

Nescot Financial and Procurement Regulations

(Incorporating the Policy on Anti-
Fraud Corruption and Bribery)

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THE CORPORATION OF NORTH EAST SURREY COLLEGE OF TECHNOLOGY FINANCIAL REGULATIONS

1. GENERAL

1.1 Financial Arrangements

- 1.1.1 The financial affairs of the Corporation of North East Surrey College of Technology, hereafter referred to as "the College", shall be conducted in accordance with these Financial Regulations and in line with the Financial Handbook published in June 2025 [College financial handbook - Guidance - GOV.UK](#)
- 1.1.2 Subject to these Regulations, Articles of Government and the Financial Memorandum issued by the Education and Skills Funding Agency (as amended from time to time) and its successor bodies, the Corporation shall be responsible for approving all financial arrangements, including systems of accounting, operating in the College. The CEO and Principal shall from time to time make such recommendations to the Corporation regarding the financial arrangements of the College as considered necessary.
- 1.1.3 Subsidiary Companies of the Corporation are bound by these Financial Regulations and the associated Financial Procedures.
- 1.1.4 DfE means the Department for Education and shall be interpreted as meaning any successor bodies for the purposes of these Financial Regulations.

1.2 Consideration of Financial Implications

- 1.2.1 The Corporation, when considering proposals for changing the policies, practices, procedures or methods of working of the College, will take account of any financial implications. Any material proposals involving increased expenditure or a reduction of income on any revenue account shall include an estimate of the initial cost of the proposal, any annual liability and any loss of income arising out of it, together with other relevant financial information.
- 1.2.2 The Articles of Government provide for the CEO and Principal of the College to be responsible for the management of the budget and resources within the estimates approved by the Corporation. Where the term CEO and Principal is used in this document it shall imply the CEO and Principal and, as appropriate, any other member of the College staff so designated by the CEO and Principal subject to compliance with the Articles of Government.
- 1.2.3 The Corporation has determined to have a Finance and General Purposes Committee which reports into the Corporation. Ultimately the Corporation is responsible for addressing all financial related issues.

- 1.2.4 The Corporation is required to establish an Audit and Risk Committee. The terms of reference of the Audit and Risk Committee will be the subject of regular review by the Corporation having regard to the recommendations of the DfE.
- 1.2.5 The CEO and Principal will be invited to attend meetings of the Corporation and meetings of the Audit and Risk Committee and Finance and General Purposes Committee to give advice or report on financial matters affecting the affairs of the Corporation. The Instrument and Articles of Government and the standing orders of the Audit and Risk Committee provide for the CEO and Principal to withdraw from meetings of the Corporation and the Audit and Risk Committee as and when appropriate.
- 1.2.6 The Chief Operating Officer shall, after consultation with the CEO and Principal, report to the Audit and Risk Committee any material non-compliance with the Financial Regulations approved by the Corporation. Similarly, any material non-compliance with the Financial Regulations on the part of the Chief Operating Officer will be reported to the Audit and Risk Committee by the CEO and Principal. Appropriate issues will be made known to the Corporation given the responsibilities of the Corporation relating to the solvency of the College.

1.3 Pecuniary Interests

- 1.3.1 In accordance with the Instrument of Government, members of the Corporation must declare an interest and refrain from voting and, if appropriate, withdraw from the meeting in relation to any matter before the Corporation (or a committee of the Corporation) requiring a decision from which they, or members of their family, may make a financial gain or in any other way have a financial interest.
- 1.3.2 Any person who has benefited, or may benefit, financially as an employee of the Corporation, other than by way of remuneration or allowances properly payable by the Corporation, shall notify the CEO and Principal.
- 1.3.3 A member of the Corporation who receives a gift as a result of their membership of the Corporation shall inform the Director of Governance to the Corporation.
- 1.3.4 The Corporation has introduced a Register of Interests for members of the Corporation. This is maintained by the Head of Governance. In addition, the College has a Register of Interests for managers and other appropriate staff which is maintained on behalf of the CEO and Principal by the Director of Finance. The registers are updated on an on-going basis and, preferably, annually.
- 1.3.5 Consideration will need to be given to the pros and cons of the acceptance of the gift including the possible return of the gift if the receipt could be misunderstood and place a person in a difficult position - be it now or in the future – with regard to their perceived impartiality. If there is any doubt a gift should not be accepted. Further details on the College policy for acceptance of gifts can be found in the Anti-Fraud, Corruption Bribery Policy and Procedures at Appendix B of these regulations.
- 1.3.6 Members of the Corporation and members of staff of the College (and in this respect this includes any agency workers engaged from time to time by the College) need to

ensure that their actions and inactions as members of the Corporation or members of staff are in the best interest of the College and any potential conflict of interest with other people and/or organisations are declared to their line manager or Human Resources.

1.4 Contracts

- 1.4.1 The Corporation may enter into contracts and agreements provided that they are in accord with the provisions included in these Financial Regulations, the Instrument and Articles of Government, and the Financial Memorandum of the DfE (as amended from time to time).

1.5 Separation of Duties

- 1.5.1 The duty of providing information, calculating, checking and recording sums due to or from the College must be separated as completely as possible from the duty of collecting or paying those sums. Any person charged with the duty of examining and checking accounts of cash transactions must not be engaged in any of those transactions.

1.6 Separation of Other Funds

- 1.6.1 Accounts and receipts of transactions from the Corporation's General College Budget must be kept entirely separate from any other funds administered by the College. All accounts held by the College on behalf of its students, or any other College related activities, are to be administered by the Director of Finance.

1.7 Security

- 1.7.1 The CEO and Principal shall make arrangements for the security of all establishments, property and assets falling within the scope of these Financial Regulations. Maximum limits for cash holdings shall be set by the Chief Operating Officer. Keys to safes and similar secure receptacles shall be safeguarded by in-house arrangements coordinated by the Chief Operating Officer.
- 1.7.2 Any employee who is a party to confidential information, in whatever form, shall not disclose that information to any other person unless legally obliged to do so, except where duly authorised, in writing, by the CEO and Principal or a Senior Postholder.
- 1.7.3 The Corporation and all employees shall have regard to the provisions of General Data Protection Regulations (GDPR) when dealing with information held on/or obtained from computer and other systems.

2. ACCOUNTS AND AUDIT

2.1 The Corporation shall:

- a) keep proper accounts and proper records in relation to the accounts; and
- b) prepare in respect of each financial year of the Corporation a statement of accounts for the Corporation and its subsidiaries.

2.2 The statements of accounts shall:

- a) give a true and fair account of the state of the Corporation's affairs and those of its subsidiaries at the end of the financial year and of the Corporation's income and expenditure in the financial year, and
- b) comply with any directions given by the DfE as to the information contained in it, the manner in which the information is to be presented, the methods and principles according to which it is to be prepared and the time and manner of publication.
- c) The accounts (including any statement prepared under this clause) shall be audited by persons appointed in respect of each financial year by the Corporation.
- d) Auditors shall be appointed, and other audit work conducted, in accordance with statutory obligations and the requirements of the DfE.
- e) For North East Surrey College of Technology, the term 'financial year' means that period and each successive period of twelve months commencing on 1 August and ending on the following 31 July.

3. BUDGETS AND BUDGETARY CONTROL

3.1 Revenue Budget Preparation

- 3.1.1 The CEO and Principal shall submit to the Corporation, by the end of July, a draft revenue budget and projected cash flow for the coming financial year, together with advice on inflation forecasts and such other financial information and assumptions as considered appropriate.
- 3.1.2 A calendar of activities for budget setting will be produced by the Chief Operating Officer and submitted to the CEO and Principal annually.
- 3.1.3 Following approval of the budget under general headings by the Corporation (usually at the July meeting), the Chief Operating Officer and Director of Finance will allocate the budget to cost centres in line with operating (business) plans approved by or on behalf of the CEO and Principal. These arrangements will be covered by the budget setting process which will be updated annually. Budgets will be allocated in advance of the commencement of the academic year subject to ongoing review by the CEO and Principal on the advice of the Chief Operating Officer.

3.2 Budgetary Control

- 3.2.1 The budget holders shall exercise proper and effective budgetary control of expenditure and income and shall not commit any expenditure unless it is provided for in the approved revenue budget.

- 3.2.2 Where it appears that any revenue estimate is likely to be overspent or income underachieved, before authorising the expenditure to be incurred, the budget holder must comply with the following:
- a) identify a compensatory reduction in another budget heading (or an increase in income);
 - b) ensure that any overspend involving on-going salaries can be met from an identified compensatory saving in another budget heading (or an increase in income);
 - c) make known the issue to the Chief Operating Officer, Finance Director and their own line manager so that the reasons are understood, and account can be taken of any impact – be it intentional or unintentional – on funding and learner targets as well as the College strategy.
- 3.2.3 The inclusion of any item in the revenue budget shall confer authority to incur expenditure, subject to compliance with these Financial Regulations and the approved cashflow forecast. Budget allocations will be reviewed during the course of each financial year and, where appropriate allocations may be withdrawn or reduced by the CEO and Principal who will normally consult the members of the Executive Team (individually or collectively).
- 3.2.4 Full detailed accounts for the Corporation recording actual expenditure against budget together with cashflow statements are to be submitted to the Corporation on a monthly basis. Any adverse variances or trends are to be separately highlighted with details of corrective action put in hand or recommended.

3.3 Carrying Forward Financial Provision

- 3.3.1 Amounts representing unspent provisions from income recorded in the year may be carried forward from one financial year to the next subject to this being made known to and agreed by the Chief Operating Officer as part of the end of year reconciliations and accruals process.
- 3.3.2 The Finance Director will brief all budget holders of the year end protocols including the arrangements for accruing unspent funds in the current year where this is thought to be appropriate.
- 3.3.3 The Corporation may not normally enter into commitments above the current budget level which would give rise to additional expenditure in a subsequent financial year. Subject to these Financial Regulations, however, where a future budgetary provision is anticipated in order to undertake a project or other initiative, the prior approval of the Corporation is required. Generally, any such approved expenditure will be set against future budgets.

3.4 Year-End Liabilities

- 3.4.1 After the end of each financial year, a schedule will be prepared of outstanding creditors by the Director of Finance for the Financial Statements auditors, relating to

that year (i.e. where delivery of supplies, work or services have been completed by 31st July), showing the amounts due (estimated where necessary) and the specific accounts to be charged. When such items of expenditure are subsequently approved for payment, they must be identified against the year-end liability setup.

3.5 Capital Expenditure

- 3.5.1 Capital expenditure on land, major capital buildings works and equipment purchases shall be strictly controlled and authorised by or on behalf of the Corporation.
- 3.5.2 The Chief Operating Officer will prepare and submit to the Corporation plans including an investment and option appraisal, where appropriate, for consideration before a final decision is taken with regard to major capital works.
- 3.5.3 Items costing less than £1,000 will not normally be capitalised and will therefore be written back to revenue, except where the expenditure is an integral part of an approved capital project costing more than £1,000 or land acquisition. In the latter exceptional circumstances, items costing less than £1,000 will be capitalised. Items costing £500 or more will be subject to inventory control under item 9 of these Regulations.

3.6 Authorisation of Requisitions and Orders

- 3.6.1 The capital expenditure authorisation levels will be reviewed from time to time by the Corporation. **Appendix A** sets out these limits.

4. ACCOUNTING ARRANGEMENTS AND SYSTEMS

- 4.1 The Chief Operating Officer shall be responsible for ensuring that sound accounting and financial records are kept. All systems of accounting, including cost accounts, maintained by the College shall be structured to enable management accounts and annual accounts to be produced in accordance with statutory obligations and the requirements of the DfE as determined from time to time.
- 4.2 No voucher or other document relating to the financial transactions of the Corporation shall be destroyed except in accordance with arrangements approved by the Corporation. Responsibilities relating to the retention of financial documents are set out in Section 9 of the Financial Regulations of the Corporation.

5. PURCHASING ARRANGEMENTS

5.1 Best Value and other considerations

- 5.1.1 The CEO and Principal, including designated representatives, will ensure that they consider best value alongside the quest for better services. The best value concept

requires the following four key issues to be addressed when making arrangements for the purchase of supplies, goods, equipment and services:

- to challenge why the service is provided
- to consult with users on their needs and views of the service
- to compare performance against others

In addition, the CEO and Principle will actively consider the social and ethical impacts of purchasing decisions, going beyond just price to evaluate factors like labour practices, human rights, environmental sustainability, and community engagement within the supplier network, aiming to ensure our procurement practices contribute positively to society as a whole. Details of this approach can be found in Nescot's Procurement strategy.

- 5.1.2 to compete with others to demonstrate the best method of provision. In order to further ensure that best value is secured, that goods or service being procured are of a suitable quality and that value for money the procurement requirements set out in 5.3 must be followed.

5.2 Orders for Supplies, Works and Services

- 5.2.1 The Director of Finance is responsible overseeing the issue of all purchase orders emanating from the College. These are to be prepared by budget holders for supply of goods, work contracted or services to be rendered and approved in line with agreed approval thresholds. Budget holders must ensure that purchase orders are placed only if the financial commitment arising from them can be met from the approved revenue budget or income generated from an approved commercial course or project and the appropriate procurement requirements followed. Where a contract for annual supplies has been let, orders for such supplies shall be issued only under the terms of the contract.
- 5.2.2 All purchase orders shall be issued on consecutively numbered purchase orders allocated and controlled within the integrated computerised System. Each order must be approved in accordance with authorities as defined within the Financial Regulations of the Corporation (Appendix A).
- 5.2.3 Official orders must be issued for all supplies, work and services required by the College, with the exception of:
- a) public utility services (e.g. gas, water, electricity and telephones) and other statutory fees,
 - b) payments under an agreement and subscriptions to organisations and bodies approved by the CEO and Principal;
 - c) cash purchases properly expended from cash imprest accounts.
 - d) "franchise" payments to partners and sub-contractors in line with a signed contract
 - e) Service Level Agreements in line with signed Contract
- 5.2.4 Purchase orders shall be prepared at the time when the supplies, works or services are actually ordered. Verbal orders, which must only be issued as a matter of exceptional urgency and approved by the Chief Operating Officer and/or CEO and

Principal, shall include reference to an official order number, and in such cases purchase orders must be submitted as confirmation without delay.

- 5.2.5 The circumstances surrounding the actions and inactions of a member of staff who disregards the arrangements for raising purchase orders will be reviewed by or on behalf of the CEO and Principal and this could lead to disciplinary action. A decision to remove the budget or related responsibilities of a member of staff will be made known to the Principal.
- 5.2.6 Second-hand goods may only be purchased in exceptional circumstances. Such purchases are to be approved by the Chief Operating Officer. Signatories of orders must pay particular attention to the justification for any purchases of second-hand goods.
- 5.2.7 The budget holder must ensure that the supplies, work or services received are checked against copy orders as to quantity, quality and compliance with specification, as soon as practicable. Suppliers shall be notified immediately of discrepancies.

5.3 Procurement of Goods (including capital items) and Services

- 5.3.1 The following minimum procurement requirements pertain depending on the value of the goods and services being ordered (inclusive of VAT). These procurement requirements apply to the value of the total value of orders planned from a single supplier. All quotes must be recorded and kept as evidence by way of a file note/email.

Orders of value less than £4,999	One - Two verbal quotes / online price comparison
Orders of value between £5,000 and £29,999	Two -Three written quotations
Orders of value between £30,000 and £207,720 (lower value)	Formal Competition exercise or tender process with the procurement team.
Orders of value £207,720 or more	Formal Tender via <i>Find a Tender</i> for higher value contracts. Notify contract awards via this platform.

- 5.3.2 **Contracts Finder:** Contracts Finder is the Government's one stop shop for suppliers to find new procurement opportunities across the public sector. The Procurement Act 2023 requires public sector bodies to use Contracts Finder when advertising their new opportunities for low value awards, and publish contract award information, so that all suppliers have more direct access to public sector work. Find a Tender must be used for high value contracts (over £207,720).
- 5.3.3 In exceptional circumstances (for example, due to the specialised nature of the work to be undertaken or for reasons of business urgency) the Chief Operating Officer or CEO and Principal may authorise that fewer quotes are obtained on receipt of a written justification from the Director of Finance. A request to waive the above must

be done in writing to the Director of Finance with reasons as to why the above could not be followed or strictly adhered to. A Waiver form must be completed and submitted by the Budget Holder with the request. An annual report of such transactions will be presented to the Audit Committee.

- 5.3.4 As part of a competition or tender exercise a Business Interest Declaration should be completed as part of the paperwork, confirming that the supplier offers best value for the College and there is no conflict of interest.
- 5.3.5 All new contracts should be forwarded to the Procurement Officer who will be responsible for logging centrally on the contracts register.
- 5.3.6 **Procurement Regulations:** The CEO and Principal, including designated representatives, will comply with the provisions of the UK Government Procurement Agreement (GPA) when making arrangements for the purchase of supplies, goods, equipment and services.

In line with the Procurement Act 2023, any contract spend exceeding the current WTO GPA threshold, legally needs to be posted on Find a Tender (FTS).

The Procurement thresholds for the UK are shown in the table below. The new Public Procurement Thresholds that apply to colleges, sixth form colleges and academies commenced on 1 January 2025 and are as follows, these values are inclusive of VAT:

Supply of goods	Supply of services	Works contracts	Special and similar services
£207,720	£207,720	£5,193,000	£663,540

In compliance with and in line to the principles of the Public Contracting Regulations 2015 and the Procurement Act 2023, the value of the requirement should be calculated to include the anticipated procurements over the contracting period (including any extensions and / or electing to take up options to supply additional goods, services or works). Splitting of orders to circumvent any limits specified will not be permitted.

6. TENDERS FOR THE SUPPLY OF GOODS AND SERVICES

6.1 Inviting and considering Tenders

- 6.1.1 The Corporation has agreed that any procurements estimated to cost £30,000 or more (inclusive of VAT) will be subject to a formal competition (via a DfE approved framework) or tender.
- 6.1.2 Tenders can be prepared through Purchasing Consortia only if the specification of the goods or supplies offered is the same as than originally detailed by the College.

6.2 Major Building Work

- 6.2.1 The Director of Finance will establish that there is budgetary provision to meet the projected costs of the proposed building or other works before tenders are invited.
- 6.2.2 A detailed specification of the proposed works will be prepared. The specification will be reviewed by the designated project manager and the Chief Operating Officer or designate before it is made available to potential contractors.
- 6.2.3 Where possible (if under Procurement act 2023 thresholds), a framework will be used to procure building services
- 6.2.4 The procurement requirements set out in 5.31- 5.3.5 above will be followed and where applicable the procurement regulations in 5.36 must be complied with.
- 6.2.5 A compliant competition or tender process will be followed and supported by the Procurement Officer or designated college procurement specialists.
- 6.2.6 All invitations to tender on a competitive basis shall state that no tenders will be accepted unless submitted in either:
- a) a plain, sealed package bearing the word 'Tender' followed by the title of the tender to which it relates and the latest date and time for the receipt of such a tender, OR
 - b) by email with the subject Tender and the title of the tender to which it relates.
- 6.2.7 It is normal practice of the College to ask for tenders to be submitted so that they are received by the Executive Office to the CEO and Principal or the designated lead by midday on a specified date. This should normally allow for tenders to be opened during the afternoon in accordance with the arrangements outlined below.
- 6.2.8 All tenders will be addressed to the Procurement Officer.
- 6.2.9 The Procurement or designated lead will maintain a register to identify:
- the works tendered
 - the date and time of the opening of the bids
 - the designation of those present
 - the names of the contractors submitting a tender and the amount quoted.
- 6.2.10 The register (as outlined in Paragraph 6.2.12) will be signed by all those present and filed in the office of the CEO and Principal for future reference. It is expected that when tenders are opened the Procurement Officer and, if at all practicable, the Chief Operating Officer will be present together with an “independent” member of staff who will act as witnesses to the opening process.
- 6.2.11 The first page of the tender documents together with those pages stating the costs involved are to be signed by those present at the opening to prevent subsequent substitution.

- 6.2.12 The tender documentation will be handed to the Chief Operating Officer or designate for evaluation together with a copy of the register (as outlined in Paragraph 6.2.10).
- 6.2.13 Following evaluation, the Chief Operating Officer or designate will discuss key elements of the tenders received from the preferred contractors with the Project Manager (where applicable), Head of Estates and relevant Head of Department. At this stage it may be appropriate to enter post tender discussions with one or more tenderers with regard to proposed costs and/or the specification. This would involve the Chief Operating Officer or designate and, if appropriate, the Project Manager and Head of Estates although the composition of the College group may be varied on behalf of the CEO and Principal if this is thought to be in the best interests of the College.
- 6.2.14 The Chief Operating Officer or designate and the Project Manager or Head of Estates and Facilities (where applicable) will make a recommendation in writing to the Principal as to which tender should be accepted detailing the value of the preferred tender (inclusive of VAT). At this stage the Chief Operating Officer will have regard to the budget allocation to fund the project and, if appropriate, make a recommendation to the CEO and Principal.
- 6.2.15 The decision to appoint is made in consultation with the Principal and in some cases with the corporation, depending on the value of the contract as set out in the authorisation arrangements in **Appendix A**.
- 6.2.16 If the value of the preferred tender is more than the budget provision, a report prepared by the Chief Operating Officer or designate will be presented to the CEO and Principal so as to consider the budget implications. Until the CEO and Principal has considered the financial implications and reached a decision no action will be taken as to the acceptance of the preferred tender.
- 6.2.17 When considering tenders for work to be undertaken on behalf of the College it is normally expected that the lowest quote will be accepted. However, it is recognised that there will be occasions when there are good and sufficient reasons to accept a tender for a higher amount. Such reasons will be explained in the written recommendation submitted to the Chief Operating Officer.
- 6.2.18 If only one tender is received the Head of Estates will arrange for a re-tender. Only in exceptional circumstances will contracts be placed where only one tender has been received and this will be explained in the written recommendation submitted by the Head of Estates to the Chief Operating Officer.
- 6.2.19 In exceptional circumstances (for example, due to the specialised nature of the work to be undertaken or for reasons of business urgency) it may not be possible to invite more than one firm to submit a tender. However, all stages of the Financial Regulations will be complied with. In addition, the approval of the CEO and Principal will be required to invite a tender from one firm. See 5.3.3 above for waiver process.
- 6.2.20 Every contract for building and engineering works will be embodied in a formal contract document to be signed and dated by the Contractor and the Head of Estates or the Chief Operating Officer. The document will reflect any change in the terms and conditions of contract agreed following receipt of tenders. The signed contract will be

accompanied by an order raised in accordance with the arrangements detailed in Section 5 above.

- 6.2.21 The Director of Finance or procurement officer will record the contract on the central contracts register.
- 6.2.22 The Chief Operating Officer or designate will keep a project file, and this will include information on works progress/delays, financial aspects, payments, site meeting dates etc. All site meetings will be minuted as brief notes and circulated to those parties interested. It is essential that the accuracy of the notes is accepted by all parties. The notes of the Head of Estates or project manager will be taken as an accurate record unless challenged within seven calendar days of receipt by contracted parties.
- 6.2.23 Variations from the original specifications and expenditure of provisional, or contingency sums must be covered with a Variation Order, a copy of which will be kept with any supporting information in the project file after it has been signed and dated by the CEO and Principal or any other designated officer.
- 6.2.24 The Chief Operating Officer or designate will present to the CEO and Principal on a regular basis (usually monthly), a statement detailing the financial implications of approved works so that there is a clear understanding of actual, committed and projected expenditure and regular updates on the progress of works including the expected completion dates.

6.3 Purchase of supplies and services

- 6.3.1 The Director of Finance will establish that there is budgetary provision to meet the projected costs of the proposed contract for supplies before tenders are invited.
- 6.3.2 A detailed specification of the contracted supplies will be prepared by the relevant manager. The specification will be reviewed by the responsible managers before it is made available to potential contractors.
- 6.3.3 The procurement requirements set out in 5.31- 5.3.5 above will be followed and where applicable the procurement regulations in 5.36 must be complied with.
- 6.3.4 A compliant competition or tender process will be followed supported by the Procurement Officer or designated College Procurement Specialists. Where possible, a framework will be used to streamline the procurement process.
- 6.3.5 On the same day as the approved specification is dispatched, the relevant manager will prepare a summary document detailing the names of the firms invited to tender and the closing date and time for the receipt of tenders (if not using a framework). Copies will be passed to the Personal Assistant/s to the CEO and Principal and to the Director of Finance.
- 6.3.6 All invitations to tender on a competitive basis shall state that no tenders will be accepted unless submitted in either;

- a) a plain, sealed package bearing the word 'Tender' followed by the title of the tender to which it relates and the latest date and time for the receipt of such a tender, OR;
 - b) by email with the subject "Tender" followed by the title of the tender to which it relates.
- 6.3.7 It is normal practice of the College to ask for tenders to be submitted so that they are received by the Procurement Officer or Executive Officer to the CEO and Principal by midday on a specified date. This should normally allow for tenders to be opened during the afternoon in accordance with the arrangements outlined below.
- 6.3.8 All tenders will be addressed to the Procurement Officer.
- 6.3.9 The Procurement Officer will maintain a register to identify:
- the supplies or services tendered
 - the date and time of the opening of the sealed envelopes
 - the designation of those present
 - the names of the contractors submitting a tender and the amount quoted.
- 6.3.10 The register (as outlined in Paragraph 6.3.11) will be signed by all those present and filed in the office of the CEO and Principal for future reference. It is expected that when tenders are opened the Procurement Officer and if at all practicable, the Chief Operating Officer will be present together with at least two independent members of staff.
- 6.3.11 The first page of the tender documents together with those pages stating the costs involved are to be signed by those present at the opening to prevent subsequent substitution.
- 6.3.12 The tender documentation will be handed to the relevant manager for evaluation together with a copy of the register (as outlined in Paragraph 6.3.11).
- 6.3.13 Following evaluation, the relevant manager will discuss key elements of the tenders received from the preferred suppliers with the Director of Finance.
- 6.3.14 At this stage it may be appropriate to enter post tender discussions with one or more suppliers with regard to proposed costs and/or the specification. This would involve the Director of Finance and other appropriate members of staff.
- 6.3.15 The relevant manager will make a recommendation in writing to the Chief Operating Officer as to which tender should be accepted detailing the value of the preferred supplier (inclusive of VAT).
- 6.3.16 The decision of the Chief Operating Officer will be notified in writing to the relevant manager, this decision will be in line with authorisation arrangements and value of the contract as set out in the authorisation arrangements in Appendix A. This notification will also be copied to the CEO and Principal for her/his information.
- 6.3.17 If the tender of the preferred supplier is more than the budget provision a report prepared by the Chief Operating Officer will be presented to the CEO and Principal

so as to consider the budget implications. Until the CEO and Principal, or the Corporation for some contracts, has considered the financial implications and reached a decision no action will be taken as to the acceptance of the preferred supplier.

- 6.3.18 When considering tenders for supplies to be made on behalf of the College it is expected that the lowest quote will be accepted. However, it is recognised that there will be occasions when there are good and sufficient reasons to accept a tender for a higher amount. Such reasons will be explained in the written recommendation submitted to the Chief Operating Officer.
- 6.3.19 If only one tender is received the relevant manager will arrange for a re-tender. Only in exceptional circumstances will an order be placed where only one tender has been received and this will be explained in the written recommendation submitted by the relevant manager to the Chief Operating Officer.
- 6.3.20 In exceptional circumstances (for example, due to the specialised nature of the supplies required or for reasons of business urgency) it may not be possible to invite more than one firm to submit a tender. However, all stages of the Financial Regulations will be complied with. In addition, the approval of the CEO and Principal will be required to invite a tender from one firm. See 5.3.3 above for waiver process.
- 6.3.21 Every contract for supplies covered by these financial regulations will be embodied in a formal contract document to be signed and dated by the supplier and the Deputy Principal, Corporate Resource. The document will reflect any change in the terms and conditions of contract agreed following receipt of tenders. The signed contract will be accompanied by an order raised in accordance with the arrangements detailed in Section 5 above.
- 6.3.22 The Director of Finance will keep a contract file, and this will include information on supply progress/delays, financial aspects, payments, site meeting dates etc. All meetings will be minuted as brief notes and circulated to those parties interested. It is essential that the accuracy of the notes is accepted by all parties.
- 6.3.23 Variations from the original specifications and expenditure must be covered with a Variation Order, a copy of which will be kept with any supporting information in the contract file after it has been signed and dated by the Chief Operating Officer or any other designated senior manager.
- 6.3.24 The Chief Operating Officer or designate will present to the CEO and Principal, regular statements detailing the financial implications of approved supplies so that there is a clear understanding of actual, committed and projected expenditure.
- 6.3.25 At the completion of all supplies covered by the tender arrangements, the Chief Operating Officer or designate will prepare a brief report for presentation to the CEO and Principal outlining the experience gained, the role of the supplier and the lessons for future contracts.

6.4 Post Tender

- 6.4.1 Following a tender any subsequent contract should be logged on the central contracts register. Said contract should also be attached to all PO's relating to the supply.
- 6.4.2 A Business Interest Declaration should be completed, confirming that the supplier offers best value for the College and there is no conflict of interest. Where the contract is for multiple years an Annual Business Interest form should be completed in each year the contract is utilised

7. PAYMENTS ROUTINES

7.1 Accounts for Payment (Invoices, Bills, Credit Notes, Vouchers, etc.)

- 7.1.1 The Director of Finance shall arrange to pay all amounts to which the College is legally committed including those covered by cash imprests. Invoices submitted to the Director of Finance for payment must be approved in accordance with the Financial Regulations of the Corporation.
- 7.1.2 Accounts for payment must bear the certification of the officer responsible for ensuring the receipt of the goods or services, in addition to the signature of the authorised officer. In practical terms, this means invoices must be linked to an approved purchase order and payment runs must be approved by the Director of Finance before processed.
- 7.1.3 Accounts (invoices, bills etc.) for supplies, work and services must be prepared by creditors and not by any member of the College staff. This should be evidenced by pre-printed invoices, with VAT numbers, where appropriate. Accounts shall not be accepted if the details are not written in ink or indelible pencil or typewritten or recorded by another acceptable permanent method. Statements of accounts shall not be submitted for payment unless supported by the original invoices appropriately certified. Invoices that are subject to Value Added Tax must not be amended in any circumstances and the supplier must be requested to submit a supplementary VAT invoice whenever an amendment is required.

7.2 Certification of Invoices

- 7.2.1 Certification of an invoice or bill means that it is properly payable and correct in all respects and in particular:
 - a) It is the responsibility of the Budget holder to ensure that there is a valid purchase order has been raised, where applicable referencing a contract (attaching to the PO). For all purchases above £4,999, quotes and / or tender documentation must be attached to the PO request in order for it to be approved.
 - b) It is the responsibility of the Budget holder to ensure that as regards supplies, that these have been received and that there is no apparent defect or shortage;
 - c) as regards work contracted or services rendered, it is the budget holder or project manager to ensure that this has been completed satisfactorily;
 - d) It is the Finance Departments responsibility to ensure that the invoice has been completely checked and the amount to be paid is correct;

- e) It is the Finance Departments responsibility to ensure that the expenditure falls within an approved estimate and that the items have been coded as chargeable to that estimate budget;
- f) It is the Finance Departments responsibility to ensure that the College finance system has been updated;
- g) It is the Finance Departments responsibility to ensure that the rate and amount of any discount due is correctly stated in line with the approved purchase order;
- h) It is the Finance Departments responsibility to ensure that no item in the invoice has been previously certified for payment;
- i) It is the Finance Departments responsibility to ensure that is clearly an approved interim payment against a major project. N.B. All discounts, credits, receipts or goods supplied arising out of purchases by the Corporation are to accrue to the Corporation and it is the duty of any person to pursue them, obtain and declare them.

7.2.2 Invoices for payment shall be approved and sent to the Director of Finance or designate as soon as possible, and in any case in sufficient time to enable any discounts or other rebates to be obtained. The Director of Finance shall make suitable arrangements to ensure payments are made in accordance with agreed contract terms.

7.2.3 The Director of Finance, and designated representatives, shall check that invoices and payment vouchers have been properly certified and shall examine such documents to the extent considered necessary to ensure compliance with contracts, accepted tenders, and the resolutions and regulations of the Corporation.

7.3 Cash Refunds

7.3.1 that authorise the making of a cash refund must be certified by the Director of Finance and a receipt obtained from the person to whom the refund is made. The Director of Finance must ensure that the original payment has been made.

7.4 Frequency of Claims for Expenses

7.4.1 All claims for payment of travelling and incidental expenses will be submitted through the Employee Self-Service portal, duly certified by the line manager and budget holder, utilising the appropriate forms, made up to the last working day of each month and to be received within five working days of the following month. All claims will be paid with salary by bank transfer. Claims for car allowances shall be submitted to the Chief People Officer, duly certified, in an approved form, and made up to the last day of the month for inclusion in the following months payroll. Claims for expenses and allowances incurred more than 3 months before the date submitted may not be reimbursed.

7.5 Remuneration, Pensions and Gratuities

7.5.1 The Chief People Officer is responsible for the payroll routines for College employees including calculation of all remuneration, pensions and gratuities, deductions for income tax, superannuation, National Insurance and other deductions from salary as determined from time to time.

- 7.5.2 Time sheets must be prepared for sessional employees showing such information as the Chief People Officer requires. Time sheets shall be certified by the appropriate budget holder.
- 7.5.3 Payment by Bank Transfer or otherwise, of all salaries, wages, pensions, compensation or other emoluments to employees or former employees shall be made by, or in accordance with arrangements made by the Director of Finance.
- 7.5.4 In the event of any overpayment to employees, the employee will be notified and arrangements made to recover the overpayment either through repayment via payroll or a one-off payment agreed with the employee. In the event of non-repayment, the Debt Recovery Policy will be followed.

7.6 Novel, Contentious and Repercussive Transactions

- 7.6.1 Any transactions that may be considered novel, contentious and/or repressive must be referred to DfE for prior approval. The request must be made to DfE before the transaction occurs. DfE may refer such transactions to HM Treasury for approval, so colleges should allow sufficient time for proposals to be considered:
 - a) Novel transactions are those of which the college has no experience or are outside its range of normal business.
 - b) Contentious transactions are those that might cause criticism of the college by Parliament, the public or the media.
 - c) Repercussive transactions are those that may have wider financial implications for the sector, or which appear to create a precedent.

7.7 Compensation Payments

- 7.7.1 Any individual payments where non-statutory/non-contractual element is <£50,000 can be approved through the HR led Business Case for settlements/compensation payments.
- 7.7.2 Any value equal to 3 months salary or >£50,000, consent must be sought from the DfE.
- 7.7.3 Ex Gratia, Extra Contractual, Extra Statutory or Extra Regulatory Payments
- 7.7.4 All such payments must always be referred to the DfE for approval.

7.8 Special Severance Payments

- 7.8.1 Any individual payments where non-statutory/non-contractual element is <£50,000 or under 3 months' salary (gross) whichever is the lower, subject to (a) the exit package including a special staff severance payment being <£100,000 in total and (b) employee earns <£150,000 in total can be approved through the current college approval process.

- 7.8.2 Any individual payments where non-statutory/non-contractual element is (a) the exit package including a special staff severance payment being >£100,000 in total or (b) employee earns >£150,000 in total consent must be approved by DfE.

8. BANK AND CASH IMPRESTS

8.1 Control of Bank Accounts. Investments, etc.

- 8.1.1 The choice of the College bankers will be subject to the approval of the Corporation on receipt of a recommendation from the CEO and Principal (or, if appropriate, the Chief Operating Officer acting on behalf of the CEO and Principal).
- 8.1.2 The Chief Operating Officer or a designated representative is solely authorised to make arrangements with the College bankers in accordance with the approved instructions of the Corporation. The Corporation is empowered to borrow money within the limitations laid down by DfE.
- 8.1.3 The Chief Operating Officer shall be the Corporation's sole Registrar of Investments (stocks, bonds and mortgages). All securities, other than title deeds and excepting private and trust funds, the property of or in the name of the Corporation or its nominees shall be held in the custody of the Chief Operating Officer. Investments will be carried out in accordance with the policy determined by The Corporation.
- 8.1.4 The Director of Finance, acting with the specific authority of the CEO and Principal, is responsible for the opening and closing of bank accounts required for the control and monitoring of College finances. This to include transfers of balances to ensure maximum benefit is gained from the use of surplus funds. All actions under this clause will be recorded in writing and presented to the CEO and Principal without delay.
- 8.1.5 The Director of Finance is authorised to approve the issuing of College credit cards to staff with appropriate control and limits on spend as recommended by the Chief Operating Officer.

8.2 Corporation Bank Account

- 8.2.1 The College will operate a bank account for all authorised expenditure incurred and income received on behalf of the Corporation.
- 8.2.2 No cheques may be drawn for cash other than for petty cash reimbursements unless approved and signed by two authorised signatories.
- 8.2.3 The bank account is to be continually monitored against the cash flow forecast of the Corporation. The Director of Finance must, on a monthly basis, complete a reconciliation of the bank account balance with the Corporation's cash book records, ensuring that all necessary adjustments are promptly carried out.

- 8.2.4 Bank accounts must not be allowed to become overdrawn unless previously authorised and appropriate arrangements set up. Blank cheques must not be signed in any circumstances.
- 8.2.5 Cheques and BACS may only be signed by the authorised signatories as approved by the Corporation and in accordance with the agreed bank mandate.
- 8.2.6 All funds held in separate bank accounts for College activities are to be administered by the Director of Finance.
- 8.2.7 Procedures relating the use of electronic signatures must first be approved by the Corporation.

8.3 Petty Cash Imprest Accounts

- 8.3.1 The Director of Finance may operate a fixed imprest for the purpose of making cash payments. The imprest will not normally be larger than is required to meet expenses likely to be incurred during a period of four consecutive weeks. A maximum level of £6,000 is set for total imprests required by the College.
- 8.3.2 Payments made from the imprest account are to be limited to minor items for which there is proper authority and provision in budget expenditure headings.
- 8.3.3 Where appropriate, the Director of Finance may approve cash advances to authorised officers for them to make local payments. Any such amounts shall be properly accounted for with appropriate receipts. Where these are held as a permanent float, they shall be treated as a sub-imprest of the main petty cash account.
- 8.3.4 The cash book and vouchers relating to each account shall be subject to examination by Director of Finance

8.4 Control of Bank and Petty Cash Accounts

- 8.4.1 Cashiers controlling petty cash accounts shall, so far as is reasonably practicable, obtain proper vouchers for all payments, using forms approved by the Director of Finance. These vouchers must contain adequate information as to the purpose of the payments and be supported where appropriate by receipts and be approved by an authorised signatory.
- 8.4.2 Cashiers responsible for cash accounts must ensure the safe custody of cash, produce on demand to the Director of Finance cash balance and vouchers to the total of the account and, when required by the Director of Finance, certify the amount of cash in hand.

8.5 New Loans and amendments to existing borrowing

- 8.5.1 Colleges can agree amendments which are not within the scope of Managing Public Money (MPM). Examples include but not limited to:

- a) providing periodic standard written representations to lenders
- b) changes to financial and non-financial covenants and
- c) changes to standard clauses following underlying legislation changes.

8.5.2 Consent must be sought from the DfE for amendments which may be within scope of the MPM. Examples include but are not limited to:

- a) changes relating to the term of the loan
- b) repayment profile change
- c) interest rate change outside of the existing agreement terms including any movement between the variable and a fixed interest rate and (d) providing additional security.

8.5.3 Any new borrowing requires the prior written approval of the DfE.

9. CONTROL OF ASSETS

9.1 Land and Buildings

9.1.1 Proposals for the sale of any part of the Corporation's property portfolio must be carried out in accordance with the guidelines laid down in the Colleges Financial Handbook.

9.1.2 Sale or Disposal of Assets and Stock. etc.

9.1.3 Equipment, furniture and materials which are determined to be obsolete or surplus to requirements may be sold or disposed of within the following parameters:

- items with a value of less than £150,000 will be authorised by the CEO and Principal (or their designated representative)
- items with a value of £150,000 or more will be authorised by the CEO and Principal (or their designated representative) subject to the approval of the Chair (or in their absence the Vice Chair) of the Corporation.

9.1.4 The Chief Operating Officer in consultation with the CEO and Principal will determine if it is in the best interests of the College to dispose of items by means of a public tender.

9.1.5 College employees will not be eligible to purchase items of obsolete or surplus College property unless:

- a) the value is determined to be nil or minimal by the Chief Operating Officer, or
- b) the purchase results from an open public tender.

9.2 Stock and Stores

9.2.1 The Director of Finance shall be responsible for the regular review of security arrangements relating to stores premises, and for the stores in the College. The

Director of Finance shall arrange, so far as is practicable and appropriate, for stock and stores to be marked effectively as belonging to the Corporation.

- 9.2.2 The Director of Finance shall ensure that stock and stores are not held more than reasonable requirements, due regard being paid to the desirability of limiting the amount of working capital required for stores.
- 9.2.3 All records and accounts in connection with stock and stores shall be in a form approved by the Director of Finance or designate.
- 9.2.4 An Annual Certificate of Stock held on 31st July is to be prepared by the Director of Finance as an integral part of the financial year end procedures.

9.3 Asset Inventories

- 9.3.1 The Director of Finance is responsible for the custody and the physical control of all items by maintaining adequate asset inventories for the College and shall arrange for at least an annual check.
- 9.3.2 Furniture, equipment, plant and technical equipment owned by the Corporation, so far as reasonable, should be effectively marked as being Corporation property, and must not be removed from premises without the authority of the appropriate member of the CLT who shall arrange for a formal record to be maintained indicating the location of the property so removed and which will be signed by the person or persons having temporary custody of the property. Where any inventory item is not owned by the Corporation the inventory entry must specify the name and address of the owner.
- 9.3.3 Inventories shall be in a form set down by the Director of Finance who shall issue instructions for their completion.
- 9.3.4 Any material deficiencies in inventories shall be reported to the CEO and Principal by the Chief Operating Officer who shall arrange for a report to be presented to the Corporation.

10. INCOME

- 10.1 The Chief Operating Officer, on behalf of the Corporation, will determine the tuition and other associated fees payable to the Corporation in advance of the commencement of each academic year.
- 10.2 All arrangements for the collection, custody, control, banking, and accounting for all cash, cheques, postal orders etc. received in the College together with the system of accounting for all sums due to it, shall be subject to the approval of the Chief Operating Officer. The form of income records shall also be approved by the Chief Operating Officer.

- 10.3 The College shall issue accounts to approved debtors as soon as possible after the authorised charge has been established.
- 10.4 The Director of Finance shall take all reasonable and practicable measures for recovery of debts due to the College. Debtor management is to be subject to credit control disciplines and, in circumstances in which legal action for recovery is necessary and desirable in the interests of the Corporation, the matter shall be referred to a solicitor for appropriate action. Please see the college's Debt Recovery Policy and Procedures for more details.
- 10.5 All monies received by any person on behalf of the College shall be immediately recorded by the issue of an official receipt, or by such other method as may be prescribed by the Chief Operating Officer.
- 10.6 Each person who receives money on behalf of the College shall keep an accurate and chronological record of all receipts, and deposits with the Director of Finance and/or with the Corporation's bankers, and such other records as may be required by the Director of Finance.
- 10.7 All cheques, postal orders, money orders and bankers' drafts received in connection with amounts due to the College shall be crossed straightaway for credit to the Corporation's bank account. Monies received on behalf of the College shall not be used for the purpose of cashing cheques belonging to employees of the Corporation or any other persons.
- 10.8 All monies received by a person on behalf of the College shall be paid in promptly, and without deduction, to the Director of Finance or to the Corporation's bankers, in accordance with arrangements made from time to time by the Chief Operating Officer.
- 10.9 All official receipt forms constituting or incorporating an acknowledgement for the receipt of money shall be controlled by the Director of Finance.

11. COMMERCIAL ACTIVITIES

- 11.1 The College raises additional income by undertaking commercial activities, particularly the provision of short courses. Commercial activities, which are to have regard to Education Acts, and the Articles of Government, are not to conflict with the charitable status of the Corporation and are structured to generate a surplus after all costs are taken into account. The policy relating to the utilisation of any such surplus will be determined by the CEO and Principal.
- 11.2 Each proposal to provide a commercial activity will be made in a standard format in accordance with the Financial Regulations. The proposal will specify the following:
- the duration of the course or activity
 - the expected number of students
 - the name of any funding organisation or how income is to be achieved
 - the estimated net profit

- 11.3 There must be no deficits arising from commercial activities unless specifically approved by the Principal and Chief Executive (or delegated to the Chief Operating Officer) who will record the justification for subsequent review as appropriate.
- 11.4 Proposals to undertake non-course based commercial activities, such as research or consultancy work, shall similarly estimate all costs likely to be incurred, but take account of current market rates in the relevant field in recommending charges. Such proposals shall be subject to the same approval procedure as in 11.2.
- 11.5 The Director of Finance shall ensure that all costs incurred by the College in undertaking commercial activities are separately identified and recorded. The arrangements shall be subject to the approval of the Chief Operating Officer. The Director of Finance shall also ensure that all income due is accounted for in accordance with Section 10 of these Regulations and shall monitor the achievement of the estimated net profit.
- 11.6 The CEO and Principal shall present an Annual Report and Financial Statements to the Corporation detailing the trading activities of any College subsidiary.

12. FINANCIAL STATEMENTS AUDITORS (EXTERNAL AUDIT)

- 12.1 In accordance with the requirements of the DfE, external auditors are to be appointed each year and the firm appointed will report to the Corporation through the Audit and Risk Committee on the accountability for the disbursement of public funds.
- 12.2 The Financial Statements auditors will report to the Corporation:
- a) on the annual financial statements commenting whether they show a true and fair view taking into account, where relevant, statutory disclosure requirements, Statements of Standard Accounting Practice and other accounting practices recommended by the Accountancy Standards Board (or its predecessor the Accounting Practices Committee) and the requirements of the DfE.
 - b) that in all material respects monies expended out of funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and, if relevant, managed in compliance with relevant legislation such as Trustees Investment Act 2000.
 - c) that in all material respects monies expended out of funds provided by the DfE have been applied in accordance with the Financial Memorandum between the DfE and the College and any other terms and conditions attached to them.
 - d) that proper accounting records have been kept.
- 12.3 The Financial Statements auditors will report by way of a management letter to the Corporation through the Audit and Risk Committee. A copy of the final management letter and any other reports of audit findings incorporating the Colleges management response will be sent to the DfE by the College. The management letter shall include any significant matters arising out of the audit which might lead to material errors or impact on future audits, or where, for example, economies could be made, or resources used more efficiently. It shall also recommend improvements, particularly in the following areas:

- a) weaknesses in the structure of accounting systems and internal control;
- b) deficiencies in the operation of accounting systems and internal control including internal audit;
- c) inappropriate accounting policies and practices;
- d) non-compliance with legislation, accounting standards, and other regulations; and
- e) matters raised in previous management letters where remedial action remains incomplete.

12.4 Serious weaknesses or an accounting breakdown shall be reported to the CEO and Principal, the Chair of the Corporation, the Chair of the Audit and Risk Committee and the DfE by the Financial Statements auditors without delay.

12.5 Ensuring the establishment and maintenance of an adequate system of internal control is the responsibility of the Corporation with whom also rests the responsibility for ensuring compliance with statutory and other regulations. This will include those in relation to taxation, and for the prevention and detection of irregularities including fraud. The Financial Statements auditors will plan and conduct their audit so that external audit will have a reasonable expectation of detecting material mis- statements in the accounts resulting from irregularities, including fraud, or breach of regulations. However, the external auditors are not required to investigate specifically for irregularities and fraud and their audit should not therefore be relied on to disclose them.

12.6 The external auditors have unrestricted access to internal audit files and working papers and will have regular meetings with internal audit staff.

12.7 The Corporation is responsible for ensuring that:

- a) a system of controls, financial and otherwise, is established and maintained in order to carry on the operations of the College in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure, as far as possible, the completeness and accuracy of the records; and
- b) financial statements are prepared that:
 - i. comply with the College's Articles of Government, all statutory requirements, the Financial Memorandum between the DfE and the College and any other regulations relevant to the constitution and activities of the College.
 - ii. show a true and fair view of the College's financial position and of the income and expenditure for the year taking into account where relevant; statutory disclosure requirements, Statements of Standard Accounting Practice and other accounting practices recommended by the Accounting Standards Board (or its predecessor the Accounting Practices Committee) and requirements of the DfE.

13. INTERNAL AUDIT

- 13.1 The College will appoint independent internal auditors each year and the firm appointed will report to the Corporation through the Audit and Risk Committee on the economy, efficiency and effectiveness of the management and control arrangements of the College.
- 13.2 The Corporation shall provide the necessary facilities to enable the internal audit to be carried out, and in particular the designated Head of Internal Audit (or representative) shall have authority to:
- a) have access at all reasonable times to any College premises or land;
 - b) have access to all records, documents and correspondence relating to any financial or other transaction of the College;
 - c) require and receive such information and explanations as considered necessary for the purpose of the audit or investigation;
 - d) obtain from any employee of the Corporation the production of cash, income, stores or any other property of the College in their custody or control. The above facilities are subject to the proviso that the persons exercising them on behalf of the Head of Internal Audit should not knowingly inspect or call for inspection in any case where they have a pecuniary interest, direct or indirect.
- 13.3 Whenever any suspected irregularity arises concerning cash, income, stores, or other property, or in the exercise of the function of the College, it shall be notified straightaway to the Head of Internal Audit who shall take such steps as he considers necessary by way of investigation and report. The Head of Internal Audit shall consult the CEO and Principal (or, if this is not appropriate, the Chair of the Corporation) and, if appropriate, the Chief Operating Officer before initiating any such appropriate action. It is the responsibility of all employees to notify the CEO and Principal and/or the Head of Internal Audit/ Chief Operating Officer if he/she is aware of any suspected financial irregularity in the exercise of the functions of the College.
- 13.4 The Head of Internal Audit shall be notified of all sources of funds which come under the control of the Corporation or any officer acting in an executive capacity. The arrangements made for audit and for the proper accountability for such funds shall be approved by the Audit and Risk Committee.

14. ADDITIONAL WORK CARRIED OUT BY THE APPOINTED AUDITORS

- 14.1 The external and internal auditors have been engaged for specific periods to carry out reviews in the best interest of North East Surrey College of Technology and have regard at all times to the Code of Practice and other recognised arrangements. The auditors will not normally be engaged to undertake any other work relating to the College unless there are exceptional reasons which will require the specific approval of the Audit and Risk Committee following consideration of a report by the CEO and Principal.

15. FRAUD AND IRREGULARITIES

15.1 Any instances of fraud, bribery (Bribery Act 2010) or irregularities which have been identified or suspected are to be pursued in accordance with the Anti-Fraud, Corruption and Bribery Policy set down in **Appendix B** to these Financial Regulations. These guidelines will be reviewed annually.

16. INSURANCES

16.1 The Chief Operating Officer shall arrange all appropriate insurance policies to be put in place, monitored and maintained up to date. These policies include the following:

Statutory:	Employers Liability Public/Products Liability Motor Vehicles
Others:	Non-Pool Terrorism Buildings and Contents Business Interruption - Commercial All Risks Material Damage Commercial All Risks Professional Indemnity Loss of Money Fidelity Guarantee Libel and Slander Computer Breakdown and Engineering (including inspection services) Group Personal Accident and Travel Cyber Security

16.2 The Chief Operating Officer must be informed immediately in writing by the appropriate Director or Head of any changes in circumstances in their area of remit which may affect the Corporation's insurance risks such as:

- 1) the acquisition of assets whether by ownership, hiring or loan;
- 2) any College staffing matter affecting the Corporation's position as an employer;
- 3) undertaking any activity which involves a hazard or legal responsibility to a third party.

16.3 The Chief Operating Officer shall maintain a register of all Corporation insurances and the property or risks covered and shall periodically supply the Corporation with particulars of all insurances affecting the College. The Corporation must satisfy itself that all risks for which insurances should be taken out are adequately covered.

16.4 The Chief Operating Officer must be informed immediately:

1. of any loss or potential loss to the Corporation;
2. of any claim or potential claim against the Corporation;
3. of any event which might give rise to a claim against the Corporation;
4. of any possible or proposed prosecution by the Police of any person(s) accused of causing any loss or damage to the Corporation's property. The Chief Operating Officer will advise the CEO and Principal when the financial implications of any item raised under this clause have been computed.

16.5 Where the Corporation maintains insurance cover on behalf of its members or employees, the Chief Operating Officer must be notified immediately:

- 1) of any loss or injury to a member of the Corporation or employee so covered;
- 2) of any claim against a member of the Corporation or employee so covered;
- 3) of any event within their knowledge which might give rise to a claim against a member of the Corporation or employee covered.

16.6 The Chief Operating Officer or designate must keep suitable records to ensure that inspections of engineering plant under college control, normally inspected by the Corporation's insurers, are carried out in accordance with statutory obligations. In the event of any failure by the Corporation's insurers to carry out an inspection within the prescribed period, the Chief Operating Officer or designate shall be notified immediately.

16.7 No indemnity shall be given by the Corporation unless its terms have been approved by the Corporation's Solicitor and notification has been given to the Corporation's insurers.

17. REFERENCE

17.1 Any doubt as to the interpretation of these Regulations shall in the first instance be referred to the Chief Operating Officer or, if appropriate, the Head of Governance. The Chief Operating Officer will consult, as and when appropriate, the CEO and Principal and other managers as appropriate on material issues relating to the Financial Regulations.

18. UPDATING OF THE FINANCIAL REGULATIONS

Policy Originator:	Sarah Watson
Approved by:	Finance & General Purposes Committee
Date Approved:	March 2026
Review Interval:	Annual
Last Review Date:	Spring Term 2026
Next Review Date:	Autumn Term 2026
Audience:	Staff, Corporation

Appendix A – Specified Authorities

Bank Signatories

1.1 Bank Mandate covering bank signatories to include the following officers:

(A) signatories:	(B) signatories:
• Principal and Chief Executive • Chief Operating Officer • Deputy Principal and Chief Executive • Director of Finance • Chairperson of the Corporation	• Chief People Officer • Financial Accountant • Income Manager

1.2 Authorisation of Payments

- Either two (A) signatories or one (A) signatory and one (B) Signatory

Authorisation or Procurement and Payments

2.1 The Director of Finance will maintain and keep updated a schedule of authorised signatories for the purpose of approving procurements subject to the disciplines of 1.2 below:

2.2 Purchase Order authorisation levels, for **non-capital** purchases, are as follows:

Procurement /Requirement Value	College Authorisation Arrangements
<£1,000 (inclusive of VAT)	Designated budget holder, subject to sufficient funds/budget
>£1,000	Chief Operating Officer, subject to budget holder approval and confirmation by Director of Finance of available funds/budget. In the absence of the Chief Operating Officer, the Director of Finance has delegated authority to approve purchase orders over £1,000.

2.3 Purchase order authorisations levels for capital purchases are as follows:

Procurement /Requirement Value	College Authorisation Arrangements
<£1,000 (inclusive of VAT)	Designated budget holder, subject to sufficient funds/budget
>£1,000	Chief Operating Officer, subject to budget holder approval and confirmation by Director of Finance of available funds/budget In the absence of the Chief Operating Officer, the Director of Finance has delegated authority to approve purchase orders over £1,000.
	CEO and Principal
Annual Capital Programme	Corporation approval of annual capital programme.

2.4 Variations to the authorised list of signatories must be approved by the CEO & Principal and/or the Chief Operating Officer for a limited time to cover absence due to sickness or annual leave.

BUDGETRY CONTROL

3.1 Budget Holders are responsible for ensuring their expenditure profile is in line with the budget. Any exceptional requests around front loading annual expenditure are to be separately authorised by the Chief Operating Officer.

3.2 The Director of Finance shall be responsible for the production of monthly reports to the Principal & Chief Executive and Corporation.

CASHFLOW AND AUTHORISATION PAYMENTS

4.1 The Director of Finance is responsible for general cashflow management and resultant judgement in scheduling payments.

4.2 The Director of Finance (or if appropriate, the Financial Accountant) is responsible for the authorisation of payment of accounts.

4.3 The Director of Finance has the responsibility to ensure that arrangements have been made with college bankers to cover all treasury aspects of the accounting function.

BAD AND DOUBTFUL DEBTORS

5.1 In accordance with the Financial Regulations and Credit Control procedures bad debts are to be written off only after all stages of collection have been exhausted. Please see the college's Debt Recovery Policy for details.

5.2 Individual debts up to £4,999 can be written off subject to the approval of the Chief Operating Officer

5.3 >£5,001 and < £14,999 CEO and Principal

5.4 >£15,000 and above are to be referred to the Corporation.

5.6 Any individual write-off that exceeds £45,000 or 1% of the annual income (whichever is smaller) will need to be approved by the DFE.

5.7 Cumulative write-offs within the academic year which exceed £250,000 or 5% of the annual income (whichever is smaller) will need to be approved by the DFE

CREDIT NOTES

6.1 Credit notes which are issued to correct a data input error on an invoice must be issued for the full amount of the invoice and approved by the Chief Operating Officer. The correct invoice must be issued immediately.

6.2 Credit notes which are issued to correct a data input error on an invoice request document must be authorised in writing by the budget holder and approved by the Chief Operating Officer. The correct invoice must be issued immediately.

6.3 Other credit notes may be issued only if a payment reduction has been agreed in accordance with financial regulations.

Appendix B – Anti Fraud, Corruption and Bribery Policy 2024

Please find the policy for staff on SharePoint – Link below:

[Policies and Procedures](#)