

Financial Regulations

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INTRODUCTION

Background

Halesowen College operates within a legal/statutory framework in which it is a requirement under the conditions of Funding Agreement with the Education and Skills Funding Agency (ESFA) to ensure that there are sound systems of financial management and internal control. Financial regulations make good business sense and are integral to an effective control environment. The Corporation must adopt Financial Regulations which are integral to the College's strategic processes and expresses clearly how financial management will contribute to and support the achievement of the College's overarching objectives as defined in the strategic plan.

This document includes the financial objectives and targets together with responsibilities, protocols and regulations to be followed thus ensuring sound financial management within the College. The wholly owned company, Halesowen College Enterprises (HCE), is governed by a separate set of regulations, which are broadly similar to those of the College. A memorandum of understanding is in place to clearly define the relationship between the College and HCE.

These regulations are based on CIPFA's (Chartered Institute of Public Finance and Accounts) model set of regulations which aim to reflect best practice and provide a practical source of guidance. In addition to financial regulations, financial procedures are in place which set out in detail how the regulations are to be implemented. The main terminology used in the document is defined in Annex A.

Legal Framework

Halesowen College is a Further Education Corporation created under the provisions of the Further and Higher Education Act 1992 and modified in accordance with the Education Act 2011. Its structure of governance is laid down in the Instrument and Articles of Government. Halesowen College is accountable through its governing body, which has ultimate responsibility for the effectiveness of its management and administration. Halesowen College is an exempt charity by virtue of the Charities Act 1993 and is subject to the requirements of the Charities Act 2006 and the Education Act 2011. This legislation introduced freedoms for the College as by moving from central government control a range of restrictions and controls were removed transferring responsibilities directly onto the Corporation. The Audit Code of Practice does not mandate the need for internal audit but provides opportunity for the College to review its assurance arrangements. Modification of the Instruments and Articles of Government allows the Corporation to determine its own regularity framework and legal status. However, the Corporation is still prohibited from making changes to an Instrument which would result in the College ceasing to be a charity. As an exempt charity the College must ensure that the financial management and governance arrangements comply with charity law. 'Public benefit' is a key legal requirement that every organisation set up for one or more charitable aims must be able to demonstrate. Hence its aims must be for the public benefit if it is to be recognised as a charity in England and Wales. The advancement of education is one of the most wide-ranging of the descriptions of purposes listed in the Charities Act 2006. There are two key principles both of which must be met in order to show that the College's aims are for the public benefit; there must be an identifiable benefit or benefits, and these must be to the public, or a section of the public. As such the Corporation prepares a Public Benefit Statement and reviews all activities annually to ensure that public benefit is being met.

Financial Management

Financial regulations are a key part of the determined assurance framework and aim to ensure that there is a robust control environment which minimises loss and seeks to identify and tackle fraud. It also ensures that the College maintains financial health grade to meet its targets and contribute to the achievement of the strategic objectives. In order to assist the College in achieving its strategic aims, the governing body sets annual and (as part of the annual plan) financial targets which are coterminous with those financial objectives set out in the College's strategic plan. The purpose of setting and monitoring such objectives is to establish limits within which the College can operate and achieve its overarching strategies.

The College regularly compares its performance against published averages from various sources and, has developed a set of key performance indicators, which focus on the core pillars of financial resilience. These are summarised in Annex B.

Financial Control Framework

These regulations and a comprehensive compendium of regulations, policies, protocols and procedures provide the College with a sound basis upon which it will conduct its financial arrangements and processes thus achieving probity, accuracy, economy, efficiency and effectiveness and the prudent management of all financial activities.

Status of Financial Regulations

The financial regulations provide a mandatory framework for all staff. It is also a set of procedures for those who have responsibility for the management of resources or the control of income and expenditure. Financial regulations form part of the Terms of Employment of all Corporation employees. They are binding on all staff and the contents are not negotiable. All employees must be familiar with the content, and ignorance of any provision will not be accepted as a defence against a charge of a breach of protocol and/or of regulations. Failure to comply with any terms of this policy should be reported in accordance with College policies such as Whistleblowing and Anti-Fraud. Any potential breach may result in an investigation under the College's disciplinary policy. The Corporation will be notified of any significant breach through the Audit Committee.

Financial Information

Accurate and timely financial information is essential for the decision-making process linked with on-going assessment of risk. Management accounts are produced monthly and the financial position of the College reported regularly to Corporation through the Finance and Resources Committee. The monthly management accounts are reported to the College Leadership Team and lodged in the Corporation repository.

Further details can be found in the policy on the Frequency and Content of Financial Information.

Performance against financial targets is reported to the Corporation, risk-assessed and the direction of travel noted.

Budget holders have access to real-time financial information aiding them to effectively monitor and manage resources. Budget position spreadsheets are also emailed to budget holders weekly.

Statutory Framework

This policy is determined by the Halesowen College Corporation under power conferred by the Articles of Government. This compliments the Conditions of Funding Agreement between the Corporation and the funding agency which sets out the terms and conditions on which grant is made. The governing body is responsible for ensuring that conditions of funding are met including ensuring resources are expended on the activities for which they were received. As part of this process the College must adhere to the Audit Code of Practice, which demands sound systems of financial and management control. The Adult Education Budget (within the Mayoral zone) was devolved to the West Midlands Combined Authority (WMCA) from 1 August 2019, and as such the College must also comply with any funding conditions issued. Similarly, the requirements of the Office for Students (OfS) must be observed for HE funding. The Financial Regulations form part of this overall system of accountability.

Halesowen College will comply with all relevant legislation and accounting standards and Statements of Recommended Practice for Higher Education and Further Education providers.

The core of the financial control framework is the financial regulations which provide control over the totality of Halesowen College's resources and give management and the governing body assurance that the resources are being properly applied in accordance with the requirement of the Financial Memorandum and associated documents and for the pursuance of Halesowen College's strategic plan and associated objectives including discharging responsibility for accountability and regularity, financial viability/going concern and value for money. The College must demonstrate that it is fulfilling its responsibility for the provision of effective financial controls over the use of public funds, managing risk and safeguarding the assets of Halesowen College.

Policy Review

This is a pivotal and high-level policy that the Corporation operates and develops to ensure that the financial management is robust and control framework operating effectively. The extensive set of performance targets are referred to above and outlined in detail in annex B. Continued monitoring and ongoing assessment of risk provide assurance for the Corporate Board.

The Financial Regulations will be subject to a full review annually which will be embedded with the self-assessment framework with a report on effectiveness and impact on the organisation.

Interim reviews may be necessary and any/all significant amendments and addendums to the Financial Regulations and associated policies and protocols must again be approved by the Finance & General Purposes Committee of the Corporation.

Annex A **Key definitions**
Annex B **Financial Targets**

Associated Policies and Procedures which can all be accessed via the hub

Anti-Bribery Policy

Anti-Fraud Policy

Anti-Money Laundering Policy

Budgeting Policy

Credit Control Policy

Expense Payments and Benefits Policy

Financial Systems and Procedures

Frequency and Content of Financial Information

Gifts and Hospitality Policy

Procurement Policy

Refund Policy

Risk Management Policy and Procedures

Standing Orders Relating to Contracts

Treasury Management Policy

Value for Money Policy

Whistleblowing Policy

FINANCIAL RESPONSIBILITIES

CORPORATE GOVERNANCE

1.1 The Role of the Corporation

The governing body of the College has significant responsibility for financial matters derived from various sources including Education Act 2011, Conditions of Funding Agreements and the Audit Code of Practice. In accordance with the College's instrument and articles of government the role of the board is:

- 1.1.1 to set financial objectives for the College in accordance with the strategic plan.
- 1.1.2 approval of the financial strategy and financial plan including the financial regulations, thus ensuring the effective and efficient use of resources; the solvency of the College and the safeguarding of its assets, hence monitoring the performance of the College.
- 1.1.3 to ensure that the funds provided are used in accordance with the terms and conditions of the funding agreement.
- 1.1.4 approving annual estimates of income and expenditure and the College's financial plan before the start of each financial year.
- 1.1.5 to determine a tuition fee policy which is reviewed annually.
- 1.1.6 to ensure that the College complies with the Post 16 Audit Code of Practice.
- 1.1.7 to approve the strategic plan and annual plan.
- 1.1.8 the receipt, approval and signing of the annual members report and financial statements including the statement on regularity, propriety and compliance with funding body terms and conditions of funding; statement of governance and internal control and, statement of responsibilities.
- 1.1.9 to determine the limits on the Principal's discretion to act.
- 1.1.10 operate a remuneration committee which reports to Corporation annually and will determine the pay and conditions of service for senior post holders. They will have regard to offering fair pay to attract and retain appropriately skilled and qualified staff, affordability and benchmark data and operate in accordance with The Colleges Senior Post Holder Remuneration Code (Association of colleges).
- 1.1.11 establishment and operation of an Audit Committee and a Search Committee.
- 1.1.12 to secure value for money for the College.
- 1.1.13 to prepare an annual Corporate Governance statement and a statement of the responsibilities of the Corporation.
- 1.1.14 to appoint the College's internal and external auditors Each year the audit company will issue a letter of engagement which clearly explains their remit. This is received by the Audit Committee. The letter of engagement is signed by the Principal or Chief Operating Officer/Vice Principal. A copy of the external audit letter of engagement shall be forwarded to the funding agency as required.
- 1.1.15 the Corporation receive a finance dashboard style report comprising key ratios which underpin financial performance. A hyperlink directs members to the full set of management accounts which are prepared monthly and include the main financial statements; income and expenditure account, balance sheet and rolling cashflow forecast plus additional information such as subjective analysis, debtors and creditors profile and evaluation of financial health ensuring that appropriate financial

considerations are taken into account at all stages in reaching decisions and in their execution. A position statement for Halesowen College Enterprises is also included.

Budget update; the revenue budget shall usually be reviewed at least termly. All revisions to income, pay and non-pay shall be reported in a tabularised format with key information narrated.

Financial targets are measured monthly and reported to the Corporation with a risk assessment and direction of travel indicator.

- 1.1.16 ensure that the financial, planning and other management controls, including controls against fraud and theft, applied by the College are appropriate and sufficient to safeguard public funds.
- 1.1.17 that the governing body has ultimate responsibility for the College's finances.
- 1.1.18 to approve any significant changes to the risk management and disaster recovery plans which may be referred from the Audit Committee. To review annually the risk appetite, formally considering all risks which fall outside the appetite.
- 1.1.19 to ensure the College operates in accordance with the public benefit and that no activities are outside its remit.

The Corporation operates a Committees structure and in addition to the mandatory committees of Search & Audit has a Student, Curriculum & Quality and Finance & General Purposes Committee. The Corporation may delegate responsibilities outlined above to the committees providing that this is permitted within the terms of the law, conditions of grant funding and instrument and articles et al.

1.2 The Role of the Audit Committee

The Audit Code of Practice and the Articles of Government state that an Audit Committee must be established. The Audit Committee's terms of reference are subject to an Annual Review and must reflect the minimum specification outlined in the Code.

The Audit Committee is independent and advisory, and reports to the Corporation. It is designed to ensure probity, openness and integrity throughout the Corporation. Its terms of reference are available on the website and from the Clerk.

The Audit Committee shall consist of at least three persons elected by the Corporation annually and collectively should have the appropriate skills and experience. A director of any subsidiary company cannot be a member of the Audit Committee. The Chair, Principal and staff governor, cannot be members of the Audit Committee.

1.3 The Role of the Search Committee

The Search Committee is established under the requirements of the Corporation's Instrument and Articles of Government. The Committee will oversee the effectiveness of the search and appointment procedures; monitor the skills, experience and composition of the Corporation and search for, consider nominations and applications and make recommendations to the Corporation on the appointment and reappointment of members of the Corporation (other than the Principal and staff and student elected members).

Terms of reference and membership are on the website and available from the Clerk.

1.4 The Role of the Student, Curriculum and Quality Committee

Within the context of the educational character, mission and strategy of the College the Committee will consider and where appropriate report to the Corporation within the scope of their terms of reference which are on the website and available from the Clerk.

1.5 The Role of the Finance and Resources Committee

Within the context of the educational character, mission and strategy of the College and the boundaries of funding, financial and charity compliance the Committee consider and where appropriate report to the Corporation on all finance/resources matters including:

- a. the annual estimates of expenditure and the annual College budget statement
- b. financial forecasts, plans and financial monitoring reports
- c. revisions to the annual budget
- d. directors' decisions in relation to the College companies
- e. capital expenditure requirements
- f. the estates and accommodation strategy
- g. the annual members' report and annual statements of accounts prior to their presentation to the Corporation
- h. cash management arrangements including treasury management and banking portfolio
- i. financial targets
- j. Human Resources Policy Revision, Annual Report and associated Key Performance Indicators incorporating Staff Development
- k. Health and Safety Policy
- l. the College's financial regulations
- m. Financial Policy Revision

Contracts of employment/pay spine

- a. the College Budgeting Policy
- b. arrangements for securing value for money, solvency and safeguarding the assets of the College
- c. tuition and other fees
- d. policy for distribution of bursary and hardship funds
- e. Marketing Strategy
- f. curriculum costing and budgeting, policy/methodology

The Committee terms of Reference and membership are on the website and available from the Clerk. Governors may not serve simultaneously on the Audit Committee and Finance and Resources Committee.

1.6 The Role of the Principal & Chief Executive (Chief Accounting Officer)

Subject to the responsibilities of the Corporation, the Principal is the Chief Executive of the College and Chief Accounting Officer. Responsibilities include:

- 1.6.1 preparation of annual estimates of income and expenditure for consideration and approval by the Corporation.

- 1.6.2 the management of the budget and resources within the estimates approved by the Corporation. 1.3.3 to delegate within budgetary limits predetermined by the Corporation, responsibility for a budget or part of a budget to an individual member of staff or group of employees, in order to permit the performance of defined activities.
- 1.6.3 to prepare annually in conjunction with the Chair of the Corporation an annual Corporate Governance Statement (ref 1.1.13).
- 1.6.4 oversight of financial matters which shall be demonstrated by signing the balance sheet and the statement of corporate governance within the annual financial statements (as co-signatory with the Chair), and the Principal's Statement prefacing in the financial plan submitted to the funding body.
- 1.6.5 as Chief Accounting Officer, to appear before the Committee of Public Accounts if required.

1.7 The Role of the Chief Operating Officer/Vice Principal

The Chief Operating Officer/Vice Principal is a senior postholder. The financial responsibilities of the postholder include:

- 1.7.1 advising on the financial aspects of the College's policy; financial administration of the College and, for ensuring that the College has satisfactory systems of financial control and management.
- 1.7.2 the preparation of the annual statements of accounts for the Corporation, in accordance with guidelines issued by the funding agency; within the parameters of relevant legislation including the Companies Act and the Charities Act and conforming to recommended statement of accounting practice and financial reporting standards including Accounting Standards.
- 1.7.3 to ensure the maintenance of adequate financial systems and a comprehensive procedures manual which shall be available to staff.
- 1.7.4 to ensure that the governing body, senior management and budget holders of the College receive accurate and timely financial information in accordance with the College's approved policy for frequency and content of financial reports.
- 1.7.5 to ensure the efficient financial management of the College.
- 1.7.6 liaison with auditors in order to achieve efficient processes.

1.8 The Role of Budget Holders

Budget Holders must ensure that funds are spent on the purposes for which they were identified.

- 1.8.1 Although responsibility for overall budgetary control shall remain with the Principal, delegated budget holders must strictly observe the predetermined budgetary limits and control procedures. Delegation of responsibilities and levels of finance to budget holders shall be in writing.
- 1.8.2 Budget holders must supply the Chief Operating Officer/Vice Principal with all relevant information regarding the budget and associated financial transactions when required.
- 1.8.3 Budget holders shall seek to ensure value for money and avoid fruitless payments, all of which must be reported to the Chief Operating Officer/Vice Principal. Sustainable factors shall also be considered with purchasing choices and budget holders must adhere to Standing Orders Relating to Contracts and the Procurement Policy.

- 1.8.4 Budget holders must ensure that expenditure is limited to the level of budget allocated. In exceptional circumstances the budget holder may plan an overspend but this must be agreed in advance by Chief Operating Officer/Vice Principal. Similarly, income targets must be realised with any shortfall/potential shortfall report to the Chief Operating Officer/Vice Principal without delay.
- 1.8.5 Budget holders must ensure that resources are expended for the purpose for which they were allocated.
- 1.8.6 Budget holders must attend appropriate budget holder training.
- 1.8.7 Budget holders must comply with financial regulations and procedures.

1.9 The Responsibilities of all College Staff

- 1.9.1 To ensure security of the College's property; for avoiding loss and, for due economy in the use of resources.
- 1.9.2 To immediately notify the Chief Operating Officer/Vice Principal whenever any matter arises which involves, or is thought to involve, loss of or irregularities concerning cash, or cash equivalents, or stores, or property of the College. The Chief Operating Officer/Vice Principal in liaison with the Principal, and in accordance with relevant College policies, shall take such steps as is considered necessary by way of investigation and report. All employees also have the right of direct access to the Principal if required. However, should an irregularity cause a member of staff to report a concern under the College's whistle blowing policy then all subsequent action must be in accordance with this policy. The College also has in place an anti-fraud policy approved by the Corporation, which must be adhered to as appropriate. Staff must also report any attempted bribery in accordance with the College's anti-bribery policy.
- 1.9.3 To inform the Chief Operating Officer/Vice Principal immediately of any theft/loss/damage to property or stocks.
- 1.9.4 To comply with any directions made by the Principal in relation to the control of budgets and with the systems of financial control and information laid down by the Chief Operating Officer/Vice Principal.
- 1.9.5 To ensure that they are aware of and adhere to the College's policies and, financial procedures/authority limits and, the values of purchases for which quotations and tenders are required.
- 1.9.6 To observe and act in accordance with Financial Regulations, Standing Orders Relating to Contracts and associated financial policies at all times.

1.10 The Role of Internal Audit

Internal Audit is both an independent review process and an aid to College management. Internal Audit is subject to the requirements of the Government Internal Audit Agency (GIA) who help ensure that government and the wider public sector provide services effectively. Internal Audit comply with Public Sector Internal Audit Standard and the Audit Code of Practice. The terms of reference of internal audit are clearly defined in a Letter of Engagement which will be signed annually by the Chief Operating Officer/Vice Principal. Appointment of Internal Audit is approved by the Corporation on the advice of the Audit Committee. The Audit Code of Practice provided an opportunity for the College to re-evaluate existing assurance arrangements and take a wider perspective on pan organisational assurance. A strong assurance framework is required to meet statutory, legal and regulatory responsibilities. Although the established audit framework historically provided an

independent view on the systems of internal control, financial management and governance which aided the Corporation to discharge their statutory responsibilities. As part of a revised overall assurance framework Halesowen College is retaining internal audit input. Responsibilities of internal audit to the Corporation are:

- 1.10.1 maintaining an audit of aspects of the College's systems of key financial controls and any associated activity defined in the audit planning process. Auditors have the right of access to any minutes, books, documents or other information kept by the College, and also have the right of access to the Chair and members of the Corporation and any College officers.
- 1.10.2 to submit regular reports in accordance with the operational audit plan on the College's systems and activities to the Audit Committee.
- 1.10.3 to provide an opinion on the adequacy and effectiveness of key controls covered in each audit.
- 1.10.4 to participate in the development of a strategy for providing the Corporation with an objective evaluation of the College's risk management, control and governance processes and opinions on their effectiveness. The assurance map and risk framework will inform this process.
- 1.10.5 to liaise with the Chief Operating Officer/Vice Principal to produce an operational audit plan which is reviewed annually, considered by the Audit Committee and approved by the Corporation.
- 1.10.6 to conduct annual audits on which the external audit team will place reliance as part of the regularity audit work. The audit strategy should reflect risk, add value to the organisation and provide a framework which contributes to the discharging of the regularity responsibilities.

1.11 The Role of External Audit

External auditors are recommended for appointment by the Audit Committee to the Corporation in accordance with the provisions of the Further and Higher Education Act 1992 and the directives and requirements of the funding agency. Their role includes:

- 1.11.1 to ensure that the annual financial statements demonstrate a true and fair view of the financial position and that the accounts can be prepared and signed on a going concern basis.
- 1.11.2 to plan and conduct their audit so that there is a reasonable expectation of detecting material error and/or mis-statements in the accounts resulting from irregularities including fraud or other breaches of regulations. Hence the external auditors have the right of access to any minutes, books, documents or other information kept by the College, and also have the right of access to the Chair and members of the Corporation and any College officers.
- 1.11.3 to produce an audit certificate at the conclusion of the audit stating their opinion on the Annual Financial Statements which shall be submitted to the Corporation. In addition, a detailed audit report (management letter) shall be prepared for consideration by the Audit Committee/Corporation and for submission to the funding body.
- 1.11.4 to conduct a regularity audit and issue a regularity opinion in accordance with current directives. Regularity audit is a requirement for an audit opinion covering regularity and propriety of College's spending and standards of corporate governance. Note that external audit firms can only provide limited assurance for regularity work.
- 1.11.5 provide certificates in compliance with the requirements of the Teachers Pensions Agency.

1.12 The Role of the Other Auditors

- 1.12.1 The College may use audit firms to conduct assurance work which contributes to the overall framework; all of which is reported to the Audit Committee. Moreover, the College may periodically be subject to audit or investigation by external bodies; for example, the PFA team and HM Revenue and Customs. Such auditors/inspectors have a statutory duty to ensure the College's compliance with regulations and standards.
- 1.12.2 They have the same right of access to books, documents, minutes and other information kept by the College as Internal and External Audit. Similarly, they also have the right to contact the Chair and members of the Corporation and any College officer including the Principal.
- 1.12.3 In order to limit residual risks with learner numbers, the ESFA has a system of funding audit. Colleges should be audited either on a cyclical basis or on a risk based model. These auditors have the same right of access and contact for planned work and spot visits.

1.13 Risk Management

- 1.13.1 Halesowen 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 strategic 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 strategy.
- 1.13.2 The governing body has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the College through the development, implementation and embedment within the organisation of a formal, structured risk management process.
- 1.13.3 Halesowen College will adopt, wherever possible, recommended best practice in the identification, evaluation and cost effective control of risks to ensure, as far as possible, that they are managed and understood to a level that is acceptable to the Corporation.

The objectives of this policy are:

- to integrate risk management into the culture of the College.
- to manage risk in accordance with recommended best practice.
- detail the establishment of a risk appetite.
- to establish legal compliance as a minimum standard.
- to explain how risk management will be implemented.
- detail responsibilities.
- to continue to respond to changing educational, financial, environmental and legislative requirements.
- to prevent injury and damage wherever possible.
- to continually raise awareness amongst all employees of the need for the management of risk.
- identify any contra risks for risks scoring outside of the defined appetite.

The objectives will be met by:

- the establishment of a Risk Management Group (which is the College Leadership Team).

- appointment of a Risk Management Champion (Chief Operating Officer/Vice Principal).
- determination of a risk appetite
- the continuous development of risk management strategies throughout the College.
- monitoring the risk management via functional plans, the development plan and the risk action plan.
- the dissemination of information relating to risk management to all employees to maintain effective communications on key activities.
- the development and maintenance of appropriate procedures and records to assist in the management of risk.
- the preparation of contingency plans and contra risk factors in those areas and activities that are deemed to be potentially high risk.
- clear reporting to the Corporation via the Audit Committee on all aspects of risk including controls, action and early warning mechanisms in relation to the management of the most significant risks ie those outside the risk appetite.
- linking risk management to statutory/legal compliance by annual review of all relevant legislation in each risk area.
- use the risk matrix and key performance drivers to inform information flows.
- establishment and regular testing of a major incident and disaster recovery plan.

Refer to Risk Management Policy

1.14 Anti-Fraud Strategy (including Whistleblowing)

1.14.1 The College has policies to aid the prevention of fraud, corruption, bribery and money laundering:

- Anti-Fraud Policy
- Anti-Bribery Policy
- Gift and Hospitality Policy
- Whistleblowing Policy
- Anti-Money Laundering Policy

1.14.2 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace.

1.14.3 Normally, any concern at the College should be raised with the relevant member of staff's line manager. 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.

1.14.4 Any member of staff or former employee may, therefore follow the College's Whistleblowing Policy.

1.14.5 The full procedure for whistleblowing is set out in the Whistleblowing Policy.

1.14.6 The College also has an Anti-Fraud Policy and Response Plan which must be adhered to as appropriate.

1.14.7 The College has an Anti-Money Laundering Policy which is communicated to all staff involved in cash/income collection areas and records of training documented in accordance with the 2017 regulations.

1.14.8 The College has an Anti-Bribery policy applicable to all staff.

1.15 Code of Conduct

- 1.15.1 The College is committed to the highest standards of honesty, 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).
- 1.15.2 The Staff Code of Conduct is available on the staff hub or from the Finance & Personnel team.

1.16 Gifts and Hospitality

- 1.16.1 Staff may accept low value gifts such as business diaries, chocolates, branded stationery and calendars etc produced for the purpose of a token and/or being given away. Outside of this framework gifts including vouchers and cash equivalents should not usually be accepted. The recipient of any unsolicited gifts should return them with a polite explanation that College policy does not allow their acceptance and making clear that no College staff have benefit. However, should any supplier et al attempt to bribe a member of staff they must report this immediately to the Chief Operating Officer/Vice Principal who will take the necessary action in accordance with the anti-bribery policy.
- 1.16.2 There may be exceptional cases where refusal would offend a donor, cause embarrassment or appear discourteous. Such cases should be referred to the Chief Operating Officer/Vice Principal to evaluate whether to allow the recipient to accept and declare the gift.
- 1.16.3 Individuals should only accept hospitality in the course of a courteous business relationship; the frequency and nature of this not being significantly different to that which the Corporation would provide.

It is sometimes difficult to assess the level of hospitality that must be declined. The table below sets out the different categories and the requirement for declaration.

Event	Approval Required	Record in Register
Category 3: working meals/conferences	No	No
Category 3: receptions and mixed purpose meals (part social, part business)	No	Yes
Category 1: social entertaining	Yes	Yes

- 1.16.4 Personal inducement in any form from suppliers of goods and services must never be accepted and moreover, any attempt by supplier to engage in this practice must be reported immediately to the Chief Operating Officer/Vice Principal.
- 1.16.5 In receiving/providing gifts and hospitality it is necessary for staff to take account of relevant College policy/systems and HM Revenue and Customs rules.
- 1.16.6 The College policy for gifts and hospitality must be adhered to at all times.

FINANCIAL REGULATIONS

FINANCIAL MANAGEMENT AND CONTROL

2.1 Accounting Arrangements*

2.1.1 Financial Year

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

2.1.2 Basis of Accounting

The consolidated financial statements are prepared on the historical cost convention modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards. The accounts are prepared on a going concern basis although this is subject to external audit review. The Corporation must be satisfied that the accounts can be signed on this basis.

2.1.3 Format of the Financial Statements

The financial statements are prepared in accordance with the Statement of Recommended Practice *Accounting for Further and Higher Education*, subject to any specific requirements of the funding body, and in accordance with the provisions of the Companies Act 2006 and Charity Law as appropriate. Financial statements are compliant with financial reporting standards including International Accounting Standards and FRS102. Due regard has to be taken of the accounting requirements of the Office for Students and external audit will make all necessary opinion statements required.

2.1.4 Basis of Consolidation

The consolidated financial statements include the College and its wholly owned subsidiary Halesowen College Enterprises Limited.

2.1.5 Capitalisation and Depreciation

Tangible fixed assets are accounted for in a consistent way. Land and buildings acquired since incorporation will be recorded in the balance sheet at actual build or acquisition cost. Buildings will be depreciated in equal installments over their estimated remaining useful life. Land will not be depreciated. Where land and buildings are acquired with the aid of specific grants these are released to the income and expenditure account to match the depreciation.

Expenditure incurred on the acquisition of assets will be recorded in the balance sheet where the acquisition cost per item is £5,000 or more. Grouped items with an individual value of less than £5,000, but a group value of £5,000 or more, will be capitalised provided the equipment is used collectively or contributes to the set up costs of a project. All equipment is depreciated on a straight-line basis over its useful economic life. Depreciation periods are defined in accounting policies.

Tangible fixed assets are recognised initially at cost.

Expenditure will be capitalised where:

- it is probable that there will be an inflow of economic benefit from the asset;
- significant components are regularly replaced, separate allocations of costs and depreciation of each individual component is required;
- replaces or restores a component of an asset that has been treated separately;

*Accounting policies are published in full in the College's Annual Members' Report and Financial Statements

- for depreciation purposes and depreciated over its individual useful life;
- relates to a major overhaul.

FRS102 relaxes the requirement for any revaluation of land and buildings and the College will only revalue where there is belief that the carrying value is materially different from the fair value at the end of each reporting period.

2.2 Budget Preparation and Financial Planning

- 2.2.1 In order that the College exercises adequate financial control over its resources, the Principal (delegated to the Chief Operating Officer/Vice Principal) will prepare annual estimates of income and expenditure and a financial plan to be considered and subsequently approved by the Corporation. This will encompass a revenue budget and capital programme.
- 2.2.2 Such budgets will be:
 - a) in accordance with the aims and objectives of the College; as defined within the Strategic Plans and Estates Strategy approved by the Corporation.
 - b) be set within the limits of available funds.
 - c) include contingency sums determined by the Corporation as appropriate giving due regard to key risks associated with the budget model.
 - d) be prepared in accordance with the Budgeting Policy which is approved annually by the Corporation.
- 2.2.3 The Chief Operating Officer/Vice Principal is responsible for the preparation of reports, forecasts and estimates relating to all resources both revenue and capital.
- 2.2.4 Budgeting procedures are prepared annually by the Chief Operating Officer/Vice Principal and approved by the College Leadership Team which outlines roles and responsibilities, rationale for preparation, monitoring and evaluation together with determination of budget.
- 2.2.5 Budget for direct delivery areas are based on the curriculum plan with anticipated student numbers. The required contribution to central overheads is clearly defined.

2.3 Approval of Budget

- 2.3.1 The Corporation will be asked to determine, by resolution, the approval of the annual budget. This task shall not be delegated.
- 2.3.2 The annual budget must be approved in advance of the commencement of the academic year to which it relates.

2.4 Authorisation to Incur Expenditure

- 2.4.1 Once the Corporation has approved the annual budget, the Principal is authorised to incur expenditure in accordance with these Financial Regulations.
- 2.4.2 The Principal may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:
- a) the amount of the budget
 - b) the purpose of each budget heading
 - c) individual responsibilities
 - d) authority to exercise virement
- Budget holders must not exceed the delegated budgeted total or virement limits unless overspends are authorised in advance as defined in paragraph 1.6.4.
- 2.4.3 Non-recurring budgets should not be used to fund recurring expenditure.
- 2.4.4 In accordance with accounting standards, at the year-end, budget holders will not have the authority to carry forward a balance on their budget to the following year unless any income received is a legitimate prepayment whereby this would be the correct accounting treatment.

2.5 Monitoring of Budget

- 2.5.1 The Principal shall be accountable to the Corporation for effective budgetary control within the approved budget.
- 2.5.2 Regular reports shall be submitted to the Corporation outlining actual income/expenditure in comparison to estimate, highlight and explain significant variances and record performance against predetermined targets in accordance with the College policy on frequency and content of financial information.
- 2.5.3 The Principal, in conjunction with the Chief Operating Officer/Vice Principal, shall monitor delegated budgets to ensure that financial control is maintained and, that the Corporation's plans and policies ensure that individual officers, or groups of officers, do not exceed the budgetary limits set for them.
- 2.5.4 The overall budget shall usually be formally reviewed at least termly. Any revisions to the original allocations shall be approved by the Corporation.
- 2.5.5 Designated budget holders are responsible to the Principal for the control of expenditure from the budgets delegated to them. They are responsible for the day-to-day management of budgets and will have the following responsibilities:
- a) the authorisation of any expenditure against the delegated budget; (budget holders may nominate other staff to spend against the budget but this does not waive the budget holders responsibility).
 - b) monitoring expenditure and income, and commitment of expenditure against budget throughout the financial year.
 - c) ensuring that any likely overspend or reduction of income which cannot be met by virement is reported to the Chief Operating Officer/Vice Principal immediately (see paragraph 1.6.4).
 - d) ensuring that the amount delegated is not used in whole or in part for any purpose other than that specifically authorised, subject to the rules of virement.

2.6 Budget Virement

- 2.6.1 The Principal may vary individual budgets within the limit of the overall budget, subject to any specifically earmarked items by the Corporation, provided:
- a) the action does not involve the College in any overall unauthorised additional financial commitment in any subsequent year;
 - b) the amount involved does not exceed a figure equating to 1% of the total budget in relation to any one proposal or related series of proposals;
 - c) it does not materially affect the estimated surplus or deficit approved by the Corporation.
- 2.6.2 Virement in excess of the limit granted to the Principal or involving additional financial commitments in respect of subsequent years, shall be subject to the approval of the Corporation.
- 2.6.3 Expenditure, for which no provision has been made in an approved budget, shall only be incurred after authorisation by the Principal in consultation with the Chair of the Corporation.
- 2.6.4 Budget holders have delegated authority to vire funds in accordance with the policy governing individual budget virement in order to exercise adequate 'housekeeping'.

2.7 Treatment of Deficit

- 2.7.1 In the event of a budget deficit, the Principal will report to the Corporation. This report must contain:
- a) the factors resulting in a deficit position.
 - b) corrective action necessary.
 - c) remedial procedures to be introduced as necessary.
 - d) consequences of deficit including effect on evaluation of financial health.
- 2.7.2 In exceptional circumstances the Corporation may have sound reasons to budget for a deficit. This must be fully documented with all relevant stakeholders informed.

2.8 Financial Information Systems

- 2.8.1 The Chief Operating Officer/Vice Principal shall devise and maintain systems of budgetary control. All members of staff shall comply with the requirements of those systems. The systems of budgetary control shall incorporate the reporting of and investigations into expenditure variances and budget.
- 2.8.2 All budget holders shall have access to a budget statement demonstrating expenditure and commitments against budget with variances clearly stated. These are online real-time budget reports which include a detailed report of transactions for the month, and a list of commitments. A drill down to scanned images is also available.
- 2.8.3 Management Accounts are prepared monthly except for August (month 1) and reported to the College Leadership Team. Corporation receive summary financial information via the dashboard which contains links to the full management accounts. The format of this information is specified in the Frequency and Content of Financial Information Policy, which is agreed by the Corporation and reviewed annually (any significant changes are considered by the Corporation) in order to continue to adopt best practice. This policy provides a formal cycle for reporting all financial information including the annual accounts and mandatory returns to the funding agencies and regulators such as the financial plan.

2.9 Accounting Returns

The Chief Operating Officer/Vice Principal is responsible for consolidating and despatching financial returns and other periodic financial reports to the funding and other agencies as required.

2.10 Accounting Records

The Chief Operating Officer/Vice Principal is responsible for the retention of financial documents. These will be retained in a format that is acceptable to the funding agency and HMRC. There is a retention of documents policy in place. Some funding streams, for example ESF, have specific requirements which must be observed.

FINANCIAL CONTROLS

2.11 Banking

- 2.11.1 The Chief Operating Officer/Vice Principal is responsible for managing the Corporation's banking arrangements and for advising the College on the provision of banking services and operation of accounts.
- 2.11.2 No members of staff, other than the Principal and the Chief Operating Officer/Vice Principal shall open or close bank account in the name of the College. The Principal and Chief Operating Officer/Vice Principal must also authorise the establishment of an account with payment processing companies which the College may utilise for online purposes as well as point of sale transactions eg Square et al. The opening of any new bank account will be reported to the Corporation. It is important to report formally any changes to bank accounts as part of an effective anti-fraud strategy.
- 2.11.3 Instructions to the College bankers shall be in accordance with the approved mandate and College policies.
- 2.11.4 The appointed bankers shall be authorised to honour the signatures/authority of those individuals approved by the Corporation on all cheques, transfers, correspondence and other documents relating to the College's accounts. The College operates systems of online banking whereby transactions are executed by the finance team. Appropriate levels of authorisation to expend resources are required prior to any transactions being made.
- 2.11.5 All cheques, BACS payments¹ or negotiable instruments drawn on a College bank account shall be signed by either the Principal or the Chief Operating Officer/Vice Principal, or their nominated representatives. Dependent upon the value of the payment/negotiable instrument, two signatures will be required as detailed in the tables below.

Panel A	HR Business Partner, Information Services Director, Payroll Team Leader, Personnel Team Leader
Panel B	Principal, Chief Operating Officer/Vice Principal, Deputy Principal, Head of Finance & Personnel

Value	Panel signatories
Up to and including £24,999.99	Any two from A or B
£25,000 up to and including £124,999.99	Any one from A or B plus anyone from B
Over £125,000.00	Any two from B

¹Excludes monthly payroll, see paragraph 3.7.1.

Learner Support Fund

Panel A	HR Business Partner, Information Services Director, Payroll Team Leader, Personnel Team Leader
Panel B	Principal, Chief Operating Officer/Vice Principal, Deputy Principal, Head of Finance & Personnel

Values	Panel signatories
Up to and including £9,999.99	Any two from A or B
£10,000 and over up to and including £49,999.99	Any one from A or B and plus anyone from B
Over £50,000.00	Any two from B

The BACS limit is currently set at £4,025,000 and shall be reviewed annually by the Chief Operating Officer/Vice Principal as will limits on individual transactions.

Payments for payroll and salary related expenditure always requires one signature to be from Panel B.

- 2.11.6 No cheques or financial instruments, made payable to the College, shall be endorsed and credited to any other bank account. All cheques or financial instruments must be made payable to the College or College controlled trust or subsidiary as applicable.
- 2.11.7 The provision of banking services to the College must be subject to regular review. The Head of Finance & Personnel and the Chief Operating Officer/Vice Principal meet at least twice each year with the Bank in order that a good level of service is maintained. Costs will be benchmarked every three years. Given the increased risk of fraud, in particular cyber fraud and social engineering, it is not recommended to change bank unless there is a compelling economic case to do so. Any change of bank would be as a result of competitive tender and appointment approved by the College Leadership Team on the recommendation of the Chief Operating Officer/Vice Principal and the Principal.
- 2.11.8 The College may use a variety of banks for investment. The prior approval of the Chief Operating Officer/Vice Principal is required before a bank account or banking arrangements are opened with any bank other than the bank appointed by the College following review/tender. The list of alternative banks for moneymarket or similar investments are recorded in the treasury management policy. Any changes to banking arrangements are reported to the Corporation.
- 2.11.9 Any changes in authorised signatories shall be reported to the Corporation. Any signatories ending their employment with the College shall be removed without delay from the mandate by Chief Operating Officer/Vice Principal or the Principal. Changes to the structure of the mandate must be approved by the Principal for signatory arrangements up to and including £125,000 and thereafter by the Corporation.
- 2.11.10 The Head of Finance & Personnel shall be responsible for the arrangements to ensure the safe custody of cheques and other negotiable instruments and, for the monthly reconciliation of any cheques utilised. BACS payments and direct debit receipts are transmitted by BACSTELIP which is accessed via a BACS pin card and password controlled software. Staff with access, as approved by the Chief Operating Officer/Vice Principal, are responsible for the safe custody of the BACS pin card and associated password. Protocols will be issued by the Head of Finance & Personnel. Staff must report a lost or stolen card to the Chief Operating Officer/Vice Principal or Head of Finance & Personnel without delay.

Any staff with access to BACSTELIP must surrender the pin card should their employment end. This will form part of the finance leaver checklist which would be completed with the Head of Finance & Personnel or her representative.

- 2.11.11 The Head of Finance & Personnel is responsible for ensuring that all bank accounts are subject to timely reconciliation at least monthly with all discrepancies investigated immediately.
- 2.11.12 Online access to the College's bank accounts is available to key finance staff. Access is restricted by passwords and a pin card is required to gain access to authorise transactions and carry out system maintenance. Arrangements for security are as specified in paragraph 2.11.10 above.
- 2.11.13 The College also has an online account linked to its internet site. Receipts are transferred automatically to the College's current account. Similarly, the College has a merchant ID to facilitate the collection of online payments via the WisePay store and Square system. Receipts are again automatically transferred into the College's current account.

2.12 Purchasing Arrangements

- 2.12.1 All goods and services purchased and all contracts entered into on behalf of the Corporation shall be done so in accordance with the College's procurement strategy and shall be subject to Standing Orders Relating to Contracts and associated policies including the College's terms and conditions of contract.
- 2.12.2 Budget holders use online systems to request a purchase order via the finance portal. Orders are processed on the authority of the budget holder subject to funds being available up to a value of £24,999. Over this threshold they are approved by the Principal and checked by the Chief Operating Officer/Vice Principal or Head of Finance and Personnel as part of the value for money framework. This threshold links to the requirement to seek formal tenders through contract finder.
- 2.12.3 Orders will only be generated after a requisition has been authorised by an appropriate signatory. The digital platforms are password controlled in accordance with the authorised signatories list and scheme of delegation and hence requires the same level of authorisation as the paper based system. The Head of Finance & Personnel is responsible for the maintenance of a register of authorised signatories and associated online access. This authorised signatory list and online access shall be reviewed in full annually and updated as required when staff leave/commence employment. Should a budget holder be absent from College for example on annual leave or short term sickness they can nominate for a colleague to be an authorised signatory in their absence. However, the responsibility for the budget remains with them; the budget holder. Should a budget holder have an extended period of absence, then the budget and associated responsibilities will transfer to another member of staff for a fixed period. Non-Pay Curriculum budgets will be held at divisional level by the Head of Division with the relevant Assistant Principal managing the teaching pay budget. The Chief Operating Officer/Vice Principal may identify temporary budget holders to cover planned and unplanned absence or when posts are vacant.
- 2.12.4 On receipt of a purchase order requisition the Head of Finance & Personnel/or her representative is responsible for:

- a) ensuring that the requisition has been authorised by the budget holder or other authorised signatory and that it is complete in every detail.
 - b) raising an official order.
- 2.12.5 Budget holders are responsible for informing the Head of Finance & Personnel of any change to the list of authorised signatories. However, as an additional check, HR shall inform the Head of Finance & Personnel of all starters and leavers so that signatures can be added to/deleted from the list as appropriate. Requisitions, which are not authorised appropriately, will not be processed but returned to the budget holder/declined.
- 2.12.6 All requisitions and subsequent orders must contain the following information:
- a) nature and quantity of the supplies and services required
 - b) the cost of goods and VAT
 - c) any agreed discounts
 - d) where appropriate, reference to any tender or quotation
 - e) correct general ledger code
 - f) project code (when appropriate)
 - g) any other relevant information
- 2.12.7 In order to incorporate a sensible level of tolerance for price differences on purchase requisitions of under £10 or 1% (whichever is the lowest), an order will be processed without obtaining prior approval unless this has been specifically prohibited by the budget holder.
- 2.12.8 Outside the remit of credit card purchases, the placing of urgent orders by telephone is subject to the approval of the Head of Finance & Personnel or her representative, and the authorisation of the budget holder and subject to funds being available. Approval, by means of a reserved order number, will only be given when appropriate. Orders may be given orally or by other means provided the official reserved order number is quoted to the supplier and the order is confirmed in writing by an official order within two working days. Failure by the budget holder to forward the necessary request may result in future reserved order requests being refused. No orders shall be placed in writing or verbally without an official College order number. The Head of Finance & Personnel may monitor all invoices received for which there is no order and take action as appropriate as this may be a contravention of financial regulations. Any invoices received from a supplier which do not contain an official order number may be returned in accordance with financial procedures. Budget holders are reminded of on-going commitments such as an annual licence in advance so that the order can be placed in good time else the subscription etc. is cancelled by the budget holder.
- 2.12.9 All orders shall be consecutively numbered (computer generated).
- 2.12.10 All requisitions for contracts or orders entered into on behalf of the College including urgent/reserved orders will be authorised in accordance with the following scheme of delegation:

Value of Order	Authorisation
Up to and including £24,999	Budget Holder
Over £24,999 and up to and including £100,000	Budget Holder and Chief Operating Officer/ Vice Principal* (or representative)

* In the absence of the Principal, the nominated senior manager in charge of College assumes the role of Principal for this purpose.

Over £100,000 and up to £249,999	Budget Holder, Chief Operating Officer/Vice Principal, Principal* (or representative)
Over £250,000	Budget Holder, Chief Operating Officer/Vice Principal (or representative) and Chair of the Corporation

Note – this scheme of delegation is inclusive of VAT.

The scheme of delegation is applicable to all orders placed via the Finance Portal.

- 2.12.11 Under no circumstances may official orders be used to obtain goods or services for private use by members of College staff, with the exception of IT equipment purchased through the approved loan scheme to staff. In such cases, the value of the items purchased shall be recovered in full through the loan recovery scheme. In addition, Halesowen College cannot take delivery of any goods ordered independently by staff for private use.
- 2.12.12 The requisitioner, in choosing the items to be supplied or the service to be performed, must always seek to obtain the best value for money for the College. It is best practice for the requisitioner to complete a value for money monitoring sheet to provide an audit trail. These must be forwarded to the Procurement Manager when the value of the order exceeds £3,000. Use of purchasing consortia and environmental/sustainability factors should be considered in achieving best value. The Procurement Manager shall inspect all purchase requisitions and investigate value for money opportunities. The Chief Operating Officer/Vice Principal (or representative) must verify all orders in excess of £24,999.
- 2.12.13 When utilising alternative purchasing arrangements, for example a College credit card, budget holders must observe all applicable regulations, continue to seek best value and observe the scheme of delegation.
- 2.12.14 Requisitions for planned site and buildings works and maintenance of premises works must be initiated by the budget holder responsible for estates management in respect of planned replacements, general improvement schemes, space planning or in response to approved requests from departments, the maintenance plan and property strategy. Budget is also allocated for unplanned works.
All contracts must seek to ensure best value for money.
- 2.12.15 Budget holders are not authorised to commit expenditure for their own benefit, for example the refurbishment, redecoration or purchase of furniture for their offices, without the prior approval of the Principal. Budget holders cannot approve their own travel expenses or petty cash and, staff development must also be arranged in accordance with College procedures.
- 2.12.16 Budget holders are not authorised to commit expenditure in respect of charitable or political donation.
- 2.12.17 Further documents pertinent to purchasing arrangements include Standing Orders Relating to Contracts, Procurement Policy, and Value for Money Policy.
- 2.12.18 Whilst the budget holder must attain best value, used/secondhand goods are not normally to be purchased using College resources as there is no guarantee of their quality/durability. Also, the use of online auction sites and/or the purchase of goods from an individual is usually not allowed. In exceptional circumstances

alternative purchasing options should be referred to Chief Operating Officer/Vice Principal or Head of Finance & Personnel prior to expending resources.

- 2.12.19 The College will establish an approved suppliers list in key procurement areas and evaluate any new supplier using a risk based approach which is defined in the Procurement Policy. An order will not be placed with a supplier failing to meet the minimum criteria. In exceptional circumstances further evaluation may be conducted and the order placed on the authority of the Head of Finance & Personnel or Chief Operating Officer/Vice Principal in accordance with financial procedures/Procurement Policy.
- 2.12.20 Purchases from overseas shall be reported to the Head of Finance & Personnel who will ensure appropriate reporting of VAT to HM Revenue and Customs.
- 2.12.21 Finance staff shall alert other key staff of certain purchases, for example IT/AV equipment, premises, to ensure non-financial College protocols/procedures are followed.
- 2.12.22 With the exception of items procured via petty cash goods should be delivered by the company direct to College premises. Staff should not collect goods from a supplier's premises. In exceptional circumstances where this is required the prior approval of the Head of Finance & Personnel or Chief Operating Officer/Vice Principal must be sought.
- 2.12.23 Staff should not usually procure goods/services from companies where they have a personal interest and/or formal involvement, or when a purchase on behalf of Halesowen College will lead to personal gain. Protocols for declaration of interests must be followed.

2.13 Authorising Invoices for Payment

- 2.13.1 The Head of Finance & Personnel shall be responsible for the arrangements for the examination, verification and certification of invoices for payment and for the allocation of expenditure to the relevant category.
- 2.13.2 All invoices shall be authorised by the relevant budget holder or designated representative, in accordance with the authorised signatories list held by the Head of Finance & Personnel.
- 2.13.3 The Head of Finance & Personnel will be responsible for the payment of all invoices. Payments will be made against original invoices, which have been certified, for payment by the appropriate budget holder stating:
 - a) that the standing orders and financial regulations of the College have been complied with and that the invoice is correct in all aspects.
 - b) that the goods have been received, examined and are of the required quality and in accordance with the specification or that services have been carried out satisfactorily.

In relation only to the sub-paragraph above where, in exceptional circumstances the supplier will only deliver on the basis of payment with the order in advance of delivery, the budget holder may certify invoices for payment in respect of fees, licences, premiums, travel or accommodation bookings, subscriptions, annual maintenance contracts and services provided by public utility undertakings. In any other instance, prior approval for payment in advance must be obtained from the Chief Operating Officer/Vice Principal. If the goods, works or services are not received in

accordance with the reasonable expectations of the budget holder, then they shall as soon as possible notify the Chief Operating Officer/Vice Principal.

- c) that the goods comply with the details on the College's official order.
- d) that prices comply with the contract/quotation.
- e) that the invoice details (quantity, price, VAT and discount) are correct).
- f) that the invoice is arithmetically correct.
- g) that inventories or stock records have been updated as appropriate.
- h) that the invoice has not previously been passed for payment (i.e. that it is not a duplicate request for payment).
- i) that expenditure has been incurred within the approved budget and states the appropriate code.

2.13.4 All invoices from suppliers should be sent directly to finance. When an invoice is sent by the supplier directly to the person ordering the goods, the invoice shall be date stamped and passed immediately to finance for payment. Any invoice received for which there is no order will be returned to the company. Finance shall store a scanned image of the invoice on the computerised accounting system. It is recommended practice to pay against the original copy of an invoice. However, it may be necessary to make payment against a copy if the original becomes misplaced. Increasingly companies email invoices and sometimes send a hard copy too. The budget holder must exercise caution to avoid duplicate payment. Payments will not be made against a statement.

2.13.5 Where the goods received are not precisely in accordance with the order and/or invoice, the budget holder must inform the Head of Finance & Personnel in order that the necessary accounting treatment be actioned and any additional authorisation sought.

2.13.6 Where goods received are not fit for purpose and/or are no longer required the person ordering the goods shall contact the supplier and arrange prompt return of the goods. The budget holder shall contact the Head of Finance & Personnel to advise what action has been taken; finance will cancel the order accordingly. Budget holders must be aware of and understand a company's returns policy before goods are ordered.

2.13.7 In the case of contracts for building works which require payment to be made on account during progress of the work, the Chief Operating Officer/Vice Principal shall make payment on receipt of a certificate of interim payment from the appointed architect. Without prejudice to the responsibility of the architect appointed to a particular building or contract, the contractor's invoice shall be subject to financial examination by the Chief Operating Officer/Vice Principal and supported by the issue of a valuation by the appointed Quantity Surveyor (QS). On receipt of the architect's certificate, QS valuation and contractor's invoice the Head of Finance & Personnel will authorise payment. When making payments to contractors the College will observe the appropriate requirements of the HM Revenue and Customs. The College will request declaration from construction companies regarding their compliance with HM Revenue and Customs Construction Industry scheme.

2.13.8 Prepayments are permitted only where the financial advantages outweigh the disadvantages ie discounts or in circumstances where it is stipulated by the supplier in their terms and conditions. The Head of Finance & Personnel shall maintain a record of all decisions to pre-pay and the supporting rationale.

- 2.13.9 The College will observe the requirements of the Public Sector Prompt Payment Policy and monitor performance against this target. This will be reported in accordance with the Statement of Recommended Practice for Further and Higher Educational Institutions (SORP) in the College management accounts and in the annual accounts.
- 2.13.10 The College pays suppliers by BACS wherever possible. Bank details of suppliers are only changed on receipt of details on company letter headed paper and following independent verification by contacting the company using the telephone number held on the finance system.

2.14 Salaries, Wages and Staff Expenses

- 2.14.1 All College employees shall be paid according to the remuneration policies of the Corporation. All remuneration payments must be made through the College payroll. The College is unable to pay individual employees gross by any other method. Sessional and casual contracts must therefore be in place as appropriate. Remuneration may only be paid into a personal bank account in the name of the member of staff (or a joint account for which the employee is a signatory) – business accounts cannot be credited.

The College complies with all HMRC requirements in respect of taxation and national insurance including IR35. The HMRC tool is utilised to establish if anyone can legitimately be classified as self-employed. This evaluation will be stored to substantiate any payment generated through purchase ledger.

- 2.14.2 All staff have a contract of employment, any conditions binding staff to exclusivity of service will be clear in the contract of employment.
- 2.14.3 Halesowen College operates an in house payroll system and pays all staff monthly. The College pays all voluntary and statutory deductions to the relevant third party in accordance with the pre-determined timescales.

2.15 The Head of Finance and Personnel shall:

- a) be responsible for the accurate and timely payment of staff.
- b) authorise any advances of pay which may from time to time be necessary. All advances shall be reported to payroll in order for the necessary PAYE deductions to be actioned and the individual pay record updated.
- c) authorise orders for agency as they are only to be made on written approval. Other members of staff must not place orders directly with a supplier for agency staff.
- d) operate systems for auto-enrolment.
- e) ensure the accurate and timely completion of the annual Teachers Pension return.
- f) Production of monthly Personnel information dashboard

2.16 On-Boarding

The Personnel Manager shall provide a professional and customer focused service to applicants through a meticulously managed on-boarding process. This will provide a positive impression of the College and comply with statutory and regulatory guidelines.

The establishment management process requires a completed establishment management form authorised by the budget holder, Chief Operating Officer/Vice Principal and Principal alongside a job description and person specification approved by the appropriate CLT member to be lodged with Finance and Personnel. The Personnel Officer will then contact the CLT member/manager to determine:

- Source of advertisement
- Dates of advertisement
- Shortlisting staff
- Arrangements for interview

The Personnel officer will:

- Place the advert
- Manage the applications so they were acknowledged and stored in the central files
- Determine a shortlisting grid with the HR manager based on person specification
- Maintain communication with applicants
- Arrange any pre interview /online tasks
- Arrange the rooms for interview
- Update diaries and co-ordinate panels

Once a candidate has been appointed, the Personnel Officer will ensure all pre-employment checks are completed. A check list will be evidenced alongside all of the supporting documentation and signed off by the Chief Operating Officer/Vice Principal.

An offer letter and contract will be generated from the EBS system using the approved standard document and issued promptly by the Personnel Officer on the authority of the Chief Operating Officer/Vice Principal or Head of Finance and Personnel.

The Personnel Officer will set up the staff efile.

When the employee starts work they are met in reception by the Personnel Officer who conducts a brief HR induction, issues their ID badge, sets log in for key systems, gives out any equipment (recorded on EBS inventory) and makes staff aware of essential H&S information and safeguarding policy.

As such, the Personnel Team Leader will:

- a) accurately and timely maintain HR records to enable salaries, wages, pensions and other emoluments to be paid, and relevant deductions made from pay to satisfy the requirements of the relevant statutory authorities or other bodies.
- b) issue all letters of appointment, contracts and variations in terms and conditions of service.
- c) communicate with staff regarding issues concerning their employment/pay.
- d) ensure that there are satisfactory arrangements in place to notify the Chief Operating Officer/Vice Principal of all commencements, variations and terminations so that the payroll can be verified and checked on a monthly basis.

- e) ensure robust arrangements for safer recruitment and ensure all necessary pre-employment checks are conducted, contributing to the overall safeguarding agenda, including the arrangement of enhanced (Level 4) DBS clearance and gaining references for all new employees prior to commencement. DBS checks must be against the child and vulnerable adult list.
- f) ensure that applicants have the requested visa/residency status to work in the UK.

2.17 The Chief Operating Officer/Vice Principal shall:

- a) be responsible for the financial regularity of the payroll function and management of the establishment.
- b) ensure the accurate reconciliation of payrolls and the instruction to make payment of salaries and wages, advance of pay and other emoluments and expenses.
- c) ensure appropriate checks/audit trails and separation of duties.
- d) arrange systems to reimburse expenses to members of the Corporation, including co-opted members. Payment will be made on receipt of the appropriate certificated information from the Clerk to the Corporation.
- e) ensure compliance with HM Revenue and Customs directives and arrangements of appropriate dispensations.
- f) populate the financial ledgers with payroll costs each month.

The payroll control account and final monthly payroll reports shall be reconciled monthly by a Senior Finance Officer with any queries investigated and remedial action taken/arranged. Items should not appear in the control account for consecutive months. Should an item be on the control account for a second month it shall be investigated by the Head of Finance & Personnel.

2.18 The College inhouse Payroll Team work to the Head of Finance and Personnel and ensures:

- a) the accurate and timely payment of salaries, wages and expenses et al in accordance with the instructions of the College systems.
- b) calculations of PAYE, maternity, sick pay and similar benefits and gross to net pay.
- c) issue of payslips and P60s to College employees.
- d) issue of P11D to any College employee as appropriate.
- e) completion of statutory returns including P35 and annual financial pensions returns.
- f) provision of information regarding pay and performance against key performance indicators.
- g) provision of monthly reports.

2.19 Managers/Budget Holders are responsible for:

- a) certifying the accuracy of wage claims and expenses incurred by staff of the College in carrying out official duties, which shall be paid at rates authorised by the Corporation, and submitted on College claim forms in accordance with the College Expense Payments and Benefits Policy and single pay spine. When claiming expenses staff should claim the true mileage of a reasonable route deducting any home to base mileage as appropriate. Where there is a standard mileage then this must be claimed.
- b) authorisation of claims by the appropriate budget holder. Budget holders must ensure that their own travelling expense claims are countersigned by their line manager.

- 2.19.1 The Chair of the Corporation shall be responsible for authorising any expenses claimed by the Principal.
- 2.19.2 Travelling expenses incurred by all College Leadership Team members must be authorised by the Principal (including staff development activities which will be countersigned by the budget holder). The Chief Operating Officer/Vice Principal shall be responsible for the processing of all other expense claims.
- 2.19.3 All staff must adhere to the policy Driving on College Business which is appended to the Health and Safety Policy.
- 2.19.4 Expenses relating to overseas visits may only be claimed provided that the visit was justified in advance and approved by the Principal or authorised as an exploratory visit under the terms of the student visit policy. Any expenses of this nature exceeding £500 must be countersigned by a member of the College Leadership Team and have the prior consent of the budget holder. Expenses incurred by the College Leadership Team must be approved by the Principal and expenses incurred by the Principal shall be approved by the Chair of the Corporation.
- 2.19.5 Any expenses claimed by Governors and co-opted members (including the Chair and Vice Chair) will be claimed in accordance with the approved Expense and Benefits Policy. Such claims will be reflective of actual cost and round sum expenses will not be payable. Travelling expenses will be paid at the same rate as those of College staff. Payments will be made by BACS in accordance with usual terms and conditions.
- 2.19.6 Any expenses relating to subsistence or any other ad hoc expenses incurred by College staff will be reimbursed via the payroll. No payments will be made via any other method (unless approved by the Principal) nor from petty cash. All expenses shall be claimed in accordance with the Expense Payments and Benefits Policy.
- 2.19.7 The Principal may determine that vehicles may be provided for the personal use of specific staff excluding senior post holders if it is considered appropriate for their duties. The Principal may authorise the lease or purchase of vehicles for general use in connection with College business if this represents value for money. Similarly, the Principal may authorise the early termination of a lease. Standing Orders Relating to Contracts and best value must always be observed. The salary sacrifice scheme for cars falls outside of this as all costs are covered by the employee (ref 2.18.17).
- 2.19.8 College vehicles owned and leased/hired shall only be used for College business and shall not be used by College staff for personal/other purposes unless approved by the Principal and when adequate insurance is in place. College vehicles cannot be used for rent or hire.

- 2.19.9 The governing body is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.
- 2.19.10 The inhouse payroll team are responsible for day-to-day superannuation matters, including paying contributions to various authorised superannuation schemes and preparing the annual return to various superannuation schemes which are subject to external audit.
- 2.19.11 The Chief Operating Officer/Vice Principal is responsible for liaison with external audit.
- 2.19.12 Hourly paid staff are paid for work conducted on receipt of a claim which is confirmed and approved by the Head of Division by verification against the official College class register (teaching roles). Activities for which there is no register for example meetings, staff development and cover must be authorized by the appropriate Head of Division prior to payment.
- 2.19.13 HM Revenue and Customs rules on self-employment are observed and adhered to in respect of hourly paid staff.
- 2.19.14 The Staff Digital Scheme provides interest free loans not exceeding £1,000 for the purpose of purchasing digital equipment. Repayment of the loan is in monthly instalments (12 or 24 months) deducted from salary. If employment ceases the outstanding loan is repayable immediately and will be deducted from final salary.
- 2.19.15 Staff using approved and Ofsted registered childcare may access childcare vouchers through a salary sacrifice scheme. Within specified limits the vouchers are non-taxable and exempt from National Insurance contributions. The scheme is administered by the inhouse payroll team.
- 2.19.16 Staff may apply to participate in the cycle to work scheme, with taxation benefits available to the participant through salary sacrifice. The scheme is administered by the inhouse payroll team.

2.20 Petty Cash and Cash Floats

2.20.1 Petty Cash

The Chief Operating Officer/Vice Principal is responsible for maintaining petty cash imprests on behalf of the College.

- a) Payments from petty cash must be properly certified and are usually limited to minor items of expenditure not exceeding £50 in one transaction which cannot/are not practicable to procure via normal procedures. In exceptional circumstances the Head of Finance & Personnel has the discretion to increase this limit up to a value of £100; the Chief Operating Officer/Vice Principal has further discretion to increase this limit to £250; any amounts in excess of this must be approved by the Principal. All transactions which are estimated to exceed the £50 limit must be approved by the Head of Finance & Personnel/Chief Operating Officer/Vice Principal/ Principal in advance. The approval to incur petty cash expenditure over limit form should be completed and authorised. Authorisation of petty cash claims shall be in accordance with the list of signatures of employees authorised to certify expenditure maintained by the Head of Finance & Personnel. Should the claimant also be the budget holder then the claim must be countersigned by the line manager.

- b) Payments shall not normally be made from petty cash for items that could be procured through the normal creditor payments system or with a College credit card. Cash floats should never be used for staff travel or expenses. Items should not be purchased unless budget is available and all necessary permissions in place.
- c) Any claim for reimbursement must be accompanied with a receipt. Should in exceptional circumstances a receipt not be available then the claimant should, in as far as is possible, provide alternative proof of payment; for example, bank statement extract. In the absence of any evidence, the claim shall be referred to the Chief Operating Officer/Vice Principal or Head of Finance & Personnel prior to payment.
- d) No income received on behalf of the College may be paid directly into the petty cash imprest. All income for the College must be banked intact.
- e) The petty cash imprest may not be used to cash personal cheques.
- f) Accounting records must be maintained detailing both reimbursements to the imprest account and payments made. The Finance Team Leader must ensure that a reconciliation is being carried out at least monthly. A nominated officer responsible for a petty cash float shall, if so requested, provide to the Head of Finance & Personnel a statement showing the current state of a float at any given time.
- g) Any loss of petty cash must be reported immediately to the Chief Operating Officer/Vice Principal who will record this as a loss.
- h) At year-end, a certificate, signed and witnessed, must state the level of cash in hand. This must be submitted to the Head of Finance & Personnel annually.

2.20.2 Cash Floats

- a) The Head of Finance & Personnel shall provide cash floats upon request to an authorised nominee. A record will be kept of all such floats and a signature obtained when a new float is issued.
- b) A nominated employee granted a cash float is personally responsible for the safe custody of the float. The float must be returned to finance at the earliest opportunity. The Head of Finance & Personnel shall authorise all floats in excess of £50, else the Finance Team Leader may provide authorisation.
- c) The cash float must not be used for making any payment.
- d) The nominee responsible for the float must report any loss of float money immediately to the Chief Operating Officer/Vice Principal who will record this as a loss.
- e) At year-end a certificate of the balance of float held must be provided which is signed and witnessed then submitted to the Head of Finance & Personnel.
- f) Any float held by a nominee who leaves the employment of the College must be balanced and agreed with the Head of Finance & Personnel before being handed over to her prior to the nominee leaving.

2.21 Income

- 2.21.1 The Chief Operating Officer/Vice Principal shall be responsible for making and maintaining arrangements for the proper recording and collection of all monies due to the College. This responsibility includes the establishment of financial and accounting systems necessary to ensure the proper recording of all sums due to the College. Adequate systems must also be in place for the collection, custody and control of income.
- 2.21.2 All members of staff shall inform the Head of Finance & Personnel of monies due to the College arising from transactions, which they initiate. The Chief Operating Officer/Vice Principal shall be consulted about policy for pricing goods and services offered for sale. The Corporation is responsible for the determination of a tuition fee policy in accordance with relevant guidance. Tuition fees for courses running economically will be determined in accordance with the guidance and rules on economic activities and room hire in accordance with the approved leaflet.
- 2.21.3 Staff may allow discounts only if these are in accordance with policy and/or supported by a sensible rationale and approved by the Chief Operating Officer/Vice Principal.
- 2.21.4 All requests for payment for goods or services provided by the College shall be requested on consecutively numbered official College invoices issued by the finance office. Other employees are not permitted to deal directly on this matter. The Chief Operating Officer/Vice Principal shall approve the format of College invoices. Wherever possible the suppliers purchase order reference shall be printed on the invoice. The College's payment terms of 30 days must be clear.
- 2.21.5 Every sundry remittance or sum of money received by an employee on behalf of the College must be acknowledged by the issue of an official receipt at the time of collection¹. Official receipt books are controlled stationery and shall be issued to staff by the Finance Office. Cheque payments are only taken by exception and must be supported by cheque cards and the card number, expiry date and card limit noted on the back of the cheque. Payments by credit cards/debit cards are subject to a floor limit and/or authorisation from merchant services. All debit/credit card payments will be made via chip and pin card readers hence protecting both the user and College from fraudulent use. E Systems, Wisepay and Square are used for online income.
- 2.21.6 All monies received on behalf of the College shall be paid regularly and, ideally daily to the College without any deduction. Similarly, the College will bank monies at least twice weekly or at such other intervals as determined by the Chief Operating Officer/Vice Principal or Head of Finance & Personnel.
- 2.21.7 Every transfer of College monies from one member of staff to another shall be evidenced in official records by the signature of the receiving employee.
- 2.21.8 Income in excess of £10,000 must be checked that it is a bona fide transaction in accordance with the requirements of the Anti-Money Laundering Policy.
- 2.21.9 Incoming mail to the College is delivered centrally and distributed (not opened) by the Estates and Facilities team. Any post relating to financial transactions must be date stamped. Any cash or cash equivalents sent via the post must be receipted immediately in the usual way and reported to the Chief Operating Officer/Vice Principal.

¹ This excludes money taken in cash in the College retail outlets although these are available on request.

- 2.21.10 All monies received must be banked intact (unless it is utilised for cashback) and must never be used to meet expenditure. The College operates a cashback scheme through certain tills in trading areas. This is accounted for via the till software and reconciled by finance. Anyone requesting cashback must sign a receipt which is retained in the till to evidence that the cash was received. Personal or third party cheques must not be cashed from official funds.
- 2.21.11 Should a member of staff receive a cheque for College activities made payable to themselves then the Chief Operating Officer/Vice Principal must be informed. Ideally the cheque will be returned to the payee and a re-issue requested or alternatively, if this is not appropriate, then the employee may be permitted to cash the cheque and reimburse the College. Robust control mechanisms are in place to document such transactions.
- 2.21.12 The Chief Operating Officer/Vice Principal shall undertake reviews of charges and fees as appropriate. All tariffs must be approved by the Principal or his representative.
- 2.21.13 The Principal is responsible for ensuring that grants are claimed and spent for the purpose intended. All claims must be supported by appropriate documentation as laid down in guidelines.
- 2.21.14 Budget holders and others concerned with the generation of income shall ensure that notification of the need for a sales invoice to be raised is rendered to the Finance Office promptly, so that all income due to the College is invoiced as soon as the service is provided, or earlier if circumstances permit.
- 2.21.15 Appropriate debt recovery credit control procedures shall be determined by the Chief Operating Officer/Vice Principal in discussion with the Head of Finance & Personnel. Any significant changes to the Credit Control Policy shall be approved by the Corporation.
- 2.21.16 Where a debtor has not settled an account within the 30-day credit period allowed, this debt will be pursued in accordance with the approved credit control policy.
- 2.21.17 No debt in respect of an amount owing to the College once established shall be discharged in whole or in part unless:
- a) payment in full is received.
 - b) an official credit note is issued on the authority of the Chief Operating Officer/Vice Principal or Head of Finance & Personnel.
 - c) the amount is written off as a bad debt on the authority of:

< £100.00	Credit Controller and Finance & Assurance Manager
£100.00 - £7499.00	Finance Team Leader
£7500.00 - £14999.99	Head of Finance and Personnel
£15000.00 - £30000.00	Chief Operating Officer/Vice Principal

- d) the Principal shall be responsible for the writing off of a bad debt if the amount exceeds £30,000.
- e) The write off of bad debts shall be reported in Monthly Management accounts.

All refunds must be issued in accordance with the College Refund Policy.

- 2.21.18 The Chief Operating Officer/Vice Principal shall determine a policy to set up appropriate credit facility arrangements. Wherever possible, credit must not be given for sums below £100. The number of instalments offered must be as specified in the tuition fee and fee remission guidelines, Enrollers Handbook and Credit Control Policy. The College must accept that to collect debts various payment patterns may need to be accepted. It is required that instalments paid directly to the College be collected by Direct Debit. Should an instalment plan be set up for tuition fees the debtor must be aware that the full amount is due even if they withdraw from the course. All debtors shall sign a credit agreement agreeing to this condition.
- 2.21.19 Should the College be supplying significant values of goods or services to a third party then the budget holder/staff member must contact the Chief Operating Officer/Vice Principal or Head of Finance & Personnel prior to supply in order for a financial search to be initiated if necessary.
- 2.21.20 The Head of Finance & Personnel is responsible for ensuring that any cheques returned to drawer are pursued in order that the income due to the College is collected.
- 2.21.21 Till operators shall work in accordance with the responsibilities and procedures regarding being a till operator.

2.22 Treasury Management

- 2.22.1 The Corporation shall approve a policy outlining the strategy and parameters surrounding the investment of surplus funds in accordance with relevant guidelines and governing legislation. Any changes to appendix A of the Treasury Management Policy shall be reviewed by the Corporation along with any other significant changes to the policy.
- 2.22.2 The Chief Operating Officer/Vice Principal and Head of Finance & Personnel have delegated power to invest funds on a day-to-day basis in accordance with this policy.
- 2.22.3 Short term borrowing for temporary revenue purposes shall be authorised by the Principal within limits determined by the Conditions of Funding. The Chief Operating Officer/Vice Principal shall report such short term borrowing to the Corporation at the earliest opportunity.
- 2.22.4 Borrowing for periods in excess of twelve months shall require the authorisation of the Corporation and shall comply with any requirements of the Conditions of Funding.

2.23 Insurance

- 2.23.1 The Chief Operating Officer/Vice Principal shall affect such insurances as are considered necessary to cover insurable risks to which the College is exposed and shall negotiate on, via a broker (if appropriate), and instigate recovery claims.
- 2.23.2 The Chief Operating Officer/Vice Principal shall keep a register of all insurances effected by the College and the property and risks covered thereby. Chief Operating Officer/Vice Principal shall ensure that the register is up to date and that the insurance cover is adequate.

All members of staff must immediately notify Chief Operating Officer/Vice Principal of:

- new risks to be insured.
- alterations to existing insurance cover required.

- 2.23.3 Once an employee is aware of any loss, liability or damage to the College he/she must notify the Chief Operating Officer/Vice Principal immediately. If necessary the Chief Operating Officer/Vice Principal or her representative shall submit a claim to the insurers (refer to paragraph 1.6.2 for loss of or irregularities concerning cash, cash equivalents or stores or property of the College).
- 2.23.4 When arranging a student visit an insurance form must be completed and forwarded to the Finance Team Leader in accordance with the educational visit policy. For all overseas visits a medical form must also be completed and forwarded to the Finance Team Leader at least 10 days prior to departure. The registration number, make, model, estimated value and number of seats of all hire vehicles must be communicated to the insurers prior to the vehicle being driven. It is the responsibility of the group leader to ensure that this information is communicated to the Head of Finance & Personnel and Finance Team Leader.
- 2.23.5 The Chief Operating Officer/Vice Principal shall undertake an annual review of all insurance in conjunction with the broker (as appropriate). The contract for the provision of insurance to the College should be subject to competitive review after a period of usually three years although arrangements can be extended.
- 2.23.6 The College does not accept liability for loss or damage to personal property of staff, students, governors, contractors or visitors. Loss of or damage to personal property should be reported to the Estates Manager. The College accepts no liability for vehicles parked on site.
- 2.23.7 All accidents occurring on College property or during College activities off site must be recorded in accordance with College Health and Safety Policies.
- 2.23.8 For all major construction works the principal contractor must have JCT 22 or equivalent insurance cover in place until the scheme is formally handed over to the College.

2.24 Management of Assets

- 2.24.1 The Principal shall be accountable for maintaining proper security of all buildings, furniture, equipment, plant, stores and all other assets of the College (but not consumable items) and shall ensure that such assets are recorded on an inventory or similar, in such a manner as may be required by the Corporation, having taken account of directives, requirements and guidance issued by the funding bodies.
- 2.24.2 Inventory items must be recorded by budget holders immediately on receipt and, where appropriate, they must be clearly and permanently marked as the property of the College.
- 2.24.3 The Head of Finance & Personnel will request copies of inventories as necessary. It is the responsibility of the budget holder to ensure that inventories are complete, accurate and up to date.
- 2.24.4 College property shall not be removed from College premises except in accordance with the ordinary course of the College's business or, unless used in accordance with specific directions issued by the Principal. Any property removed shall be recorded on an official College form. Individuals must only use College property for College purposes and are responsible to indemnify the College for any loss incurred if this regulation is breached. The individual may also be liable for costs of replacement or repair should the College property on loan be stolen or damaged. All losses must be reported immediately to the Chief Operating Officer/Vice Principal. College laptops are provided for remote working.

- 2.24.5 No property shall be disposed of except on the authority of:
- a) the Chief Operating Officer/Vice Principal if the higher of the book value or the current value on the open market of each item is not estimated to exceed £7,500.
 - b) the Principal if the higher of the book value or the current value on the open market of each item is estimated to exceed £15,000.
 - c) the Corporation if the higher of the book value or the current market value on the open market of each item is estimated to exceed £15,000.

The Head of Finance & Personnel must be notified of any disposals and write-offs in order to affect the necessary accounting treatment.

- 2.24.6 No property disposed of under 2.23.5 above shall be sold or otherwise disposed of without complying with the relevant provisions of the College's standing orders relating to contracts.
- 2.24.7 Any disposal of items identified in the previous paragraphs must also take account of any directives, requirements and guidance issued by the funding bodies.
- 2.24.8 The Head of Finance & Personnel is responsible for the maintenance of sufficient records of stores as it is required for accounting, costing and financial record purposes.
- 2.24.9 Each budget holder shall be responsible for keeping a proper record and for the custody of stocks and stores under his/her control. The stores accounts and records including the records of write-offs and other adjustments shall be kept by the budget holder in such form as may be approved by the Chief Operating Officer/Vice Principal.
- 2.24.10 All items must be delivered to the delivery point designated on the official orders, where they must be checked against the order form and the delivery note signed by the receiving officers.
- 2.24.11 All stocks must be stored securely and issued in accordance with procedures established within the area.
- 2.24.12 Annually at 31 July in each year, or as near to that date as is practicable, or at such other time as may be agreed by the Head of Finance & Personnel, a complete stock taking of stores shall be carried out by a designated member of staff. Annual stocktaking may be waived in cases where the Chief Operating Officer/Vice Principal is satisfied that a satisfactory system of continuous stocktaking is in operation.
- 2.24.13 The stock returns should be submitted to the Head of Finance & Personnel identifying the range of items held, the quantity, the value (cost price), the date of the stocktake and the officers taking stock. These sheets shall be signed by the stock taker and the Head of Finance & Personnel or her representative.
- 2.24.14 Any materials surplus in stocks or stores in excess of requirements shall be disposed of in accordance with the provisions of the College standing orders relating to contracts.
- 2.24.15 Any equipment, which is deemed obsolete, must be confirmed as such by an independent officer. In accordance with Standing Orders, where obsolete equipment can be resold, three quotations should be sought and the goods sold to the highest bidder subject to appropriate authorisation. The process must be documented using official College forms and advice sought from the Chief Operating Officer/Vice

Principal. Items with a nominal value should be offered for resale to staff through the College noticeboards or Intranet as to ensure equal opportunities.

- 2.24.16 No deficiency in stocks or stores, which have become unserviceable, obsolete or irrecoverable shall be disposed of except on the authority of:
- a) the Head of Finance and Personnel if the higher of the book value or the current value on the open market of each item is not estimated to exceed £7,500.
 - b) the Chief Operating Officer/Vice Principal if the higher of the book value or the current value on the open market of each item is estimated to exceed £15,000.
- 2.24.17 Waste and scrap are the property of Halesowen College. Disposal of such items must be in accordance with all relevant environmental constraints and relevant legislation. Any cash received on disposal must be paid into College and the supporting certification where relevant held on file by the Head of Estates & Facilities.

2.25 Taxation

2.25.1 Value Added Tax

- a) The College must be registered for VAT and complete VAT returns to HM Revenue and Customs as required. The Head of Finance & Personnel shall maintain the VAT records for the College and shall make all VAT payments and receive all VAT credits as appropriate.
- b) The Chief Operating Officer/Vice Principal is responsible for ensuring that the VAT return is accurately completed. The Head of Finance & Personnel must ensure that returns and payments are submitted on time. Employees must ensure that VAT is clearly identified on all income and expenditure items.
- c) The Head of Finance & Personnel shall complete EC VAT sales returns as required by customs and excise.
- d) The Head of Finance & Personnel shall organise an annual VAT health check by an appropriately qualified company.

2.25.2 Corporation Tax

- a) The College may be liable for Corporation Tax on any profit making activities that it undertakes. The Chief Operating Officer/Vice Principal will be responsible for ensuring that any liabilities in this area are identified and reported accurately to HM Revenues and Customs.
- b) Any Trading Subsidiary of the College may be liable for Corporation Tax on any profit making activity that it undertakes. It is the responsibility of the Company Directors to ensure that any liability in this area is identified and reported accurately to HM Revenue and Customs.

2.26 Financial Procedures

- 2.26.1 The Head of Finance & Personnel shall maintain and update, as necessary, a Financial Systems and Procedures Manual, which shall be available to staff to ensure the efficient and effective management of the finance function of the College. These procedures shall be authorised by the Chief Operating Officer/Vice Principal.

This document shall be formally reviewed annually by the Head of Finance & Personnel and approved by the Chief Operating Officer/Vice Principal.

- 2.26.2 Keys to safes or other similar containers are to be carried by nominated safe key holders in accordance with the protocol on safe keys issued by the Head of Finance & Personnel. The loss of such keys must be reported to the Chief Operating Officer/Vice Principal immediately.
- 2.26.3 Staff who hold a safe key have a responsibility to read, understand and comply with the protocol ensuring that the key is kept safe and secure at all times. Keys must not be passed to any other member of staff unless formally signed over with the recipient, again reading, understanding and complying with the protocol. The misuse of safe keys is subject to disciplinary procedures. Staff may deposit a safe key in the key safe where these are available.
- 2.26.4 Issue of safe keys should be kept to a minimum number of staff. The signed record of safe key/safe number holders form is kept on the safe key holder's personnel file.
- 2.26.5 A safe key register must be kept, recording details of all key holders and instances where the key is signed to another employee.
- 2.26.5 A safe key log sheet recording access should be kept in the safe.
- 2.2567 Wherever possible, all money should be counted before being placed in the safe.
- 2.26.8 Keys to access the College premises are controlled and issued by the Estates Manager. Internal door keys can be obtained from reception. Staff have a responsibility for the safekeeping of all College keys and must never arrange additional keys to be cut without the written authority of the Head of Finance & Personnel/Chief Operating Officer/Vice Principal (safe keys) or Estates Manager (all other keys).

2.27 Purchasing using College Credit Cards

- 2.27.1 The Chief Operating Officer/Vice Principal shall authorise budget holders to utilise credit cards to purchase goods and services on behalf of Halesowen College. No cards shall be ordered except on the authority of the Chief Operating Officer/Vice Principal.
- 2.27.2 Each card will have a monthly limit determined by the Head of Finance & Personnel in line with available budget.
- 2.27.3 The card shall not be used to withdraw cash.
- 2.27.4 The card may only be used for capital purchases which are in the approved capital programme. Capital purchases shall be limited in value within the monthly limit determined by the Head of Finance & Personnel, and in accordance with the scheme of delegation defined in Standing Orders Relating to Contracts.
- 2.27.5 When purchasing via the Internet, budget holders must adhere to the College policies on cyber security. Non-compliant dummy sites must not be used. It is the purchaser's responsibility to ensure that sites have adequate security. However, if at all uncertain, advice must be sought from the Procurement Manager prior to purchase/input of card details. Purchaser must record all Internet credit card transactions in the same way as any other credit card purchases. However, in addition the site address used to make the purchase must be noted. Card holders may purchase online from a vendor who uses PayPal as long as the purchase is for goods/services of a consumable nature and the value does not exceed £3,000.

- 2.27.6 All budgetary limits will be observed and the scheme of delegation defined in section 3.2.10 for requisitioning goods and services is applicable to credit card purchases. In addition the requirement to obtain quotations, estimates and tenders defined in Section 2.1 of Standing Orders Relating to Contracts must be adhered to at all times.
- 2.27.7 Cardholders shall comply with the financial procedures for the use of credit cards and the Guide for College Card Holders. The card holder shall sign the Declaration Form to demonstrate their understanding and compliance with the Guide.
- 2.27.8 Should a cardholder end their employment at Halesowen College, the Head of Finance & Personnel will immediately stop the card and ensure that all transactions are appropriately authorised wherever possible.
- 2.27.9 Lost/stolen cards must be reported immediately by the cardholder to the bank, and the Head of Finance & Personnel or Chief Operating Officer/Vice Principal must be notified at the earliest opportunity. Should the bank notify a card holder of fraudulent transactions or if the card holder suspects any irregularity this must be reported without delay to the Chief Operating Officer/Vice Principal. It is the responsibility of the cardholder to provide the bank with any information required about fraudulent transactions.
- 2.27.10 The card must not be used to make personal purchases. If a card holder mistakenly uses their credit card in this way they must inform the Chief Operating Officer/Vice Principal as soon as practically possible so that arrangements can be made to repay the funds. If any interest is incurred this is the responsibility of the card holder to repay such charges.
- 2.27.11 Should any amendment be made to a credit card eg monthly limit, signature etc., these will be authorised by the Chief Operating Officer/Vice Principal or the Principal as appropriate.
- 2.27.12 The Procurement Manager holds a College Credit Card in order to make purchases on behalf of budget holders. The purchaser is required to complete a requisition authorised in accordance with College policies and the scheme of delegation. Robust procedures are in place to safeguard this process.
- 2.27.13 Cardholders should never respond to email or telephone calls allegedly from the bank requesting card details as these are probably not genuine. Such incidents must be reported to Chief Operating Officer/Vice Principal without delay.
- 2.27.14 Cardholders must never allow anyone else to use their credit card either in person, via the telephone or online. The cardholder must ensure that their card is stored securely to prevent unauthorised use.

PROTOCOLS

3.1 ASSOCIATED ORGANISATIONS

3.1.1 College Companies

- In certain circumstances it may be advantageous for the College to establish a company/companies to undertake services on its behalf. The College may own all or a proportion of the shares of any such companies as determined by the Corporation or such companies may be limited by guarantee.
- The Governing Body is responsible for approving the establishment of companies and the procedure to be followed in order to do so. The process involved in forming a company and arrangements for monitoring and reporting on the activities of subsidiary undertaking are documented in the College's policies.
- All appointments and terminations of Directors shall be in accordance with the approved policy.
- The activities and financial position of the Companies shall be reported to the Corporation in accordance with the policy on Financial Information.
- College Company shall establish a memorandum of understanding with Halesowen College which shall be reviewed annually and approved by Company Directors and the Corporation.
- The College Company shall produce a three year business plan updated annually. Year one of this forecast will be the budget for the year. This must be approved by the company directors and the Corporation for wholly owned companies.
- The College Company shall establish a set of financial regulations and standing orders relating to contracts approved by Directors and the Corporation. These shall be reviewed annually with any significant changes referred to the company directors and Corporation for their approval.
- The College Company and Halesowen College shall agree a recharge methodology, which is reviewed and approved by the Directors annually to ensure that costs are charged in full to Halesowen College Enterprises.
- The Company shall have an appropriately qualified Company Secretary nominated by the Directors.
- All activities of the Company shall adhere to the statutory framework outlined by Companies Law and any requirements of the funding agency.
- The Halesowen Foundation is a registered charity and a separate legal entity; not wholly or proportionately owned by Halesowen College although the College is a significant stakeholder.

3.1.2 Students Union

- The Students Union is a separate legal entity from the institution but is recognised to fulfill a valuable role in relation to the institution's students. In accordance with FRS2 the activities of the Students Union are not consolidated with the accounts of the Corporation.
- The College makes declaration in the related party transactions disclosure stating any level of grant approved by the Corporation passed to the Student Union.
- The Students Union is responsible for maintaining its own bank account and financial records and insurance, and preparing its own annual financial statements.
- At year end the Students Union financial statements will be audited by Chief Operating Officer/Vice Principal and will be presented to the Corporation for information. The Corporation shall approve any grant made by Halesowen College to the Students Union through the budget approval process.
- The College's internal auditors shall have access to records, assets and personnel within the Students Union in the same way as other areas of the College.

3.2 NEW VENTURES / CAPITAL PROJECTS AND FRANCHISING

3.2.1 New Ventures/Capital Projects

- From time to time the College may enter into new and substantial business arrangements to extend the College's provision.
- Such new ventures shall be considered and approved by the Corporation prior to a commitment being made by the College.
- Any proposed capital projects should be supported by a statement, which demonstrates the project's consistency with the strategic plan of the College, the approved property strategy and, initial estimates of the cost of the project and how this is to be financed. Normal tendering regulations must be observed.
- Any new venture will be subject to approval as applicable.
- The Principal is responsible for providing to the Corporation with regular statements concerning any venture in accordance with the approved policy on Financial Information.
- All capital project proposal documentation will include a financial evaluation of the plans together with any impact on revenue plus consideration of alternative plans including a base case. A financial, strategic, property and educational case must be prepared demonstrating the overarching impact of major capital projects on the financial health of the College.
- The College shall have an annual capital programme for equipment and premises in accordance with the approved financial and strategic plans.
- Any bids for funding must be approved by the Principal.
- Details on the process for new venture due diligence are outlined in section 3.2.3 below

3.2.2 Subcontracting

- Use of subcontractors will be subject to appropriate controls in accordance with the agency funding rules and College processes outlined above for new ventures.
- The College Leadership Team shall determine arrangements for the approval of subcontractors, including a generic contract to be used. The College will adopt the model form of contract published by the funding bodies as the basis of a generic contract. Authority to sign contracts will be with the Chief Operating Officer/Vice Principal and the Principal with the provision that a contract shall not be signed unless the company has cleared the approval protocol.
- Compliance audits, including checks on attendance records, will take place on a systematic and documented basis. Responsibility for the quality of subcontracted provision remains with Halesowen College and the usual quality framework applies.
- Reports on subcontracting will be submitted to the Corporation and College management.
- The Chief Operating Officer/Vice Principal will ensure that the register of subcontracts with the ESFA is up to date.

- If the College acts as a subcontractor then a written contract must be in place and signed by Chief Operating Officer/Vice Principal or the Principal.

3.2.3 Due Diligence

The due diligence process is an important element of the risk management of any new venture, capital project or restructuring (merger/acquisition), with the findings of the work informing the decision making process.

Due diligence should identify all key issues and assist in enhancing the College's understanding of:

- critical success requirements;
- any legal and operational frameworks;
- the current financial performance and future prospects of the College as defined by the proposal, identifying key risks and sensitivities and how each of these will be dealt with
- consider any post-project integration required to support the delivery of planned benefits
- The types of due diligence that the Colleges may require to support specific types of new ventures, capital projects and restructuring may include all or a combination of:
 - Financial - A key area of consideration is the financial performance ranging from the key metrics of Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") as a percentage of income, liquidity and gearing alongside confirming sustainable cash flow and financial health. Any new venture, merger or acquisition must be financially viable i.e. a going concern assessment must be conducted. All capital projects must be fully affordable and not adversely affect the achievement of financial targets agreed by the Corporation.
 - Legal – This comprises a review of the key legal agreements governing the operational and physical assets of the College. It helps to identify ownership of assets and any unexpected obligations, commitments or benefits as well as highlight any additional steps required to ensure smooth integration, acquisition or partnership. For capital projects this would include planning consent, deeds of covenant, property law and environmental considerations.
 - Educational – Due diligence should not just be focused on financial and legal matters, but consideration should also be given to the educational rationale for the new venture, merger or acquisition. Developments should be in accordance with the strategic objectives of the college and contribute to the teaching and learning strategy. Consideration should also be given to establishing whether the new venture will deliver on meeting the needs of students, employers and other stakeholders
- Other areas that may need to be considered as part of the overall decision making process include human resources, pensions, estates (space, costs, efficiency), taxation, digital and operational considerations

- The College is an autonomous organisation and the governing body make the decision on whether to support any new venture, merger or acquisition. Governors will ultimately be the parties responsible for the approval. As such, it is important that the governors are provided with sufficient information by the College Leadership Team to understand the financial, legal and educational case for the proposed action. This should outline all principle risks and uncertainties and include consideration of any other key factors. A written report would be submitted to a Board meeting for discussion prior to any decision being made.

- Due diligence can either be carried out internally (through College's own investigations) or externally (using an independent professional service provider) or a combination of the two. The level of risk in the proposed change would determine the need to engage with an external provider. The College Leadership Team would determine this threshold. In using an external company, the available budget must be considered.

- Key issues that should be taken into account in the financial due diligence process must include:

- Robustness of the underlying financial trading position of the College or any partner institution with any risk of the historical and current financial position being worse than reported fully explored. The due diligence process will identify the underlying position through an analysis of :
 - actual versus budgeted performance of each organisation with explanations for key variances and trends in performance as well as key drivers of actual performance from one year to the next
 - identifying any exceptional, non-recurrent or one-off items that may have impacted financial performance (positive and negative) to enable the true underlying performance of all organisations involved to be identified
 - Understanding of the cost base of each organisation involved in the venture and operating performance including:
 - Staffing structures, staffing ratios and student numbers for each alongside course and administrative expenditure, curriculum costs.
 - Achievement Rates and Individual Learner Records (“ILR”) data supporting the financial performance of the college. This may also identify issues such as potential clawbacks of funding that may be related.
 - Income assumptions for the implementation plan for the restructured organisation will likely be based on historical funding performance and thus needs to be fully understood.

3.3 DATA PROTECTION, RETENTION OF DOCUMENTS AND FREEDOM OF INFORMATION

The College has policies to ensure compliance with relevant legislation:

- Data Protection Policy
- Freedom of Information Policy
- Retention of Documents Policy

3.3.1 IT Security and Data Protection

- The College shall ensure maintaining proper security of information held on computer and manual filing systems. The restriction of access to computer files and software to authorised persons only by the use of passwords and appropriate systems access. Information relating to individuals will be subject to the provisions of the General Data Protection Regulations 2018. A data protection team shall be nominated to ensure compliance with the Act.
- Sensitive data such as payroll details shall be subject to encryption or password control as appropriate. The Data Protection Policy contains an Annex explaining best practice for data security and storage on portable media.
- IT Multi-factor authentication is now set up for all staff.

3.3.2 Retention of Financial Documents

- The Chief Operating Officer/Vice Principal is responsible for ensuring the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.
- The College is required by law to retain prime documents for six years plus the current year. These include:
 - official orders
 - paid invoices
 - bank statements
 - copies of receipts
 - sessional lecturer contracts

The above list is not exhaustive.

- Certain documents such as European Social Fund have to be retained for twelve years.
- The College will retain all records supporting the audit trail relating to the College's ILR return for a minimum of four years (current plus three years).
- Additionally, for auditing and other purposes, other financial records should be retained for three years.
- The College will maintain data security and other procedures in relation to computer and manual records to comply with relevant data protection legislation and best practice.
- The College has a Retention of Documents Policy which provides more detailed guidance.

3.3.3 Public Access

- The College shall comply with the terms and conditions of the Freedom of Information Act and associated legislation. A definition document is available on the College website. A Freedom of Information Policy shall be approved by the Corporation.

3.4 STUDENT RECORDS

- The Director of Information, working to the Chief Operating Officer/Vice Principal is responsible for the timely and accurate reporting of student number and funding data for all contracts.
- The Registrar is responsible for the submission of returns to the funding agencies in accordance with their deadlines.
- Monthly reports to the College Leadership Team, Governors and other College Managers shall include information regard student numbers against targets and associated funding.
- Staff are responsible for complying with College procedures relating to student records and ensuring the integrity and security and audit evidence for funding claims.
- Enrolling staff must ensure that all students complete and sign an enrolment form and learning agreement; making certain that the student is aware of the privacy statements. In accordance with the Equality Act 2010, enrolling staff must ensure all students are given adequate opportunities to disclose any learning difficulty, disability or health problem. In addition, students must also complete the residency information. When government funding is being claimed, enrolling staff must ensure that the student is eligible to receive such funding. In certain circumstances especially when the student has not resided in the UK for the last three years and/or has a non-EU nationality, evidence of eligibility must be presented. A copy should not however be retained. Where students claim a remission of fees, enrolling staff must verify that they have seen appropriate evidence else they must collect the appropriate fee from the student. Students aged **19+** studying at level three or higher may draw down an advanced learning loan, and students studying a higher level course may draw down a HE student loan. Confirmation of attendance must be reported to the Student Loans Company in order for the college to access funding. Although funding is paid to the College from the Student Loan Company the student is ultimately responsible for the debt which will be collected in accordance with usual credit control procedures should the student withdraw. Students should not be enrolled without paying the appropriate fee unless they have a valid remission or have applied for a student loan. All forms must be countersigned by the enrolling officer. For certain funding streams there are additional audit requirements such as employer eligibility and Health and Safety checks. Enrolling staff must be aware of all documentary requirements ensuring full and accurate completion. The Business Development Director is responsible for apprenticeship records.
- To ensure that student attendance is accurately recorded, teaching staff must complete official College registers at the start of each class. Registers are subject to internal and external audit and are a legal document. Registers must be completed accurately and timely using the online attendance system.
- Where learning is delivered in the workplace the trainer/assessor must update the individual learning plan and complete a learning activity timesheet with the student, which is signed and dated.
- Teaching staff must ensure the completion and submission of audit documents within the prescribed timescales.
- Staff must ensure that changes in the learning agreement of the student are recorded and signed by the student in accordance with College policies.
- Staff must ensure that withdrawals and transfers are recorded in accordance with College policies.
- Staff must ensure that additional learning support is recorded in accordance with funding agency guidelines and College policies.

3.5 TIMETABLING

All input to the timetable must be accurate and in accordance with the predetermined timetabling regulations. All sessions recorded must be planned; roomed and staffed. Recording of sessions/activities which are not planned is potentially misappropriation of resources and may result in an investigation under the College's disciplinary policy.

3.6 STUDENT FINANCE

3.6.1 Financial Support for Students

- Halesowen College has an allocation of funds from the agencies to financially assist students. This includes the 16-18 bursary, 20+ childcare support and 19+ learner support fund together with the 19+ bursary scheme for students in receipt of a learning loan. This money is to financially support students with the costs of attending College/their course. In the case of students in receipt of a loan a proportion of this fund must be allocated to covering the costs of any learning support required. The Corporation approves a student financial support policy annually
- Associated guidelines state how the fund is allocated and prioritised within the parameters of relevant directives.
- The College administers the fund and takes 5% of the total fund to contribute towards these costs.
- The College makes a mid-year and annual return to the funding agency on the expenditure of the fund.
- The Fund is subject to annual external audit (as part of the regularity work).
- The College has an allocation to support eligible students with free meals

DEFINITIONS

The following definitions are intended to assist in the explanation and clarification of terms employed within these Regulations.

‘College’ means Halesowen College.

‘Corporation’ is Halesowen College; the body ultimately responsible for the affairs of the College.

‘Budget’ means a resource expressed in financial terms for the purpose of carrying out, for a specific period (usually one year), any or all of the functions of the College. Note that capital budgets may be more than one year’s duration.

‘Audit’ means the process which

- allows checks to be made on the soundness and adequacy of the College’s financial management and, implementation and maintenance of systems of internal control.
- checks on the extent of compliance with, and the financial effect of established policies, plans and procedures.
- assesses to what extent assets and interests are accounted for and safeguarded from loss due to either fraudulent activities and/or other offences including waste, extravagance and inefficiency; hence ensuring that the College strives to attain value for money.
- reports on the suitability and reliability of financial and other management data.

‘Contract’ means any agreement between the College and any other party for the supply or disposal of goods and materials, the provision of services or the execution of works.

‘Estimate’ means a figure representing the probable cost of works, goods, services or materials calculated by a suitably qualified employee or agent appointed by the College.

‘Quotation’ means an offer, made verbally or in writing, by a prospective contractor.

‘Tender’ means an offer made by a prospective contractor on the College’s form of tender in accordance with the procedure set out in the relevant sections of their Financial Regulation.

‘Principal and Chief Executive’ (referred to hereafter as the Principal) is the Chief Accounting Officer.

‘College Leadership Team (CLT)’ is a team comprising the Principal and other senior post holders and senior managers.

‘Budget holder’ is the member of staff assigned financial resources and is accountant for them.

‘ESFA’ is the Education and Skills Funding Agency; principal regulator of the College and funder of 16 to 19 classroom based funding and apprenticeships.

All amounts quoted in this document are inclusive of non-reclaimable VAT.

FINANCIAL TARGETS

Ratio	Minimum College Target
Liquidity/current ratio	4
EBITDA as a % of income	8%
Pay as a % of income (excl FRS102 costs)	60%