

South Gloucestershire and Stroud College

Financial Regulations



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Please contact the Finance Department

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Mandatory Initial Equality and Diversity Impact Screening

Is this policy (or its constituent parts) relevant to a general equality duty? (please tick)	This policy development will assist in the elimination of unlawful discrimination and/or harassment of identified groups?	Implementation of this policy will promote equal opportunities for identified groups?	Implementation of this policy will promote positive attitudes and participation between groups?	Implementation of this policy will promote good relations between groups?	
Age	✓	✓	✓	✓	
Disability	✓	✓	✓	✓	
Gender Reassignment	✓	✓	✓	✓	
Race or Ethnicity	✓	✓	✓	✓	
Religion or Belief	✓	✓	✓	✓	
Marriage	✓	✓	✓	✓	
Pregnancy/ Maternity	✓	✓	✓	✓	
Sex	✓	✓	✓	✓	
Sexual Orientation	✓	✓	✓	✓	
Carers/ Care givers	✓	✓	✓	✓	
Persons in care	✓	✓	✓	✓	
Specify any groups for which there is evidence or reason to believe that some groups or individuals could be affected differently:					
How much evidence is there:	None	A little	Some	A lot	
	✓	☐	☐	☐	
The evidence supporting this assessment is supplemented by the research/evidence supporting a parent or sibling College or Group policy?			Yes ☐	Policy Reference: *****	
Is there any concern that the policy may operate in a discriminatory way?	None	A little	Some	A lot	
	✓	☐	☐	☐	
Assessed relevance to equality (tick one row only)	High	Med	Low	None	Brief reason for this assessment
Age	☐	☐	☐	✓	
Disability	☐	☐	☐	✓	
Gender Reassignment	☐	☐	☐	✓	
Race or Ethnicity	☐	☐	☐	✓	
Religion or Belief	☐	☐	☐	✓	
Marriage	☐	☐	☐	✓	
Pregnancy/ Maternity	☐	☐	☐	✓	
Sex	☐	☐	☐	✓	
Sexual Orientation	☐	☐	☐	✓	
Carers/ Care givers	☐	☐	☐	✓	
What is the next step? (tick one only)	What priority level is this policy?			Has the Policy been sent for Full EQIA, or do you believe the policy should have a Full EQIA?	
	High ✓	Medium ☐	Low ☐	Yes ☐	No ✓
<i>I am satisfied that an initial screening has been carried out on this policy/procedure and a full Impact Assessment is not required</i>					
Completed by: Rich Aitken		Position: Head of Finance		Date: 20/05/19	

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A. TERMINOLOGY

AUDIT COMMITTEE

The Audit Committee is independent of Executive responsibility, and advises the Corporation on issues related to internal audit, external audit and financial control. It must issue an Annual Report to the Corporation which comments on the College's system of internal control.

BUDGET HOLDER

A member of staff who has been assigned his or her own budget and is accountable for it.

GROUP CHIEF EXECUTIVE OFFICER (CEO) & EXECUTIVE PRINCIPAL

Under the Financial Memorandum, the Group CEO & Executive Principal is the College's Accounting Officer with the ultimate Executive responsibility for the finances and the management of the College.

COLLEGE

Reference to the College includes SGS College and its subsidiary undertakings.

DESIGNATED FUNDING BODY

This refers to the Education and Skills Funding Agency (ESFA).

EXECUTIVE

The Executive is the Senior Management Team that assists the Group CEO & Executive Principal in running the College. This includes senior post-holders and other members of staff.

FUNDING BODY/BODIES

This refers to the Education and Skills Funding Agency (ESFA), the Office for Students (OfS) and the West of England Combined Authority (WECA).

GROUP CHIEF FINANCIAL OFFICER

The Group Chief Financial Officer is the Chief Financial Officer of the College and its subsidiaries, responsible for the design and implementation of the internal control framework, financial and management accounting.

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HEAD OF DEPARTMENT/FACULTY

The Head of an Academic or Non-Academic department/faculty who is responsible for the performance against targets and budget of their whole department/faculty.

COLLEGE PRINCIPAL

The College Principal is responsible for the continued development and growth of the College's provision and for the day to day running of the College and is the operational lead for ensuring the College delivers the annual financial plan.

THE CORPORATION (BOARD OF GOVERNORS)

The Corporation (Board of Governors) is ultimately responsible for the affairs of the College. The membership, powers and procedures are defined within the [Instrument and Articles of Government](#) and Corporation Standing Orders. The Corporation is supported by the following Committees of Audit, Search, Remuneration and a task and finish group called the Strategic Property Group (SPG).

B. GENERAL PROVISIONS

1. Background

- 1.1. South Gloucestershire and Stroud College (“The College”) is a Further Education Corporation created under the provisions of the [Further and Higher Education Act 1992](#). The College is accountable through its Corporation, which has ultimate responsibility for the effectiveness of its management and administration.
- 1.2. The College is an exempt charity by virtue of the Charities Act 1993 as amended by the Charities Act 2006.
- 1.3. The Financial Memoranda between the Funding Bodies and the College set out the terms and conditions on which grants are made. The Corporation is responsible for ensuring that conditions of grants are met. As part of this process, the College must adhere to the Funding Bodies’ *Post-16 Audit Code of Practice*, which requires it to have sound systems of financial and management control. The Financial Regulations of the College form part of this overall system of accountability.

2. Status of Financial Regulations

- 2.1. This document sets out the College’s Financial Regulations. It translates into practical guidance the College’s broad policies relating to financial control. It applies to the College and any subsidiary undertakings it may have.
- 2.2. These Financial Regulations are subordinate to the College’s Instruments and Articles of Government and to any restrictions contained within the College’s Financial Memoranda with the Funding Bodies and the *Post-16 Audit Code of Practice*.
- 2.3. The purpose of these Financial Regulations is to provide control over the totality of the College’s resources and provide management with assurances that the resources are being properly applied for the achievement of the College’s strategic plan and business objectives:
 - financial viability
 - achieving value for money
 - fulfilling its responsibility for the provision of effective financial controls over the use of public funds
 - ensuring that the College complies with all relevant legislation
 - safeguarding the assets of the College.
- 2.4. Compliance with the Financial Regulations is compulsory for all staff connected with the College. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the College’s disciplinary policy. The Corporation must be notified of any such breach through the Audit Committee. It is the responsibility of Budget Holders to ensure that their staff are made aware of the existence and content of the College’s Financial Regulations.

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- 2.5. The Audit Committee is responsible for maintaining a continuous review of the Financial Regulations, through the Group Chief Financial Officer, and for recommending Corporation approval of any additions or changes necessary.
- 2.6. In exceptional circumstances, this committee may authorise a departure from the detailed provisions herein, such departure must be reported to the Corporation at the earliest opportunity, setting out why such action was taken.
- 2.7. The College's detailed [Financial Procedures](#) set out precisely how these regulations will be implemented and are contained in a separate manual.

C. GOVERNANCE

1.1 The Corporation

One of the main responsibilities of the Corporation is for the oversight of College activities. Its financial responsibilities are to:

- ensure the solvency of the College and the safeguarding of the College's assets
- appoint, grade, suspend, dismiss and determine the pay and conditions of service of the Group CEO & Executive Principal, College Principal, other senior post-holders including the Clerk, and other posts determined by the Corporation.
- 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, bribery and theft, applied by the College are appropriate and sufficient to safeguard public funds
- approve the appointment of external auditors and an internal audit service
- assure the efficient, economical and effective management of all the College's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in the College is not put at risk
- ensure that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution
- assure that the College plans and conducts 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 and 2 year financial forecast before the start of each financial year
- approve the Fees, Charges & Refunds Policy
- assure that the College complies with the Funding Bodies' Post-16 Audit Code of Practice
- approve the College's Strategy
- approve the annual Report and Financial Statements
- approve long term financing arrangements.

1.2 Corporation Committee Structure

The Corporation has ultimate responsibility for the College's finances, but it delegates specific powers and processes to the committees detailed below. These committees are accountable to the Corporation.

Audit Committee

Colleges must, by their Financial Memoranda with the Funding Bodies and by the Funding Bodies' Post-16 Audit Code of Practice, appoint an Audit Committee. The Committee is independent, advisory and reports to the Corporation. It has the right of access to obtain all the information it considers necessary and to consult directly with the Internal and External Auditors. The audit requirements of the College are set out in the Funding Bodies' Post-16 Audit Code of Practice.

The Committee is responsible for identifying and approving appropriate performance measures for internal and external auditors and for monitoring their performance. The Audit Committee is also responsible for assuring the Corporation that the College has adequate and effective assurance arrangements, framework of governance, risk

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management and control processes for the effective and efficient use of resources, solvency of the institution and the safeguarding of its assets.

In order to provide the Corporation with the appropriate assurance the College has appointed an Internal Audit service reporting to the Audit Committee.

However, responsibility for risk management, control and governance processes remains fully with management, who must 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.

Remuneration Committee

Consideration of senior post-holders, other posts designated by the Corporation and the Clerk's pay and conditions is the responsibility of the Remuneration Committee. It has the power to make recommendations to the Corporation on their remuneration, including pay and other benefits, as well as contractual arrangements.

2. Group Chief Executive Officer & Executive Principal / Accounting Officer

The Group CEO & Executive Principal is the College's Accounting Officer and has ultimate responsibility for ensuring the financial administration of the College's affairs in accordance with the Financial Memoranda with the Funding Bodies.

As the Accounting Officer, the Group CEO & Executive Principal may be required to justify any of the College's financial matters to the Public Accounts Committee at the House of Commons.

The articles of government 5. (1). (b) and (c) charge the Group CEO & Executive Principal with responsibility for:

- 5. (1) (b) *Reviewing and approving annual estimates of income and expenditure prepared by the Principal and taking such annual estimates to the Corporation for consideration and approval.*
- 5. (1) (c) *Overall management of budget and resources within the estimates approved by the Corporation.*

The Group CEO & Executive Principal must demonstrate his or her oversight of financial matters by signing the Balance Sheet and the Statement of Corporate Governance (including the Statement on Internal Control) within the annual Financial

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Statements, and the Two-Year Financial Forecasts submitted to the Designated Funding Body.

3. College Principal

Under the articles of government 5. (2) (c) and (d) the Principal is responsible for:

- 5. (2) (c) *Preparing annual estimates of income and expenditure for consideration and approval first by the Chief Executive and subsequently the Corporation.*
- 5. (2) (d) *day-to-day management of budget and resources within the estimates approved by the Corporation.*

4. The Group Chief Financial Officer

Day-to-day financial administration is controlled by the Group Chief Financial Officer, who is responsible to the Group CEO & Executive Principal and College Principal for:

- preparing annual capital and revenue budgets and financial plans
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations
- preparing the College's annual accounts and other Financial Statements and accounts which the College is required to submit to other authorities
- ensuring that the College maintains satisfactory financial systems
- oversight of risk management systems
- providing professional advice on all matters relating to financial policies and procedures
- day-to-day liaison with internal and external auditors in order to achieve efficient processes
- treasury management and relationship with the banks
- responsibility for pension changes.

5. The Executive

The College's senior leadership team, led by the College Principal, plays a key role in monitoring and challenging the financial performance of the College. In addition, individuals in the team have financial management responsibilities if they are Budget Holders.

6. Budget Holders

Budget Holders are responsible to the College Principal for financial management for the areas or activities they control. They are advised by the Group Chief Financial Officer in executing their financial duties. The Group Chief Financial Officer will also supervise and approve the financial systems operating within their departments, including the form in which accounts and financial records are kept.

Budget Holders are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters and are expected to comply with the procedures set out in the Financial Regulations, including the rules on procurement. Where resources are devolved to Budget Holders, they are accountable to their Head of Department/Faculty for their own budget.

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Budget Holders must provide the Group Chief Financial Officer with such information as may be required to enable:

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

Level of budgetary authority are set out in detail at Appendix 1.

7. All members of staff

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

They must ensure that they are aware of the College's financial authority limits (see Appendix 1) and the values of purchases for which quotations and tenders are required (Appendix 3).

They must make available any relevant records or information to the Group Chief Financial Officer or his or her authorised representative in connection with the implementation of the College's Financial Policies, these Financial Regulations and the system of financial control.

They must provide the Group Chief Financial Officer with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the Corporation.

They must immediately notify the Group Chief Financial Officer whenever any matter arises which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the College. The Group Chief Financial Officer must take such steps as he or she considers necessary by way of investigation and report.

8. Students' Union

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

Subject to any constraints imposed by the Designated Funding Body, the Corporation should determine the level of grant to be paid annually to the Students' Union. The Corporation requires the Union to provide information detailing its proposed budget, to assist in determining the appropriate level of grant.

The Students' Union is responsible for maintaining its own bank account and financial records and preparing its own annual Financial Statements, although this function is performed by the Finance Department on their behalf.

At year end the Students' Union Financial Statements must be presented to the Corporation for information.

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In accordance with an agreement between the College and the Students' Union, the College's internal auditor must have access to records, assets and personnel within the Students' Union in the same way as other areas of the College.

D. PLANNING AND BUDGETING

1. Financial Planning

1.1. The Group Chief Financial Officer is responsible for preparing annually a rolling two-year financial plan for approval by the Corporation and for preparing financial forecasts for submission to the Designated Funding Body. Financial plans must be consistent with the College Strategy, Curriculum Strategy, Estates Strategy and IT Strategy approved by the Corporation.

1.2. Budget

The Corporation will annually set budget objectives for the College. These will help the Group Chief Financial Officer in preparing his or her more detailed financial plans for the College.

1.3. Resource allocation

Resources are allocated annually by the Corporation on the basis of the above objectives. Budget Holders are responsible for the economic, effective and efficient use of resources allocated to them.

1.4. Budget preparation

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

During the year, the Group Chief Financial Officer is responsible for submitting revised forecasts to the Corporation for approval.

1.5. Capital programmes

The capital programme includes all expenditure on land, buildings, equipment, furniture and associated costs whether or not they are funded from capital grants or capitalised for inclusion in the College's Financial Statements. Expenditure of this type is approved by the Corporation as part of the Estates Strategy or of the IT Strategy.

The Group Chief Financial Officer must establish protocols for the inclusion of capital projects in the Estates Strategy and IT Strategy for approval by the Corporation. These must set out the information that is required for each proposed project as well as the financial criteria that they are required to meet.

They are summarised at Appendix 2 and the Capital Bids process is shown in more detail in the Financial Procedures.

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The Group Chief Financial Officer must establish procedures for the approval of variations, including the notification of large variations to the Designated Funding Body, as laid down in Designated Funding Body guidelines.

The Group Chief Financial Officer is responsible for providing regular statements concerning all capital expenditure to the Corporation (and/or Project Management Group if established) for monitoring purposes.

Following completion of a capital project, a post-project evaluation or final report must be submitted to the Corporation and/or Project Management Group, by the Chief Operations Officer - Commercial & Estates, 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 Designated Funding Body, as laid down in the Designated Funding Body guidelines.

1.6. Overseas activity

In planning and undertaking overseas activity, the College must have due regard to the relevant guidelines issued by the Designated Funding Body.

1.7. Other major developments

Any new aspect of business, or proposed establishment of a company or joint venture, which may require an investment in buildings, resources or staff time must be presented for approval to the Corporation.

The Group Chief Financial Officer must establish protocols for these major developments to enable them to be considered for approval by the Corporation. These must set out the information that is required for each proposed development as well as the financial criteria that they are required to meet. They are summarised at Appendix 2.

2. Financial Control

2.1. Budgetary control

The control of income and expenditure within an agreed budget is the responsibility of the designated Budget Holder, who must ensure that day-to-day monitoring is undertaken effectively.

Budget Holders are responsible to their Executive member for the income and expenditure appropriate to their budget.

Significant departures from agreed budgetary targets must be reported immediately to the Group Chief Financial Officer by the Budget Holder concerned and, if necessary, corrective action taken.

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2.2. Financial information

The Budget Holders are assisted in their duties by management information provided by the Head of Finance. 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 Group Chief Financial Officer is responsible for supplying budgetary reports on all aspects of the College's finances to the Corporation on a basis determined by the Corporation but subject to any specific requirements of the Designated Funding Body. These reports are presented to the Corporation, which has overall responsibility for the College's finances, by the Group Chief Financial Officer.

2.3. Changes to the approved budget

Changes proposed to the approved budget must be made to the Corporation, unless they fall within the delegated approval arrangements:

Group CEO & Executive Principal, Group Chief Financial Officer or College Principal - up to £100,000. Self-balancing adjustments, for instance a reduction in an income target balanced with a corresponding reduction in pay and/or non-pay budget – up to £500,000.

2.4. Virement

Where a Budget Holder is responsible for pay and non-pay budgets, in-year virement is allowed within each of these categories and from pay to non-pay but not from non-pay to pay. Virement from non-pay to pay budgets or between different Budget Holders may only be made with the prior approval of the Group Chief Financial Officer or Head of Finance.

The Group Chief Financial Officer or Head of Finance is responsible for submitting requests for virement of resources above £500,000 to the Corporation for approval.

Where monies are allocated from the College's Capital budget for a specific purpose, the monies must be used for that purpose.

2.5. 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 Group Chief Financial Officer has approved a specific scheme for carrying forward all or part of unspent amounts, or unless it relates to funds received for a specific club or activity in the future.

E. FINANCIAL REPORTING

1. Financial year

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

2. Basis of accounting

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

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, 2014*, subject to any specific requirements of the Funding Bodies, and in accordance with the provisions of the Companies Act 2006, where that is appropriate.

4. Capitalisation and depreciation

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

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item is £1,000 or more. Grouped items (e.g. a suite of computers) with an individual value of less than £1,000, but a group value of £1,000 or more, will also be capitalised. Capitalised assets other than land and buildings will be depreciated as follows:

- Computer equipment – 3-5 years
- Other equipment – 5 years

5. Accounting records

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

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

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

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- payroll records, including part-time contracts.

The Group Chief Financial Officer must make appropriate arrangements for the retention of electronic records, ensuring that these arrangements enable the College to comply with Data Protection and Freedom of Information requirements.

Members of staff must ensure that retention arrangements comply with any specific requirements of funding organisations such as those of the EU.

Additionally, for auditing and other purposes, other financial documents must be retained for three years or as determined by the funding organisation.

6. Public access

Under the terms of the Freedom of Information Act 2000, the Corporation must supply any person with a copy of the College's Financial Statements.

The Act enables the Corporation to levy a reasonable fee and this will be charged at the discretion of the Group Chief Financial Officer. The College must also allow members of the public to inspect the statement of accounts during normal working hours, and make a summary available on the College's website.

7. Taxation

The Group Chief Financial Officer is responsible for advising Budget Holders, in the light of guidance issued to the College by the appropriate bodies, and of relevant legislation as it applies, on all taxation issues, to the College. Therefore the Group Chief Financial Officer will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.

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

8. Control Accounts

The Finance Operations Manager is responsible for ensuring the following reconciliations are performed each month, and that any reconciling or balancing amounts are cleared:

- Sales ledgers control account;
- Purchase ledger control account;
- Payroll control account;
- All suspense accounts and
- Bank balance per the nominal ledger to the bank statement.

The Finance Operations Manager will review and sign all reconciliations as evidence of their review. Any unusual or long outstanding reconciling items must be brought to the attention of the Group Chief Financial Officer.

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9. Management Accounts

The Head of Finance shall be responsible for ensuring the prompt and accurate preparation of monthly management accounts and the accompanying commentary. These will be completed by the tenth working day of the following month and, after review by the Group Chief Financial Officer or College Principal, shall be circulated to all members of the Corporation and made available to the funding agency and bank (as required). Detailed cost centre reports will be made available to all Budget Holders through the main Finance system.

F. Audit Requirements

1. General

External auditors and internal auditors have authority to:

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

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

The Financial Statements must be reviewed by the Audit Committee and on the recommendation of the Audit Committee, they will be submitted to the Corporation for approval.

2. Financial Statements Audit

The appointment of external auditors for the main Financial Statements of the College is reviewed annually, in line with the provisions of the Post-16 Audit Code of Practice, and is the responsibility of the Corporation. The Corporation will be advised by the Audit Committee.

The primary role of the external audit is to report on the College's Financial Statements, and to carry out such examination of the statements and underlying records and control systems as are necessary for the external auditors to reach an opinion on the statements and to report on the appropriate use of funds. Their duties must be in accordance with advice set out in the Designated Funding Body's *Post-16 Audit Code of Practice* and the *International Standards on Auditing (UK and Ireland)*, Auditing Practices Board.

3. Internal audit

The Internal Auditor is appointed by the Corporation on the recommendation of the Audit Committee. The appointment is reviewed annually.

The main responsibility of internal audit is to provide the Corporation, the Group CEO & Executive Principal and senior management with assurances on the adequacy of the internal control system and the management of risk.

The internal audit service remains independent in its planning and operation but has direct access to the Corporation, Group CEO & Executive Principal, College Principal and Chair of the Audit Committee. The formal responsibilities of internal audit are detailed in Section C. The internal auditor will also comply with the Auditing Practices Board's auditing guideline: *Guidance for Internal Auditors*.

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4. Value for money

It is a requirement of the Financial Memoranda that the Corporation of the College is responsible for delivering value for money from public funds. It must 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 Designated Funding Body, the National Audit Office, the Public Accounts Committee or other relevant bodies.

Internal audit must 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.

5. Other auditors

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

G. Treasury Management

1. Treasury management policy

The Corporation is responsible for approving a treasury management policy statement setting out a strategy and policies for cash management, long-term investments and borrowings. This will be based on CIPFA's Treasury Management in Higher Education: A Statement of Best Practice and will require compliance with the Designated Funding Body rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the Financial Memoranda. The Corporation has a responsibility to ensure implementation, monitoring and review of such policies.

Executive decisions concerning borrowing, investment or financing (within policy parameters agreed by the Corporation) are delegated to the Group Chief Financial Officer and an appropriate reporting system set up. All borrowing must be undertaken in the name of the College or one of its subsidiary undertakings. The Group Chief Financial Officer and his/her staff must act in accordance with CIPFA's *Treasury Management in the Public Services Code of Practice* (Revised 2011).

The Group Chief Financial Officer must report to the Corporation annually on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him or her.

2. Appointment of bankers and other professional advisers

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

3. Banking arrangements

The Group Chief Financial Officer is responsible, on behalf of the Corporation, for liaising with the College's bankers in relation to the College's bank accounts and the issue of cheques. All cheques must be ordered on the authority of the Group Chief Financial Officer, who must make proper arrangements for their safe custody.

Only the Group Chief Financial Officer or the Group CEO & Executive Principal may open or close a bank account for dealing with the College's funds. All bank accounts must be in the name of the College or one of its subsidiary undertakings.

All cheques drawn on behalf of the College or one of its subsidiary undertakings must be signed in the form approved by the Corporation, as detailed in Appendix 1. Details of authorised persons and limits must be provided for in the College's detailed Financial Procedures.

All automated transfers on behalf of the College, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Corporation.

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

H. Income

1. Systems

1.1 Procedures

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

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

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

The Finance Operations Manager is responsible for ensuring that all grants notified by the Funding Bodies and other bodies are received and appropriately recorded in the College's accounts.

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

1.2 Maximisation of income

It is the responsibility of all staff to ensure that revenue to the College is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to the Group Chief Financial Officer or relevant member of the Finance team, of sums due so that collection can be initiated.

2. 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 cashier promptly, and in accordance with a timetable prescribed by the Finance Operations Manager and set out in the Financial Procedures. The custody and transit of all monies received must comply with the requirements of the College's insurers.

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

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2.1 Receipts by credit or debit card

The College may only receive payments by debit or credit card using procedures approved by the Group Chief Financial Officer or Head of Finance.

2.2. Internet receipts

Any member of staff wishing to arrange for payment to be made to the College via the internet must seek guidance from the Finance Department at an early stage.

3. Collection of debts

The Finance Operations Manager must ensure that:

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

3.1 Credit Arrangements

Only the Group Chief Financial Officer or Head of Finance can implement credit arrangements and indicate the periods in which different types of invoice must be paid. These are contained within the College's Fees Policy & Charges which is approved annually by the Corporation. Any subsequent changes must be submitted to Corporation for approval.

3.2 Bad Debts

Requests to write off debts in excess of £3,000 must be referred in writing to the College Principal for consideration. Debts below this level may be written off with the permission of the Group Chief Financial Officer or Head of Finance.

All bad debts written off must be reported to the Corporation annually.

3.3. Student fees

The procedures for collecting tuition fees must be approved by the Group Chief Financial Officer. He or she is responsible for ensuring that all student fees due to the College are received.

Students who have not paid their fees should be prevented from re-enrolling at the College and from using any of the College's facilities unless appropriate arrangements have been made for the payment of the outstanding fees.

South Gloucestershire and Stroud College – Financial Regulations

3.4. Student loans

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

3.5. Emergency/hardship loans

The College's schemes for emergency/hardship loans for Students and Staff are approved by the Corporation.

This includes the maximum assistance that can be given in any individual case. Under no circumstances must payments be made other than in accordance with the approved schemes.

The Group Chief Financial Officer is responsible for ensuring the adequacy of the systems in place for:

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

4. Other Income-Generating Activity

4.1. Private consultancies and other paid work

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

- outside consultancies or other paid work must not be accepted without the consent of the Head of Human Resources
- applications for permission to undertake work as a purely private activity must be submitted to the HR Director, as appropriate, and include the following information:
 - the name of the member(s) of staff concerned
 - the title of the project and a brief description of the work involved
 - the proposed start date and duration of the work
 - full details of any College resources required (for the calculation of the full economic cost)
 - an undertaking that the work will not interfere with the teaching and normal College duties of the member(s) of staff concerned.

4.2 Full Cost Recovery Courses

In this context a full cost recovery course is any course which does not include the receipt of any public funding.

Any staff wishing to run a full costs recovery course must have the permission of their Head of Sector. The course organiser will be responsible to the Head of Sector for day-to-day management of the course.

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4.3. Subcontracting (Partnership activity)

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

There must be a contract signed by both the College Principal and on behalf of any partner organisation, which must comply at least with the Designated Funding Body requirements (as amended from time to time) in place before any provision is made. Contracts will only be awarded to legal entities, if the legal entity is a registered Company, it must be recorded as 'Active' on the Companies House database. Contracts may not be awarded if:

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

Assurance that the College is dealing with a fit and proper organisation is important, therefore, a due diligence review on the contracting party should take place if deemed appropriate by the Group CEO & Executive Principal.

Contracts for significant changes in franchising activity must be approved in advance by the Corporation. The form of the contract must be approved by the Corporation.

The impact of the contract(s) must be subject to scrutiny by the Corporation. The format for regular reports must be as stated in Designated Funding Body guidance. They must consider the risk factors associated with the proposed partnership and agree an appropriate entry in the College's financial forecast.

Where the partnership would represent a significant departure from the College's strategic plan, the Corporation must approve the departure, and the College Principal must seek the views of and inform the Funding Bodies.

The College will remain ultimately responsible for all provision subcontracted. It will make sure that students and employers supported through subcontracting arrangements know the College and the subcontractor's role and responsibilities in providing the learning. Monitoring and compliance checks will be in accordance with guidance provided by the Education and Skills Funding Agency.

4.4. European Union (EU) and other matched funding

Any European Union or match funded project requires the approval of the College Principal and Head of Finance prior to any commitment being entered into. Such approval should be dependent upon the relevant Budget Holder being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of the College's costing and pricing model.

Individual applications for funds in excess of £100,000 must be the subject of a report by the College Principal to the Corporation which will set out, amongst other things, the potential risks generated by the project. Assurance that the College is dealing with a fit

South Gloucestershire and Stroud College – Financial Regulations

and proper organisation is important, therefore, a due diligence review on the contracting party should take place if deemed appropriate by the Group CEO & Executive Principal

If the College sub-contracts such work to external providers, the relevant head of department must 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.

4.5. Profitability and recovery of overheads

All other income-generating activities must be self-financing or surplus generating unless it is intended that a new course is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the Budget Holder and the Group Chief Financial Officer.

Other income-generating activities organised by members of staff must be costed and agreed with the Group Chief Financial Officer or Head of Finance before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the College's fee policy, in particular for the recovery of overheads.

4.6. Deficits

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

4.7. Additional contributions to departments

Distribution of profits on other income-generating activity between central funds of the College and individual departments will be in accordance with the process agreed by the Group Chief Financial Officer.

4.8. Additional payments to staff

Any proposal that involves additional payments to members of staff must be supported by a schedule of names and values and reasons for such payments and must be recommended by the Budget Holder, and in the case of a Budget Holder, the relevant executive member, for approval by the Executive.

5. Intellectual Property Rights and Patents

5.1. General

Certain activities undertaken within the College including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.

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5.2. Patents

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

5.3. Intellectual property rights

In the event of the College deciding to become involved in the commercial exploitation of inventions and research, the matter must then proceed in accordance with the intellectual property procedures issued by the College.

South Gloucestershire and Stroud College – Financial Regulations

I. PURCHASING AND PAYMENTS

1. Scheme of delegation/financial authorities

The Group Chief Financial Officer is responsible for making payments to suppliers of goods and services to the College.

The head of department is responsible for purchases within his or her department. Purchasing authority may be delegated to named individuals within the department. In exercising this delegated authority, Budget Holders must observe the Purchasing Policies and Financial Procedures. The Finance Operations Manager must maintain a register of authorised signatories and Heads of Department must supply him or her with specimen signatures of those with authority to commit expenditure on behalf of the College.

Under procedures agreed by the Group Chief Financial Officer, central control must be exercised over the creation of requisitioners and authorisers and their respective financial limits.

The Group Chief Financial Officer must be notified immediately of any changes to the authorities to commit expenditure.

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

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

Approval limits and requirements are detailed in Appendix 1.

2. Procurement

The College requires all Budget Holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice.

The Procurement Manager is responsible to the Group Chief Financial Officer for:

- approving any new suppliers or contractor
- ensuring that the College's Purchasing Policy is known and observed by all involved in purchasing for the College
- advising on matters of College purchasing policy and practice
- advising and assisting departments where required on specific departmental purchases
- developing appropriate standing supply arrangements on behalf of the College to assist Budget Holders in meeting their value for money obligations
- vetting all orders above £20,000 before they leave the College

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- drafting and negotiating all large-scale purchase contracts (generally in excess of £50,000) undertaken by the College, in collaboration with the responsible department
- ensuring that the College complies with EU regulations on Public Purchasing Policy.

Staff involved in procurement exercises for and on behalf of the College, should keep records that show a clear audit trail of how conflicts of interest have been identified and managed as part of procurement processes. At every stage of procurement, steps should be taken to identify and manage conflicts of interest, to ensure and to protect the integrity of the process.

3. Purchase orders

The ordering of goods and services must be in accordance with the College's detailed Financial Procedures.

Official College orders must be placed for the purchase of all goods or services, except those made using corporate cards or petty cash. In exceptional circumstances, urgent orders may be given verbally, but must be confirmed by an official purchase order endorsed 'confirmation order only' not later than the following working day.

Official orders must be issued to suppliers for all goods and services with the exception of utilities and certain other services approved by the Group Chief Financial Officer, as set out in the Financial Procedures.

When transferring goods or services between departments, an inter-departmental transfer form must be used.

It is the responsibility of the Group Chief Financial Officer (through the College's Procurement Manager) to ensure that all purchase orders refer to the College's Conditions of Contract.

4. Corporate cards

Corporate cards include credit cards, procurement cards and pre-payment cards.

The operation and control of the College's corporate cards is the responsibility of the Group Chief Financial Officer.

The cards are provided to employees who require the flexibility that a corporate card offers. Budget Holders should nominate staff to the Finance Operations Manager to be card holders. The Head of Finance or Finance Operations Manager will approve the issuing of corporate cards to staff. Each corporate card has a set transaction limit, usually £300 to £500 and a monthly limit of up to £5,000.

Holders of corporate cards must use them only for the purposes for which they have been issued, on valid business expenses and within the authorised purchase limits. Cards must not be loaned to another person, nor must they be used for personal or private purchases. The misuse of such cards will be grounds for disciplinary action. Cardholders must obtain approval to purchase from the relevant Budget Holder and must ensure that there is sufficient budget available to meet the costs.

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The Finance Operations Manager is responsible for setting in place a system to monitor the use of College corporate cards and account for expenses charged through them. He or she must determine what information is required on purchases made with corporate cards from cardholders and deadlines for receipt in the Finance Department to enable financial control to be maintained and cardholders must provide that information. The Finance Operations Manager must maintain a register of all cardholders, card numbers and location. Any changes to these details must be notified to the Finance Operations Manager.

Details of the operation of the scheme are set out in the Financial Procedures.

5. Tenders and quotations

Budget Holders must comply with the College's tendering procedures contained in the College's code of tendering practice, which are set out in Appendix 3.

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

The Group Chief Financial Officer or the Head of Finance are authorised to waive the Financial Regulations where the interests of the College are best served by so doing. This authorisation is strictly subject to the following provisions:

- approval must be obtained prior to placing the orders
- where the Group Chief Financial Officer or Head of Finance places the order, then the waiver (Procurement Validation Form) must be authorised by the College Principal
- all waivers for goods and services exceeding £30,000 must be reported to the Audit Committee
- The Audit Committee may restrict the circumstances under which a waiver may be granted.

Requests to seek such exceptions must be made in writing to the Group Chief Financial Officer or Head of Finance who shall retain records of all agreed exceptions for six years for inspection by the Internal Audit Service.

Normally waivers will relate to such matters as where the Group Chief Financial Officer or Head of Finance is satisfied that goods or services are:

- only available from one source and no satisfactory alternatives exist, or
- are controlled prices by Government order or trade practice, or
- urgently required and delay would cause organisational disruption, or
- where unforeseeable additional work is discovered during a contract, taking the total price above the original category in regard of quotations or tenders.

Occasionally it may be necessary to engage a consultant directly without entering into a competitive selection process. Approval must be given by the Group Chief Financial Officer or Head of Finance in advance. Examples of when this may be necessary include:

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- No other known consultants are capable of providing the service, or
- The task is so time limited that there is insufficient opportunity to go through the competitive process, or
- The work is an essential extension of the consultant's existing work and the total value of the work does not exceed £20,000.

5.1. Post-tender negotiations

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

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

In each case, a statement of justification must be approved by the College Principal prior to the event, showing:

- background to the procurement
- reasons for proposing post-tender negotiations
- demonstration of the improved value for money

All post-tender negotiations must be reported to the Audit Committee.

5.2 Framework Agreements

Frameworks usually have 2-6 suppliers who have already tendered on price and quality. A further competition of these suppliers of 'call-off' can result in lower prices, due to the bulk spends negotiated as part of these frameworks. The two most used are the Crescent Purchasing Consortium and Government Procurement Service. Where a framework agreement is utilised, this must be processed through the Procurement Officer in accordance with Appendix 1.

5.3 EU regulations

The Procurement Manager is responsible for ensuring the College complies with its legal obligations concerning EU procurement legislation. EU procurement regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value.

The Procurement Manager must advise Heads of Department on the thresholds that are currently in operation. A breach of these EU regulations is actionable by a supplier or potential supplier.

It is the responsibility of Heads of Department to ensure that their members of staff comply with EU regulations by notifying the Procurement Manager of any purchase that is likely to exceed the thresholds. This must be done well in advance in order to permit advertisements in journals such as the *Official Journal of the European Union* (OJEU). Alternatively, the College may complete a further competition through a pre OJEU completed where they can demonstrate that OJEU procedures have been adhered to such as those found via the Crescent Purchasing Consortium or Government Procurement Service.

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The Procurement Manager is also required to submit to the Designated Funding Body annually where relevant, details on expenditure which exceeds the threshold.

As part of changes to EU legislation, it is now a mandatory condition that all public authorities advertise the award of a contract over £25,000 on Contracts Finder <https://www.gov.uk/contracts-finder>. This includes any subsidiary of the College. Please contact the Procurement Department for access and further information.

6. Contracts

Building contracts over the value of £300,000 are the responsibility of the Corporation and are administered by the College's Chief Operations Officer – Commercial & Estates. Therefore any contracts over the value of £300,000 require approval from the Corporation at the next available meeting.

Proposals must be initiated by the Chief Operations Officer – Commercial & Estates in respect of planned replacements, general improvement schemes, space planning or in response to requests from departments.

Consultants may be appointed if the project is too large or too specialised for the Estates Department resources. Appointments must be subject to tendering and other procedures where appropriate.

Proposals must be presented in the form of costings or investment appraisals prepared in conjunction with the Group Chief Financial Officer as appropriate for Corporation consideration. Assurance that the College is dealing with a fit and proper organisation is important, therefore, a due diligence review on the contracting party should take place if deemed appropriate by the Group CEO & Executive Principal.

Investment appraisals must comply with appropriate Designated Funding Body guidance.

Following consideration by the Corporation, submissions must be forwarded to the Designated Funding Body where appropriate. If the required agreement is secured from the Designated Funding Body, Designated Funding Body procedural rules must be followed. Designated Funding Body guidance on best practice must be followed even when Designated Funding Body approval is not required.

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

Conditions of contract for the purchase of goods must be followed as described in the College's detailed Financial Procedures. The main points are described at Appendix 3.

Licences are in the main an operational consideration and therefore follow the usual Financial Limits as per Appendix 1. However if a licence is entered into which will cost >£30k and for a period greater than 2 years, Corporation approval is required.

7. Receipt of goods and services

All goods must be received at designated receipt and distribution points. They must be checked for quantity and/or weight and inspected for quality and specification.

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Whenever possible goods received must be recorded as such on the Finance system on the day of receipt. If the goods are deemed to be unsatisfactory, the record must 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 must be marked accordingly and the supplier immediately notified.

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

The College requires all Budget Holders, irrespective of the source of funds, to obtain suppliers, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice.

8. Payment

8.1. Payment of invoices

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

The Finance Operations 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 each week. In exceptional circumstances the Finance Operations Manager will arrange for bank transfers to be prepared for urgent payments to suppliers.

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

Suppliers must be instructed by the Budget Holder to submit invoices for goods or services to the Finance Department, ideally electronically via purchase.ledger@sgscol.ac.uk

Care must be taken by the Budget Holder to ensure that discounts receivable are obtained. Payments will only be made by the Finance Operations Manager against invoices that can be matched to a receipted order.

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
- an appropriate cost centre is quoted; this must be one of the cost centre codes included in the Budget Holder's area of responsibility and must correspond with the types of goods or service described on the invoice.

Finance staff and others dealing with any changes to suppliers' details should be made aware of the risk of fraud in this area. Staff should also be advised that they must be

South Gloucestershire and Stroud College – Financial Regulations

careful about the information they give out to callers regarding the organisation's payment processes and any unique supplier identifiers etc. which may be held. Such callers may not be genuine and may help the fraudsters by making their subsequent requests more authentic looking.

8.2. Staff reimbursement

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

8.3. Petty cash

Where the College needs to make a low value purchase up to the value of £50, the cost can be reclaimed using the petty cash procedure. The procedure allows for a department to purchase the goods and reclaim the cost back from the College. The Budget Holder must approve the spend before the purchase is made. The payment must be supported by receipts or vouchers.

No payments shall be made from petty cash for payroll items or other items which may legitimately be paid through the normal payments routine. The petty cash system should not be used for the payment of travel and subsistence expenditure or expenses claim.

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

The Finance Operations Manager may 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 department together with appropriate receipts or vouchers, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.

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

Petty cash documents are supplied by the Finance Operations Manager and must be used for recording all imprest accounts.

At the end of the financial year a certificate of the balances held must be completed by the member of staff responsible for the float and counter-signed by the Budget Holder and submitted to the Finance Department.

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9. Late payment rules

The Late Payment of Debts (Interest) Act 1998, (amended August 2002) was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:

- small businesses can charge interest on overdue invoices
- the rate of interest is currently 8% per annum above the official daily rate of the Bank of England
- the Act also applies to overseas organisations
- the College can be sued for non-payment

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

10. Project advances

The Group Chief Financial Officer, Head of Finance or Finance Operations Manager, and the relevant Budget holder may jointly approve cash advances or pre-payment cards for projects carried out away from the College where cash expenditure may be unavoidable.

Other forms of payment must be used wherever possible, such as an official purchase order and subsequent payment or a College purchasing card.

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

11. Providing hospitality

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

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J. EMPLOYMENT OF STAFF

1. Remuneration policy

All College staff must be appointed to the salary scales approved by the Corporation and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Human Resources department.

Salaries and other benefits for senior post-holders, and other posts documented by the Corporation, will be determined by the Corporation on the recommendation of the Remuneration Committee.

2. Appointment of staff

All contracts of service must be concluded in accordance with the College's approved Human Resources Policies and Procedures and all offers of employment with the College must be made in writing by the Head of Human Resources. Budget Holders must ensure that the Head of Human Resources is provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

3. Salaries and wages

The Group Chief Financial Officer 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, must be in a form prescribed or approved by the Group Chief Financial Officer.

The Head of Human Resources is responsible for keeping the Group Chief Financial Officer or Head of Finance informed of all matters relating to personnel for payroll purposes. In particular these include:

- appointments, resignations, dismissals, supervisions, secondments and transfers
- absences from duty for sickness or other reason, apart from approved leave
- changes in remuneration including increments and pay awards

The Finance Operations Manager is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part time employees must be included on the payroll.

The Chief Group Services Officer is responsible for keeping all records relating to payroll including those of a statutory nature.

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

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4. Superannuation schemes

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

The Chief Group Services Officer is responsible for day-to-day superannuation matters, including:

- paying contributions to various authorised superannuation schemes
- preparing the annual return to various superannuation schemes
- administering the superannuation schemes

The Head of Human Resources is responsible for administering eligibility to pension arrangements and for ensuring payroll records are amended accordingly when staff deductions must begin or cease.

5. Travel, subsistence and other allowances

All claims for payment of subsistence allowances, travelling and incidental expenses must be completed in a form approved by the Group Chief Financial Officer and in accordance with the rules set out in the College's Travel, Subsistence and Personal Expenses Policy and Procedure.

Claims by members of staff must be authorised by their Head of Department (or executive line manager in the case of Heads of Department). The certification by the Head of Department will be taken to mean that:

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

Arrangements for travel by the Group CEO & Executive Principal, Clerk or members of the Corporation must be approved by the Chair of the Corporation. Arrangements for travel by the Chair must be approved by the Group CEO and Executive Principal.

6. Overseas travel

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

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

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7. Expenses for Corporation Members

Members are not entitled to payments to attend meetings or for loss of earnings. They are entitled to claim for expenses incurred. These include travel to and from Corporation and Committee meetings, other travelling and subsistence, in accordance with the College's expenses policy; fees for agreed attendance at conferences or other training events; and other incidental expenses, such as telephone calls, postage and photocopying.

Claims must be submitted through the Clerk to the Corporation and must be authorised by the Chair of the Corporation.

8. Severance and other non-recurring payments

Severance payments must only be made in accordance with relevant legislation and under a scheme approved by the Corporation.

Professional advice must be obtained where necessary. No amounts may be expended that exceed the budget allocated for the purpose. All such payments must be authorised by the College Principal and calculations checked by the Head of Human Resources, or Group Chief Financial Officer or Head of Finance. Amounts paid must be disclosed in the Financial Statements.

All matters referred to on industrial tribunal shall be notified to the Group Chief Financial Officer or Head of Finance at the earliest opportunity in order that budget provision may be made as necessary. All determination of tribunals must be similarly notified.

K. ASSETS

1. Purchase of fixed assets

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

2. Control of assets, stocks and stores

2.1. Fixed asset register

The Head of Finance is responsible for maintaining the College's register of land, buildings, fixed plant and machinery. Budget Holders must provide the Head of Finance with any information he or she may need to maintain the register.

2.2. Inventories

Budget Holders are responsible for maintaining inventories, in a form prescribed by the Head of Finance, for all plant, equipment, furniture and stores in their departments with a value in excess of £250. The inventory must include items donated or held on trust.

Inventories must be checked at least annually and at the end of the financial year a certificate of the inventories held must be completed and signed by the Budget Holder and submitted to the Finance Department.

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

2.3. Custody and control of stocks and stores

Budget Holders 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 Head of Finance.

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

Those Budget Holders whose stocks require valuation in the Balance Sheet must ensure that the stock-taking procedures in place have the approval of the Head of Finance and that instructions to appropriate staff within their departments are issued in accordance with advice contained in the College's detailed Financial Procedures.

2.4. All other assets

Budget Holders are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the College, whether tangible (such as stock – see above) or intangible (such as intellectual property – see section 18), including electronic data.

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2.5. Safeguarding assets

Budget Holders are responsible for the care, custody and security of the buildings, stock, stores, furniture and cash under their control. They must consult the Group Chief Financial Officer or Head of Finance in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

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

3. Personal use

Assets owned or leased by the College should not be subject to personal use without authorisation by the head of department.

4. Asset disposal

Disposal of equipment and furniture must be in accordance with procedures contained in the College's detailed Financial Procedures.

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

Designated Funding Body consent may also be required if exchequer funds were involved in the acquisition of the asset.

5. Companies and joint ventures

In certain circumstances it may be advantageous to the College to establish a company or a joint venture to undertake services on behalf of the College. Any member of staff considering the use of a company or a joint venture must first seek the advice of the Group Chief Financial Officer, who must have due regard to guidance issued by the Designated Funding Body.

The Corporation is responsible for ensuring that the required procedures are followed. The process involved in forming a company or a joint venture and arrangements for monitoring and reporting on the activities of these undertakings are documented in the College's Financial Procedures.

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

The directors of companies where the College is the majority shareholder must submit an Annual Report and Financial Statements to the Corporation. They must also submit business plans or budgets as requested to enable the Corporation to assess the risk to the College. The College's internal and external auditors must also be appointed to such companies.

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

L. FUNDS HELD ON TRUST

1. Gifts, benefactions and donations

The Group Chief Financial Officer is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the College and initiating claims for recovery of tax where appropriate. The College must not make donations to another charity without it being made in furtherance of its own objects, and any decision around this should be made by the Corporation.

2. Student welfare and access funds

The Group Chief Financial Officer will prescribe the format for recording the use of student welfare funds.

Records of Learner Support funds must be maintained according to the Designated Funding Body requirements.

3. Trust funds

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

The Audit Committee is responsible for ensuring that all the College's trust funds are operated within any relevant legislation and the specific requirements for each trust. It is also responsible for investment of fund balances.

4. Voluntary funds

The Group Chief Financial Officer must be informed of any fund that is not an official fund of the College which is controlled wholly or in part by a member of staff in relation to their function in the College.

The accounts of any such fund must be audited by an independent external person and must be submitted with a certificate of audit to the appropriate body. The Group Chief Financial Officer will be entitled to verify that this has been done.

5. Bursaries, grants and other authorised expenditure

Payments may be made to students for bursaries, grants and other authorised expenditure. All payments must be supported by detailed claims or other appropriate evidence and approved by Learner Services personnel or the Budget Holder as appropriate. Policies for bursaries and other students' payments must be approved by the Executive Team.

M. SECURITY

1. Security

Keys to safes or other similar containers must be retained securely at all times. The loss of any such keys must be reported to the Group Chief Financial Officer or Head of Finance immediately. The Finance Operations Manager is responsible for maintaining procedures governing security of and access to information held in safes or other similar secure containers.

The Head of IT is responsible for maintaining proper security and privacy of information held on the College's computer network. Appropriate levels of security must be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer is subject to the provisions of the Data Protection Act 2018. The Assistant Principal – SGS Group Quality and Performance is the Data Protection Officer, nominated to ensure compliance with the Act and the safety of documents.

The Chief Operations Officer – Commercial & Estates is responsible for the safekeeping of official and legal documents relating to the College. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Chief Operations Officer - Commercial & Estates. All deeds and lease must be held in an appropriately secure, fireproof location and copies held at a separate location. All other agreements and contracts must be held in secure locations appropriate to the risk of loss. Copies of all leases, agreements and contracts must be forwarded to the Group Chief Financial Officer or Head of Finance.

2. Provision of indemnities

Any member of staff asked to give an indemnity, for whatever purpose, must consult the Group Chief Financial Officer or Head of Finance before any such indemnity is given.

N. RISK & COMPLIANCE

1. Use of the College's seal

The application of the seal of the Corporation shall be authenticated by the signature of any two members authorised either generally or specifically by the Corporation to act for that purpose.

A record of each application of the Seal must be kept by the Clerk to the Corporation and reported to the next meeting of the Corporation.

The Clerk to the Corporation must ensure that the Seal is kept in a safe location.

2. Money Laundering

In response to the Proceeds of Crime Act 2002 and Money Laundering Regulations 2003 the College and its employees must comply with the legislation and ensure that the highest standard of due diligence are applied in relation to 'know your customer' principles. Legislation has broadened the definition of money laundering and the range of activities where this can apply. College staff are required to follow the [Anti-Money Laundering Policy](#) if money laundering is suspected. This policy also defines the responsibility of individual employees in the process.

3. Data Protection Act

The College Principal shall be responsible to the Corporation for maintaining proper security and compliance with the Data Protection Act in respect of information held in the computer installations or for their use. It shall be released only to those officers authorised by the College Principal.

4. Code of Conduct

4.1. 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 4. In addition, the College expects that staff at all levels to observe its code of conduct, contained in the Staff Handbook which covers:

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

4.2 Additionally, members of the Corporation, Executive or the Procurement Officer, Commercial Development must disclose interests in the College's Register of Interests maintained by the Clerk to the Corporation. They are also 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.

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

5. Insurance

The Group Chief Financial Officer is responsible for the College's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy, all risks must be considered and those most effectively dealt with by insurance cover must be identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets.

The Procurement Officer is responsible for effecting insurance cover as determined by the Executive. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Procurement Officer must keep a register of all insurances affected by the College and the property and risks covered.

He or she must also deal with the College's insurers and advisers about specific insurance problems.

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

Budget Holders must advise the Group Chief Financial Officer immediately of any event that may give rise to an insurance claim. The Group Chief Financial Officer must notify the College's insurers and, if appropriate, prepare a claim in conjunction with the Budget Holders for transmission to the insurers.

The Head of Estates is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and must ensure that inspection is carried out in the periods prescribed.

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

6. Risk Management

6.1. The College acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable/unacceptable by the College is set out in a separate risk management policy/strategy.

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

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- 6.3.** In line with this policy, the Corporation requires that the risk management policy/strategy and supporting procedures include:
- the adoption of common terminology in relation to the definition of risk and risk management
 - the establishment of College-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis
 - a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes
 - a decision on the level of risk to be covered by insurance (see N5)
 - detailed regular review at department or Corporate 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 is responsible and accountable for managing the risk in question
 - regular reporting to the Corporation of all risks above established tolerance levels
 - an annual review of the implementation of risk management arrangements

The strategy and procedures must be capable of independent verification.

- 6.4.** Budget Holders must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the College may be exposed. The Chief Operations Officer – Commercial & Estates advice must be sought to ensure that this is the case.

7. Receiving gifts or hospitality

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

The test should be whether a fair minded member of the public, knowing all the facts, would see anything improper or suspicious in the receipt or offer of hospitality. All staff (howsoever engaged by the College) are required to:

- refuse gifts, benefits, hospitality or sponsorship of any kind which might reasonably be seen to compromise their personal judgement or integrity;
- immediately declare (to the PA to the Group Chief Financial Officer) and register gifts, hospitality or sponsorship worth £30 or more, whether the offer was refused or accepted;
- modest offers to pay some or all of the travel and accommodation costs related to attendance at events may be accepted and must be declared. Offers which go beyond most, or are of a type that the College itself might not usually offer, need approval by the Group Chief Financial Officer or Head of Finance, should only be accepted in exceptional circumstances, and must be declared. A clear reason should be recorded on the College Gifts & Hospitality register as to why it was permissible to accept travel and accommodation of this type;

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- offers of business class or first class travel and accommodation (including domestic travel) must be declared;
- meals or refreshments of a value between £25 and £75 – may be accepted and must be declared;
- meals or refreshments over a value of £75 – should be refused unless (in exceptional circumstances) Line Manager approval is given. A clear reason should be recorded on the College's register of interest as to why it was permissible to accept. A common sense approach should be applied to the valuing of meals and refreshments (using an actual amount, if known, or a reasonable estimate);
- not misuse or dishonestly abuse their position of trust or information acquired in the course of their normal duties, to further their private interests or the private interests of others;
- ensure that their professional registration (if applicable) and/or status are not used in the promotion of commercial products or services;
- beware of bias generated through sponsorship, where this might impinge on professional judgement and impartiality;
- neither agree to practice under any conditions which compromise professional independence or judgement, nor impose such conditions on other professionals;
- avoid any activities that might be construed as either offering or accepting any form of bribe, whether 'active' or 'passive' as described as Bribery;
- where gifts or hospitality are declined on the basis that they create a sense of obligation, the Group Chief Financial Officer or Head of Finance must be notified.

The guiding principles to be followed by all members of staff must be

- the conduct of individuals must not create suspicion of any conflict between their official duty and their private interest
- the action of individuals acting in an official capacity must 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 must 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 must not be significantly greater than the College would be likely to provide in return.

On no account should an employee accept secondary employment or a financial payment from any person, body or organisation, e.g. contractors, developers, consultants, with which the College is involved. Gifts may only be accepted when they are low cost, functional items suitable for business use, rather than personal use, e.g. diaries, calendars, pens. Other gifts which may be sent to employees by outside contractors or organisation, should be returned officially with a suitable letter.

Normally, visits by employees to exhibitions, demonstrations, conferences, business meals, and social functions, in connection with their official duties shall be at the College's expense.

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Where hospitality, in the form of meals and drinks, is offered by a third party, this is normally only acceptable where it forms parts of, or immediately follows on from, normal business meetings/discussions held during the normal working day.

Where offers of hospitality are made, e.g. invitation to dinners, these should only be accepted if there is a clear and demonstrable benefit to the College, and the hospitality would not expose the College to criticism that the provider of the hospitality was achieving undue influence.

Offers of hospitality in the form of purely social events and sporting occasions should on no account be accepted when these are from organisations with which the College has commercial links. However, invitations to social events from non-commercial organisations with which the College has a partnership arrangement will be acceptable, but must have the Group Chief Financial Officer or Head of Finance's advance approval, and must be recorded in the Gifts & Hospitality register.

Regular social contact, e.g. drinks in a public house, with representatives of organisations, which supply, or hope to supply goods or services to the College, must be avoided. Where such instances do occasionally take place, i.e. after late working, staff should ensure that they "pay their way" and that the other party does not meet the costs of such contact in full. For their own protection, employees should record such events in the Gifts & Hospitality Register.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer must be declined or advice sought from the relevant head of department, or the Group Chief Financial Officer or Head of Finance.

Guidance on acceptable hospitality is contained in the detailed Financial Procedures. For the protection of those involved, the Group Chief Financial Officer will maintain a register of gifts and hospitality received where the value is in excess of £30. Members of staff in receipt of such gifts or hospitality must notify the Group Chief Financial Officer or Head of Finance promptly. The register will be reviewed annually by the Audit Committee.

8. Fraud and corruption

It is the duty of all members of staff, management and the Corporation to notify the Group Chief Financial Officer or Head of Finance immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

The Group Chief Financial Officer or Head of Finance must immediately invoke the Fraud Response Plan, which incorporates the following key elements:

- he or she must notify the Group CEO & Executive Principal and the Audit Committee (through its Chair) of the suspected irregularity and must take such steps as he or she considers necessary by way of investigation and report
- the Group CEO & Executive Principal must inform the police if a criminal offence is suspected of having been committed

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- any significant cases of fraud or irregularity, that is exceeding £10,000 in value, must be reported to the Designated Funding Body in accordance with their requirements as set out in the Post-16 Audit Code of Practice
- the Audit Committee must 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, must prepare a report for the Audit Committee on the suspected irregularity. Such report must include advice on preventative measures
- If the suspected fraud is thought to involve the Group Chief Financial Officer, or Head of Finance, or the Chief Executive and Executive College Principal and/or College Principal the member of staff must notify the Chair of the Audit Committee direct of their concerns regarding irregularities.

More detailed guidance and information regarding anti-fraud policies and procedures, including a Fraud Response Plan can be found within the College's Anti-Bribery, Anti-Corruption and Anti-Fraud Policy.

9. Bribery

- 9.1.** Under the Bribery Act 2010, which came into force in July 2011 and which replaces the Prevention of Corruption Act 1906, it is an offence for members of staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity.

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

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

- 9.2** This regulation is not intended to prohibit appropriate corporate entertainment and/or hospitality undertaken in connection with the College's business activities, provided the activity is customary under the circumstances, is proportionate, and is properly recorded/disclosed to the College in accordance with its procedures – all such activities being reported to the Group Chief Financial Officer or Head of Finance for all staff, and the Clerk to the Corporation in the case of Corporation members.

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

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10. Whistleblowing

- 10.1.** Whistleblowing in the context of the Public Interest Disclosure Act 1998 is the disclosure by an employee (or other party) about malpractice in the workplace. A whistle-blower can blow the whistle about crime, civil offences (including negligence, breach of contract), 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.
- 10.2.** Normally, any concern that a member of staff has about a workplace matter at the College should be raised with his or her immediate line manager or head of department. However, the College recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.
- 10.3.** A member of staff may, therefore, make the disclosure to one of the staff designated for this purpose, for example the Clerk to the Corporation. If the member of staff does not wish to raise the matter with this person, or with the Group CEO & Executive Principal, College Principal or the Chair to the Corporation, it may be raised with the Chair of the Audit Committee.
- 10.4.** The full procedure for whistleblowing is set out in the College's [Whistleblowing \(public interest disclosure\) Policy and Procedure](#), which is available through the Human Resources Department.

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APPENDIX 1: SUMMARY OF FINANCIAL LIMITS

Approval of tender / purchase orders

(applicable to goods, services and contracts).

Description	Requirement	Approval - College	Approval - Subsidiaries
Up to £5,000	Discretion to obtain quotations but value for money must be obtained	Budget Holder	Budget Holder
£5,001 – £10,000	A minimum of three written/email quotations	Budget Holder	Budget Holder
£10,001 – £30,000	A minimum of three written/email quotations	Head of Finance	Head of Finance, SGS College
£30,001 - £50,000	The Procurement Manager must be provided with at least three written/email quotations for independent review and will confirm with the Group Chief Financial Officer or Head of Finance whether competitive tenders are required (1)	Group Chief Financial Officer or Head of Finance, or College Principal or Group CEO & Executive Principal	Group Chief Financial Officer or Managing Director
£50,001 - £100,000 (one-off and cumulative spend)	Tender process applies (1)	Group Chief Financial Officer or Head of Finance, and College Principal / Group CEO & Executive Principal	Group Chief Financial Officer and Managing Director
>£100,000 (one-off and cumulative spend)	Tender process applies (1)	Group Chief Financial Officer or College Principal / Group CEO & Executive Principal and the Chair of Corporation	Group Chief Financial Officer or Managing Director and Chair of the Board of Directors
>£300,000 (one off and cumulative spend)	Tender process applies (1)	Group Chief Financial Officer or College Principal/ Group CEO & Executive Principal and Corporation	Group Chief Financial Officer or Managing Director and Board of Directors
221,000 Euro (£181,302)	EU procurement limit for supplies of services regulation. (NB Accumulation of spend e.g. service that is procured on an ongoing basis is assumed to have a four year contract term) (2)	Group Chief Financial Officer or College Principal / Group CEO & Executive Principal and the Chair of Corporation	Group Chief Financial Officer or Managing Director and the Chair of the Board of Directors
5,548,000 Euro (£4,551,413)	EU procurement limit for works regulations (2)	Group Chief Financial Officer or College Principal / Group CEO & Executive Principal and Corporation	Group Chief Financial Officer or Managing Director and the Board of Directors

(1) Or the College uses a framework agreement where suppliers have already tendered on price and quality. A further competition of these suppliers or 'call-off' can result in lower prices.

(2) Or the College must complete a further competition through a pre OJEU completed framework.

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Virement of Budget

Description	Requirement	Approval
Up to £50,000	Virement between budget lines within pay budget or non-pay budget or from pay to non-pay	Budget Holder
Between £50,000 and £500,000	Virement between budget lines within pay budget or non-pay budget or from pay to non-pay	Group Chief Financial Officer or Head of Finance
Up to £500,000	Virement from non-pay budget to pay budget or between different Budget Holders	Group Chief Financial Officer or Head of Finance
> £500,000		Corporation

Changes to approved budget

Description	Approval
Up to £100,000	College Principal or Group Chief Financial Officer
>£100,000	Corporation
Self-balancing changes up to £500k	College Principal or Group Chief Financial Officer
Self-balancing changes >£500k	Corporation

Approval of payments

All cheques, bank transfers and BACS listings must be signed in accordance with the bank mandate in force at the time. Group A (Executive Team) and Group B signatories are as defined in the College's current bank mandate.

Description	Approval
Up to £1,999	Any Group A or Group B signatory
£2,000 to £9,999	Two signatories from Group A or Group B, including one of either the Group Chief Financial Officer or the Head of Finance
£10,000 to £99,999	Two signatories from Group A or Group B including at least one from Group A and either the Group Chief Financial Officer or the Head of Finance
> £100,000	Two Group A signatories of which one must be the Group Chief Financial Officer or Head of Finance

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APPENDIX 2: ITEMS NOT REQUIRING A SYSTEM GENERATED PURCHASE ORDER

Category	Description
AOC / OfS Membership	AOC & OfS membership is a requirement for the college
Catering	Hospitality/meal tickets/tokens
Exam fees	Exam fees
HR	Requests for doctor's report
Photocopying	Photocopy rental and maintenance
Police checks	Police checks
Postage	Postage
Rates	Rates
Transport	Emergency taxis (excluding pre-booked taxis)
Utilities	Phone lines (excluding BT business)
Utilities	Mobile phones
Utilities	Electricity
Utilities	Gas
Utilities	Water and sewerage
Bursary Payments	
AASE Partner Payments	Sub-contracted funding payments

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APPENDIX 3: SUMMARY OF PROTOCOLS FOR PROPOSED MAJOR DEVELOPMENTS & PROPOSED CAPITAL EXPENDITURE

1. Business Plan

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

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

2. Capital Expenditure

The Strategic Property Group (SPG) have delegated responsibility to approve any variations to approved design / associated costings: up to but not exceeding £300k + VAT. Also SPG can approve any variations to the contract subject to such cost limits as may be set by the Corporation: initially up to but not exceeding £300k + VAT. Any additional costs in excess of the above limits will be referred to the Corporation for consideration.

Proposed capital projects must be supported by:

- A statement that demonstrates the project's consistency with the Strategic Plan and Estates Strategy approved by the Corporation.
- An initial budget for the project for submission to the Corporation. The budget must include a breakdown of costs including professional fees, VAT and funding sources.

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- A financial evaluation of the plans together with their impact on revenue plus advice on the impact of alternative plans.
- An investment appraisal in an approved format which complies with the Designated Funding Body guidance on option and investment appraisal.
- A demonstration of compliance with normal tendering procedures and the Designated Funding Body regulations. This will require careful consideration where partnership arrangements are in place.
- A cash flow forecast.

APPENDIX 4: CONDITIONS OF CONTRACT FOR THE PURCHASE OF GOODS / MAIN POINTS INCLUDED IN THE COLLEGE’S CODE OF TENDERING PRACTICE

LIST OF HEADINGS

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

Main Points Included in the College’s Code of Tendering Practice:

- Duty to comply by the College’s staff.
- EU directives to be complied with.
- Competitive tendering procedure, which must:
 - ensure fairness of competition
 - ensure that companies invited to tender are financially and technically able to meet the College’s requirements
 - indicate the terms of the contract
 - outline the appropriate British standards to be complied with.
- Quotation procedure, which must indicate:
 - the minimum number of firms that will be expected to provide quotations
 - lists of available firms in existence which have been approved by the College that might undertake the work specified
 - the terms by which the contractors will be paid
 - the national requirements concerning good practice that must be followed.
- Submission of tenders (e.g. time, date, etc.).
- Receipt and safe custody of tenders and records.
- Admissibility and acceptance of tenders.
- Acceptance of tenders/quotations.

Justification of acceptance of tenders not at the lowest price - tenders must be evaluated using MEAT (most economically advantageous tender).

South Gloucestershire and Stroud College – Financial Regulations

APPENDIX 5: 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.