



## Standing Financial Instructions

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**INDEX**

	<b>Date Last Approved (UCG)</b>	<b>Date of next review (UCG)</b>	<b>Page</b>
1. Purpose	March 2020	<i>March 2021</i>	2
2. Status	March 2020	<i>March 2021</i>	2
3. Standards of Conduct	March 2020	<i>March 2021</i>	3
4. Responsibilities	March 2020	<i>March 2021</i>	3
5. Accounting Systems	March 2020	<i>March 2021</i>	4
6. Budgetary Control	March 2020	<i>March 2021</i>	5
7. Staff Appointment and Payment	March 2020	<i>March 2021</i>	6
8. Purchase of Goods and Services	March 2020	<i>March 2021</i>	7
9. Income	March 2020	<i>March 2021</i>	9
10. Banking Arrangements	March 2020	<i>March 2021</i>	10
10.1. Petty Cash			10
10.2. Bank Accounts			11
10.3. Borrowing and Lending			12
10.4. GPC/Credit Cards			12
11. Assets	March 2020	<i>March 2021</i>	12
11.1. Inventories			12
11.2. Property Transactions			13
11.3. Disposal of Assets			13
11.4. Removal of Assets from the College			13
12. Tax	March 2020	<i>March 2021</i>	13
13. Insurance	March 2020	<i>March 2021</i>	13
14. Audit	March 2020	<i>March 2021</i>	14
15. Student's Union	March 2020	<i>March 2021</i>	14
16. Fraud	March 2020	<i>March 2021</i>	15
Appendix A: Seven Principles of Public Life from the Nolan Report on 'Standards in Public Life'	March 2020	<i>March 2021</i>	16
Appendix B: Financial Authorities List	March 2020	<i>March 2021</i>	17

## UNITED COLLEGES GROUP - STANDING FINANCIAL INSTRUCTIONS

### 1. Purpose

- 1.1 Standing Financial Instructions cover the financial conduct of the Corporation in relation to the Education and Skills Funding Agency (ESFA) and prescribe how the Corporation and Chief Executive Officer should exercise financial and budgetary control. The Corporation is responsible for the overall management, direction and control of the College, including the operation of the College Budget and the Accounting systems. It discharges its responsibilities through the Corporation itself, sub-committees, the Chief Executive Officer and other members of staff. The procedures are clearly and formally recorded in the College Financial Procedures Manual, the Human Resources Procedures, the Public Interest Disclosure Procedure and the Purchasing Procedures.
- 1.2 These instructions will be reviewed annually and amended as appropriate.

### 2. Status

- 2.1 The provisions of these Standing Financial Instructions shall be subject to the requirements of the:
    - Instrument and Articles of Government, as set out in the Statutory Instrument of the Education (FEC) Regulations 1992 and subsequent amendments.
    - Financial Memorandum with the ESFA.
    - ESFA regulations contained in ESFA circulars.
  - 2.2 The College must operate within the terms of the ESFA Financial Memorandum 2017/18.
  - 2.3 The College receives funds from a variety of sources. They must be used only for the purpose for which they were given and in accordance with any terms and conditions attached to them.
  - 2.4 Where appropriate, these Standing Financial Instructions shall apply to any wholly owned subsidiary companies.
  - 2.5 Compliance with these Standing Financial Instructions is compulsory for all staff connected with the College. A member of staff who fails to comply with the Standing Financial Instructions may be subject to disciplinary action. Any such breach will be notified to the Corporation through the Audit Committee, a register of breaches of procedure should be maintained. It is the responsibility of all managers to ensure that their staff are made aware of the existence and content of the Standing Financial Instructions. It is the responsibility of budget holders to report immediately to the Chief Executive Officer or the Chief Financial Officer any breaches of the Standing Financial Instructions.
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### **3. Standards of Conduct**

- 3.1 All financial matters are subject to the highest standards of conduct. Staff dealing with financial issues must act with integrity at all times and must act so as to avoid suspicion or any appearance of improper conduct. The Nolan report identified seven principles of public life:
- Selflessness
  - Integrity
  - Objectivity
  - Accountability
  - Openness
  - Honesty
  - Leadership
- 3.2 More details about these principles are given in Appendix A.
- 3.3 A register of interests for governors and senior staff shall be maintained by the Director of Governance. If staff deal with matters in which they or their close friends or relations have any financial interest, this must be declared to their manager. If necessary, arrangements shall be made for another person to deal with the matter.
- 3.4 Any gift or donation which is offered to the College with conditions which could incur the Corporation in added expenditure in the current year or future years must be referred to the Chief Financial Officer before it is accepted.
- 3.5 Staff may not receive gifts or gratuities or benefits with a value in excess of £25 from suppliers and contractors without first seeking the approval of the Chief Executive Officer and registering the gift in the Gift Register maintained by the Director of Governance. The Corporation may inspect the Register at any time on request (see Corporation's Gifts & Hospitality Policy).
- 3.6 Staff should be careful in accepting hospitality from suppliers or contractors. Hospitality accepted should be restricted to a level that would normally be reciprocated by the College, such as an occasional meal. Hospitality should not be accepted from any organisation that is responding to a tender.
- 3.7 The College's Public Interest Disclosure Procedures set out the arrangements if allegations are made about financial irregularities.

### **4. Responsibilities**

- 4.1 The respective responsibilities of the Corporation, the Chief Executive Officer and the Director of Governance are set out in the College's instrument and articles of government. Further clarification is given in the ESFA Financial Memorandum 2017/18.
- 4.2 The Governors have specific responsibilities to ensure the solvency of the institution and to ensure there are procedures in place to safeguard the assets.

4.3 The Chief Financial Officer is responsible for:

- Preparing annual capital and revenue budgets and financial plans.
- Preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations.
- Preparing the College's annual accounts and other financial statements and accounts which the College is required to submit to other authorities.
- Ensuring that the College maintains satisfactory financial systems
- Providing professional advice on all matters relating to financial policies and procedures.
- Developing financial policy and monitoring financial performance indicators.

4.4 Budget holders are responsible to the Chief Financial Officer for financial management in their own areas. The Chief Financial Officer advises them in executing their financial duties. The Chief Financial Officer will also supervise and approve the financial systems operating within their departments including the form in which accounts and financial records are kept. Budget holders are responsible for establishing and maintaining clear lines of responsibility and accountability within their sections for all financial matters which will include segregation of duties between those raising and approving purchase orders.

4.5 In accordance with the Financial Memorandum, the Corporation has established the following Committees:

- The Audit Committee.
- The Governance Search and Remuneration Committee.
- The Finance & General Purposes Committee.

4.6 The terms of reference of these committees have been established in accordance with the Corporation Standing Orders, copies of which are set out in Appendix II of the Corporation Standing Orders.

4.7 The Corporation shall approve these Standing Financial Instructions.

## **5. Accounting Systems**

5.1 The College shall adopt, develop and maintain accounting systems and records, which comply with recognised accounting standards. The operation of the accounting systems is controlled by the Financial Procedures (which are written and amended by the Chief Financial Officer as and when required).

5.2 The accounts for each financial year shall be completed and sent to ESFA by 31 December following the end of the financial year. They will also be made available to the wider public through the College's external website by 31 January following the end of the financial year.

5.3 The Financial Procedures shall incorporate internal checks as far as possible. Wherever practical the duties of staff engaged in any financial transaction should be divided to ensure that two people are involved in any transaction.

The work of one person acts as a check on the other. The duties of authorising sums due to or from the College shall be separated as completely as possible from the duties of collecting or dispersing those sums. The Chief Financial Officer shall ensure that a record is established and maintained of all persons authorised to incur expenditure and/or certify payment, together with specimen signatures.

- 5.4 No voucher or other document relating to the financial transactions of the College shall be destroyed before a time has elapsed in accordance with the Statute of Limitations (a minimum of 6 years, some special category documents should be kept for 12 years).
- 5.5 Alterations to any material documents, such as orders, invoices and cheques must be made clearly in ink and the alteration signed. The use of correction liquid or erasure is not permitted on any accounting document.
- 5.6 The computer accounting systems are as set out in the application specification. All changes to the application must be documented and authorised by the Chief Financial Officer. All access and security of computer files relating to financial matters are subject to security procedures including the use of passwords and requirements to back-up files as set out in the Finance Procedures Manual.

## **6. Budgetary Control**

- 6.1 The College must use funds earmarked by the funder solely for the purposes for which they have been provided.
- 6.2 The Corporation shall set financial objectives, taking account of the fundamental requirement to ensure the solvency of the College. The Corporation shall exercise proper and effective budgetary control of income and expenditure.
- 6.3 The Finance & General Purposes Committee shall recommend to the Corporation the College's financial objectives and monitor the achievement of the financial objectives.
- 6.4 Before the start of the financial year, the Corporation shall approve:
  - The strategic plan.
  - The annual budget.
  - The three year financial forecast.
  - The capital expenditure programme.
- 6.5 The Chief Financial Officer shall prepare and the Chief Executive Officer shall submit to the Corporation a forecast of income and expenditure. The forecast adjusted by any revisions approved by the Corporation constitutes the budget for the period and determines the total sum that the Chief Executive Officer may authorise for expenditure during the period. The first year of the ESFA financial forecast shall be consistent with the annual budget.

- 6.6 The Corporation shall approve the Capital Expenditure Programme. The Finance & General Purposes Committee shall monitor progress against the programme.
- 6.7 All expenditure shall be authorised by the budget holder, up to the limits specified in the Financial Authorities List (Appendix B), who is responsible for ensuring that the budget is not exceeded. Virement between budgets within the Division or Service is allowed, subject to the prior agreement of the Chief Financial Officer. The Chief Financial Officer shall approve any virement between Divisions or Services. If the Division or Service budget includes income, the budget holder must inform the Chief Financial Officer as soon as it becomes likely that the income level will not be achieved.
- 6.8 The Chief Financial Officer will ensure that regular financial reports are distributed to budget holders, senior managers and governors. A timetable for the production of management accounts will be drawn up each year. The Senior Leadership Team (SLT) will consider the management accounts according to the schedule. Members of the Corporation shall receive timely reports throughout the year which review the College's financial position.
- 6.9 At least once a term the Governing Body shall receive a report, which reviews the College finances including revisions to forecast, capital plan and cash flow.

## **7. Staff Appointment and Payment**

- 7.1 The procedures for appointing staff are set out in the Human Resources Procedures.
- 7.2 The Director of People and Communications shall notify the Chief Financial Officer of all amendments to the staff establishment and staff conditions of employment which affect the payroll.
- 7.3 Budget holders shall be responsible for notifying the Director of People and Communications (who shall notify the Chief Financial Officer) of any circumstances which affect the salary of their staff including the absences of staff apart from normal leave entitlement and any overtime worked for which payment is appropriate.
- 7.4 The Chief Executive Officer and the Chief Financial Officer shall be responsible for making arrangements for the calculation of all remuneration of employees in the College in accordance with such legislation and regulations issued by the government, ESFA and the HMRC. The Chief Executive Officer and the Chief Financial Officer shall also be responsible for the maintenance and safe keeping of all payroll records.
- 7.5 With the exception of the Chief Executive Officer, all claims for travel and subsistence by employees must be authorised by the line manager of the person making the claim. The Chief Executive Officer's claims for travel and subsistence should be authorised by the Chair of the Corporation, with a log of claims maintained by the Director of Governance. Any claims by governors for travel and subsistence shall be authorised by the Director of Governance and Chair of Governors.

- 7.6 All foreign travel by staff or governors directly related to their relationship with the College will be approved in writing prior to any commitment being made. In the case of such travel by the Chief Executive Officer, the Chair of the Corporation shall give the approval. In all other cases, the Chief Executive Officer shall give the approval.
- 7.7 Certification of claims for travel and subsistence shall mean that the person certifying is satisfied that the journeys were authorised, the expenses properly incurred and the allowances are properly payable. Claims for payment must be submitted within four months of the expenses being incurred.

## **8. Purchase of Goods and Services**

8.1 The Corporation shall ensure that the purchase of all goods, materials and services and the awarding of contracts for the same are the subject of special policies and procedures set out in the Purchasing Procedures (Section 5 Financial Procedures Manual) covering all aspects of the purchasing process. Capital expenditure and computer purchases shall be consistent with the approved accommodation and IT strategies. The Corporation shall approve any departures from the College's Purchasing Procedures.

8.2 The College will consider the following three principles when selecting suppliers of goods and services.

- **Quality:** The College shall only purchase goods and services of a standard that are suitable to ensure a quality service to our clients.
- **Reliability:** The College shall only use suppliers who are reliable in terms of supply periods and service levels. This may require staff to take up trade references for new suppliers.
- **Cost:** The College shall consider cost as one of the key elements in the purchase decision, but Quality and Reliability will also receive equal weighting in the decision.

8.3 To ensure adherence to the above policy, the procedures for obtaining estimates shall be as follows:

### Value of order Requirements:

Up to £2,000	Budget Holder shall use good sense as to the need to obtain competitive quotes from suppliers.
Up to £5,000	Budget Holder will seek to obtain 3 verbal quotes from suppliers.
Up to £100,000	Three written quotations are required unless otherwise agreed by the Chief Financial Officer. These quotations must be retained by the Budget Holder for three years.



Over £100,000

A minimum of three competitive tenders shall be obtained unless the Finance & General Purposes Committee approves that the invitation of tenders be waived.

- 8.4 When applying the above limits, the "value of order" for those orders should be taken as the annual order value.
- 8.5 The Chief Financial Officer's advice shall be sought at the start of any tender exercise. Appropriate selection criteria must be set for each tender and used for evaluation of the bids. Tenders will be opened at the same time, by the Chief Financial Officer plus two other members of staff approved by the Chief Financial Officer. All documentation relating to the tender will be retained, including the evaluation, details of the selected tender and a report explaining the reason where a lowest tender is not accepted.
- 8.6 All Contracts and Agreements other than contract of employment made in the Corporation's name with third parties are limited to those persons listed in the Financial Authorities List (Appendix B).
- 8.7 All orders for goods or services shall be on an official order of the Corporation unless it is the subject of a formal contract and shall be signed by any person listed in the Financial Authorities List (Appendix B).
- 8.8 The Corporation does not require Purchase Orders to be raised for goods and services with a value below £100 (excluding VAT). Purchase Orders must be raised for all goods and services with a value of, or in excess of, £100 (excluding VAT), the details of which must be given to the supplier when placing the order. In such cases the supplier must quote the Corporation's Purchase Order number on all invoices.
- 8.9 The ordering of goods or services from a member of staff must be authorised by the Chief Financial Officer. In these exceptional circumstances the purchase price of the goods must be tendered in advance. Such goods must be of satisfactory quality fit for the purpose intended. It must comply with health and safety requirements.
- 8.0 If a member of staff has an interest in the supplier of goods and services this must be declared to their line manager and alternative arrangements shall be made.
- 8.11 Second-hand goods shall only be purchased by the Corporation with the prior approval of the Vice Principal of Curriculum / Head of Service.
- 8.12 Ordered goods and services must be delivered directly to the College premises and not to an alternative address unless it is a requirement for the fulfillment of the contract that such goods or services must be delivered to an alternative address. Where it is necessary for delivery to be made to a 3<sup>rd</sup> party address this must be agreed with officers listed in Appendix B.
- 8.13 The Chief Financial Officer has authority to arrange for the payment of all amounts to which the College is legally committed as they become due.

- 8.14 Accounts and invoices for payment must be prepared by external creditors and not by the Corporation or the staff. Accounts and invoices may be accepted only if presented as an acceptable permanent record. Accounts and invoices that are not originals shall be accepted only with the approval of the Chief Financial Officer. Accounts and invoices shall be submitted for payment, appropriately certified by the member of staff responsible for ensuring the receipt of the goods, materials or services and by one other duly authorised signatory.
- 8.15 The certification of an account or invoice means that it is properly payable in all respects.
- 8.16 The Chief Financial Officer shall be responsible for the proper identification and accounting for any VAT element concerning the College's activities.
- 8.17 The SLT shall ensure that any record or documentation is made available to members of the Corporation whenever required and shall give any explanation or report which might be called for.
- 8.18 All supplier invoices, statements and demand for payment for which the Corporation has entered into a contract shall be addressed directly to the Corporation and not to a 3<sup>rd</sup> party. Such documentation shall remain the property of the Corporation and will be kept on file.

## **9. Income**

- 9.1 The Chief Financial Officer is responsible for ensuring that appropriate procedures are in operation to enable the College to receive all income to which it is entitled. Delegated authority for signing off new business before any activity is commenced is divided into new tenders or bids for significant levels of provision and new courses required by faculties.
- 9.2 In summary the policy is designed to ensure that any **significant new venture** is approved by the SLT and **new income generating courses** are approved by the Chief Financial Officer.

### **A. New courses**

All new courses must be passed through the formal course approval process as signed off by the SLT. This involves review and approval from both the Group Principal and the Chief Financial Officer.

### **B. New tenders**

- No tender valued at more than £100,000 shall be submitted to a customer without the approval of the SLT. This should be in the form of a summary of the costs and revenues and resourcing implications and will have a detailed narrative of the assumptions and implications.
- For tenders with a total value of greater than £1,000,000 the approval of the Finance & General Purposes Committee is needed. As above a summary of the financial and other implications will need to be submitted.

- 9.3 The Corporation shall approve the policy for setting **tuition fees**.
- 9.4 As soon as a charge has been established the Chief Financial Officer or authorised member of staff shall either:
- collect the sum in advance of the work done, goods, materials or services provided; or
  - render an invoice to the debtor, in accordance with the credit policy, detailing the particulars of the work done, goods, materials or services provided.
- 9.5 Each authorised member of staff receiving money due shall keep a chronological record of all receipts and subsequent banking, using electronic tills as appropriate. All cheques, postal orders, money orders and banker's drafts received shall be crossed forthwith for credit to the College's account. No cash change shall be given to a payee who settles by cheque, credit card or debit card.
- 9.6 Accounts for individual tuition fees shall be set up from details on the student enrolment forms. All other new accounts in the sales ledger shall only be set up in accordance with the credit policy and from details on an authorised invoice request form. All subsequent changes to the standing information in the sales ledger shall be carried out in accordance with the accounting procedures.
- 9.7 The Chief Financial Officer shall be responsible for the proper collection of, and accounting for, any VAT due on its income.
- 9.8 Staff concerned with rendering accounts must ensure that all reasonable measures are taken to minimise bad debts, for example by rendering accounts in advance. The Corporation's settlement terms shall be 30 days net, any deviation from this must be authorised by the Chief Financial Officer.
- 9.9 No sums shall be written off as irrecoverable without the express approval of the Chief Financial Officer if less than £5,000, and if above £5,000 the signature of the Chief Executive shall also be necessary up to a limit of £25,000. Above £25,000 the approval of the Finance & General Purposes Committee should be sought. A record shall be kept of all items written off and presented to the Governing Body quarterly for information.

## **10. Banking Arrangements**

### **10.1 Petty Cash**

- 10.1.1 The Chief Financial Officer may authorise employees to hold petty cash accounts for the purpose of defraying cash disbursements. Detailed records shall be maintained of all such accounts together with specimen signatures of the authorised employees.
- 10.1.2 A petty cash account may not be used to meet regular transactions. It shall not normally be larger than is required to meet expenses likely to be incurred during a calendar month, and shall not at any time be overdrawn.

- 10.1.3 Payments from petty cash accounts shall be limited to properly authorised minor items and the maximum amount of any one payment should normally be £50.00.
- 10.1.4 Each employee authorised to hold and manage a petty cash account shall, as far as practicable, be responsible for the operation of the account in accordance with the Financial Procedures.
- 10.1.5 In no circumstances shall personal cheques be cashed or loans made from a petty cash account or any other account operated by the College.

## **10.2 Bank Accounts**

- 10.2.1 The Corporation shall ensure that bank accounts are opened in the name of the College in such manner as to provide proper stewardship of, and minimise risk to, the College funds. Investments may be made directly in any current or deposit account placed with the chosen bank and must not be arranged through any intermediary. The Chief Financial Officer is responsible for the transfer of funds between bank accounts in order to maximise the interest earned and minimise bank charges and interest paid.
- 10.2.2 The Chief Financial Officer shall close any bank account that is no longer required by the College to conduct its business.
- 10.2.3 The Chief Financial Officer shall be responsible for recording all payments from and deposits to the bank accounts and shall ensure that the end of month bank balance is reconciled to the College's accounting records.
- 10.2.4 The Corporation shall authorise signatories to be accepted by the bank.
- 10.2.5 All payments made from College accounts shall be made by BACS or a crossed cheque. All cheques and BACS payments up to £5,000 must be signed by an authorised signatory from list A or B. All cheques or BACS payments over £5,000 shall require two authorised signatories, one of which must be from list A. Alterations to cheques shall be limited to the date and/or the correction of a misspelling of the payee's name.
- 10.2.6 The Chief Financial Officer shall be responsible for the custody of unused cheques, which must be kept in a locked safe or cupboard with restricted access. Unused cheques shall be removed from secure storage only for the purpose of making payments and must not be pre-signed.

## **10.3 Borrowing and Lending**

- 10.3.1 The Corporation shall approve all borrowing by the College.
- 10.3.2 The Chief Financial Officer shall invest any surplus funds with the College's Bankers in accordance with the agreed investment strategy.

The Corporation shall approve the investment of surplus funds with other banks, building societies, local or public authorities.

- Investment on the money market with highly rated banks is considered to be one of the safest method of investment whilst still providing a good rate of return on the funds. The investment in several banks also reduces significantly the risk of loss in the unlikely event of one these banks getting into difficulty.
- The range of maturities will ensure that funds are available to meet planned expenditure (e.g. building work) and other unforeseen expenditure/opportunities

10.3.3 Withdrawals from the investment account can only be carried out with the prior approval of the Corporation. Should exceptional circumstances arise calling for a withdrawal before it is possible to secure the approval of the full Corporation, the prior agreement of the Chair will be obtained and the matter reported to the Corporation at the earliest opportunity.

10.3.4 Funds may not be invested for a period in excess of one year or in an instrument other than fixed or variable rate deposits without the approval of the Corporation.

#### **10.4 GPC/Credit Cards**

10.1 The Chief Financial Officer shall approve the use of and allocation of staff GPC/Credits cards. These cards will generally be used for internet /telephone purchases, marketing and any urgent payments. In all instances, the card user must have the budget manager's approval before goods and services can be purchased using the card (this will normally be via a purchase order). The GPC/credit cards must not be used for personal use, or cash withdrawals. The Chief Financial Officer shall establish appropriate controls for the card use.

### **11. Assets**

#### **11.1 Inventories**

11.1.1 All purchases of a capital nature over the value of £1,000 will be capitalised and added to the fixed asset register.

11.1.2 Furniture, equipment and plant owned by the College shall, as far as reasonable, be marked as being College property and shall not be removed from the College without the specific prior approval of a duly authorised member of staff.

11.1.3 The Chief Executive Officer shall be responsible for the custody, physical control and security of stocks and stores in the College.

#### **11.2 Property Transactions**

11.2.1 Where the transaction is a disposal or the renting or leasing of property, the College shall seek to secure the best obtainable value for money.

The College shall seek independent professional advice when disposing of land and buildings.

11.2.2 The Chief Financial Officer must approve any changes to the College buildings.

### **11.3 Disposal of Assets**

11.3.1 The sale of all assets listed in the Asset Register shall require the completion of an asset disposal form stating:-

- the date of purchase
- the original cost
- the net book value
- An estimate of the disposal value
- A recommendation as to the method of disposal

11.3.2 Authorities for disposal are set out in the financial approvals (Appendix B)

### **11.4 Removal of Assets from the College**

11.4.1 Before staff remove assets from the College premises written approval shall be obtained from their line manager. Security has been instructed to ask staff to see this written approval when staff is seen to be removing assets. If written approval has not been obtained beforehand the presumption shall be that the assets are being stolen.

## **12. Tax**

12.1 The Chief Financial Officer is directly responsible for the proper accounting and administration of national systems of taxation covering both raising and paying tax, such as income tax, Value Added Tax and Contractors' Income Tax Deduction Scheme.

## **13. Insurance**

13.1 The Corporation shall ensure that all potential risks arising from the College's business are identified and that adequate insurance cover is provided against those risks. A record shall be kept of all such insurance and the levels of risk covered and the Chief Financial Officer shall review at least annually the insurance risk and the cover provided.

13.2 The Chief Financial Officer shall ensure that inspections of engineering plant and other equipment at the College are carried out as prescribed by the relevant legislation.

13.3 The Chief Financial Officer shall ensure that any out-of-College activities are adequately covered by insurance.

13.4 No College employee may give any indemnity unless the College's legal advisers have first approved its terms and the College's insurers have been notified.

#### **14. Audit**

14.1 It is a condition of funding, through the Financial Memorandum, that college corporations must appoint external auditors to audit the accounts in respect of each financial year. The funding bodies have determined that the criteria for eligibility as financial statements' auditor must be the same as set out in Part 42 of the Companies Act 2006: in essence, a firm or individual holding membership of a relevant supervisory body and allowed to carry out audits under the rules of that body. The corporation must be the appointing authority for the financial statements auditor.

14.2 External and Internal Auditors (if appointed) shall have rights of access to all the College's documents, records, information and assets which they consider necessary to fulfill their responsibilities. All staff shall provide all information and explanations and provide access as may reasonably be required by the internal and external auditors in performance of their duties.

14.3 The Chief Executive Officer and Chief Financial Officer shall ensure that in conjunction with the Internal Auditors the Corporation has a sound system of internal control. An annual programme of audit work shall be agreed with the Internal Auditors and approved and monitored by the Audit Committee.

14.4 The ESFA may undertake an examination of the College's internal financial and management controls. The Comptroller and Auditor General (C&AG), as Head of the National Audit Office, is ESFA's external auditor. The C&AG has the right under the Further and Higher Education Act 1992 to inspect the annual accounts of any corporation that receives funding, and the right to carry out value for money investigations. The C&AG is selective in its use of inspection rights and will seek to rely on the work of ESFA's assurance processes.

14.5 The Chief Financial Officer shall as necessary call for and examine records and documents which s/he may consider necessary and may check the physical presence of cash and inventories.

#### **15. Student Union**

15.1 The Student Union, or Student Council, is a constituent part of the College and as such is responsible to the Corporation. The Corporation shall determine the level of budget allocated to the Student Council.

15.2 The Student Council is responsible for controlling and reporting the way its budget is spent and for preparing a year-end report to governors. The College will assist the Student Council in keeping its financial records and check the annual report. Auditors shall have access to records, assets and personnel within the Student Council in the same way as other areas of the College.

15.3 At the year end the Student Council report will be reviewed by the Chief Financial Officer and approved by the Governing Body.

## **16. Fraud**

- 16.1 It is the responsibility of all staff to report to the Chief Executive Officer or the Chief Financial Officer whenever a fraud or misappropriation of cash is suspected.
- 16.2 If an internal fraud is suspected within the College the Chief Financial Officer shall undertake a full investigation. If the Chief Financial Officer is alleged to be directly involved in the matter, the Chief Executive Officer shall arrange for another senior member of staff to undertake the investigation. The report of the investigation should be sent on completion to:
- chair of the Corporation
  - chair of the Audit Committee
  - the internal auditor
  - the external auditor
- 16.3 The investigating manager will need to decide and recommend whether there should be a disciplinary investigation in which case the Chief Executive Officer should be informed and a date for the hearing set. Any disciplinary investigation should be held in accordance with the college disciplinary procedure, having regard to the extent to which the internal college investigation may prejudice subsequent police investigations. If the disciplinary hearing finds that a member of staff has committed fraud or misappropriated cash then the Chief Executive Officer shall inform the police.
- 16.4 If an external fraud is discovered which involves suppliers or contractors the Chief Financial Officer and Chief Executive Officer should decide whether to commission a review by either the external or internal auditors according to the gravity of the fraud. The review would investigate whether there were any conflicts of interest by staff of the College and would report directly to the Audit Committee.



United Colleges Group - Standing Financial Instructions	Appendix A
Seven Principles of Public Life from the Nolan Report on 'Standards in Public Life'	

### **Selflessness**

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

### **Integrity**

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

### **Objectivity**

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

### **Accountability**

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

### **Openness**

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

### **Honesty**

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

### **Leadership**

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

United Colleges Group - Standing Financial Instructions	Appendix B
Financial Authorities List	

- **Authorisation for Contracts and Orders excluding Property Maintenance and Purchase of IT Equipment**

Value of Order	Authorisation
Up to £5,000	Budget Holder
Up to £50,000	Group Principal
Up to £100,000	Chief Financial Officer
Up to £250,000	Chief Executive Officer
Over £250,000	Governing Body

The above limits apply to the annual order value of the supply of goods or services. When applying the above limits, the 'value of order' for those orders which relate to the continuous supply of good or services over several years should be taken as the annual order value.

- **Contracts for Purchase of Land and Property**

Value	Authorisation
Up to £100,000	Chief Executive Officer / Chief Financial Officer
Over £100,000	Governing Body

- **New Revenue Generation**

Value	Authorisation
Up to £25,000	Group Principal
Up to £100,000	Chief Financial Officer
Up to £1,000,000	SLT
Over £1,000,000	Governing Body via the Finance & General Purposes Committee

- **Leasing and Hire Purchase Commitment**

Equivalent Purchase Price	Authorisation
Up to £100,000	Chief Financial Officer
Up to £500,000	Finance & General Purposes Committee
Over £500,000	Governing Body

United Colleges Group - Standing Financial Instructions	Appendix B
Financial Authorities List (continued)	

- **Property Maintenance**

Value of Order	Authorisation
Up to £500	Centre Services Staff
Up to £5,000	Support Services Manager
Up to £10,000	Head of Estates
Up to £100,000	Chief Financial Officer
Up to £250,000	Chief Executive Officer
Over £250,000	Governing Body

- **Purchase of IT Equipment**

Value of Order	Authorisation
Up to £5,000	Director of Business Intelligence / IT Services Manager
Up to £100,000	Chief Financial Officer
Up to £250,000	Chief Executive Officer
Over £250,000	Governing Body

- **Disposal of Assets**

Value of disposal	Authorisation
Up to £10,000	Chief Financial Officer
Up to £100,000	Finance & General Purposes Committee
Over £100,000	Governing Body