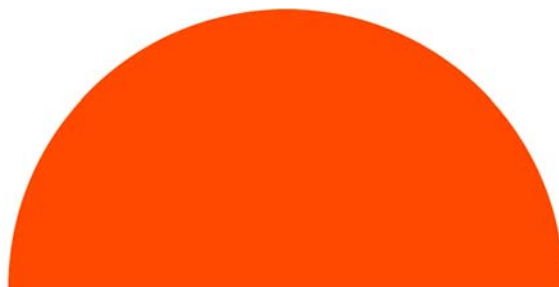
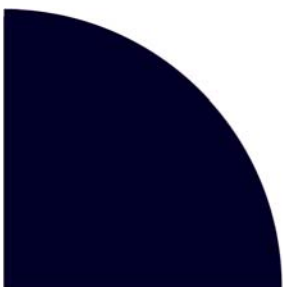




CENTRAL **SUSSEX** COLLEGE

FINANCIAL REGULATIONS

2008/2009



CENTRAL SUSSEX COLLEGE

FINANCIAL REGULATIONS

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1 GENERAL PROVISIONS

1.1 Status of Financial Regulations

These Financial Regulations govern the conduct of the Corporation of Central Sussex College (the College), its members, staff and agents in relation to all financial matters. They shall be read in conjunction with and be subordinate to the Further and Higher Education Act 1992, the Learning and Skills Council Act 2000, the Instrument and Articles of Government of the College and the Financial Memorandum for the time being between the Learning and Skills Council (LSC) and the College. These Financial Regulations were approved on the 21 July 2005 by Corporation, and reviewed and revised by the Audit Committee on the 10th July 2007 and the 9th July 2008.

1.2 Compliance

The purpose of these financial regulations is to provide control over the totality of the College's resources and provide management with assurance that the resources are being properly applied for the achievement of the College's strategic plan and business objectives:

- financial viability
- achieving value for money
- fulfilling its responsibility for the provision of effective financial controls over the use of public funds
- ensuring that the college complies with all relevant legislation
- safeguarding the assets of the college.

The College Secretary shall ensure that all members of the Corporation and all Budget holders are provided with copies of the current Financial Regulations, which apply to all staff, and that appropriate training in their application is provided. Failure to comply with these regulations and any associated instructions and procedures will be regarded as a serious breach of discipline.

The Corporation has overall responsibility for ensuring that the College acts in accordance with the law and provisions of its statutory authorities and for maintaining true records of financial transactions and the resultant financial position of the College and any subsidiary companies.

The Principal is responsible for ensuring that the controls and policies set by the Corporation to ensure proper use of public funds and management of the College are adhered to. The Principal is also required to advise the Corporation if any controls or policies are incompatible with the law or provisions of the College's statutory authorities. The Principal may be required to attend the Public Accounts Committee in this regard.

The Principal, in his role as Chief Accounting Officer of the College, and on the advice of the Executive Director - Corporate Services, is responsible for ensuring that suitable financial systems and procedures are put in place and operated to effect the controls and policies set by the Corporation, to provide auditable accounting records, and to provide reliable, relevant and timely financial information to the Corporation and to Budget holders, to aid decision-making.

College Budget holders are responsible for ensuring that the activities for which they are responsible are carried out in accordance with the law and these Financial Regulations. Where any non-compliance is identified, the matter shall be reported forthwith to the relevant responsible Budget holder and to the Principal.

The Executive Director - Corporate Services (in his role as "Director of Finance") shall make satisfactory accounting arrangements for all financial transactions of the College, for the receipt and payment of all monies dealt with by the College and for the preparation of statutory accounts of the College. These arrangements shall be reviewed periodically.

The Principal and the Executive Director - Corporate Services shall report annually to the Corporation through the relevant Committee on the effectiveness of the Financial Regulations and propose such amendments as are deemed necessary.

1.3 New Commitments

The Executive Director - Corporate Services and the College Secretary shall be consulted on any matter which is liable to materially affect the financial position of the College, before any provisional or new commitment is incurred or before any report thereon is made to any committee of the College or the Corporation. Any such report shall include details of the financial implications on both the remainder of the current financial year and the next full year and the comments of the Executive Director - Corporate Services and the College Secretary.

1.4 New Legislation and Regulations

All College Budget holders are responsible for informing the College Secretary and the Executive Director - Corporate Services of any legislation, notification, consent, approval, circular or letter received from a Government Department or other official source in relation to their activities that may affect the financial affairs of the College.

1.5 Waiver of Financial Regulations

The Executive Director - Corporate Services together with the College Secretary shall have delegated powers to waive Financial Regulations where necessary to ensure sound financial control and the effective running of the financial affairs of the College, subject to any powers reserved to the Corporation itself. All requests for financial waivers must be accompanied by confirmation by the Chief Finance Officer that the financial implications for the College have been taken into account and such waivers shall be reported to the Principal.

The College Secretary shall maintain a record of all waivers for inspection at a sub-committee of the Corporation meetings and by Internal and External Audit and shall present a quarterly report to each Committee of all waivers granted.

1.6 Deputising the Principal

The Deputy Principal (Executive Director – Corporate Services), shall have the authority to deputise for the Principal in his absence.

2 BUDGET PROCEDURES

In accordance with best practice and generally accepted accounting principles, the College is required to account separately for revenue items (which are generally written off in the year in which they arise) and capital items (which are depreciated over their expected useful economic lives).

REVENUE BUDGET:

2.1 Annual Estimate of Income and Expenditure

The Principal shall submit to Corporation an annual estimate of income and expenditure required to support the College in achievement of its objectives for the financial year commencing on the following 1st August.

The Executive Director - Corporate Services shall prepare that estimate for the Principal in the light of past and future commitments, intended activity, LSC guidance and similar information. College Budget holders shall ensure that all relevant information is provided to the Executive Director – Corporate Services for review and approval, in accordance with the agreed timetable, to enable the estimate to be prepared.

The Principal may authorise the inclusion of contingency amounts and estimates of Corporation expenditures.

The approval of the estimate by the Corporation signifies its authorisation as a budget to incur the expenditures so identified.

Once the overall budget has been approved by the Corporation, each budget holder within the College will be allocated an appropriate portion of income and expenditure (and staffing numbers - permanent and temporary - implied by this portion) as their local budget. Budget holders are then responsible for achieving their income targets and for restraining expenditures within their target levels: any changes in permanent staffing require the express prior approval of the Principal.

2.2 Authorisation of Expenditure

No expenditure shall be authorised without budget approval, nor shall expenditure be authorised other than by the Principal whose authority shall be delegated to the responsible budget holder or their line manager in accordance with the provisions of paragraph 3.2 below.

2.3 Revenue Budget Control Reports

The Chief Finance Officer shall furnish the Principal and all budget holders with relevant monthly budgetary control and such other information as may be required from time to time.

In all cases where it appears that the approved budget may be exceeded, it shall be the responsibility of the budget holder to inform the Chief Finance Officer immediately, together with proposals as to how the overspend would be funded. No unfunded overspends will be allowed without the express prior approval of the Principal.

At each meeting of the Corporation, the Principal shall present a statement detailing the financial position of the College against the budget, as at the last month-end preceding that meeting, subject to there being two full working weeks for the preparation of the accounts.

2.4 Virement

Budget holders may request the transfer of sums between any main heads of expenditure within their budgets without prior approval, subject to the following exceptions:

- (a) Virement shall not be permitted between staffing and other heads of expenditure.
- (b) Virement shall not be permitted from capital to revenue budget, but can be permitted from revenue to capital.

No virement shall be permitted which will create growth in expenditure in future years, without the express approval of the Principal on the advice of the Executive Director - Corporate Services and the College Secretary.

Requests for transfers between main heads of expenditure within budgets must be made in writing by budget holders to the Chief Finance Officer and by using standard "budget variation forms".

2.5 Supplementary Estimates

Where it is proposed to amend the revenue budget agreed by the Corporation, the Principal shall report to the Corporation with details of:

- (a) the financial implications of proposals to increase or decrease the budget.
- (b) the reason for omission of the item from the original budget.
- (c) the effect of meeting the expenditure from within the existing revenue budget.

2.6 Year-End Under/Overspends

(Estimated) year-end under/overspends per local budget will be taken into account by the Executive Director – Corporate Services when reviewing submissions by budget holders for the following year, and when allocating capital expenditure budgets.

CAPITAL EXPENDITURE BUDGET:

2.7 Definition

Capital expenditure is defined as being on the purchase of items with an expected useful economic life of over one year, and with a value at purchase in excess of £500 including VAT.

On capitalisation these items become fixed assets of the College, subject to its depreciation policy (see below) and accounted for within the College's Fixed Asset Register held by Finance Department under asset categories of: land, buildings, short-life accommodation, plant, motor vehicles, furniture, fixtures and fittings, equipment and computer equipment.

Note: In determining whether a purchase is capitalisable the following guidelines apply:

- renovations of buildings (including any costs of professional fees, VAT, etc.) which significantly affect their value, usefulness or expected lifetime are in general capitalisable, whereas repairs and redecorations are not;
- purchase of a single item of furniture (e.g. a chair) for £100 is not capitalisable, but a single purchase of 5 or more such items to equip a room is generally capitalisable.

2.8 Capital Funding

LSC can provide financial support for specific capital projects. The Principal is responsible for the allocation of such funding.

The Financial Memorandum with LSC allows colleges to supplement ring-fenced funds, with funding from the recurrent element of the main allocation, from borrowings, from other sources (e.g. Lottery Funds) and from their general reserves. The Corporation is responsible for approving any such capital expenditure.

LSC require the College to consult them on relevant projects in accordance with the Financial Memorandum obtaining at the time.

2.9 Capital Budget

Fixed assets are not allocated to budget-centres in the accounts, but are held centrally. The budget holder for these items and their associated depreciation accounts is the Executive Director - Corporate Services in his role as Head of Finance. All requests for capital items must be endorsed by the Executive Director - Corporate Services before they are submitted to the Principal or Corporation for approval.

2.10 Depreciation Policy

Capitalised assets shall be depreciated in the College accounts via the straight line method over their expected useful economic lives as follows:

Land - not depreciated	Plant – Range 10-15 years
Buildings – Range 50 to 60 years	Furniture, fixtures and Fittings – 7 Years
Short-life accommodation - 10 years	Equipment - 4 years
Motor vehicles - 4 years	Computer equipment - 3 years

2.11 Asset Disposals

The Corporation must approve disposal of any asset where the current net book value exceeds, or the proceeds are expected to exceed, £50,000. LSC must approve disposal of any land or buildings bought with public funds, and may require the sale proceeds to be delivered to the Exchequer.

All requests for the disposal of assets or equipment must be submitted in writing to the Procurement Manager, who shall first circulate details of the item(s) to all College Heads of Department, giving details of the specification of the item, age, and condition together with a deadline for response. Any request for use of the item(s) is to be reviewed jointly by the Procurement Manager and the Director of Property & Facilities.

Where no such requests are received, or the goods are of such a specialist nature and/or not suitable for transfer within the College, then the College Secretary with the Principal may approve disposal of capitalised assets where the assets or book value or expected sales proceeds (as appropriate) are less than £1,000, by one of the following means:

- donation (e.g. to a local school or voluntary organisation)
- offer to staff
- offer to local companies or the public.

Where the highest bid is made by a member of staff, or a relative of a member of staff, that fact must be formally notified in writing to the College Secretary. Where the highest bid received is from the College Secretary, the matter shall be determined by the Principal.

Where the net book value or expected sales proceeds are above £1,000, disposal should be via tenders under a similar process to that for tendered purchases and administered by the College Secretary, and the highest bid should be accepted.

Asset values may be written down (or off) from College accounts on the advice of the College Secretary and on the prior authority of the Principal to a value of £1,000 per asset, or of the Corporation for any items of higher value.

All disposals and write-downs of assets should be appropriately recorded in the College's fixed asset register and accounts.

2.12 Capital Planning

The Executive Director - Corporate Services shall draw up an annual plan for capital expenditures and disposals, detailing for the next financial year on-going projects and any proposed new projects (along with any continuing capital expenditure from all these projects into the following two years).

The proposed projects will have been selected from submissions made by College budget holders and prioritised according to the College's strategic plans and intentions.

The plan shall also outline the impact of these expenditures and depreciation and any other running costs for the next financial year. The plan shall be consistent with the 3-year Financial Forecast submitted to the LSC.

The Principal shall submit this plan to the Corporation for their approval, such approval signifying their authorisation of the plan as a budget from which to incur the expenditure so identified or to dispose of identified assets.

As circumstances dictate, the Principal may from time to time submit amendments to this plan, including supplementary items as opportunities arise, for consideration by the Corporation.

2.13 Capital Reporting

The Executive Director - Corporate Services will report to the Principal on a monthly basis, and the Principal to a sub-committee of the Corporation at each meeting, on progress against approved capital plans of disposals and expenditures.

2.14 Security of Assets

The Director of Property & Facilities shall keep a "terrier" and up-to-date plans of all College properties. The Director of Information & Learning Technology shall keep an up-to-date inventory of all College IT equipment. Relevant College Budget holders shall keep up-to-date inventories of all College equipment in their control.

The Chief Finance Officer shall keep the College fixed asset register up-to-date.

2.15 Donated Assets

Any proposal to donate any equipment or other form of asset to the College must be submitted to the College Secretary, together with a risk assessment.

The College Secretary or the Principal is responsible for deciding whether the donation may be accepted. The College Secretary, with the Executive Director of Corporate Services (or the Chief Finance Officer), will ensure the recording and registering of all donated assets for insurance and accounting purposes.

2.16 Personal Use

Assets owned or leased by the college shall not be subject to personal use without prior authorisation from the Principal.

3 PURCHASING AND PAYMENT

All College staff and Corporation members are to maintain professional standards in any and all dealings with suppliers and are expected to work together for the best overall benefit to the College.

3.1 Accountability and Business Ethics

The College is a recipient of public funds and as such is accountable for the use of those funds. The Principal may be required to attend the House of Commons Public Accounts Committee to explain the receipt and use of public funds.

The Corporation requires the College to operate to business ethics of the highest standards, especially with regard to the disbursement of public funds.

Declarations and Registers of Interest

In order to minimise any potential perceptions of conflict of interest, Corporation members and College staff are required to register with the College Secretary any interests in bodies with whom the College may do business. Should any business decision arise which may affect the interest of a Corporation member or College staff member, they are to declare it and to offer to withdraw from the decision-making process: the College Secretary is to keep a record of such declarations and decisions.

Business Gifts and Hospitality

In order to minimise any potential perceptions of impropriety, bias or prejudice, Corporation members and College staff are required to refuse any business gifts or hospitality that is other than of insignificant value (less than £10) or where refusal may cause undue offence. All such receipts other than the most trivial are to be recorded by the College Secretary.

Fair Competition

Whilst keeping advantage to the College as a prerequisite, all Corporation members and College staff are required to eschew any business arrangements which might hinder openness and fair competition. In particular all information given out in the course of business should be true and fair, and should never be designed to mislead.

Confidentiality

All Corporation members and College staff are required to maintain as confidential any information obtained in confidence, whether commercial or otherwise. In particular, no such information should be used for personal gain.

3.2 Authorisation Limits

The Corporation has delegated authority to the Principal to approve any properly presented purchase requisition up to a value, exclusive of any VAT, of £100,000. Proposed purchases of a higher value shall be submitted to the Corporation for prior approval.

Similarly, the Principal has delegated authority to budget holders to approve any properly presented purchase requisition with a value, excluding any VAT, of up to £5,000. Purchase requisitions above that value must be countersigned by the Principal or in his absence by the joint signatures of any two members of the Executive Team.

The Procurement Manager is to keep a record of specimen signatures of all College budget holders, their line managers and the Principal so that auditors may check that purchase requisitions have been properly authorised.

3.3. Purchase Orders

Only the Procurement Manager (or in his absence, any individual appointed by the Chief Finance Officer) may raise purchase orders committing the College to a purchase. In cases of emergency, the Procurement Manager or the Chief Finance Officer is allowed to provide a supplier with a verbal order, quoting a specific reference number that is recorded for audit and is stated on the confirmatory purchase order.

The College reserves the right to refuse to accept liability for any commitment entered into by any member of College staff or Corporation, other than according to these regulations: the supplier may then enforce liability on the individual who made the commitment.

The Procurement Manager is expected to work with the requisitioner to determine alternative sources of supply to ascertain product/service quality, reputation on delivery and post-purchase support, and price, in as realistic a time scale as possible for the requisitioner's needs.

Both the Procurement Manager and requisitioner are expected to apply their skills and knowledge to achieve the best commercial decision for the College - which is not necessarily lowest price but shall represent the best value for money also taking into account:

- fitness for purpose.
- delivery and availability against price.
- whole life costs (for example maintenance and running costs).
- on costs (for example transport and storage).
- the cost of procurement (including time spent on purchase).

The Procurement Manager will raise purchase orders from properly completed and duly authorised purchase requisitions; authorisers should not approve requisitions which will breach agreed budgets. The appropriate budget code is to be copied from the requisition to the order: any changes in code are only to be made in consultation with the requisitioner. The Procurement Manager is empowered to consolidate requisitions into single multi-item purchase orders where the College will gain overall benefit. The Procurement Manager is also empowered to generate serial orders for call-ups as and when specific requisitions are raised: serial orders may have a life span of greater than a financial year.

Note: College staff are allowed to use the employee expense reimbursement procedure to purchase low-value (under £50 including VAT) items locally and in person, or to pay for travel and subsistence costs incurred on College business; this procedure requires neither requisition nor purchase order, but does require an authorising signature (normally the line manager) and, where different, the budget holder's counter-signature.

Purchase orders are to state the agreed payment terms (normally net 30 days) and that suppliers should send their invoices in the first instance to the Finance Department. Where payment is required with the orders, the order should state 'Payment with Order' and have supporting documentation identifying the value to be paid and evidence for pre-payment.

Amendment or cancellation to purchase orders can only be via supplementary requisitions, the raising and issuing of which is to follow the same regulations as above for original purchase orders.

3.4 Competitive Quotations/Tenders

In order to promote fair competition and to preclude perceptions of bias, especially in higher value purchases, the College is required to obtain:

- for items valued at a threshold limit of £5,000 or more (excluding VAT) except for IT equipment and building works, the Procurement Manager shall oversee the obtaining of three competitive quotations for review before deciding to issue a purchase order.
- for IT equipment purchased from one of a list of College-approved suppliers (held by the Procurement Manager) the threshold limit is £10,000 (excluding VAT) and for building works commissioned from one of a list of College-approved contractors (held by the Procurement Manager) it is £10,000 (excluding VAT);
- for items valued at £25,000 or more (excluding VAT) sealed tenders from suppliers, to a written specification prepared and agreed by the requisitioner, the Procurement Manager and, where appropriate, the Principal or one of his direct reports;
- for items valued at or above the then current EU-determined limit invitations to tender must be advertised in the Official Journal of the European Community, specifying a closing date for applications of interest.
- the invitation to tender must specify that the College does not bind itself to accept the most financially favourable tender or indeed any tender.

In order to assist in the process of obtaining competitive quotations and tenders the Procurement Manager will maintain a list of College-approved suppliers for commonly purchased items.

Any invitation to tender must allow a reasonable period for preparation of the tender. It must be sent to the supplier by the Procurement Manager on behalf of the College Secretary with an envelope for the tender, addressed to the Procurement Manager, quoting a tender reference number and the date and time at which the envelope is to be opened.

Where a tenderer gives sufficient notice of a request for an extension of time because of exceptional circumstances, the College Secretary is empowered to grant a suitable extension, which shall be extended to all tenderers. The College Secretary is empowered to accept a late receipt if proof is provided of posting, which would normally be in time to meet the deadline. The College Secretary is empowered to accept corrections to errors in tenders only where not accepting the correction would eliminate the tenderer from the contest.

All tenders are to be time and date stamped on receipt. They are to be held unopened in a secure place until the specified date and time for opening. They are to be opened together, by the College Secretary or his appointee, normally the Procurement Manager, plus at least one other member of staff, normally a member of the Finance Department. The main details of each tender are to be noted as they are opened, as evidence of propriety in any future investigation; both members of staff are to initial and date the notes.

The College is required, when deciding on any purchase, to take into account all appropriate information, including, but not limited to: product/service quality, delivery, post-purchase support, supplier reliability and reputation, as well as price. This requirement applies to all purchases whether or not they have involved competitive quotations or tenders.

Where three or more competitive quotations have been sought in accordance with the regulations, but not received, the College Secretary and Executive Director - Corporate Services shall review the available information and decide whether to place an order on the basis of the reduced information or whether to seek further competitive quotations.

Where the College has determined a preferred supplier by previous competitive quotation, the Procurement Manager may use that preferred supplier to source further purchases subject to at least annual price testing on a competitive basis.

Where the Procurement Manager uses the services of OGC (the Office Government Commerce), or such consortia as SUPC (Southern Universities Purchasing Consortium), KCS (Kent County Supplies) or the NHS, he shall be entitled to rely upon their procurement procedures as having discharged the requirement to obtain competitive quotations.

Where the College Secretary and the Executive Director - Corporate Services are satisfied that there is only one supplier for a particular item, including for College standard equipment, there shall be no need to procure competitive quotations. Any disputes with suppliers (e.g. regarding quality, delivery, etc.) are to be resolved using the best offices of both requisitioner and College Buyer working together.

3.5 Contracts/Leases

The College Secretary or the Principal acting on the advice of the College Secretary, is responsible for signing on behalf of the College, all contracts and leases and similar documents, a copy of which is to be retained by the College Secretary for audit purposes.

3.6 Receipt of Goods/Services

The member of College staff empowered to receive properly ordered goods or services is required to check that they appear to conform to the specification of the order, and to report in writing any discrepancies to both the supplier and the Finance Department within 24 hours of receipt.

3.7 Clearing of Supplier Invoices/Credit Notes and their Payment (All references in this section to invoices also refers, where appropriate, to supplier credit notes)

All purchase orders state that invoices are to be sent in the first instance to the Finance Department. Invoices are to be registered on receipt and matched to their purchase order before being sent to the budget holder for authorisation to pay. Any discrepancies must be reported in writing to the supplier and budget holder within 24 hours of receipt, for correction or replacement of the invoice or purchase order, as appropriate.

A responsible member of the budget holder's staff (but not the signatory of the purchase requisition) is to sign confirmation of proper receipt of the goods/services specified on the purchase order as authorisation to pay. The Procurement Manager is to keep a record of specimen signatures of such staff. On return of the invoice to the Finance Department, it is to be recorded in the purchase ledger (and fixed asset register if it is for a capital item) and paid for according to the agreed terms, taking advantage, where appropriate, of any discounts but bearing in mind any constraints of cash flow.

4 INCOME

4.1 Funding

LSC funding depends upon statistical returns made by the College regarding its students and their learning programmes - the "Individualised Learner Record" (ILR).

The Executive Director - Corporate Services is responsible for the auditable administrative processing of student records data in order to meet the requirements of LSC, including that such processing and resultant records are audited annually for accuracy and completeness by the College's external auditors, and that such returns are despatched to LSC in a timely manner.

College Budget holders are responsible for providing to the Executive Director - Corporate Services in such format and to such timetable, as he/she shall require, all student record data regarding students for whose learning activities they are responsible.

4.2 Fees and Charges

Whilst the Corporation is responsible for setting the framework for tuition fees and charges, the Principal and Executive Director - Corporate Services will, on the advice of relevant College Budget holders, be responsible for setting and annually reviewing all fees and payment terms within the College fee policy, so as to maximise benefit to the College whilst taking account of the College's statutory authorities.

4.3 Invoicing

Students paying for their own programme of learning at the College are required to pay their fees on enrolment: they do not therefore require an invoice, but a copy of their computer generated enrolment form acts as a receipt for their payment.

Note: The fee policy allows some high-value fees to be paid in part using post-dated cheques and card payments. These are to be separately recorded and held in the College safe by the Finance Department until they are due for presentation.

Students whose fees are paid for them by a sponsor may require an invoice to be sent to that sponsor: their computer generated enrolment form identifies the sponsor and acts as an Invoice Request for action by the Finance Department. The normal payment terms for such an invoice are, for short courses, payment in advance, for long courses, net 30 days.

Fees for programmes, which are not enrolled to via public enrolment (e.g. company-specific or "cost-recovery" programmes) are to be identified by the relevant College manager on an invoice request for action by the Finance Department.

The relevant College Budget holder is also responsible for ensuring that all necessary supporting documentation (copies of agreements, contracts, etc.) is provided to the Finance Department to enable accurate recording and expeditious invoicing of all sums due to the College.

4.4 Debt Collection and Write-off

The Chief Finance Officer shall be responsible for taking all appropriate action to recover debts properly due to the College, and hence minimising bad debts. An aged analysis of debts outstanding shall be reported each month to the Principal and a sub-committee of Corporation at each meeting.

The College Secretary, on the advice of the Chief Finance Officer shall be authorised to write off debts due to the College where the sum does not exceed £250.

The Principal, on the advice of the College Secretary, shall be authorised to write off debts due to the College where the sum does not exceed £1,000.

Any write-offs of bad debts shall be formally reported to a sub-committee of the Corporation.

Debts due to the College in excess of £1,000 may be written off by a sub-committee of the Corporation on the advice of the Principal.

5 BANKING ARRANGEMENTS AND PETTY CASH

5.1 Appointment of Bankers

The Corporation shall appoint bankers, following a tendering procedure, for a period not exceeding five years.

5.2 Arrangements with Bankers

All arrangements with the College's bankers shall be made by or under arrangements approved by the Executive Director - Corporate Services.

5.3. Bank Accounts

The Executive Director - Corporate Services, on approval of the Corporation, is responsible for opening and closing College bank accounts. No bank account shall be opened on behalf of the College or incorporating the name of the College without the prior approval of the Corporation.

All bank accounts into which monies are to be paid or from which disbursements are to be made are to be opened in the name of Central Sussex College Corporation. The Account title must include the name "Central Sussex College".

5.4 Bank Account Signatories

The following employees shall be signatories to bank accounts:

Principal. Executive Director – Corporate Services College Secretary Chief Finance Officer	Senior Finance Assistant(s) Management Accountant
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All cheque payments and any other payment instruments must be signed by the above signatories in accordance with the limits set out below.

- (a) Less than £2,000 by any one authorised signatory;
- (b) Greater than £2,000, but less than £20,000, any two authorised signatories;
- (c) Greater than £20,000, two authorised signatories, one of whom must also be a member of the College Executive Team.

This excludes payments transmitted electronically by the Bank Automated Credit System, whereby any two signatories can authorise the payment.

This introduces the new limits, and clarifies the different arrangements for BACS.

Signatories to bank accounts are also empowered to transfer monies between College bank accounts with no limit to the value of the transfer.

5.5 Banking of Income

All cheques receivable should be made out to Central Sussex College. Employees must not accept cheques made payable to themselves or any budget centre/activity (except where specifically arranged with the College Secretary) but must return them to the originator with a request that they be made payable to Central Sussex College.

Any sums received by a cashier or other employee on behalf of the College shall be acknowledged immediately by the issue of an official receipt. Sums received elsewhere than Finance shall be either sent to Finance Department on the same or next working day, or shall be banked and a copy of the bank deposit slip sent to Finance Department in the same time scale to the appropriate College bank account. On the reverse of each cheque, the receiving

employee shall enter the relevant receipt and invoice number. Each employee who banks money shall enter on the paying-in slip a reference to the related debt or otherwise indicate the origin of payment.

5.6 Petty Cash

The Chief Finance Officer may authorise the establishing and maintenance of expense accounts in certain service areas of the College to which the following regulations will apply:

- (a) such accounts shall be maintained on an imprest system and reconciled on a periodic basis, the period to be determined by the Chief Finance Officer, and of not greater than one month;
- (b) such accounts shall be the responsibility of a designated person who shall furnish the Chief Finance Officer with a statement which is to include certification of the amounts received and expended during the period and that being held at the end of each period, also upon ceasing to be so responsible;
- (c) all payments shall be supported by a receipted expense form duly authorised, and with appropriate supporting documentation;
- (d) no income may be paid into expense accounts without the prior authorisation of the Chief Finance Officer;
- (e) all cash set aside for change floats shall be agreed with the Chief Finance Officer and no expense claims shall be paid from such cash change floats;
- (f) all claims will normally be paid centrally via automated credit to the claimant's designated bank account with remittance sent to the claimant;
- (g) all claims reimbursed to Senior Post Holders will be reported to a sub-committee of the Corporation on a regular basis.
- (h) Emergency 'centre costs' may be reimbursed by cash floats set up for this purpose, all claims will be assessed on an individual claims basis and must be collected by the claimant.

5.7 Travelling and Subsistence

All travel arrangements and subsistence must be approved by the appropriate person prior to the event. All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses are to be claimed on at least a monthly basis.

Approval of all travel and subsistence arrangements for:

- (a) The Principal - All overseas and overnight trips within the United Kingdom are to be approved in advance by the Chairman or Vice Chairman of the Corporation. Any other travel is to be approved by the College Secretary. The College Secretary will authorise reimbursement of all approved expenses and provide details of all expenses claimed to a sub-committee of Corporation.
- (b) Senior Post Holders & Corporation members - All overseas and overnight trips within the United Kingdom (including staff development/conference activities) are to be approved by the Principal or in his absence the Chairman or Vice Chairman of the Corporation. Any other travel will be approved by the College Secretary (and in the case of the College Secretary the Principal). All reimbursement of expenses for Senior Post Holders will be reported to a sub-committee of Corporation.
- (c) College staff - All overseas and overnight trips within the United Kingdom (excluding staff development/conference/student related trip activities) will be approved by the Principal or in his absence by the joint signatures of any two members of the College Executive Team. All other travel must be approved by the appropriate line manager.

- (d) Student trips - All student study visits and trips are to be submitted for prior approval from the appropriate Budget holder and College Secretary (and in his absence a member of the College Executive Team).

Approval of 'Away Days' (including training and planning activities):

- (a) Corporation or any other Committee of the Corporation - prior minuted approval by Corporation.
(b) College Executive Team - prior approval from the Chairman or Vice Chairman.
(c) Any other College team - prior approval via line management at College Executive Team level.

All claims must be certified by a responsible member of staff nominated by the Principal. Principal's claims will be certified on behalf of the Corporation by the College Secretary. All claims made by Senior Post Holders are to be reported to a sub-committee of Corporation on a regular basis, at least bi-annually.

The certification by or on behalf of the Principal or the Corporation will be taken to mean that the certifier is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the College.

All such claims shall be in accordance with the circumstances and where appropriate the rates for travel and subsistence approved by the Corporation from time to time and set out in appendix 1 of these financial regulations.

5.8 Controlled Stationery

All receipt forms, cash sheets, invoice forms, restaurant bills, purchase order forms, cheque forms and other such items shall be ordered and supplied by the Chief Finance Officer who will ensure that satisfactory arrangements exist for their control.

6 INVESTMENTS AND BORROWINGS

6.1 Investment Policy

The Corporation shall be responsible for determining an Investment Policy for the College on the advice of the Executive Director - Corporate Services.

6.2 Authorisation to Invest

The Chief Finance Officer shall be authorised to invest cash balances on a short term basis and revenue reserves on a long-term basis subject to the restrictions detailed below and within the College's Investment Policy.

6.3 Short-Term Investments

Short-term lending for deposits of not longer than 12 months shall be restricted to the Major High Street Banks with a Standard and Poor rating of AA or better.

6.4 Long-Term Investments

The investment of restricted and revenue reserves for periods longer than one year shall be restricted to those classes of deposit-taker approved for short-term investment under paragraph 6.3.

6.5 Authorisation to Borrow

Subject to any LSC and College Corporation restriction, the Executive Director - Corporate Services shall be authorised to borrow, after consultation with the Principal, on a short-term basis by means of a bank overdraft up to the agreed limit to cover short-term cash deficits. Any requirement to increase this facility above the agreed limit shall be reported to the Corporation. Any increase in the overdraft limit shall be subject to approval by the Corporation and, if required, the LSC.

Long-term borrowing for finance of capital projects is subject to LSC consent and shall be approved by the Corporation before such consent is sought.

6.6 Cash Flow Management

The Chief Finance Officer shall be responsible for managing the College's cash flow so as to minimise borrowing and obtain the best return possible from the investment of cash balances consistent with the avoidance of risk.

The Chief Finance Officer shall be responsible for ensuring that appropriate records are maintained to record short-term and long term investment and borrowings and for the management of cash flow. The Chief Finance Officer shall provide a report to the Principal each month, and to a sub-committee of Corporation of investments and borrowings, cash at bank and cash flow forecasts.

7 PAYMENT OF SALARIES, WAGES AND PENSIONS

7.1 Arrangements for Payment of Emoluments

The Chief Finance Officer is responsible for making safe and efficient arrangements for the payment of all salaries, wages, pensions, compensation and other emoluments of all employees or former employees of the College in accordance with approved personnel policies.

The Chief Finance officer is responsible for making timely and proper payment of payroll deductions to Inland Revenue, pensions agencies and other organisations in accordance with statutory and employee-authorized requirements.

The Chief Finance Officer is responsible for making timely, proper and accurate returns regarding payroll to official bodies such as Inland Revenue, as they require.

7.2 Authorisation of Overtime and Temporary Contracts

Overtime and Temporary contracts may only be authorised in accordance with guidelines laid down by the Principal.

7.3 Notification of Pay Details

The Head of Personnel is responsible for notifying the Chief Finance Officer as soon as possible and in the form prescribed of all matters affecting the payment of all emoluments to employees and in particular to ensure an accurate reconciliation of the payroll.

7.4 Authorisation of Additions and Changes to Payroll Records

Additional payroll records require the authorisation of the Principal. Changes to the permanent data affecting pay (other than an individual's tax code which are made by the Payroll Bureau on the instruction of Inland Revenue) shall require authorisation by the Head of Personnel, the Principal or the Executive Director, Human Resources & Communications.

Payroll records may be certified on the signature of an employee duly authorised. The Head of Personnel shall maintain a register of those employees authorised to certify payroll records with specimen signatures.

No employee shall be empowered to certify any variation to their own payroll records.

No College staff member shall contract for the services of any individual on a self-employed basis without the prior approval of the Executive Director, Human Resources & Communications.

8 TAX

The College is an exempt charity as defined under the Charities Act 1993 and can claim exemption from corporation tax on its income and gains. The same is not necessarily true for any subsidiary company.

The College is registered for VAT and as an educational institution operates to special rules agreed with HM Customs and Excise.

The Executive Director - Corporate Services and College Secretary are responsible, on behalf of the Principal and Corporation, for ensuring that the College properly meets its obligations to taxation authorities but does so without undue disadvantage to the College.

9 INSURANCES

9.1 The College Secretary's Responsibility

The College Secretary shall effect all necessary insurance cover and, in appropriate consultation with the Principal and relevant College Heads of Department, negotiate all claims made by the College upon its insurers.

9.2 Notification of Risks

Each appropriate person shall give immediate notification to the College Secretary of all new risks, property or vehicles, which require to be insured or of any alterations affecting existing insurance. As part of the risk management strategy, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified.

9.3 Notification of Claims

Each appropriate person shall immediately notify the College Secretary in writing of any loss, liability or damage to College property or any event, including a claim against the College, which is likely to lead to a claim by the College in respect of any insurance.

9.4 Review of Insurances

The College Secretary shall review annually as part of budget preparation or at any such period as may be deemed necessary, all insurances, in consultation with the appropriate persons.

9.5 Provision of Indemnity

Each appropriate person shall consult the College Secretary upon the terms of any indemnity which the College is requested to give.

10 ACCOUNTING ARRANGEMENTS

10.1 Accounting Instructions

The Chief Finance Officer shall regulate the day to day financial management of the College by the issue of detailed instructions to College Budget holders to supplement these regulations and by the maintenance of an accounting manual to document the procedures followed within the Finance Department.

10.2 Accounting Records and Procedures

All accounting records and procedures for use within the College shall be compiled by or under the direction of the Chief Finance Officer. They shall be retained in accordance with statutory requirements for audit purposes.

10.3 Periodic and Final Accounts

The Executive Director - Corporate Services is responsible on behalf of the Corporation for the preparation and submission to LSC of annual accounts, in accordance with the requirements of LSC. Budget holders and other personnel shall furnish information, to a timetable determined by the Chief Finance Officer each period, to assist the closing of the College's accounts.

10.4 Accounting Duties

The following principles shall be observed in the allocation of accounting duties:

- (a) the duties of providing information regarding sums due to or from the College and of calculating, checking and recording those sums shall be separated so far as possible from the duty of collecting and disbursing them;
- (b) staff charged with the duty of examining and checking the accounts of cash shall not themselves be engaged in those transactions.

11 AUDIT

The Corporation shall appoint external auditors on an annual basis.

11.1 Appointment of Auditors

The appointment of internal and external auditors for the College shall have regard to the requirements of the LSC. Tendering for audit shall take place not less frequently than every five years.

11.2 Audit Committee

The Audit Committee shall advise the Corporation on the effectiveness of the College's internal control system (i.e. the whole system of control, financial, management and otherwise, established by the Executive Director - Corporate Services and the Chief Finance Officer in order:

- to carry on the business of the College in an orderly and efficient manner;
- to ensure adherence to management policies and directives;
- to safeguard assets;
- to secure as far as possible the completeness and accuracy of records; and to prevent waste.

The Audit Committee shall advise the Corporation on the appointment and remuneration of external auditors and the scope of their work. They shall receive the management letter and report submitted by the external auditors on the College's final accounts each year.

The Audit Committee shall consider and advise the Corporation on the annual and longer-term plans for Internal Audit. The Audit Committee shall receive, consider and advise the Corporation on internal audit reports including the annual report of internal auditors and shall monitor the implementation of approved recommendations.

11.3 Internal Audit

Internal Audit under the direction of the College Secretary shall ensure an effective internal audit of the College's financial, accounting and other processes, systems, transactions or functions which impinge on the efficiency, effectiveness or economy of the College's operations or activities.

Internal Audit is responsible for giving assurance to the Principal and the Corporation on the effectiveness of all financial and other controls, and for assisting managers by evaluating and reporting to them on the effectiveness of the controls for which they are responsible.

The College Secretary shall inform the auditors, as soon as possible, of all cases of suspected or discovered fraud or irregularity, whether external or internal. The College Secretary shall also inform the Principal and the Audit Committee of his actions.

At the College's request, Internal Audit shall make arrangements to carry out all necessary investigations and consultations and shall, if of the opinion that there is any material irregularity or illegality in connection with the College's affairs, report the matter to the Executive Director - Corporate Services and the College Secretary who will forthwith inform the Principal and the Audit Committee.

Internal Audit shall have the right to make an independent report direct to the Principal or Audit Committee. Internal Audit shall issue an annual report to the Corporation through the Audit Committee on the activities of the internal audit function.

11.4 External Audit

The College's external auditors shall advise the Corporation on the trueness and fairness of the annual financial statements of the College's financial transactions in the period under review and its financial position at the date of the balance sheet. They shall also advise the Corporation and LSC on the completeness, accuracy and appropriateness of the College's ISR returns to LSC. They may also be asked to audit other controls, systems and returns to official bodies.

11.5 Authority of Auditors

The College's external and internal auditors, LSC auditors and staff of the Comptroller and Auditor General shall, for the purpose of audit, be entitled to:

- (a) enter at all reasonable times any College premises or land;
- (b) have access to all records, documents and correspondence relating to any transactions of the College;
- (c) require and receive such explanations as are necessary concerning any matter under investigation from any employee of the College;
- (d) require the production of cash, stores, or any other College property under the control of any person.

11.6 Responsibility of Employees

All employees must conduct College business in accordance with the highest standards of public life and business ethics. The College reserves the right to be reimbursed for any private use or related expenditure of any College asset by a member of staff.

Whenever any employee becomes aware of any matter that involves, or is likely or suspected to involve, any irregularity or illegality, the employee concerned shall immediately inform the appropriate member of the College Executive Team, who shall forthwith draw the matter to the attention of the College Secretary, so that such audit action may be instigated as may be deemed necessary. The College Secretary shall report any such information together with the action plan to the next Audit Committee.

12. OUTWARD COLLABORATIVE PROVISION (otherwise known as Franchising)

- (a) All franchises shall be subject to prior approval by the Corporation, on the advice of a sub-committee of Corporation.
- (b) The contractual terms for any franchise shall be as determined by the LSC in its model contract. The College Secretary or the Principal shall be authorised to sign franchise agreements after approval by the Corporation.
- (c) If the funding value to be contracted for the financial year equal or exceed 5% of the College's Learning and Skills Council Main Allocation funding allocation for the year, a sub-committee of the Corporation shall refer the proposals to the Audit Committee for its views before recommending the franchise programmes for approval by the Corporation.
- (d) The sub-committee of the Corporation shall review the franchise programme annually.

13. DATA PROTECTION

The responsibility for maintaining proper security and privacy of information and for ensuring that all other requirements of the Data Protection Act 1998, the Computer Misuse Act 1989 and other relevant statutes, will rest with the Principal or his nominee, who will have access to all computer systems and records, and may require such actions and receive such explanations as are necessary for the purposes of the Acts.

All staff are responsible for ensuring that any personal information (as defined in the Data Protection Act) they hold is kept securely and is not disclosed either orally or in writing or accidentally or otherwise to any unauthorised third party.

Unauthorised disclosure will usually be a disciplinary matter and may be considered gross misconduct in some cases.

Personal information should be kept in a locked filing cabinet or drawer and, if it is computerised, be password protected or kept only on a disk which is itself kept securely.

14. EMERGENCY POWERS

In an emergency, the Principal, or the most senior member of staff on site, is empowered to waive these regulations for the express purpose of safeguarding people or property and only for the duration of the emergency. Any such waiver is to be reported in writing to the next Corporation meeting, such a report to be held on record.

15. RESTRICTED POWERS

All persons appointed to administer student funds including individual student trips must furnish a statement of receipts and payments to the Chief Finance Officer in a timely manner (within 10 working days of the activity or at the time of claim/reimbursement of related expenses, whichever is the earlier).

16. COLLEGE CREDIT CARDS

The Principal shall have delegated authority to issue College credit cards to appropriate College staff on the advice of the Executive Director Corporate Services and the College Secretary.

17. RISK MANAGEMENT

The college acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. The Principal will ensure the College complies with the Risk Management policy adopted by the Corporation.

18. WHISTLE BLOWING

Whistle blowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistle blowing can extend to malpractice occurring in the UK and any other country or territory.

Normally, any concern about a workplace matter at the college should be raised with the relevant member of staff's immediate line manager or Budget holder. 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.

A member of staff may, therefore, make the disclosure to one of the staff designated for this purpose, for example the Clerk to the Corporation. If the member of staff does not wish to raise the matter with this person, or with the Principal or the chair of the governing body, it may be raised with the chair of the Audit Committee.

APPENDIX 1 - TRAVEL & SUBSISTENCE RATES AND INSTRUCTIONS

The Principal has delegated authority to make amendments to the Appendix 1.

Subsistence

All expenditure must be approved prior to the event by the budget holder. The following claims are eligible only under the conditions shown and when the College has not made suitable alternative arrangements:

<u>Breakfast</u>	£ 4.00	On College business by 7.00 am and when outside normal working hours
<u>Lunch</u>	£ 5.50	On College business and unable to take lunch at home, or on College sites by 2.30pm and when it is outside an individual's normal working hours
<u>Tea</u>	£ 2.20	On College business after 18.30 and when outside normal working hours
<u>Or</u>		
<u>Evening</u>	£ 6.80	On College business after 20.30 and when outside normal working hours

Note: Breakfast will not be payable unless you are on active duties, or on an overnight stay, where this meal is not included in your accommodation. Tea or evening meal maybe claimed subject to the above conditions but not both.

Overnight stays

All hotel bookings and meals must comply with College purchasing policy and will therefore be pre-booked by the Procurement Manager. Normally two or three-star hotels or equivalent shall be used for any hotel booking e.g. IBIS, Travel Inn and Travel Lodge.

All claims must be accompanied by supporting documentation.

Where the stay is with relatives/friends a rate of £27.50 a night is payable (inclusive of subsistence/accommodation).

Travel

All expenditure must be approved prior to the event as per the Financial Regulations. All claims must be accompanied by supporting documentation. All travel will be reimbursed at second class or economy (Rail, Air, or Sea travel) fares.

Use of Private Vehicles

The availability of College vehicles must be checked before the use of a private vehicle for any College business where a mileage claim is to be made. All expenditure must be approved prior to the event as per the Financial Regulations. Prior approval for the use of a private vehicle must be given by the College Secretary. Valid vehicle insurance cover for College business use must be produced annually and a valid driving licence held, a copy of the insurance cover will be held by the Principal's PA for inspection.

If the return journey is 100 miles or shorter, mileage will be paid at the appropriate rate. If the return journey is greater than 100 miles, then a maximum of 100 miles equivalent will be paid or the second class rail fare if this is greater, based on saver or apex rates where appropriate. In exceptional circumstances, the prior authority of the Principal must be obtained for approval of mileage claims, for journeys over 100 miles.

The amount of mileage claimed must exclude any travel between home and work, or the equivalent if travelling directly from home to another place on College business. Each staff member will be allocated to a campus for mileage purposes (where the greater part of work is located).

The mileage rates for private vehicle use are:

All Vehicles

First 10,000 miles p.a.	40p
Over 10,000 miles p.a.	25p

N.B. Staff should note the importance of carrying out a risk assessment in relation to all journeys carried out on behalf of the College