness of its assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency of the College and the safeguarding of its assets;
- 7.2 Oversee and monitor the development and application of College arrangements for identifying and managing risk, including those designed to minimise risk of fraud, bribery, corruption, financial irregularities and whistleblowing and advise the Corporation on the adequacy and effectiveness of these arrangements;
- 7.3 Advise the Corporation on the appointment, reappointment, dismissal and remuneration of the external auditor, reporting accountant, internal audit (as applicable) and other assurance providers (as applicable) and establish that all such assurance providers adhere to relevant professional standards
- 7.4 Inform the Corporation of any additional services provided by the external auditor; reporting accountant; internal audit service provider and other assurance providers and explain how independence and objectivity are safeguarded;
- 7.5 Advise the Corporation on the scope and objectives of the work of the Internal Audit Service, the Financial Statements and Regularity Auditor;
- 7.6 Ensure effective co-ordination between the Internal Audit Service and the Financial Statements and Regularity Auditor;
- 7.7 Consider and advise the Corporation on the internal audit strategy and annual audit plans;
- 7.8 Advise the Corporation on internal audit assignment reports and annual reports and on control issues included in the management letters of the Financial Statements and Regularity Auditor and management's response to these;

- 7.9 Make recommendations to the Corporation on the approval of the College's annual financial statements following the Committee's review of the management letter of the Financial Statements and Regularity Auditor and consideration of the statements on Corporate Governance, Responsibilities of Members of the Corporation and the System of Internal Control;
- 7.10 Consider and advise the Corporation on relevant reports by the National Audit Office (NAO), the Funding Agencies and other funding bodies, and where appropriate, management's response to these
- 7.11 Review and consider the reports of the external auditor, reporting accountant, internal audit (as applicable) and other assurance providers (as applicable), and monitor the implementation of recommendations to agreed timescales.
- 7.12 Establish, in conjunction with College management, relevant annual performance measures and indicators;
- 7.13 Monitor the effectiveness of the Internal Audit Service and the Financial Statements and Regularity Auditor and decide, based on this assessment of performance, whether a competition for price and quality of the audit service is appropriate;
- 7.14 Oversee the Corporation's Policies on Fraud, Irregularity & Whistleblowing and ensure that all reports of allegations of fraud (including allegations of bribery and / or corruption) and irregularity are properly followed up and actioned in accordance with the requirements of the Post-16 Audit Code of Practice;
- 7.15 Conduct an annual review of the College's Anti-Fraud Policy & Procedures
- 7.16 Consider the development of members and put in place appropriate training to ensure their skills and knowledge are up to date.
- 7.17 Ensure that the re-tendering of external services, is undertaken at least every five years.

8. Reporting Procedures

- 8.1 Minutes of the meetings of the Audit Committee shall be circulated to all Corporation Members and, for information, to the Internal Audit Service provider and the Financial Statements & Regularity Auditor.
- 8.2 The Audit Committee must produce an annual report for the corporation, summarising the committee's activities relating to the financial year under review, including:
 - A summary of the work undertaken by the committee during the year
 - The number of the meetings held in the year, and attendance records for each audit committee member
 - Any significant issues arising up to the date of preparation of the report
 - Any significant matters of internal control included in the reports of audit and assurance providers
 - Details of the date of appointment of the external auditors and the remaining term of the contract

- The committee's view of its own effectiveness and how it has fulfilled its terms of reference
- The committee's opinion on the adequacy and effectiveness of the corporation's assurance arrangements, assurance over subcontracting, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets

Approved by the Corporation Board on 11th May 2021

APPENDIX D: OVERVIEW OF THE FINANCE DEPARTMENT

Introduction

- 1 The finance department is located in the Healey Building, Middleton Campus. The office is normally open between 8.30 am and 4.30 pm. A cashier service is operated at the Rochdale campus at times which are notified.
- 2 In order to obtain maximum benefit from the finance department, it is important to observe any published deadlines. The deadlines have been established in order to guarantee the delivery of particular services which might not otherwise be achievable.
- 3 The main services are and key contacts are listed on the following pages.

Financial Services

Financial Services cover the following functions.

- 4 Creditor payments. This section pays all sums owed by the institution other than payroll items. Payments are made mainly to suppliers of goods and services but the section also administers learner support fund, bursary and emergency loan payments to students and petty cash payments. Payments can be made to any country and in most currencies if required. Main contact: Finance Manager.
- 5 Collection of income. All income due to the institution must be banked through the finance department. Payments are received by BACS, cheque, cash, credit cards or debit cards and can be in sterling or foreign currencies. Instalment facilities are available for some categories of student in relation to their tuition fees. Overdue debts are pursued in consultation with departments and, where appropriate, court action is taken. Security arrangements for cash in transit are made for transfers between financial services and the bank but not for internal transfers to financial services. Main contact: Finance Manager.
- 6 Travel service. On receipt of the appropriate request form, the finance department will provide a full travel service for overseas travellers. This includes travellers' cheques but more usually foreign currency. Main contact: Finance Manager.

- 7 Controlled Stationery. In order to comply with financial regulations, to ensure that current versions of documents are used and to avoid duplication of control numbers, it is important to order these items from the finance department. These include receipt books. Main contact: Finance Manager.

Financial Accounting

- 8 Many of the functions under this heading will not directly affect departments. They include maintenance of the accounting system, preparation of final and other accounts, tax returns, etc. Another such function relates to treasury management, which encompasses borrowing and lending, cash flow forecasting and management of the bank accounts. There are, however, several services which are for the specific benefit of users.
- 9 Use of system. Advice and training is provided for users to access and use the data held in the accounting system. Main contact: Finance Manager.

Management Accounting

- 10 Much of the work in this area is at a corporate level. This includes the preparation of the financial plan, consolidation and submission of planning data to the funding council, compilation of the detailed annual budget and production of comparative statistical data. The Executive Director of Finance, Estates & Risk Assessment must also provide regular monitoring statements and financial advice to the governing body and its committees.
- 11 Budget monitoring. At department level, detailed management accounts are produced indicating performance against budget at account code level. In accordance with strict procedures, budgets are regularly updated and users informed accordingly. Budget Holders and other interested parties can view real time data on line to monitor their actual up to date position. Main contact: Finance Manager.
- 12 Budget planning. Advice is available for all budget managers for the purpose of the preparation of their business plans. Main contact: Finance Manager/Project accountant.

Management Control

- 13 A range of services provided by the finance department relate to the overall control of the institution's systems. Some of these are mandatory.
- 14 Procedures and Financial regulations and detailed financial procedures are maintained and disseminated by the finance department. Again, their existence is a funding agency and Audit Committee requirement. Main contact: Executive Director of Finance, Estates & Risk Assessment

Purchasing

- 15 The purchasing function is generally devolved, with authority to purchase granted to budget holders within the threshold framework stipulated in the financial regulations. Budget holders are responsible to the Principal for the management of budgets within their control.
- 16 Purchasing consortium. The institution is a member of a purchasing consortia the Crescent Purchasing Consortium (CPC) and other government backed consortia such as Buying Solutions. The College also has access to the purchasing facilities operated by the local authority.

Project Funding

- 17 Advice is available for the preparation of bids for projects, especially in relation to external funding. Arrangements are also made for vetting and auditing various grant claims. Main contact: Executive Director of Finance, Estates & Risk Assessment.

APPENDIX E: AUTHORISATION LIMITS

Revenue Expenditure

Order/ Requisition Value (Including VAT) The lower of:	Signature 1	Signature 2	Signature 3
£50,000 and above	Budget Holder / Centre Director	SLT	Principal or Executive Director of Finance, Estates & Risk Assessment
£5,000 and above	Budget Holder /Centre Director	SLT	n/a
Up to £5,000 or budget	Budget Holder / Centre Director	n/a	n/a
Up to £1,000 or budget	Team Leaders / Programme / Business Support managers	n/a	n/a

Signature limits also apply to on-line authorisations.

Signatories may not exceed the limits set above without express permission in writing from the Executive Director of Finance, Estates & Risk Assessment.

Please note, that a member of the Senior Leadership Team (SLT) must countersign all orders over £5,000 via the on-line system. Where the Budget Holder is a member of the SLT, another SLT member should countersign the order.

Orders over £50,000 must be countersigned by either the Principal or the Executive Director of Finance, Estates & Risk Assessment/Deputy Principal.

No one, including Budget Holders, can authorise their own petty cash claim. The line manager or an SLT member should countersign all claims.

If necessary, the line manager or an SLT member can certify invoices against a Budget Holder's cost centre.

Credit Notes and Bad Debt Write Off

	Signature 1
Bad Debt Write off > £5,000	E & F approval
Bad Debt Write up to £5,000	Member of SLT
Net credit over £500	Member of SLT
Net credit up to £500*	Finance Manager

Figures include VAT

*Net credit includes credit notes > £500 where a replacement invoice is to be raised and the new invoice value is not £500 less than the original.

Capital Expenditure

CER Value (Including VAT)	Signature 1	Signature 2	Signature 3	Signature 4
£50,000 and above	Proposing Manager	Finance Manager	Executive Director of Finance, Estates & Risk Assessment	Principal
£5,000 and above	Proposing Manager	Finance Manager	Executive Director of Finance, Estates & Risk Assessment	Principal
Up to £5,000	Proposing Manager	Finance Manager	Executive Director of Finance, Estates & Risk Assessment	n/a

* Note: E&F approval is required unless items

- have been specifically identified within the College's approved capital budget
- are to be funded from an external grant
- are to be funded from delegated revenue budget

Fixed Asset Write Off

Net Book Value	Signature 1	Signature 2	Signature 3	Signature 4
£50,000 and above	Finance Manager	Executive Director of Finance, Estates & Risk Assessment	Principal	E&F approval
£5,000 and above	Finance Manager	Executive Director of Finance, Estates & Risk Assessment	Principal	n/a
Up to £5,000	Finance Manager	Executive Director of Finance, Estates & Risk Assessment	n/a	n/a

APPENDIX F: MAIN FEATURES OF THE PUBLIC INTEREST DISCLOSURE ACT 1998

Summary

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

Internal Disclosure

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

Regulatory Disclosure

- 3 The Act protects disclosures made in good faith to prescribed bodies such as the Health and Safety Executive, the Financial Services Authority and the Inland Revenue, where the whistleblower has a reasonable belief that the information and their allegation(s) are substantially true.

Wider Disclosures

- 4 Wider disclosures (e.g. to the police, the media, MPs, and non-prescribed regulators) are protected if, in addition to the tests for regulatory disclosures, they are reasonable in all the circumstances and they meet one of the three preconditions. Provided they are not made for personal gain, these preconditions are that the whistleblower:
 - reasonably believed they would be victimised if they raised the matter internally or with a designated regulator
 - reasonably believed a cover-up was likely and there was no regulator
 - had already raised the matter internally or with a prescribed regulator.An employee who makes a wide, public disclosure is more likely to be protected if there was no internal procedure set up.

Full Protection

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

Qualifying Areas

- 6 The qualifying areas consist of information that the employee reasonably believes tends to show one or more of the following matters is either happening now, took place in the past, or is likely to happen in the future:
- a criminal offence
 - the breach of a legal obligation
 - a miscarriage of justice
 - a danger to the health or safety of any individual
 - damage to the environment
 - deliberate covering up of information tending to show any of the above five matters.

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

Selflessness

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

Integrity

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

Objectivity

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

Accountability

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

Openness

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

Honesty

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

Leadership

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

Joint Audit Code of Practice

The Funding Bodies joint audit code of practice was revised and came into effect from October 2011. Internal auditors will be required to adopt the Government Internal Audit Standards (GIAS).

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

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

Purpose

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

Initiating Action

- 2 All actual or suspected incidents should be reported without delay to the Executive Director of Finance, Estates & Risk Assessment. The Executive Director of Finance, Estates & Risk Assessment should, within 24 hours, hold a meeting of the following project group to decide on the initial response:
 - Executive Director of Finance, Estates & Risk Assessment
 - Executive Director Performance Planning & Systems
 - Executive Director
 - HR Manager
- 3 The project group will decide on the action to be taken. This will normally be an investigation, led by internal audit. The decision by the project group to initiate a special investigation shall constitute authority to internal audit to use time provided in the internal audit plan for special investigations, or contingency time, or to switch internal audit resources from planned audits.

Prevention of further loss

- 4 Where initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the project group will decide how to prevent further loss. This may require the suspension, with or without pay, of the suspects. It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.

- 5 In these circumstances, the suspect(s) should be approached unannounced. They should be supervised at all times before leaving the institution's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the institution. Any security passes and keys to premises, offices and furniture should be returned.
- 6 Advice should be obtained on the best means of denying access to the institution while suspects remain suspended (for example, by changing locks and informing security staff not to admit the individuals to any part of the premises). Similarly, access permissions to the institution's computer systems should be withdrawn without delay.
- 7 Internal audit shall consider whether it is necessary to investigate systems, other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the institution's assets.

Establishing and securing evidence

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

Notifying the Funding Body

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

Recovery of Losses

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

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

References for employees disciplined or prosecuted for fraud

- 13 The Executive Director shall prepare any answer to a request for a reference having regard to employment law.

Reporting to Governors

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

This report will normally be prepared by internal audit.

Reporting Lines

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

Responsibility for Investigation

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

Review of Fraud Response Plan

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

APPENDIX J: TREASURY MANAGEMENT POLICY

Treasury management is the management of cash flows, banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Hopwood Hall College regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the College.

The College acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

Treasury Management Practices

1 – Risk Management

The Executive Director of Finance, Estates & Risk Assessment will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report annually on the adequacy and suitability of these arrangements to the Audit Committee. He/she will also report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives arising from treasury management issues.

Set out below are the arrangements for the management of some specific treasury management risks.

(1) Liquidity Risk Management

The College will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its objectives. The liquidity position will be monitored by the Project Accountant on a day to day basis.

(2) Interest Rate Risk Management

The College will manage its exposure to fluctuations in interest rates so that its interest costs are minimised and its interest earnings are maximised.

(3) Inflation Risk Management

The College will consider the effects of inflation in setting its annual budget. In particular both anticipated inflation and market appetite will be considered in setting the fees policy for the year.

(4) Credit and Counterparty Risk Management

The College will only invest in or borrow from counterparties previously authorised by the Employment and Finance Committee. The College will maintain a prudent approach to both selecting appropriate counterparties and limiting the sums borrowed or invested with any particular counterparty.

(5) Legal and Regulatory Risk Management

The College will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements.

(6) Fraud, Error and Corruption, and Contingency Management

The College will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures to minimise this risk.

(7) Market Risk Management

The College will not invest on the stock market, in bonds, or in any other form of investment where the underlying capital sum invested may be at risk. The college aims to minimise interest opportunity cost, but in general has adverse risk appetite in regards to its cash investments, therefore deposits should be managed in order of below priorities:

1) liquidity

2) security

3) yield

- The College will not place deposits “offshore”, but will restrict investments to within UK or Ireland

Surplus funds will be placed as a term cash deposit with institutions where the obligor has a STRONG or satisfactory capacity to meets its commitments, where STRONG or satisfactory is considered to be:

- Short term credit ratings of A-1 or A-2 (Standard and Poors) or F1 (Fitch IBCA) and
- Long term credit ratings of AA (Standard and Poors) or AA (Fitch IBCA).

Short term ratings are applicable for deposits upto one year. Long term ratings are applicable for deposits greater than one year. Where rating is not available from Standard and Poor records latest credit position should always be obtained and verified.

For the existing deposits counterparty’s rating should be reviewed at least once a month and action taken accordingly to re-allocate funds if necessary.

- Each year, the Employment and Finance Committee will approve a list of institutions which the College may use for cash deposit investments. Approved institutions will be recognised banks and/or building societies only. These include Lloyds, Barclays, Nationwide, Santander UK, Royal Bank of Scotland (including Natwest) and Close Brothers UK.
- Other than above, the College can make an investment in highly liquid cash shares on money market fund via FIS global platform, which are low risk and can be purchased and sold following cash transfer on the same working day. Particular funds will be chosen based on their current rating with a view for College to stay risk adverse.
- The College will not normally hold more than £2.5 million on deposit with any one institution / counterparty, other than its own bank, at any time.

Ongoing monthly reviews will be carried by Project Accountant to ensure College maintains its liquidity levels

2 – Best Value and Performance Measurement

The College will use a best value approach to its treasury management activities. The Project Accountant will review the treasury management approach monthly to identify opportunities to improve value for money. The Project Accountant/Finance Manager is responsible for actioning the treasury management activities following approval of placing of funds by the Executive Director of Finance, Estates & Risk Assessment.

3 – Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements

The Employment and Finance Committee is responsible for approving treasury management policy. All investments and borrowing must be in the name of the College.

The Executive Director of Finance, Estates & Risk Assessment is responsible for:

- seeking the approval of the Governing Body for long term investments or borrowing
- obtaining the approval of the Funding Body where required.

The Executive Director of Finance, Estates & Risk Assessment is responsible for:

- controlling short-term investments
- entering into short-term borrowing
- overseeing the day to day monitoring of College cash balances and requirements

The Project Accountant is responsible for:

- the day to day monitoring of College cash balances and liquidity position
- the day to day management of short-term investments in accordance with the Executive Director of Finance, Estates & Risk Assessment monthly instructions
- Preparation of monthly Comprehensive Cash Flow Statement including current and future forecast cash flow operations.

4 – Reporting Requirements and Management Information Arrangements

The Executive Director of Finance, Estates & Risk Assessment will present, as required, a report on the College's treasury management activities to the Employment and Finance Committee, including an assessment of risk management issues and value for money.

Day to day banking should be retendered on a 5 year period to ensure that the college is receiving Value for Money and a Quality banking service via a tendering process to be presented to the Employment & Finance Committee for consideration and appointment following tender evaluation.

If there are to be any substantial change in activities anticipated during the next year, the Executive Director of Finance, Estates & Risk Assessment will present a report to the Employment and Finance Committee outlining the treasury management strategy for the following year, recommending for the committee's approval a list of counterparties, describing the risk management approach to treasury management for the following year, and identifying the changes.

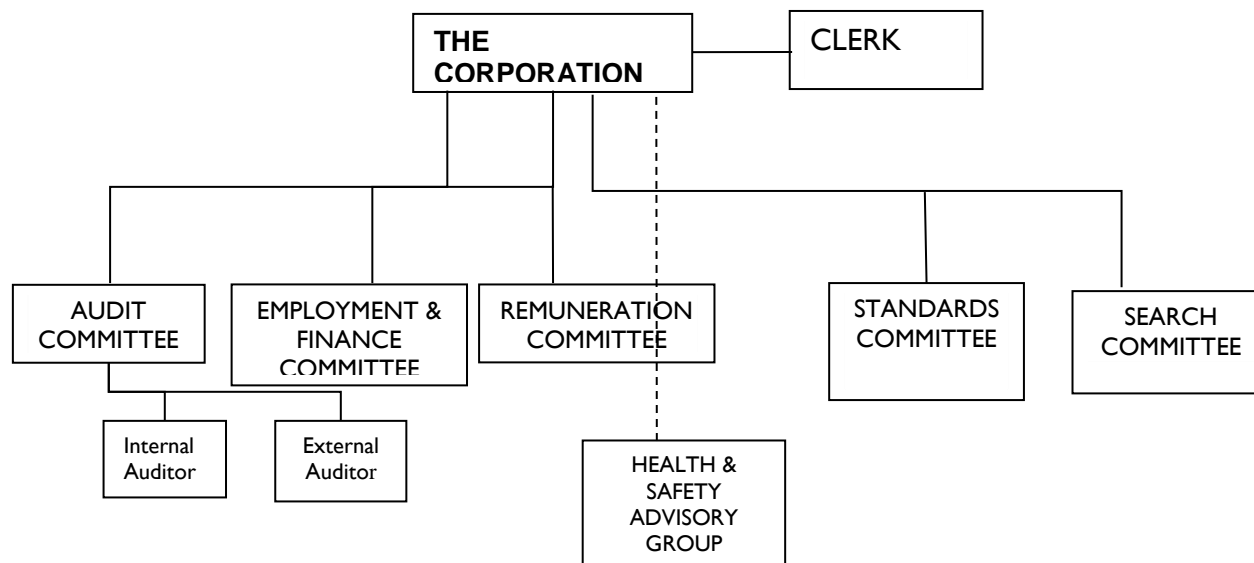
5 – Money Laundering

The College is aware that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. The Executive Director of Finance, Estates & Risk Assessment will be notified by the Finance Manager of any large or unusual transactions, if the transaction is suspicious the Executive Director of Finance, Estates &

Risk Assessment must inform the Governing Body and the Funding Body. In order to minimise the risk the College will not accept cash payments in excess of £5,000.

6 – Corporate Governance

The Executive Director of Finance, Estates & Risk Assessment will ensure that the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability. Treasury management will operate in accordance with the risk management principles and reporting requirements set out above.





PART 2: PROCEDURES



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SECTION A: CODE OF CONDUCT

A/1 – Code of Conduct

A/2 – Mobile Phones



A/1 Code Of Conduct

1 General

- 1.1 The College is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe. These principles are set out at Appendix E of the Financial Regulations. In addition, the College expects that staff at all levels will observe its code of conduct, as outlined in the College's Professional Guidelines, which covers:

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

- 1.2 No person shall enter the College into a contractual relationship where he or she also has an interest in the activities of the other party unless this interest is reported to and approved by the Executive in advance.

2 Register of interests

- 2.1 The Clerk to the Corporation will maintain a register of interests in a format agreed by the Corporation. This shall be updated on an annual basis for all members of the Corporation and Senior Leadership.

3 Receiving gifts or hospitality

- 3.1 In accordance with the Bribery Act 2010, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality.
- 3.2 For the protection of those involved, the Executive Director of Business & Student Support will maintain a register of gifts and hospitality received where the value is in excess of £50. Members of staff in receipt of such gifts or hospitality are obliged to notify the Executive Director promptly upon receipt of any such gift or hospitality.
- 3.3 Gifts such as samples of products (e.g. pens, books) or hospitality provided whilst attending an exhibition or presentation (e.g. a buffet lunch) are deemed as acceptable and do not require the notifying of the Executive Director. These examples of gifts and hospitality are likely to be of a value less than £50.
- 3.4 When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the relevant head of department, the Executive Director of Finance, Estates & Risk Assessment or Executive Director Business & Student Support.



A/2 Mobile Telephones

- 1.1 The allocation is to be based on operational needs, as approved by SLT. A standard mobile phone will be supplied; the specification is determined by the IT Services Department. If a different device is requested, then the cost will come from the department's budget.

For guidance on allocations of mobile phones.

If the member of staff:-

Needs to be in contact or needs to contact others in the college.

Needs to be contacted outside of normal College working hours.

Is away from their normal location of work.

For safety/security reasons.

The mobile phone should only be used for conducting college business, some personal usage is allowed but the user must be aware that this is subject to the freedom of information act.

Members of staff must ensure that they do not answer mobile phone calls whilst driving. Hopwood Hall College will not be liable for such use, and any employee who is fined for breaching the ban will be required to pay such fines themselves and may face disciplinary action. Also the user is reminded not to use them whilst doing anything else where safety is important and their use might interfere with concentration.

IT Services should be notified immediately, if a mobile phone belonging to the College is lost or stolen so that the phone can be barred or disconnected.

The College has the right to monitor mobile phone usage to determine if misuse or abuse exists.

Mobile phones may not be used to defame, harass, intimidate or threaten any other person.

On leaving the employment of the college, any mobile phones plus associated equipment (e.g. earphones, chargers etc.) issued by the College must be returned to HR.



Section B: Revenue Budgeting

B/1 - Revenue Budgeting Process

B/2 - Revenue Expenditure Authorisation

B/3 - Revenue Expenditure Monitoring

B/4 - New Cost Centre Approval



B/1 Budgeting Revenue Process

1 Definition

- 1.1 Revenue expenditure includes the making of payments to staff and the purchase of goods and services to be utilised within an accounting period of one year or less.

2 Revenue Budgeting

- 2.1 The Executive Director of Finance, Estates & Risk Assessment is responsible for preparing an annual revenue budget for consideration by the College Executive and the Employment and Finance Committee prior to submission to the Corporation for approval. The budget will be informed by:

- i) the Strategic Plan;
- ii) curriculum and business needs identified by Budget Holders;
- iii) on-going operational plans and strategies (e.g. IT Strategy);
- iv) the level of available funds.

- 2.2 The Executive Director of Finance, Estates & Risk Assessment will issue a revenue budget preparation timetable on an annual basis to all Budget Holders. Adherence to the timetable is essential in order to ensure that deadlines for submission to the Corporation are met and that operational issues impacting upon the College's activities are identified at an early stage.

- 2.3 The Executive Director of Finance, Estates & Risk Assessment will specify the format in which Budget Holders are required to make budgetary submissions in line with the budget preparation timetable, and the level of information required.

- 2.4 For curriculum areas this will include:

- updated information on the current year's student recruitment and retention;
- updated information on the current year's performance against budget;
- planned student numbers for the following academic year;
- details of changes to the curriculum provision;
- anticipated retention and achievement rates;
- staffing requirements in respect of the planned curriculum;
- any specific non-staffing areas of expenditure required.

- 2.5 For other areas this will include:

- updated information on the current year's performance against budget;
- planned operational services for the following academic year;
- details of changes to any services provided;
- anticipated income targets;
- staffing requirements in respect of the planned services;
- any specific non-staffing areas of expenditure required.

- 2.6 In accordance with the timetable the Executive Director of Finance, Estates & Risk Assessment will co-ordinate the results of the budgetary proposals for consideration by the SLT. The SLT will vet and prioritise the submissions in line with strategic objectives prior to submission to the Employment and Finance Committee for consideration.
- 2.7 Following consideration by the Employment and Finance Committee the budget, incorporating any revisions, will be submitted to the Corporation for approval.
- 2.8 The inclusion of an item of expenditure contained within the budgetary submissions made by Budget Holders does not in itself authorise the incurring of purchase commitments or expenditure; it is still necessary to follow the procedure *B/2 - Revenue Expenditure Authorisation*.
- 2.9 The Executive Director of Finance, Estates & Risk Assessment is responsible for submitting requests to the Principal to meet any additional revenue requirements from College resources during the year up to a value of £50,000. Additional revenue requirements from £50,000 to £100,000 must be submitted to the Employment and Finance Committee; requests above this level require Corporation approval.
- 3** Revenue Reporting Arrangements
- 3.1 The Executive Director of Finance, Estates & Risk Assessment shall prepare a report on expenditure incurred against the revenue budget for submission to the Corporation, or Employment and Finance Committee if devolved, on at least a termly basis or such other timescale as determined – see Procedure *B/3 – Budgetary Monitoring*.



B/2 Revenue Expenditure Authorisation

1 Granting of Budgetary Authority

- 1.1 The committing to or the ordering of any goods and services on behalf of the College may only be undertaken by members of College staff authorised to undertake such activities by the Executive Director of Finance, Estates & Risk Assessment.
- 1.2 The Executive Director of Finance, Estates & Risk Assessment will grant budgetary authority, in writing, in the first instance, to a named individual (to be referred to as the Budget Holder), in relation to a specific cost centre. Note: Budget Holder status will normally only be granted to a member of staff employed on the College's management spine contract.
- 1.3 Following the approval of the budget (in accordance with Procedure B/1 - Revenue Budgeting Process) Executive Director of Finance, Estates & Risk Assessment will issue the Budget Holder with a Cost Centre Authorisation form. The following details will have been entered on the form:
 - the year to which the authorisation relates;
 - the cost centre code;
 - the cost centre title;
 - the named Budget Holder;
 - the authorisation limit per individual transaction (excluding payroll contracts) for the Budget Holder
- 1.4 An attachment could contain the following additional information:
 - detailed breakdown of staffing;
 - other expected expenditure under different ring fenced categories; and
 - expected income or contribution targets, or other condition upon which the amount authorised to spend is dependent.
- 1.5 The Budget Holder must sign the Cost Centre Authorisation form to confirm:
 - Agreement to work within the specified budget;
 - Agreement to abide by the Financial Regulations and Procedures;
 - Amounts delegated to authorised signatories (see Paragraph 2) subject to Authority Limits stated in *Appendix E to the Financial Regulations*.
- 1.6 Upon signature, the form should be returned to the Finance Manager who will retain a file of Authorised Signatories. The Budget Holder should retain a photocopy for his/her own records.

2 Delegation of Budgets

- 2.1 A Budget Holder may authorise other members of staff to raise non-pay commitments against the cost centre without his/her countersignature, subject to authorisation limits as stated in Paragraph 7. Signatories may not exceed the approved authorisation limits without express permission in writing from the Executive Director of Finance, Estates & Risk Assessment.
- 2.2 The Budget Holder should indicate for which forms of transaction each signatory is authorised to sign.
- 2.3 All such signatories must provide specimen signatures on the Cost Centre Authorisation form and, in doing so, agree to abide by the Financial Regulations and Procedures and work within the given budget.
- 2.4 It is the responsibility of the Budget Holder to ensure that all cost centre signatories are aware of their responsibilities and the restrictions placed upon them.

3 Virement of Budgets

- 3.1 Budget Holders responsible for more than one cost centre may only authorise the virement of non-pay monies between those cost centres. The Executive Director of Finance, Estates & Risk Assessment should be informed, in writing, clearly detailing:
- the amount to be transferred
 - the cost centre from which the budget should be taken
 - the cost centre to which the budget should be transferred.

The Finance Manager should then ensure that the appropriate amendment is made within the financial accounting system.

- 3.2 No virement can be made by a Budget Holder between ring-fenced allocations (i.e. capital, staffing, examinations, and other non-pay expenditure) without the prior approval, in writing, of the Executive Director of Finance, Estates & Risk Assessment
- 3.3 The Finance Manager will also ensure the appropriate amendment is made within the financial accounting system.

4 Carry Forward of Budgets

- 4.1 No unspent money can be carried forward into the following financial year, unless express permission, in writing, has been granted by the Executive Director of Finance, Estates & Risk Assessment. Normally, this would only be for the completion of a project funded by a specific grant or income stream or capital funds.

5 Total Commitment of Allocated Budget

- 5.1 Once the allocated budget has been fully committed, it is the Budget Holder's responsibility to secure alternative sources of funding before any further transactions are processed.

- 5.2 The Executive Director of Finance, Estates & Risk Assessment will consider no budget adjustment without justification from the Budget Holder.

6 Budgetary Authority Limits

- 6.1 The maximum spending authority issued to any Budget Holder is that confirmed in writing as noted in Paragraph 1 above.
- 6.2 Authority limits per any individual transaction, even if within the total budget available, may not exceed the set amount stated in Appendix E to the Financial Regulations.



B/3 Revenue Expenditure Monitoring

1 Monitoring

- 1.1 The monitoring of actual financial performance against the annual budget is required to ensure:
- the efficient, economical and effective management of all the institution's resources;
 - up to date financial considerations are taken into account at all levels of the organisation in reaching decisions and in their execution
- It is the responsibility of the Finance Manager to ensure that all transactions recorded in the financial accounting system are appropriately approved and comply with the Financial Regulations and relevant audit requirements.

2 Reporting to Corporation

- 2.1 The Executive Director of Finance, Estates & Risk Assessment will report to the Corporation (or designated sub-committee) as required, but at least once per term.
- 2.2 The information provided will include:
- a general summary of total College income and expenditure with supporting schedules;
 - an income and expenditure statement for any subsidiary companies;
 - a consolidated Balance Sheet;
 - a statement of the College's cash position;
 - a commentary including explanations of significant variances from budget or forecast
- plus any other details as requested.

3 Reporting to Budget Holders

- 3.1 It is the responsibility of all Budget Holders to monitor the performance of their own cost centres and check that all financial transactions have been recorded correctly. Performance may be monitored in one of two ways: -
- through direct access to the financial accounting system (or subset of data for reporting purposes);
 - from reports issued by the Finance department.
- 3.2 The Budget Holder has direct access to the financial accounting system (or subset of data for reporting purposes), it is his/her responsibility to ensure that they log into the system at regular intervals, (ideally monthly during term time, but more frequently as the budget nears total commitment) to enable the timely monitoring of transactions.

- 3.3 The Finance Manager will monitor all budgets and inform the Budget Holder when his / her budget has been totally committed. (See Procedure *B/2 – Revenue Expenditure Authorisation*)

4 External Stakeholders

- 4.1 It is the responsibility of the Executive Director of Finance, Estates & Risk Assessment to ensure that all financial returns for the College and / or subsidiary companies are filed with the relevant body (e.g. funding bodies) timely, accurately and in the correct format.

5 Statutory Returns

- 5.1 It is the responsibility of the Executive Director of Finance, Estates & Risk Assessment to ensure that all statutory financial returns for the College and / or subsidiary companies (e.g. VAT) are filed with the relevant body timely, accurately and in the correct format.



B/4 Cost Centre Approval

1 Requirement

- 1.1 Activities that fall outside the normal College planning cycle and are not identified in the annual budget will require specific approval. This usually arises when a new funding stream is identified during the year.

2 Application

- 2.1 Application should be made in writing to the Executive Director of Finance, Estates & Risk Assessment. All relevant information should be included (or attached) such as details of the activity, source of funding, and costings (see Procedure *J/1 – Costing and Pricing*).
- 2.2 The initiator of the request may not necessarily be the Budget Holder of the new cost centre. This could occur, for example, if the Executive Director of Finance, Estates & Risk Assessment identifies a new project but the delivery is the responsibility of a particular curriculum area.
- 2.3 Budget Holder status will normally only be granted to a member of staff employed on the College's management spine contract or Principal Officer.

3 Approval

- 3.1 The Executive Director of Finance, Estates & Risk Assessment will not normally approve a project that does not at least break even unless there is sufficient business justification.
- 3.2 If the request for a new cost centre is approved, the Executive Director of Finance, Estates & Risk Assessment will email the Finance Manager to allocate a budget and issue a cost centre code.
- 3.3 No expenditure should be committed prior to cost centre approval. Any costs incurred will be charged against another of the Budget Holder's cost centres.



SECTION C: Purchasing and Procurement

C/1 - Purchasing and Procurement

C/2 - Ordering of Goods and Services

C/3 – Receipt of Goods and Services

C/4 - Purchasing Cards and Credit Cards

C/5 - Petty Cash and Advances

C/6 – Internal Recharges



C/1 Purchasing and Procurement

1 General

- 1.1 All purchases of goods and services for, by and in the College's name shall be conducted in accordance with the College's Financial Regulations, Financial Procedures and any additional directives, which may be applied by the College's funding bodies.
- 1.2 All purchases of goods and services must be in respect of and in accordance with the delivery of the College's strategic objectives, mission statement and values.
- 1.3 Only those members of staff authorised to do so by the Executive Director of Finance, Estates & Risk Assessment shall enter the College into a purchasing commitment.
- 1.4 No member of staff may enter the College into a purchasing commitment outside of the budgetary parameters agreed with the Executive Director of Finance, Estates & Risk Assessment
- 1.5 All purchases of goods and services are to be made in accordance with best value i.e. the lowest quote should normally be accepted. Where this is not the case, justification to the Executive Director of Finance, Estates & Risk Assessment will be required.
- 1.6 All purchases of goods and services shall comply with all relevant and applicable legislation.

Tender and Quotations

Goods and services purchased by the College should be obtained in the most cost-effective manner whilst ensuring value for money and ethical procurement is achieved. This includes supporting local businesses by buying local wherever possible as part of the College's pledge to the Rochdale Together strategy. Various tools and resources are available to Staff to help with the sourcing of goods and services, in the correct manner. The Crescent Purchasing Consortium (CPC) are owned by the FE sector and their frameworks have been designed specifically to provide goods and services to the education sector. SMEs are encouraged to participate in their tenders through their lot structures and local supplier engagement therefore this tool should be utilised where possible.

Managers and delegated budget holders must comply with the institution's tendering procedures, as detailed below. **Staff should note that values shown below relate to contract values, not annual spend and thresholds are excluding VAT.**

Up to £4,999

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. Quotes (wherever possible) should be sought from at least one supplier operating within the Rochdale Borough/ Greater Manchester area. The CPC quick quote tool is also available and can quickly return pricing from framework suppliers.

from £5,000 to £59,999

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). Quotes (wherever possible) should be sought from at least one supplier operating within the Rochdale Borough/ Greater Manchester area. The CPC quick quote tool is also available and can quickly return pricing from framework suppliers.

Please also refer to the below section on Contracts Finder for purchases that exceed £25,000 and that are not awarded via a framework.

from £60,000 to £189,330

The Budget Holder shall be required to draw up a specification for the goods/service for inclusion in a competitive tender process. The CPC frameworks offer an opportunity to run a mini competition across all their categories. Purchases outside of the CPC frameworks will require a tendering process to be managed and local suppliers operating within the Rochdale Borough/Greater Manchester area (where possible) should be invited to tender for the opportunity. 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.

Please also refer to the below section on Contracts Finder for purchases that exceed £25,000 and that are not awarded via a framework.

Over £177,897(excluding 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 PCR2015 rules. This includes all communication and information exchange for above-threshold procurement, including electronic submission of pre-qualification questionnaires and tenders and 'call offs' under framework agreements, must be carried out using electronic means of communication. 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 3-4 months are required to complete this process, so forward planning is paramount.

Staff should note the threshold of £177,897(excluding VAT) relates to the contract and/or aggregated value of purchases, so the following instances should be noted:

Estimated purchase cost for goods and services over the value of £177,897(excluding VAT) require a PCR2015 compliant procurement process;

Repeat purchases of goods and services over a 4 year period, not covered by a contract, require a PCR2015 compliant procurement process;

The aggregated value of purchases of goods and services over a 4 year period, requires a PCR2015 compliant procurement process i.e. the total cost of bus services, not the cost per route, would be considered.

Over £250,000

Contract values over £250,000 require the approval of the Employment and Finance Committee before a contract can be awarded. Guidance on how to gain this approval is available from the Executive Director of Finance, Estates & Risk Assessment.

For contract opportunities that exceed £25,000 the College are also required to ensure that a Contract Notice is published on Contracts Finder (in addition to Find a Tender Service) This does not apply where the College is making an opportunity known to a closed group of suppliers who have already been selected onto a Framework Agreement.

Once a contract has been awarded as a result of a procurement process, the College must also publish a Contract Award Notice on Contracts Finder with details of who has won the contract and the contract value. The Procurement Officer can assist you with this.



C/2 Ordering and Requisitioning of Goods and Services

1 Raising Purchase Requisitions

- 1.1 All orders for goods and services must be the subject of a completed College requisition processed through Finance prior to placing order and receipting of goods.
- 1.2 The following details must be entered on the on line requisition by the originator:
- Name of Supplier
 - Indication of Delivery address
 - College contact person
 - Description of goods/services required
 - Quantities required
 - Price per unit excluding VAT
 - Value excluding VAT (quantity x price)
 - Total cost including VAT
 - Expenditure code
 - Cost Centre and nominal Code
 - CER code (if applicable)
- 1.3 All purchases are to be made from suppliers on the Crescent Purchasing Consortium framework or another approved purchasing consortium that the College is a member of, unless a more competitive price can be obtained. See C/1 Purchasing and Procurement for details of written quotes.
- 1.4 Orders for any capital equipment where individual items including VAT, must quote the appropriate Capital Expenditure Request (CER) form reference (see Procedure D/2 - *Capital Expenditure Authorisation*).
- 1.5 Completed requisitions must be authorised by the Budget Holder or authorised nominee and (if over £5000) by a member of the Senior Leadership Team. The effect of this authorisation is to confirm that all the responsibilities outlined in the Financial Regulations and Procedures have been fulfilled and that the authorisation is in accordance with the limits set out in *Appendix E of the Financial Regulations*.
- 1.6 All documentation relating to a purchase, including evidence of quotations, must be accurately filed within the originating department, so that the requirements of reference, audit and year end accounting can be satisfied. The Executive Director of Finance, Estates & Risk Assessment shall have right of access to information and explanation from Budget Holders at all times and may query or veto any orders deemed inappropriate.

2 Requesting Payments In Advance

- 2.1 Where a supplier requires payment prior to dispatch of the goods then the Budget Holder must request such payment on the purchase requisition. The order must still comply with all requirements specified in Paragraph 1 above. These may only be granted in exceptional circumstances and payment by credit card is advisable for additional buyer protection.

3 Placing of Orders and Requisitions

- 3.1 All orders must be placed with suppliers by Finance. Only in exceptional circumstances, where the Executive Director of Finance, Estates & Risk Assessment has granted express permission, may an order be placed directly by the originating department. A follow up requisition must still be passed to Finance to be committed.
- 3.2 Certain named postholders and types of corporate expenditure do not require a purchase requisition. These are detailed in C/3 Receipt of and Payment for Goods and Services
- 3.3 On receipt of a fully completed and appropriately authorised requisition, Finance will import the details into the financial accounting software. This will indicate if sufficient funds exist to cover the order.
- 3.4 If insufficient funds are available to commit the order, it will be rejected and the Budget Holder informed. It is then his/her responsibility to find an alternative source of funding before the order can be processed.
- 3.5 If sufficient funds exist, the order will be committed and forwarded to the supplier by Finance.

4 Cancellation of Orders

- 4.1 Finance must be informed if an order or part order is to be cancelled or deemed complete.
- 4.2 Outstanding commitments should be checked on a regular basis (as a minimum at the end of each term) to ensure continued validity.

5 Internet and College Credit Card Transactions

- 5.1 Items can be purchased or booked over the internet, with the use of the college card. Details of the goods or services required can be forwarded to Finance on a normal college order, using Internet Requisition as the supplier, together with details of the website and any other relevant information.
- 5.2 Approval (electronic or physical signature) must be obtained by two authorised signatories before the order is placed.
- 5.3 Finance will charge the relevant department as soon as the transaction has been completed.



C/3 Receipt of and Payment for Goods and Services

1 Receipt of Goods and Services

- 1.1 Budget Holders shall ensure that there are safe and satisfactory systems for the receipt and recording of goods/services received in their area.
- 1.2 The Budget Holder or designated receiver must ensure that the following minimum checks are carried out before signing any **delivery** or **advice note** provided by the supplier, i.e. that:
- the Hopwood Hall order number matches the reference on the delivery/advice note;
 - the goods and services received are those described in the order and any differences are raised immediately with the supplier; and
 - the goods (or services) have been received, examined and approved as to quality and quantity, or the work done or service rendered has been satisfactorily carried out and, where applicable, the materials used were to the requisite standard.
- 1.3 Goods received should be acknowledged on the Finance system as soon as possible in order that the invoice can be processed efficiently.
- 1.4 Budget Holders must also ensure that where applicable, the goods have been recorded on the Cost Centre inventory, stores records or any other appropriate records (see Procedure *D/3 – Stocks, Stores and Inventories*).
- 1.5 Deliveries of goods and services that are not in accordance with the order should be returned to the supplier (see Paragraph 2 below).
- 1.6 It is the Budget Holder's responsibility to record the receipt of any unsolicited goods (e.g. inspection copies of books) and ensure that they are either returned to the supplier (see Paragraph 2 below) or an official order is raised. The order form should be marked "**INSPECTION COPY RECEIVED AND ACCEPTED**" and forwarded to Finance.

2 Return of goods

- 2.1 Where goods have been returned prior to approval of the invoice, the delivery/advice note must be forwarded to Finance, with item(s) returned clearly marked as RETURNED. If the supplier has billed for these goods, Finance will withhold payment until an appropriate credit note or subsequent delivery/advice note for the replacement goods is received.
- 2.2 Where goods have been returned after payment has been approved, the Budget Holder must advise Finance and contact the supplier to arrange an appropriate credit note or cash refund. On receipt and approval of the credit note or refund, the Budget Holder's commitment will be reduced accordingly.

3 Authorisation of Payment for Goods and Services

- 3.1 Although suppliers should send all purchase invoices directly to Finance (finance1@hopwood.ac.uk), if the originating department receives any, these must be forwarded to Finance immediately.
- 3.2 A copy of the invoice shall be passed to the Budget Holder (or authorised signatory) for certification via the finance system
- 3.3 In respect of the named post holders and types of corporate expenditure shown in the table below, there is no requirement to raise an order (in accordance with Procedure C/2 – *Ordering of Goods and Services*) and the individual, alone, may certify the invoice for payment irrespective of value:

Postholder	Area of expenditure
Executive Director of Finance, Estates & Risk Assessment	Audit services Banking services Professional advice Insurances Legal fees Pension capital costs
Head of Facilities & Risk Management	Insurances Licence arrangements Rates Emergency building repairs under £1000 Utilities
Head of IT	Telephone and line charges
Student & College Services Manager	Neopost – franking machine top ups Stationery orders for other departments
HR Manager/Executive Director/Cost Centre Manager/Cost Centre Team Leader (<£1k only)	Agency staff costs, payroll deductions to third parties including childcare vouchers.
MIS Manager/Cost Centre Manager/Cost Centre Team Leader (<£1k only)	Examination and related charges (e.g. registration fees)
All Budget Holders	Subscriptions to organisations Long term lease regular charges (once agreed) Subcontracted delivery Food & consumables to commercial outlets/animal food & consumables

- 3.4 Any designated member of staff may certify an invoice for payment, even if they are not authorised to raise orders, (e.g. a technician who receives the goods being delivered), provided there is an appropriately approved purchase order. If necessary, the Budget Holder's line manager or a member of the Senior Leadership team can certify invoices against the cost centre.
- 3.5 On receipt of request for confirmation of receipt of goods/services via the finance system the Budget Holder (or authorised signatory) must review the invoice to confirm that:
- the prices are in accordance with the order or quotation or are otherwise acceptable;
 - the account is arithmetically correct and where appropriate deductions have been made for discounts;

- the goods (or services) have been received, examined and approved as to quality and quantity, or the work done or service rendered has been satisfactorily carried out and, where applicable, the materials used were to the requisite standard.



C/4 Purchasing Cards and Credit Cards

1 Purchasing Cards

- 1.1 In the normal course of the College's business it may be appropriate to obtain a purchasing card for use with a particular supplier. This may be to take advantage of supplier discounts or to be able to respond to operational needs.
- 1.2 Budget Holders wishing to obtain a purchasing card must obtain the prior approval of the Executive Director of Finance, Estates & Risk Assessment.
- 1.3 Upon the approval of the Executive Director of Finance, Estates & Risk Assessment a purchasing card may be issued:
 - i) to a named individual;
 - ii) for a particular supplier; and
 - iii) up to a certain credit limit
- 1.4 Purchasing cards issued to an individual are the responsibility of that individual. They must not be loaned out or used by any other person. The misuse of a purchasing card may result in action being taken against an individual under the College's Disciplinary Procedure.
- 1.5 Cards must be stored in a secure location at all times. The loss of a card, or any suspected misuse, must be reported to the Finance Manager immediately.
- 1.6 The use of a purchasing card will result in a financial liability to the College. Persons issued with purchasing cards are responsible for ensuring that sufficient budgetary resources exist to enable the liability to be discharged.
- 1.7 The Finance Manager will retain a register of purchasing cards issued to members of College staff. Persons leaving the employment of the College must return purchasing cards to the Finance Manager prior to ceasing their employment.
- 1.8 At the end of each month, a summary of expenditure with original receipts attached must be forwarded to the Finance Manager. The summary must be countersigned (electronic or physical) by the cardholder's line manager or member of the Senior Leadership Team.

2 Credit Cards – Institutional

- 2.1 The Principal (but for use by the Finance department) will be issued with a card for the settlement of transactions which may only be conducted by use of a credit card, e.g. via the internet. Budget Holders wishing to make purchases in this manner must follow Procedure C/2 – *Ordering and Requisitioning of Goods and Services*.



C/5 Petty Cash and Advances

1 Re-imbursement of expenditure

- 1.1 The College's procedure for the ordering of goods and services (Procedure C/2 - *Ordering of Goods and Services*) must be followed in all circumstances except as described below.
- 1.2 In exceptional or emergency circumstances, or in cases where a supplier will not accept an official College order, upon the instruction of a Budget Holder, a member of staff may purchase goods or services directly and seek reimbursement for such expenditure.
- The petty cash procedure cannot be used for the re-imbursement of purchases of petrol or diesel, unless specifically purchased for a College vehicle. All other claims for the re-imbursement of travel-related claims will be processed in accordance with Procedure E/1 - *Travel and Subsistence (UK)*.
 - Following the purchase of goods, the following procedure should be followed;
 - a **Petty Cash Claim Form** should be completed by the individual member of staff seeking re-imbursement of expenditure. Petty Cash Claim Forms are issued by Finance and are either available from the Budget Holder or Finance directly, or
 - an email is sent by the individual to their line manager / budget holder where the expenditure is to be charged to
- 1.5 The person seeking reimbursement should complete the following details on the Petty Cash Claim Form / email:
- Date of completion of form
 - Cost centre
 - Date of transaction
 - Details of the item(s) purchased
 - Value(s) of item(s) purchased
 - Nominal expenditure code
 - Total value to be reimbursed, in words and figures
 - Name and signature of claimant (not required if emailing)
- 1.6 All receipt(s) for the re-imbursement of expenditure must be attached to the back of the petty cash claim form or added as an attachment to the email.
- 1.7 The petty cash claim form and attached receipts must be passed to the Budget Holder or authorised signatory for approval. No person may authorise their own petty cash claim, and all claims must be either signed by a person in a more senior position or by a member of the Senior Leadership Team.
- 1.8 The person authorising the petty cash claim form for the re-imbursement of expenditure must ensure that:

- the transaction could not have been processed through the College's Ordering of Goods and Services Procedure
- the person was authorised to incur the expenditure
- the expenditure is valid and necessary
- the receipts are attached to the claim form and agree to the reimbursement being claimed
- the correct cost centre to be charged has been entered on the claim form

1.9 Upon completion and authorisation;

- the white and pink copies, accompanied by valid receipts or other proof of purchase, should be taken to Finance for reimbursement
- the pink copy will be returned to the claimant, when the cash is dispersed, or
- the email containing the attached receipts is forwarded to the finance team (finance1@hopwood.ac.uk) by the line manager / budget holder, confirming their approval.

1.10 Petty cash claims may not normally exceed £100. In the exceptional circumstances where this is necessary, Finance may reimburse the claimant in the form of a cheque or bacs payment.

2 Cash Advances

2.1 Cash advances to individual members of staff for the purchase of goods and/or services are not normally permissible. The purchase of goods or services should be facilitated through the Ordering of Goods and Services Procedure or the Petty Cash Procedure outlined in Paragraph 1 above.

2.2 Cash Advance forms are held by Finance. Advances will only be granted if deemed appropriate by the Finance Manager, and where other means of completing a transaction are not practical.

2.3 Where a cash advance in excess of £100 is required, at least 5 working days' notice must be provided to Finance. Failure to provide this notice may result in an inability to provide the required service.

2.4 The Cash Advance form is issued in duplicate format. The person requesting the advance should complete the following details:

- Date
- Amount requested
- Person requesting cash
- Reason for advance
- Cost centre

2.5 On completion, the Budget Holder must sign the form. No person may authorise their own Cash Advance form, and all forms must be either signed by a person in a more senior position or by a member of the Senior Leadership Team.

2.6 Both parts of the cash/cheque advance form must be taken to Finance to be approved by the Executive Director of Finance, Estates & Risk Assessment or Finance manager.

On approval, a member of the Finance team will arrange for payment, by cash, for which the recipient will sign upon receipt. Upon signature, the white copy will be retained by Finance and the pink copy will be returned to the recipient along with payment.

- 2.7 On completion of the purchase transaction(s), a Petty Cash Claim Form for the full amount actually spent must be completed and processed in accordance with Paragraph 1 above and within 5 working days of the claimant returning to the College premises.

- Where expenditure incurred exceeds the advance issued, the balance will be paid to the claimant.
- Where expenditure is less, the balance remaining must be returned to Finance with the Petty Cash Claim form.

3 Foreign Currency Advances

- 3.1 Foreign Currency advances will only be granted if deemed appropriate by the Executive Director of Finance, Estates & Risk Assessment or Finance Manager, are supported by an approved Overseas Travel Authorisation form (see Procedure E/2 – Travel and Subsistence (Overseas)) and where other means of completing a transaction are not practical.
- 3.2 Where foreign currency and/or travellers' cheques for any value are required, at least 10 working days' notice must be provided to Finance in writing (E-mail is acceptable). Failure to provide this notice may result in an inability to provide the required service.
- 3.3 An order should be made via the normal way stating the value and the currency required. Once approved, the currency will be ordered and charged to the appropriate cost centre.
- 3.4 The budget holder will be notified when the currency arrives and will be required to collect it from the Finance office.



C/6 Internal Recharges

1 Internal Recharges

1.1 Internal recharges may be required to ensure that all costs are allocated appropriately across cost centres.

1.2 Recharges fall into several categories which are actioned in different ways: -

- General cost apportionment, reallocation and/or contribution
- Servicing between curriculum areas
- Printing or copy services provided by the Design and Print Service

2 Cost Apportionment, Reallocation and/or Contributions

2.1 When goods or services have been purchased through one cost centre but the actual cost relates wholly or partly to another, the relevant amount should be transferred.

2.2 This also applies where one Budget Holder agrees to contribute a specific amount towards costs incurred by another (e.g. the Budget Holder for college wide enrichment may subsidise a particular trip).

2.3 The Budget Holders of both cost centres should agree the nature and value of costs to be reallocated. If agreement cannot be reached, then an independent member of the Senior Leadership Team should act as arbiter.

2.4 The Budget Holder accepting the charge should inform the Finance Department

- by email (to Finance Manager)
- or by signing a specific department's recharge request form (e.g. for catering and hospitality)

of the following information:-

- title and Cost Centre Code of the department to be credited
- title and Cost Centre Code of the department to be charged
- details of the recharge (e.g. order number, specific goods or services etc.)
- amount

2.5 The Finance Manager will ensure that the appropriate transaction is recorded within the financial accounting system and retain details in a file of all Recharges.

3 Servicing

- 3.1 Where staff assigned to one department (the **Providing** department), undertake teaching duties on behalf of another (the **Receiving** department), this is referred to as **Servicing**. This cost of this should be recharged between the cost centres.
- 3.2 Only permanent or fixed term salaried staff, where no additional variable hours contract is raised, should be included (i.e. the teaching forms part of their normal contract). The use of Cross College staff who teach on a regular basis should also be reflected.
- 3.3 The originator to provide finance department the following information: -
- title and Cost Centre Code of the department providing the staff
 - title and Cost Centre Code of the department utilising (i.e. receiving) the staff

and for each subject or module being serviced:-

- the subject or module being taught
- the name of the member of staff
- the number of hours per week
- the number of weeks
- the total number of hours (hours per week x number of weeks)
- the total number of hours for all subjects and modules
- the total cost of provision (total hours x the internal recharge rate - See *Appendix II*)

The form can be completed termly or for the full duration of the servicing.

- 3.4 The form should then be signed by the Budget Holder of the Providing Department to confirm that the above is a true record and to request credit for the hours. It should then be forwarded to the Budget Holder of the Receiving Department. The Budget Holder must sign to confirm agreement of the details and acceptance of the recharge against his/her cost centre
- 3.5 If the Budget Holder of the Receiving Department disagrees with any of the details, he/she should contact the Budget Holder of the Providing Department to sort out the discrepancies and amend the form, if necessary. If the Budget Holders cannot reach an agreement, the matter should be referred to a member of the Senior Leadership Team for arbitration.
- 3.6 When agreed and signed by both Budget Holders, each Budget Holder should keep a copy of the finalised form for their records and then forward it to the Finance department. The Finance Officer will retain a file of all Recharges and ensure that the appropriate transaction is recorded within the financial accounting system.

4 Design and Print Services

- 4.1 Printing Order Form should be completed for all jobs submitted to the Reprographics department, i.e. for paper, copying or specific printing. The cost centre name and code should both be entered on the form and the request copied in by your line manager as part of the authorisation of the expenditure.
- 4.2 Design & Print will be responsible for assigning a unique job number to each request and keeping a record of the cost and the initial request until the job is completed.
- 4.3 The completed work will be returned from the collection point in Healey Building accompanied by a slip stating the cost. Staff members based at Rochdale can collect their jobs from the collection point in the post room.
- 4.4 At the end of each period, Design & print will forward to the Finance department a summary of all jobs processed, including costs.
- 4.5 The Finance Manager is responsible for ensuring that the cost of each job is recorded within the financial accounting system and the Design and Print Services department is credited with the work undertaken.
- 4.6 It is the Budget Holder's responsibility to check that his/her cost centre has been charged correctly. Any disputes or discrepancies should be raised initially with Design & Print.



SECTION D: CAPITAL AND ASSET MANAGEMENT

D/1 – Capital Budgeting Process

D/2 – Capital Expenditure Authorisation

D/3 – Stocks, Stores and Inventories



D/1 Capital Budgeting Process

1 Definitions

- 1.1 Capital expenditure includes the purchase of land, buildings, computer software and hardware, vehicles, furniture and equipment providing a benefit to the College of more than one year.
- 1.2 Capitalisation refers to the accounting treatment of expenditure incurred on those items as defined in Paragraph 1.1 where the purchase price of each project is £1,000 or above.

2 Capital Expenditure – College Funded

- 2.1 The Executive Director of Finance, Estates & Risk Assessment is responsible for preparing an annual schedule of proposed capital expenditure for consideration by the College Executive and approval by the Employment and Finance Committee. The schedule will be informed by:

- v) the Strategic Plan;
- vi) curriculum and business needs identified by Budget Holders through processes as advised by the Head of Facilities & Risk Management and the Director of Information Services & Systems;
- vii) on-going operational plans and strategies (e.g. IT Strategy);
- viii) the level of available funds.

- 2.2 The schedule of proposed capital expenditure will be included with other revenue proposals, in the annual budget for submission to the Corporation.
- 2.3 The SLT will vet and prioritise the submissions in line with strategic objectives prior to submission to the Employment & Finance Committee for consideration and approval.
- 2.4 The inclusion of an item of expenditure contained within the Capital Budget approved by the Employment and Finance Committee does not in itself authorise the incurring of purchase commitments or expenditure; Procedure *D/2 - Capital Expenditure Authorisation* is still required to be followed.
- 2.5 The Executive Director of Finance, Estates & Risk Assessment is responsible for submitting requests to the Employment and Finance Committee to meet any additional capital requirements during the year.

3 Capital Expenditure – Externally Funded

- 3.1 From time to time the College will receive capital funding as a result of making applications to or receiving grants from external funding organisations.
- 3.2 The receiving of grant notification from an external organisation does not in itself authorise the incurring of purchase commitments or expenditure; Procedure *D/2 - Capital Expenditure Authorisation* is still required to be followed.

- 3.3 Expenditure incurred on capital items funded by external organisations shall be reported to the Employment and Finance Committee by the Executive Director of Finance, Estates & Risk Assessment in line with the reporting arrangements contained within Paragraph 4.

4 Capital Reporting Arrangements

- 4.1 The Finance Manager shall prepare a report on expenditure incurred against the capital budget for submission to the Employment and Finance Committee on a monthly basis, or such other timescale as determined. The report shall contain details of the original budget approved, any variations to the budget, expenditure incurred to date and details of any significant variances. The report shall also include details of additional funds received from external funding bodies or other sources during the year.
- 4.2 Where required, either as a consequence of incurring expenditure financed through exchequer funds or as a condition attached to an external funding stream, the Executive Director of Finance, Estates & Risk Assessment will ensure compliance with any reporting requirements as directed by the Funding Body or other external organisations.



D/2 Capital Expenditure Authorisation

1 Capital Expenditure Requests

- 1.1 Authorisation to incur expenditure in respect of capital items is granted through the approval of a **Capital Expenditure Request (CER)** form.
- 1.2 The manager proposing the expenditure is responsible for the completion of a Capital Expenditure Request form which should include: -
- i) a justification and description of the proposed expenditure;
 - ii) evidence of funding if not from the approved College Capital Budget;
 - iii) estimated level of expenditure supported by quotations where required in accordance with Procedure C/2 - *Ordering of Goods and Services*.
- 1.3 Following completion of the CER form the manager proposing the expenditure is responsible for obtaining the approval of the relevant signatories where the source of funding is from the College Capital Budget, to authorise the use of the Capital Budget for this purpose
- Head of Facilities & Risk Management to support the proposal in line with the College's Estates Strategy
 - Head of IT to support the proposal in line with the College's IT Strategy.

2 Financial Approval for Capital Expenditure Requests

- 2.1 Approval to incur expenditure in respect of capital items is **not** confirmed until the CER form has been fully approved in accordance with the requirements as set out below.
- 2.2 Following project approval by Head of Facilities & Risk Management or Head of IT, the CER form must be passed to the Finance Manager who is responsible for verifying that sufficient funds to support the expenditure are available. This verification will either be by reference to the approved Capital Budget or through additional funds secured from other sources. In the case of the latter, evidence of funding available must be presented to the Finance Manager.
- 2.3 The Finance Manager will obtain additional approval prior to authority to incur expenditure being incurred in accordance with *Appendix E to the Financial Regulations*.
- 2.4 When the Capital Expenditure Form has been duly authorised the Finance Manager will:
- Issue a capital cost centre
 - Provide the proposing manager with a copy of the Capital Expenditure Form with the authority reference number on it
 - Record the allocation of funds from the College budget or from an alternative funding source

- 2.5 The proposing manager is now authorised to enter the College into a purchasing commitment in accordance with the Procedure *C/2 - Ordering of Goods and Services*, using the cost centre provided.

3 Amendments to Capital Expenditure Requests

- 3.1 A supplementary Capital Expenditure Request Form must be raised by the proposing manager for any project exceeding the lower of 10% or £5,000 of the amount authorised on the original request. This should be done as soon as any impending or actual over spend is identified.
- 3.2 The level of approval required for a supplementary Capital Expenditure Request is determined by the new accumulated expenditure required and not just the additional funds required.



D/3 Stocks, stores and inventories

1 Stocks and Stores

- 1.1 Budget Holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments.
- 1.2 Stocks include consumables, materials, items held for resale, animals and items held for maintenance and replacement purposes.
- 1.3 Stores records must be kept to record the movements of high value items in and out of a store and the balance of stores held. For those stores where a record is necessary Budget Holders must establish a system, which ensures that all additions to, and all distributions from, the stores are recorded on the stores record. The record shall be verifiable from other documents such as delivery notes.
- 1.4 Budget Holders are responsible for ensuring that regular inspections and stock takes are carried out. Where material discrepancies are found these must be reported to the Finance Manager.
- 1.5 Stocks on 31 July in any year must be recorded in the College's balance sheet. It is the responsibility of the Budget Holder to inform the Finance Manager of stocks of this value and to ensure that the stocktaking procedures in place have been approved.
- 1.6 Stocks required to be valued in the College's balance sheet should be subject to a stocktaking process on 31 July, or nearest working day. The stock take should be undertaken by two persons. A member of Finance may be available to assist in the stocktaking if required.

2 Inventories

- 2.1 Managers are responsible for maintaining inventories, in a form prescribed by the Executive Director of Finance, Estates & Risk Assessment, for all plant, equipment, furniture and stores in their departments with a value in excess of £1,000. The inventory must include items donated or held on trust. Centre directors/ programme managers/ Heads of service must carry out a physical check at least annually to ensure that their inventories are up to date.
- 2.2 A designated member of the Facilities Management team will be alerted by the Finance Purchasing System when a departmental requisition is raised to purchase a piece of equipment. Finance will also compile, for the Facilities department, regular reports of equipment purchased. This is to ensure all new assets are tagged and recorded.
- 2.3 The departmental held inventories should be cross checked against the inventory records held by Facilities at least annually. The timing and format of this audit is the responsibility of the Head of Facilities & Risk Management. Where discrepancies are found these must be reported to the Finance Manager.
- 2.4 It is the responsibility of the Budget Holder to ensure that adequate controls are in place to record the loaning and returning of equipment.

- 2.5 Losses of equipment, either as a consequence of theft or through any other means, must be reported immediately to the Head of Department who is responsible for the security of assets in his/her department. Losses must also be reported to the Head of Facilities & Risk Management for the purpose of making insurance claims and reviewing College security. The report shall include the inventory reference, the description of the item, any identification references and an estimate of the replacement value.

3 Disposal / Write-off of Assets

- 3.1 The writing-off of equipment must be authorised in accordance with the authority limits as set out in *Appendix E to the Financial Regulations*.
- 3.2 Budget Holders are responsible for requesting authority to write-off or dispose of inventory items. The request must include the inventory reference (where applicable), the condition of the item, the reason(s) for write off, the estimated value, implications for replacement (if any) and the proposed method of disposal. An Asset / Inventory Disposal Form should be raised and the relevant authorising signatures sought. This should be forwarded to the Finance Department.
- 3.3 Once approval to write-off an asset has been granted the department's inventory must be updated and the Facilities Department informed.



SECTION E: TRAVEL AND SUBSISTENCE

E/1 – Travel and Subsistence (UK)

E/2 – Travel and Subsistence (Overseas)



E/1 Travel & Subsistence (UK)

1 Staff Travel

- 1.1 Budget Holders are responsible for the authorisation of travel undertaken by College employees in relation to the activities of the College, within the UK, and should ensure that such travel is within the budgetary allocation and complies with the College's travel and subsistence regulations and allowance scales.
- 1.2 No travel should be undertaken without consideration of value for money as well as the economic and global footprint. For example, video conferencing should be used where ever possible; use of bicycles and public transport should also be encouraged.
- 1.3 Travel in relation to staff development should be approved by the HR Manager.

2 Business Travel Claims

- 2.1 Travel expenses will not normally be reimbursed for commuting journeys to the first place of work on any day, nor for claims emanating from or terminating at the claimants home. However, on occasions if staff travel to what would be described as a 'temporary place of work' directly from home (e.g. visiting another college, or attending a training course away from the Rochdale or Middleton campuses), business mileage to and/or from home may be claimed.
- 2.2 No travel should be undertaken in a vehicle unless the driver has a valid driving licence and is insured to use that particular vehicle for business use. Evidence of cover should be submitted to the Human Resources Department, each year, on renewal of the insurance policy. If a claimant has the use of more than one vehicle / hire car, evidence for each vehicle needs to be provided.
- 2.3 Any member of staff undertaking valid business mileage on behalf of the College should complete a Business Travel form on the HR Self Service on-line system.
- 2.4 Claims should be made monthly, in arrears, i.e. claims should only include travel up to the last working day of the month prior to the payment month (any mileage for the current month will not be paid).
- 2.5 The claimant must complete all sections of the form and then sign electronically to certify that it is a true and accurate record of mileage undertaken and that he/she holds a current driving license and the vehicle is insured for business use (see 2.2 above re evidence).
- 2.6 Claims for additional expenses, such as car parks or train or bus fares, must be accompanied by appropriate, original evidence, i.e. the ticket or a receipt. Without this evidence reimbursements will not be made, as this is a statutory requirement of HMRC.

- 2.7 The claim should now be certified for payment by an authorised signatory, the effect of which is to confirm that the responsibilities outlined in paragraphs 1.1 and 1.2 above have been fulfilled. Authorised claims should then be sent to the Human Resources department by the fourth day of the calendar month for payment through payroll.
- 2.8 Claims over 3 months in arrears will be paid, only in exceptional circumstances. Authorisation of the Executive Director of Finance, Estates & Risk Assessment should be sought before forwarding the form to the Human Resources department.
- 2.9 The Executive Director of Finance, Estates & Risk Assessment reserves the right not to authorise any late or unjustifiable claims.
- 2.10 Any fines or penalties incurred when travelling on College business (e.g. parking fines, speeding tickets) are the responsibility of the individual concerned and will not be paid by the College.
- 2.11 Claims will be paid at the rates given in *Appendix I*.

3 Rail Travel

- 3.1 If a member of staff needs to travel by train, the college credit card can be used to order advance tickets via the internet. An authorised purchase order should be forwarded to Finance (as prescribed in Procedure C/2 - *Ordering of Goods and Services*) no later than one week before the journey. This is to ensure there is sufficient time to receive any tickets posted out to the College. The order should stipulate the

- date(s) of travel
- the station of departure
- destination
- number and type of tickets required
- cost centre to be charged

Once ordered, the cost centre will be charged with the cost of the tickets.

- 3.2 Tickets should be booked as early as possible and consideration given to the time and day of travel, type of ticket required etc. to ensure the best value for money.
- 3.3 Normally, only 2nd class travel will be supported.
- 3.4 Upon invoice, the relevant cost centre will be charged with the journey(s) as outlined in Procedure C/3 - *Receipts of Goods and Services*.

4 Air Travel

- 4.1 Air travel will only be approved, by the SLT, in exceptional circumstances (e.g. rail strike, distance / timeliness of travel) or where the airfare demonstrates value for money compared to 2nd class rail travel.
- 4.2 Tickets should be booked as early as possible and consideration given to the time and day of travel, type of ticket required etc. to ensure the best value for money.

5. Subsistence

- 5.1 Under approved circumstances, and subject to approval of the Budget Holder, employees may be entitled to claim set subsistence allowances. The details of subsistence allowances will be available from the Human Resource Department.

6. Accommodation

- 6.1 Where possible, accommodation should be booked in advance using an official College order as specified in Procedure *C/2 - Ordering of Goods and Services*.
- 6.2 The college credit card can be used to reserve and pay for accommodation via the internet. An authorised purchase order should be forwarded to Finance (as prescribed in Procedure *C/2 - Ordering of Goods and Services*)
- 6.3 Consideration should be given to ensure the best value for money i.e. to the day of travel, location, type of room required, whether a return journey can be made the same day etc.

7 Cash Advances and Reimbursement of Expenses

- 7.1 Cash advances or reimbursement of expenses for trips (other than those to be claimed under paragraph 2 above) are subject to the contents of Procedure *C/5 – Petty Cash and Advances*.

8 Governors

- 8.1 The College's policy for the payment of expenses to governors is contained within the Standing Orders maintained by the Clerk to the Corporation.



E/2 Travel & Subsistence (Overseas)

1 Overseas Travel

- 1.1 Overseas travel is defined as any visit by staff or students to any country outside the UK.
- 1.2 No travel, booking or other commitment should be made without prior authorisation.
- 1.3 Each trip or visit requires separate authorisation.
- 1.4 Staff may not benefit personally from promotional offers such as air miles; any air miles, which accrue as a result of official journeys, should be used for the benefit of the College for future trips.
- 1.5 No travel should be undertaken without consideration of value for money as well as the economic and global footprint.

2 Travel Authorisation

- 2.1 Before formally seeking authorisation to travel, the initiator of any overseas trip (if not the Budget Holder) must discuss proposals with their Line Manager to obtain agreement in principle.
- 2.2 The initiator should then complete all sections of an **Overseas Travel Authorisation** form, including
 - Details of visit (e.g. dates, destination, students involved)
 - Purpose of visit
 - Staff travelling
 - Cost of visit
 - Source(s) of funding
 - Cost Centres funding any College contribution (signed by the Budget Holder to indicate agreement)
- 2.3 The form should be forwarded for approval.
- 2.4 Travel is only authorised when the form has been signed by two members of the Senior Leadership Team, one of whom must be a member of the Executive.
- 2.5 No orders or other request for payment will be processed by the Finance team prior to receiving an approved Overseas Travel Authorisation form signed by a member of SLT.
- 2.6 Any shortfall in funds for any visit shall be charged to the cost centre identified on the form.
- 2.7 Once approval to travel has been granted, it is the initiator's responsibility to ensure that all other necessary College procedures are followed and documentation completed (e.g. for insurance etc.)

3 Foreign Currency Advances

- 3.1 Foreign Currency Advances in the form of traveller's cheques or currency are subject to the regulations and procedures as stated in Procedure C/5 – *Petty Cash and Advances*.

4 Non College Staff

- 4.1 Where spouses, partners or other persons unconnected with the institution intend to participate in a trip, this must be clearly identified in the approval request. The College must receive reimbursement for the expected costs for those persons in advance of confirming travel bookings.
- 4.2 Payment for non-college staff may be made in exceptional circumstances, e.g. where the individual is travelling as the College's formal representative. This must be approved by the Principal.

5 Subsistence

- 5.1 Under approved circumstances, and subject to approval of the Budget Holder, employees may be entitled to claim set subsistence allowances for the duration of the visit. The details of subsistence allowances will be available from the Human Resources Department.



SECTION F: HOSPITALITY

F/1 - Hospitality



F/1 Hospitality

1 General

- 1.1 Hospitality refers to the provision of food and beverages, either on College premises or off-site.
- 1.2 The procuring of alcohol from College funds for hospitality purposes is not permitted unless approved by a member of the SLT.

2 Staff

- 2.1 It is not normal College practice to provide hospitality to staff. When it is not easy to decide between what is and what is not acceptable in terms of hospitality, advice should be sought from the Executive Director of Finance, Estates & Risk Assessment in advance. The inappropriate provision of hospitality may result in an individual being charged for the hospitality and action being taken under the College's Disciplinary Procedure.
- 2.2 At the discretion of the Budget Holder, light refreshments may be provided for formal meetings. These will normally be obtained through the College's internal catering facility unless better value may be obtained elsewhere.
- 2.3 All costs arising from the provision of hospitality will result in a charge against the Budget Holder's cost centre, and it is the responsibility of the Budget Holder to ensure that sufficient resources exist prior to committing funds in this manner.

3 Visitors

- 3.1 Visitors include governors, representatives from funding bodies, professional advisors and representatives from organisations with whom the College is currently working or is proposing to work with.
- 3.2 At the discretion of the Budget Holder, light refreshments may be provided for meetings with visitors. These shall be obtained through the College's internal catering facility unless better value may be obtained elsewhere.
- 3.3 Where a meeting is scheduled to continue during what would be a lunch break and where no such break is taken, at the discretion of the Budget Holder a light lunch may be obtained through one of the College's catering outlets, unless better value may be obtained elsewhere.
- 3.4 All costs arising from the provision of hospitality will result in a charge against the Budget Holder's cost centre, and it is the responsibility of the Budget Holder to ensure that sufficient resources exist prior to committing funds in this manner.



SECTION G: INCOME

G/1 – Invoice Generation

G/2 – Debt Collection

G/3 – Cash Handling and Banking

G/4 – Tuition Fee Refunds



G/1 Invoice Generation

1. General

1.1 All invoices to be raised must comply with Procedure *J/1 – Costing and Pricing*.

1.2 To ensure that all College income can be collected as soon as possible, Budget Holders must inform Finance, promptly, of: -

- Dedicated group tuition provided to an employer or organisation
- Lettings
- Goods supplied
- Staff secondments
- Other services rendered
- Grants due (other than those requested by a claim form)

This should be done by means of a **Sales Invoice Requisition** form.

1.3 It is important to have some confirmation that the debtor has agreed to pay the invoiced sum. Therefore, Budget Holders are requested to ensure that, as far as possible, all invoice requests quote a valid purchase order number, are supported by a letter of commitment from the debtor or by agreed payment terms in the case of formal contracts.

2 Sales Invoice Requisition

2.1 The Sales Invoice Requisition form is required to generate an invoice to an individual or organisation. Separate forms are required for each invoice to be raised.

2.2 All of the following details should be completed by the originator: -

- full name and address of the person / organisation to be invoiced,
- telephone number of the person / organisation to be invoiced
- the name of the person for whose attention the invoice should be marked
- customer's reference, order number or contract number
- invoice heading e.g. project title, tuition fees etc.
- full detailed description of the items to be invoiced
- total value of the invoice
- any comment to be printed on the invoice
- any additional relevant information
- nominal and cost centre codes to be credited
- name and section of person making the request
- contact e-mail address

2.3 For each item to be invoiced, the originator must state: -

- the quantity provided

- the price per unit
- the name of the person for whose attention the invoice should be marked
- the Total for that item (quantity times price per unit)
- whether VAT should be charged for this item (see table below or consult the Finance department).

V = VATABLE	X = Non VATABLE
Tuition fees re courses delivered by a subsidiary of the College, e.g. Quest (Pennine) Ltd	Tuition Fees re courses delivered by the college
Rents with facilities	Grants
All other lettings including sports facilities	Distance Learning
Sale of goods	HE Subcontracted Fees
Consultancy	Examination and Accreditation services
Reprographics & Printing (other than to students in relation to their studies)	Course related trips
All staff secondments other than teaching staff to other eligible bodies (e.g. universities, schools etc.)	Secondments of teaching staff to other eligible bodies (e.g. universities, schools etc.)

Staff to seek advice of Project Accountant/ Executive Director of Finance, Estates & Risk Assessment for all VAT related advice.

2.4 The form should then be sent to the Finance department either by email (finance1@hopwood.ac.uk) or in hard copy, in which case it should be signed by the person making the request (normally the Budget Holder). Budget Holders are advised to keep a copy for their records.

2.5 Please note that individual Budget Holders are not authorised to negotiate instalment arrangements. All such requests must be referred to the Executive Director of Finance, Estates & Risk Assessment for approval.

3 Amendment to Increase Charge to Customer

3.1 For minor amendments, to increase the charge to a customer, a supplementary Sales Invoice Requisition form should be completed for the difference in value (see paragraph 2).

3.2 For significant adjustments, a credit note should be requested (see paragraph 4) and a new Sales Invoice Requisition form should be completed for the total revised charged (see paragraph 2).

4 Credit Note Requisition

4.1 Budget Holders are responsible for notifying Finance of any sales invoices that require cancelling or amending in any way. Normally, this should be done by means of a **Credit Note Requisition** form.

4.2 All of the following details should be completed by the originator (and should reflect those for the original invoice): -

- full name and address of the person / organisation to be credited
- telephone number of the person / organisation to be credited

- the name of the person for whose attention the credit note should be marked
- customer's reference, order number or contract number
- credit note heading e.g. project title, tuition fees etc.
- full detailed description of the items to be credited
- total value of the credit
- any comment to be printed on the credit note

4.3 For each item to be credited, the originator must state

- the quantity to be credited
- the price per unit to be credited
- the total for that item (quantity times credit per unit)
- whether VAT should be credited for this item (see table 2.3 or consult the Finance department)

4.4 The reason for the request must be completed and signed by either the Budget Holder, the Executive Director of Finance, Estates & Risk Assessment or Finance Manager.

4.5 The signed original Credit Note Requisition should be forwarded to the Finance department who will arrange for it to be authorised and processed.

5 Credit Note Authorisation

5.1 All Credit Note Requisition forms must be authorised by the Executive Director of Finance, Estates & Risk Assessment or Finance manager as per the limits set out in *Appendix E to the Financial Regulations*.

5.2 No Credit Note Requisition form can be requested and authorised by the same person

5.3 All credit notes above the value of £500 including VAT must be authorised by the Executive Director of Finance, Estates & Risk Assessment, or a member of SLT unless a new invoice is to be raised, and the new invoice value is not £500 (including VAT) less than the original.

6 Processing

6.1 The Finance Manager is responsible for ensuring that: -

- invoices and credit notes are raised through the accounting software
- invoices and credit notes are sent to the customer and a copy retained by Finance together with the requisition and any additional attachments
- payments are receipted and/or recorded in the accounting software
- debt recovery action is taken in accordance with the Financial Regulations
- A Bacs transfer refund is provided if a credit note has been raised to cancel an invoice that has already been paid by a customer for whom no further transactions are expected.



G/2 Debt Collection

1 General

- All invoices in respect of monies due to the College shall be raised in accordance with Procedure *G/1 – Invoice Generation*
- All invoices are due for payment within 30 days of the date of issue, unless otherwise stated.
- Instalment arrangements may only be approved by the Finance Manager or Executive Director of Finance, Estates & Risk Assessment. These will normally only be granted in respect of tuition fees following the recommendation of the Enrolment Group.
- When a direct debit instalment is rejected, a SMS message is sent to inform the learner, failure to respond to this or settle the outstanding instalment, will result in the instalment plan being cancelled and an invoice for the full amount being sent.

2 Debt Monitoring and Collection

- The Finance Assistant – Sales Ledger will prepare an aged debt report on a monthly basis.
- Where debts are identified as overdue, correspondence with the debtor will be entered into as follows:

Debt overdue by	Action
1 - 30 days	Statement
31 - 60 days	Letter 1
61 - 90 days	Letter 2
91+ days	Refer to Debt Collection agency

3 Bad Debt Write-off

- The Executive Director of Finance, Estates & Risk Assessment may approve the writing-off of individual debts up to and including £5,000, as per the limits set out in Appendix E of the Financial Regulations
- The Executive Director of Finance, Estates & Risk Assessment will present, at least annually, a schedule of irrecoverable debts over £5,000 to the Employment & Finance Committee for approval to write-off.



G/3 Cash Handling and Banking

1 General

- 1.1 In the course of its normal activities the College will need to receive cash and other forms of payment from its external customers, and transfer cash between internal departments. The procedures in respect of cash handling and banking must be followed on every occasion and are binding on every employee of the College.
- 1.2 Under no circumstances will any personal cheques be exchanged for cash at a College Cash Point.
- 1.3 The Finance Manager retains responsibility for all cash handling and banking but may delegate routine activities to members of the Finance team.

2 Cash Points

- 2.1 Cash and cash-type currency (e.g. cheque, credit card, debit card) may only be received at approved locations throughout the College; these will be referred to as Cash Points. No Cash Point may be established without the express approval of the Finance Manager.

3 Receipts

- 3.1 These Financial Procedures refer to Receipts to be issued in respect of all cash transactions.
- 3.2 College receipts are controlled stationery. They are pre-numbered in sequential order and printed in book format with carbon copy. The Finance Manager is responsible for the issue of receipt books to approved members of staff and the physical security of receipt books, both those un-issued and completed books returned. The Finance Manager will maintain a Register of Receipt Books in respect of receipt books issued and will obtain a signature on each occasion of issuing a book to a member of staff. No member of staff may have access to a receipt book without providing a signature on a Receipt Book Request Form. Books must be issued in consecutive sequential order. All completed receipt books must be returned to the Finance Manager and the Register of Receipt Books updated with the date of return.
- 3.3 New receipt books will not normally be issued to a member of staff until a completed one has been returned. In some circumstances (e.g. logistical) it may be necessary to issue a new book in advance of the return of a completed one. The Finance Manager is responsible for ensuring follow-up procedures are in place so that all completed books are duly returned, recorded and stored securely.

4 Income Received At Cash Points Fitted With Electronic Tills

- 4.1 All Cash Points must be equipped with an electronic cash register capable of issuing receipts and producing interim sub-totals, daily totals and cumulative running totals of takings. No Cash Point is to operate without an electronic cash register unless consent is provided by the Finance Manager.

- 4.2** All cash received at Cash Points must be entered into the cash register and an electronically generated receipt provided to the customer.
- 4.3** In circumstances where an electronic cash register is not installed or functional at a Cash Point, the procedures at Paragraph 5.5 are to be followed.
- 4.4** The responsible Manager in whose area the Cash Point is situated shall assign employees, **Till Operators**, to staff each Cash Point and perform cash handling duties. The amount of the till float will be in accordance with levels to be determined by the Finance Manager. The value of the float must be verified at the commencement of each session by the Till Operator.
- 4.5** A manual record must be maintained at each Cash Point in respect of each till's transactions. The manual record will consist of a file of individual **Till Takings Sheets**, one sheet being completed for each session. The Till Takings Sheet must contain details of:
- 1 Date of session
 - 2 Location of till
 - 3 Cash takings per session per electronic till information
 - 4 Actual cash takings per session
 - 5 Variance between electronic and actual takings (4 – 3)
 - 6 Analysis of actual takings split between cash & cheques and other
 - 7 Transaction type details
 - 8 Signature of Till Operator certifying cash takings to be banked
 - 9 Receipt number issued by Finance
 - 10 Signature of **Staff Member** (see Paragraph 4.8) certifying value of cash handed to Finance Member
 - 11 Signature of **Finance Member** (see Paragraph 4.8) certifying receipt of cash
- 4.6** At the end of each till session the cash and other forms of takings must be placed in an envelope by the Till Operator along with the Till Takings Sheet, completed up to and including point 8 under Paragraph 4.5 above, and the till-generated summary of takings from the session. The Till Operator must seal the envelope containing the takings and other contents and place his/her signature over the seal.
- 4.7** At the end of each till session the envelopes containing the takings and the completed Till Takings Sheet must be made secure. It is the responsibility of the Manager in whose area the Cash Point is situated to ensure the physical security of the takings envelopes.
- 4.8** A member of Finance staff will be available to receive all takings envelopes from Cash Points at times to be arranged by the Finance Manager. The sealed takings envelope will be produced from its secure location by a member of staff (Staff Member) assigned this duty by the Manager referred to in 4.7 above, in the presence of the Finance Member. The sealed envelope must only be opened by the Finance Member in the presence of the Staff Member. Where ever possible, the contents of the envelope must be counted by the Finance Member in the presence of the Staff Member.
- 4.9** On any occasion where there is evidence that the seal on an envelope has been broken, or where the cash contained within an envelope does not agree to the total entered upon the Till Takings Sheet, the Finance Manager must be informed immediately and investigative action instigated.

- 4.10** The Finance Member receiving cash must check the calculations on the Till Takings Sheet and confirm that details entered from the till-generated report are consistent with that report. Any variances between physical cash takings and electronic takings as shown by the till-generated report, (Paragraph 4.5, point 5), over £10 must be reported by the Finance Member to the Finance Manager for investigation.
- 4.11** Where the Finance Member and Staff Member are satisfied that the contents of the envelope are consistent with the data entered upon the Till Takings Sheet, and that the validation procedures outlined in Paragraphs 4.8 to 4.10 above have been performed satisfactorily, both parties shall sign the Till Takings Sheet. The Finance Member will prepare an internal receipt for the amount to be banked and enter the receipt number on the Till Takings Sheet.
- 4.12** On issue, the Finance Member shall sign the receipt. The top copy of the receipt must be removed from the receipt book and retained by the Staff Member. The Staff Member must file the Receipt. The Finance Member will retain the original Till Takings Sheet.

5 Income Received At Cash Points without Electronic Tills

- 5.1** In accordance with Paragraph 4.1, no Cash Point is to operate without an electronic cash register unless consent is provided by the Finance Manager
- 5.2** Where possible, cash should be collected at electronic till points. If a Manager is granted authority to establish a Cash Point without an electronic till, the following Financial Procedures must be adhered to.
- 5.3** The responsible Manager in whose area the Cash Point is situated shall assign employees to staff each Cash Point and perform cash handling duties. The amount of the float will be in accordance with levels to be determined by the Finance Manager. The value of the float must be verified at the commencement of each session by the employee assigned to the task.
- 5.4** The Finance Manager shall issue an external receipt book to the Manager in whose area the Cash Point is to be operated in accordance with the procedures outlined in Paragraph 5.2 above. It is the responsibility of the Manager to ensure that appropriate security and control arrangements surrounding the use of the receipt book within the department are enforced. The Manager may devolve this responsibility for operational purposes but will ultimately be held jointly accountable with the person to whom the receipt book is passed for ensuring that all procedures contained herein are adhered to.
- 5.5** Every financial transaction enacted at a Cash Point must be the subject of an external receipt being issued. In no circumstances must cash or cheques be received at a Cash Point operating without an electronic till without a manual receipt being issued to the customer. All receipts issued to customers must be signed by the **Cash Point Operator** as evidence of receipt of income.
- 5.6** A manual record must be maintained at each Cash Point in respect of each day's transactions. The manual record will consist of a file of individual **Cash Takings Sheets**, one sheet being completed for each day. The Cash Takings Sheet must contain details of:
- 1 Date of session
 - 2 Name of Cash Point Operator

- 3 Location of Cash Point
- 4 Details of receipt numbers issued and amounts taken
- 5 Actual takings per session
- 6 Variance between actual takings and takings represented by receipts (5 – 4)
- 7 Analysis of actual takings split between cash & cheques
- 8 Transaction type details
- 9 Signature of Cash Point Operator certifying cash takings to be banked
- 10 Internal Receipt number issued by Finance
- 11 Signature of Finance Member certifying receipt of cash and ensuring sequential completeness of manual receipt numbers

5.7 Members of Finance staff will be available to receive takings from Cash Points, at times to be arranged by the Finance Manager

5.8 Where a member of Finance staff is unable to be present at the end of a Cash Point day or session, the cash and other forms of takings must be made secure by the Cash Point Operator along with the Cash Takings Sheet, completed up to and including point 9 under Paragraph 5.6 above, and the receipt book. It is the responsibility of the Manager in whose area the Cash Point is situated to ensure the physical security of the cash and supporting documentation.

5.9 The member of Finance staff assigned to collect the takings in respect of the Cash Point shall receive the takings, the Cash Takings Sheet completed up to and including point 9 under Paragraph 5.6 above, and the external receipt book from the Cash Point Operator. Where ever possible, the Finance Member will count the takings in the presence of the Cash Point Operator and ensure that cash and cheques presented by the Operator match the total entered upon the Cash Takings Sheet.

5.10 The Finance Member receiving cash must check the calculations on the Cash Takings Sheet and confirm that details entered from the external receipt book are consistent with the carbon copy receipts in the book. Any variances from the external receipt book greater than £10 in terms of cash totals, or any instances of receipts issued but not entered on the Cash Takings Sheet must be reported by the Finance Member to the Finance Manager for investigation.

5.11 Where the Finance Member and Cash Point Operator are satisfied that the contents of the external receipt book are consistent with the data entered upon the Cash Takings Sheet, and that the validation procedures outlined in Paragraphs 5.10 above have been performed satisfactorily, the Finance Member will prepare an internal receipt for the amount to be banked and enter the receipt number on the Cash Takings Sheet.

5.12 On issue, the Finance Member shall sign the receipt. The top copy of the receipt must be removed from the receipt book and stapled to a copy of the Cash Takings Sheet. The top copy of the receipt will be retained by the Staff Member. . The Finance Member will retain the original of the Cash Takings Sheet.

6 Banking Of Cash And Cheques Received By Finance From Cash Points

6.1 All cash and cheques received through Cash Points as referred to in Paragraphs 4 and 5 above must be deposited with the College's clearing bankers with minimum delay. Only members of Finance staff authorised by the Finance Manager shall be assigned duties in respect of preparing income received by the College for banking purposes.

6.2 A **Banking Summary Sheet** must be prepared in respect of every banking. The Banking Summary Sheet will contain details of:

- 1 Location
- 2 Date
- 3 All internal receipt numbers supporting the banking
- 4 Descriptions against each internal receipt
- 5 Values of each internal receipt, split between cash and cheques
- 6 Total of amount to be banked
- 7 Tender-type of total amount to be banked
- 8 Signature of Finance Member preparing the banking confirming that:
 - all calculations have been checked
 - all void or cancelled receipts are attached
- 9 Number from courier bag seal (see Paragraph 6.3)
- 10 Signature of **Staff Member** receiving sealed bag from Finance Member (see Paragraph 6.5)

6.3 Having prepared the Banking Summary Sheet up to and including Point 8 under Paragraph 6.2 above, the Finance Member will prepare a carbonised **Bank Giro Credit** slip in respect of the amount to be banked. The takings and the original copy of the completed Bank Giro Credit will be placed in a **deposit bag** supplied by the College's contracted courier service and sealed. The seals to be used on the bag are pre-numbered and are supplied by the College's contracted couriers. No bags will be accepted by the courier unless sealed in this manner. Having sealed the bag, the Finance Member must enter the seal number on the Banking Summary Sheet (point 9 under Paragraph 6.2 above).

6.4 The College's contracted couriers will collect deposit bags from approved **Collection Locations** agreed with the Finance Manager. No deposit bags will be collected from any other location. The sealed bag will be passed by the Finance Member to a member of staff operating at the Collection Location (Staff Member) who will sign the Banking Summary Sheet (point 10 under Paragraph 6.2). The Staff Member shall arrange for the sealed bag to be placed in a safe at the approved Collection Location. It is the responsibility of the Manager in whose area the Collection Location is situated to ensure the physical security of the deposit bag prior to collection by the courier.

6.5 At each Collection Location, a **Register of Collections** must be maintained detailing:

- 1 Date
- 2 Bag number
- 3 Value
- 4 Signature of Customer Services Member receiving deposit bag from Finance Member
- 5 Courier Receipt number

6.6 The Finance Member preparing the deposit bag for collection shall complete the Register of Collections up to and including Point 3 under Paragraph 6.5 above.

6.7 On collection, the courier will issue a receipt for the sealed bag. The receipt must be filed along with the Register of Collections at each Collection Location.

7 Recording Of Cash And Other Receipts On The Financial Accounting System

7.1 All cash and other forms of payment received by the College at Cash Points from its external customers must be recorded on the College's financial accounting system.

7.2 Upon completion of the banking activities detailed under Paragraph 6 above, the Finance Member must immediately return to the Finance Division all appropriate documentation relating to the banking, namely:

- 1 Completed Banking Summary Sheet
- 2 Carbon copy internal receipt book
- 3 Bank Giro Credit
- 4 Electronic till-generated summary of takings (See Paragraph 4.6)
5. All backing documentation such as Sponsor Letters, instalment forms etc.

7.3 A Finance member (Finance Member #2) other than the member responsible for the preparation of the banking is responsible for the recording of receipts on the financial accounting system. Only in exceptional circumstances may both tasks be performed by the same person, with permission from the Finance Manager.

7.4 Finance Member #2 is responsible for the completion of the remaining items on the Banking Summary Sheet – Point 11 under Paragraph 6.2 above. Finance Member #2 will sign the Banking Summary Sheet to confirm that:

- 1 All receipt values agree to carbon copy in internal receipt book
- 2 The listing of internal receipts is sequentially complete
- 3 The final internal receipt number from the previous Banking Summary Sheet immediately precedes the opening internal receipt number on the current Banking Summary Sheet

7.5 Having performed the validation procedures detailed in Paragraph 7.4 above, Finance Member #2 shall prepare a Posting Summary Sheet. The purpose of this exercise is to detail specific account codes against which income is to be entered on the financial accounting system. One Posting Summary Sheet must be completed in respect of each Banking Summary Sheet. The Posting Summary Sheet must be signed by Finance Member #2 as evidence that the totality of cash and cheque takings to be posted on to the financial accounting system equates to the total banked as evidenced by the Bank Giro Credit.

- 7.6** The details on each completed Posting Summary Sheet must be entered on the Colleges' financial accounting system. The posting to the ledgers in respect of each Posting Summary Sheet will be undertaken by a member of staff assigned to this duty by the Finance Manager, but in most cases must exclude the person responsible for the preparation of the Banking Summary Sheet and the person responsible for performing the bank account reconciliation. Postings to the ledgers will be undertaken in accordance with instructions to be issued to staff by the Finance Manager.
- 7.7** A member of the Finance team designated by the Finance Manager will maintain a Till Sequence Reconciliation containing details of successive closing cumulative till totals showing a comparison of the difference between the two readings and the gross tender value. This information is to be derived from the electronic till-generated summary of takings (See Paragraph 7.2). On any occasion where the difference between two closing cumulative till totals does not equate to the amount being banked the Finance Manager must be informed immediately.



G/4 Tuition Fee Refunds

1 Granting of Refunds

- 1.1 Tuition fee refunds will not normally be given unless the College has
- altered the terms and conditions of the course offered, for instance by changing the day, time, venue or syllabus, or if classes have to be cancelled due to lack of student numbers
 - failed in its duty to offer quality provision
- 1.2 If a learner is unable to attend a course due to unforeseen circumstances, the Executive Director of Finance, Estates & Risk Assessment may grant a discretionary refund or issue a credit against future enrolment, as a gesture of goodwill.
- 1.3 Any refund will be in accordance with the Refunds Policy.

2 Course Closure

- 2.1 It is the responsibility of the curriculum manager to ensure that all students in a class which is to be closed are offered an alternative course of study or a full refund and given a Class Closure Refund form.
- 2.2 The individual student should return the form to the relevant curriculum area with proof of payment, selecting the option preferred.
- 2.3 If the learner transfers on to another course and there is a variance in course fees
- any additional balance should be paid by the student
 - for any reduction in fees, the difference should be refunded (see 2.4 below)
- 2.4 The curriculum area should forward a Class List to Finance indicating which students require a full or partial (amount to be specified) refund.
- 2.5 Finance will issue the refund after confirming the amount and method of payment and to whom the refund is due (i.e. student or sponsor).

3 Discretionary Refund

- 3.1 To request a refund for any reason other than course closure, the student should apply in writing to the Executive Director of Finance, Estates & Risk Assessment.
- 3.2 Upon consideration of this request, the Executive Director of Finance, Estates & Risk Assessment will do one of the following: -
- explain to the student why the request has been denied
 - offer a credit against future enrolment
 - forward a signed Course Fee Refund Approval Form to Finance for processing
- 3.3 On receipt of a signed Course Fee Refund Approval form, Finance will issue the refund after confirming the amount and method of payment and to whom the refund is due (i.e. student or sponsor).



SECTION H: BANKING ARRANGEMENTS AND TREASURY

H/1 – Banking Arrangements



H/1 Banking Arrangements

1 Appointment Of Bankers And Other Professional Advisers

- 1.1 The governing body is responsible for the appointment of the institution's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Employment & Finance Committee. The appointment shall be for a specified period after which consideration shall be given by the Employment & Finance Committee to competitively tendering the service. The appointment shall be for a 5 year period after which consideration shall be given by the Employment & Finance Committee to competitively tender the service.

2 Banking Arrangements

- 2.1 The Executive Director of Finance, Estates & Risk Assessment is responsible, on behalf of the Employment & Finance Committee, for liaising with the institution's bankers in relation to bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the Finance Manager, who shall make proper arrangements for their safe custody.
- 2.2 Only the Executive Director of Finance, Estates & Risk Assessment may open or close a bank account for dealing with the institution's funds. All bank accounts shall be in the name of the institution or one of its subsidiary companies.

3 Automated Transfer Signatories

- 3.1 Automated transfers made on behalf of the institution must be signed by two authorised signatories, this can be either electronically via email or physical.
- 3.2 A schedule of authorised signatories shall be maintained by the Finance Manager. The schedule will normally include the Principal and members of the SLT.
- 3.3 All automated transfers on behalf of the institution, such as BACS or CHAPS, may only be authorised by those persons as described in Paragraph 3.2 and in the manner described in Paragraph 3.1.

4 Short Term Deposits

- 4.1 In accordance with the Corporation's Treasury Management Policy, the College will periodically place funds on short term deposit, for up to one year.
- 4.2 The placing of funds on short term deposits may be carried out by the Project Accountant following the evaluation of cash flow forecasts.

5 Statement Reconciliations

- 5.1 The Finance Manager is responsible for reconciling all bank accounts on a monthly basis. These reconciliations will be reviewed by the Executive Director of Finance, Estates & Risk Assessment in a timely manner.

6 Overdraft facilities

- 6.1 In the event of an arranged overdraft being required, approval must be sought from the funding body and must also be approved by the Employment and Finance Committee, as delegated by the Corporation.



SECTION I: COMPANIES AND JOINT VENTURES

I/1 – Companies and Joint Ventures



I/1 Companies and Joint Ventures

1 General

- 1.1 During the course of its day to day business the College will occasionally need to establish an alternative structure for the delivery of certain activities. This may be undertaken by the College acting on its own or in partnership with other organisations, and may take a legal form (e.g. a company) or be by way of memorandum of understanding or service level agreement.

2 Companies

- 2.1 In certain circumstances it may be advantageous to the institution to establish a company or a joint venture to undertake services on behalf of the institution. Any member of staff considering the use of a company or a joint venture should first seek the advice of the Executive Director of Finance, Estates & Risk Assessment, who should have due regard to guidance issued by the funding body.
- 2.2 Under the Learning and Skills Act 2000, an institution needs the prior approval of the funding body before a company or a joint venture can be established. The governing body is responsible for ensuring that the required procedures are followed.
- 2.3 Proposals for the establishment of, or the purchase of shares in, a company by the College shall be taken to the Employment and Finance Committee by the Executive Director of Finance, Estates & Risk Assessment. No company shall be established by the College without the approval of the Employment and Finance Committee acting upon the authority of the Corporation.
- 2.4 It is the responsibility of the governing body to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the institution. These and other arrangements will be set out in a memorandum of understanding. The memorandum of understanding shall include the following sections:
- i) Purpose and scope of the memorandum
 - ii) Ownership of the company
 - iii) Representation
 - iv) Business plan
 - v) Use of College resources
 - vi) College staff remuneration
 - vii) Reporting arrangements
 - viii) Financial control and audit arrangements
 - ix) Termination
- 2.5 The monitoring and reporting on the activities of any College company shall be undertaken by the directors of the company. The directors are required to hold at least one meeting of the Company per annum, the annual general meeting. The directors of companies where the institution is the majority shareholder must submit, via the Employment & Finance Committee, an annual report to the governing body. They will also submit business plans or budgets as requested to enable the committee to assess the risk to the institution. The institution's internal and external auditors shall also be appointed to such companies.

- 2.6 A summary of the Company's income and expenditure shall be incorporated into the College's monthly management accounts presented to the Employment and Finance Committee for scrutiny.
- 2.7 Where the institution is the majority shareholder in a company, the funding body requires that the company's financial year must be consistent with that of the institution.

3 Collaborative / Subcontracted Provision

- 3.1 Any contract or arrangement whereby the institution provides education to students away from institution premises, or with the assistance of persons other than the institution's own staff or with independent contractors (partner organisations), must be subject to the following procedure.
- 3.2 There shall be a contract signed by the Principal and on behalf of any partner organisation. Contracts for significant changes in subcontracting activity shall be approved in advance by the governing body.
- 3.3 The form of the contract shall be scrutinised in advance of its operation and approved by the Employment and Finance Committee or the governing body.
- 3.4 The impact of the contract(s) shall be subject to scrutiny by the Employment and Finance Committee or the governing body. They shall consider the risk factors associated with the proposed partnership and agree an appropriate entry in the institution's financial forecast.
- 3.5 Where the partnership would represent a significant departure from the institution's strategic plan, the governing body shall approve the departure, and the Principal shall seek the views of and inform the funding body. Contractors over £100k must be externally audited and the report sent to the ESFA as part of the funding requirements.



SECTION J: COSTING AND PRICING

J/1 – Costing and Pricing



J/1 Costing and Pricing

1 General

- 1.1 During the course of its day to day business the College will need to determine costs and set prices in respect of a number of different activities. These activities will range from the setting of course fees and accommodation rates to the costing of bids submitted to external funding organisations.
- 1.2 The College Corporation, through the Employment and Finance Committee, retains responsibility for the approach to costing and pricing as set out in this procedure. Certain prices, such as those relating to tuition, will be determined annually by the Corporation. Other prices will be set following the methodology outlined in this Procedure.

2 Definitions

- 2.1 **Costing** refers to the identification of **all** elements of costs associated with the delivery of a service, and determining the values and/or rates to be assigned to those elements in order to arrive at the total cost of the service.
- 2.2 **Pricing** refers to the establishment of the price to be charged to the recipient of a service. This price may be less than the cost of the service (resulting in a loss), equivalent to the cost (resulting in a break-even), or greater than the cost (resulting in a surplus).
- 2.3 **Direct costs** are those costs directly attributable to the provision of a service, e.g. teaching hours on a course.
- 2.4 **Indirect costs** are those costs not directly attributable to the provision of a service but which require identifying in order to arrive at the total cost of a service. These costs include overheads such as fuel, light and heat, and the provision of administrative and technical services from other areas of the College. These activities should be taken into account by the application of a margin factor.
- 2.5 The setting of prices for College services should normally result in the generation of a surplus or at least break even after all costs, direct and indirect, are taken into account. Activities or services which are not intended to generate a surplus (e.g. a loss leader) must be justified by the service manager.

3 Tuition Fees

- 3.1 On an annual basis the Executive Director Performance Planning & Information Systems will prepare a report making recommendations for the setting of tuition fees for the following academic year. The report will also make proposals for any fee remission policy to be adopted and shall be prepared in conjunction with the Head of Marketing and take cognisance of directives from any funding body.

- 3.2 The Employment and Finance Committee shall consider the recommendations in the report and confirm the level of tuition fees and fee remission policy.

4 Commercial Activities

- 4.1 Commercial activities refer to those areas of business engaged in by the College and any subsidiaries which are not directly related to the core teaching and learning activities resourced by one or more of the funding bodies.
- 4.2 Examples of commercial activities include bespoke training, lettings and sales of goods and services.
- 4.3 It is the responsibility of any other manager wishing to engage in a commercial activity to ensure that the activity is fully costed. The Executive Director of Finance, Estates & Risk Assessment will provide an annual schedule of rates to be used for this purpose – see *Appendix II*.

5 External Bids And Matched Funding

- 5.1 From time to time the College will submit bids to external agencies. These may be submitted in the College's name alone or in conjunction with another provider(s). Bids may be submitted to agencies at a local, regional, national or international level.
- 5.2 A number of funding mechanisms require the applicant to provide matched funding. Any such project requires the approval of the Executive Director of Finance, Estates & Risk Assessment prior to entering into any commitment. Such approval shall be dependent upon the relevant head of department being able to demonstrate that eligible matching funds are available (if applicable) and that the project is financially viable by the application of the institution's costing and pricing methodology.
- 5.3 Individual applications for funds in excess of £250,000 shall be the subject of a report by the Principal to the governing body (or delegated committee) which will set out, amongst other things, the potential risks generated by the project.

6 Approval

- 6.1 No expenditure may be entered into in respect of any project or activity without budgetary approval being granted. A detailed costing must be submitted to the Executive Director of Finance, Estates & Risk Assessment see Procedure B/4 - Cost Centre Approval.