



braintree college

BRAINTREE COLLEGE

FINANCIAL REGULATIONS

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INTRODUCTION

To conduct its business effectively, Braintree College needs to ensure that it has sound financial management systems in place and that they are strictly adhered to. Part of this process is the establishment of financial regulations, which set out the financial policies of the College.

Financial regulations make good business sense, and for Braintree College, they have additional significance as our grant funding depends upon it. The financial memoranda between funding bodies and Braintree College makes it a condition of grant that a College ensures that it has a sound system of internal financial management, and control and financial regulations are a core component of such a system. Similarly, LSC audit services are required to give an assurance that Braintree College have fully documented financial procedures in place and the LSC may withhold grant where this cannot be shown to be the case.

Vice Principal – Finance & Resources

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Owing to the diverse nature of further and higher education Colleges, a wide range of terms is in use for committees, staff and other persons connected to Braintree College. The following general terms have been used in these financial regulations

LSC

The Learning and Skills Council (LSC), which provides funding as well as having a wider range of powers.

CORPORATION

At Braintree College, known as the Corporation or Governing Body, ultimately responsible for the affairs of the College.

FINANCE & RESOURCES COMMITTEE

The Corporation committee with delegated responsibility for financial matters.

AUDIT COMMITTEE

The Corporation committee independent of executive responsibility, which advises the Corporation on issues related to internal audit, external audit and financial control. It is required to issue an annual report to the Corporation & Principal which, *inter alia*, comments on the College's system of internal control.

PRINCIPAL

The person with the ultimate executive responsibility for the management of Braintree College. The role of designated officer must be held by the Principal of the College.

SENIOR MANAGEMENT TEAM

At Braintree College the Senior Management Team assists the Principal in running the College. All members of the Senior Management Team are senior post-holders.

VICE PRINCIPAL – FINANCE & RESOURCES

The senior financial officer of the College who also has other responsibilities.

BUDGET HOLDER

The member of staff who has been assigned his or her own budget.

A GENERAL PROVISIONS

1 Background

- 1.1** Braintree College is a further education corporation created under the provisions of the Further and Higher Education Act 1992. Its structure of governance is laid down in the instrument and articles of government, which may only be amended by application to the Secretary of State for Education. The College is accountable through its Corporation, which has ultimate responsibility for the effectiveness of its management and administration.
- 1.2** The College is an exempt charity by virtue of the Charities Act 1993.
- 1.3** The financial memorandum between the LSC and the College sets out the terms and conditions on which grant is made. The Corporation is responsible for ensuring that conditions of grant are met. As part of this process, the College must adhere to the LSC's audit code of practice, which requires it to have sound systems of financial and management control. The financial regulations of the College form part of this overall system of accountability.

2 Status of Financial Regulations

- 2.1** This document sets out the College's financial regulations. It translates into practical guidance the College's broad policies relating to financial control. This document was approved by the Corporation on 21/07/2004.
- 2.2** These financial regulations are subordinate to the College's instruments and articles of government and to any restrictions contained within the College's financial memorandum with the LSC and the LSC's audit code of practice.

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

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

2.4 Compliance with the financial regulations is compulsory for all staff connected with the College. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the College's disciplinary policy. The Corporation will be notified of any such breach through the audit committee. It is the responsibility all managers to ensure that their staff are made aware of the existence and content of the College's financial regulations.

2.5 The Finance & Resources Committee is responsible for maintaining a continuous review of the financial regulations, through the Vice Principal – Finance & Resources, and for advising the Corporation of any additions or changes necessary.

2.6 In exceptional circumstances, the Finance & Resources Committee may authorise a departure from the detailed provisions herein, such departure to be reported to the Corporation at the earliest opportunity.

2.7 The College's detailed financial procedures set out precisely how these regulations will be implemented and are contained in a separate manual which is available in all departments.

B CORPORATE GOVERNANCE

3 The Corporation

3.1 The Corporation is responsible for the management and administration of the College. Its financial responsibilities are to:

- ensure the solvency of the College and the safeguarding of the College's assets
- appoint, grade, suspend, dismiss and determine the pay and conditions of service of the Principal and other senior post-holders
- set a framework for pay and conditions of service of all other staff
- ensure that the financial, planning and other management controls, including controls against fraud and theft, applied by the College are appropriate and sufficient to safeguard public funds
- approve the appointment of the financial statement auditors and an internal audit service
- secure the efficient, economical and effective management of all the College's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in the College is not put at risk
- ensure that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution
- plan and conduct its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure
- approve an annual budget before the start of each financial year
- determine tuition fees
- ensure that the College complies with the LSC's audit code of practice

- approve the College's strategic plan
- approve the College's annual financial statements.

4 Designated Officer

4.1 The Principal is the College's designated officer and is responsible for ensuring the financial administration of the College's affairs in accordance with the financial memorandum with the LSC. As the designated officer, the Principal may be required to justify any of the College's financial matters to the Public Accounts Committee at the House of Commons.

In particular, the articles of government 3.(2).(e) charge the Principal with responsibility:

"...for preparing annual estimates of income and expenditure, for consideration and approval by the Corporation, and for the management of budget and resources, within the estimates approved by the Corporation."

The Principal shall demonstrate her/his oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements, and form 5 of the three-year financial forecasts submitted to the LSC.

5 Committee Structure

5.1 The Corporation has ultimate responsibility for the College's finances, but delegates specific powers and processes to the committees detailed below. These committees are accountable to the Corporation. A diagram depicting the Corporation committee structure is included at Appendix A.

5.2 Finance & Resources Committee

Monitoring of the College's financial position and financial control systems is undertaken by the Finance & Resources Committee. The committee will examine annual estimates and accounts (including the accounting policies upon which they are based) and recommend their approval to the Corporation. It will ensure that short-term budgets are in line with agreed longer-term plans and that they are followed. It will consider any other matters

relevant to the financial duties of the Corporation and make recommendations accordingly. The committee will also ensure that the Corporation has adequate information to enable it to discharge its financial responsibilities. A more detailed extract from the finance & resources committee's terms of reference is shown at Appendix B.

5.3 Audit committee

Braintree College is required by its financial memorandum with the LSC and by the LSC's audit code of practice to appoint an audit committee. The committee is independent, advisory and reports to the Corporation. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. A more detailed extract from the audit committee's terms of reference is shown at Appendix C. The audit requirements of the College are set out in the LSC's audit code of practice.

5.4 Search committee

5.5 Recommends governor appointments and training needs.

5.6 Curriculum & Quality committee

Considers the curriculum and quality development of the College.

5.7 Finance & Resources Property Sub-committee

6 Other Senior Managers with Financial Responsibility

6.1 The Vice Principal – Finance & Resources

Day-to-day financial administration is controlled by the Vice Principal – Finance & Resources, who is responsible to the Principal for:

- preparing annual capital and revenue budgets and financial plans
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations
- preparing the College's annual accounts and other financial statements and

accounts which the College is required to submit to other authorities

- ensuring that the College maintains satisfactory financial systems
- providing professional advice on all matters relating to financial policies and procedures
- day-to-day liaison with internal and external auditors in order to achieve efficient processes.

6.2 Other Vice Principals

As budget holders they can impact on finances via areas such as Work Based Learning (WBL), Additional Learning Support (ALS), retention & achievement etc.

6.3 College Managers

College Managers are responsible to the relevant Vice Principal for financial management for the areas or activities they control. They are advised by the Vice Principal – Finance & Resources in executing their financial duties. The Vice Principal – Finance & Resources will also supervise and approve the financial systems operating within their departments, including the form in which accounts and financial records are kept. College Managers are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters. Where resources are devolved to budget holders, they are accountable to their manager for their own budget.

College Managers shall provide the Vice Principal – Finance & Resources with such information as may be required to enable:

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

6.4 All members of staff

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

They should ensure that they are aware of the College's financial authority limits and the values of purchases for which quotations and tenders are required.

They shall make available any relevant records or information to the Vice Principal – Finance & Resources or his authorised representative in connection with the implementation of the College's financial policies, these financial regulations and the system of financial control.

They shall provide the Vice Principal – Finance & Resources with such financial and other information, as he may deem necessary, from time to time, to carry out the requirements of the Corporation.

They shall immediately notify the Vice Principal - Finance & Resources whenever any matter arises which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the College. The Vice Principal - Finance & Resources shall take such steps as he/she considers necessary by way of investigation and report.

7 Risk Management

- 7.1** Braintree College acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable/unacceptable by the College will be set out in a separate risk management strategy.
- 7.2** The Corporation has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the College through the development, implementation and embedding within the College of a formal, structured risk management process.
- 7.3** In line with this policy, the Corporation requires that the risk management strategy and supporting procedures include:
- the adoption of common terminology in relation to the definition of risk and risk management
 - the establishment of College-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis
 - a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes.

- a decision on the level of risk to be covered by insurance.
- detailed regular review at curriculum or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas
- development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question
- regular reporting to the Corporation of all risks above established tolerance levels
- an annual review of the implementation of risk management arrangements

The strategy and procedures must be capable of independent verification.

8 Whistleblowing

8.1 Whistleblowing 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.

8.2 Normally, any concern about a workplace matter at the College should be raised with the relevant member of staff's immediate line manager or relevant Vice Principal or agreed College procedure. 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.

8.3 A member of staff may, therefore, make the disclosure to one of the staff designated for this purpose. If the member of staff does not wish to raise the matter with this person, or with the Principal or the Chair of the Corporation, it may be raised with the Chair of the audit committee.

8.4 The full procedure for whistleblowing is set out in the College's whistleblowing policy, which is available through the Human Resource department. Further details of the Public Interest Disclosure Act are set out at Appendix D

9 Code of Conduct

9.1 Braintree College is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe. These principles are set out at Appendix E In addition, the College expects that staff at all levels will observe its code of conduct, contained in its detailed financial procedures, which covers:

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

9.2 Additionally, members of the Corporation, senior management or those involved in procurement are required to disclose interests in the College's register of interests maintained by the College and the Clerk to the Corporation. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the financial procedures.

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

9.4 Receiving gifts or hospitality

It is an offence under the Prevention of Corruption Act 1906 for members of staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all members of staff must be:

- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest
- the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the College would be likely to provide in return.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the Vice Principal - Finance & Resources. Guidance on acceptable hospitality is contained in the detailed financial procedures. For the protection of those involved, the Vice Principal - Finance & Resources will maintain a register of gifts and hospitality received where the value is in excess of £ 25. Members of staff in receipt of such gifts or hospitality are obliged to notify the Vice Principal - Finance & Resources promptly.

C FINANCIAL MANAGEMENT AND CONTROL

10 Financial Planning

10.1 The Vice Principal - Finance & Resources is responsible for preparing annually a rolling three-year financial plan for approval by the Corporation on the recommendation of the Finance & Resources Committee and for preparing financial forecasts for submission to the LSC. Financial plans should be consistent with the strategic plans and property strategy approved by the Corporation.

10.2 Budget objectives

The Corporation will, from time to time, set budget objectives for the College. These will help the Vice Principal - Finance & Resources in preparing his/her more detailed financial plans for the College.

10.3 Resource allocation

Resources are allocated annually by the Corporation on the recommendation of the Finance & Resources Committee, and on the basis of the above objectives. College Managers are responsible for the economic, effective and efficient use of resources

allocated to them.

10.4 Budget preparation

The Vice Principal - Finance & Resources is responsible for preparing each year an annual revenue budget and capital programme for consideration by the Finance & Resources Committee before submission to the Corporation. The budget should also include monthly cash flow forecasts for the year and a projected year-end balance sheet. The Vice Principal - Finance & Resources must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to College Managers as soon as possible following their approval by the Corporation.

During the year, the Vice Principal - Finance & Resources is responsible for submitting revised budgets to the Finance & Resources Committee for consideration before submission to the Corporation for approval.

10.5 Capital programmes

The capital programme includes all expenditure on land, buildings, equipment, furniture and associated costs whether or not they are funded from external capital grants or capitalised for inclusion in the College's financial statements. Expenditure of this type can only be considered as part of the capital programme approved by the Corporation.

The Vice Principal - Finance & Resources will establish protocols for the inclusion of capital projects in the capital programme for approval by the Corporation. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet. They are summarised at Appendix F and are shown in more detail in financial procedures.

The Vice Principal - Finance & Resources will also establish procedures for the approval of variations, including the notification of large variations to the LSC, as laid down in LSC guidelines.

The Vice Principal - Finance & Resources is responsible for providing regular statements concerning all capital expenditure to the Finance & Resources committee for monitoring purposes.

Following completion of a capital project, a post-project evaluation or final report should be submitted to the Finance & Resources Committee including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Post-project evaluations may also need to be sent to the relevant LSC, as laid down in LSC guidelines.

10.6 Overseas activity

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

10.7 Other major developments

Any new aspect of business, or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time of more than £100,000 should be presented for approval to the Finance & Resources Committee.

The Vice Principal - Finance & Resources will establish protocols for these major developments to enable them to be considered for approval by the Corporation. These will set out the information that is required for each proposed development as well as the financial criteria that they are required to meet. They are summarised at Appendix G and are shown in more detail in financial procedures.

11 Financial Control

11.1 Budgetary control

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively. Budget holders are responsible to their manager for the income and expenditure appropriate to their budget.

Significant departures from agreed budgetary targets must be reported immediately to the Vice Principal - Finance & Resources by the manager concerned and, if necessary, corrective action taken.

11.2 Financial information

The budget holders are assisted in their duties by management information provided by the Vice Principal - Finance & Resources. The types of management information available to

the different levels of management are described in the detailed financial procedures, together with the timing at which they can be expected.

The Vice Principal - Finance & Resources is responsible for supplying budgetary reports on all aspects of the College's finances to the Finance & Resources Committee on a basis determined by the Finance & Resources Committee but subject to any specific requirements of the LSC. These reports are presented to the Corporation, which has overall responsibility for the College's finances.

11.3 Changes to the approved budget

Changes proposed to the approved budget will be first considered by the Finance Resources Committee, which will make proposals to the Corporation, unless they fall within the delegated approval arrangements:

- Principal £100,000
- Finance & Resources Committee £500,000

11.4 Virement

Where a budget holder is responsible for more than one budget, virement is permitted of up to 20% of the budget from which virement is sought, with the written approval of their manager.

Virement between budgets held by different budget holders is permitted up to 100% of the budget from which virement is sought with the written approval of the transferring budget holder and their manager.

11.5 Treatment of year-end balances

At the year end, budget holders will **not** normally have the authority to carry forward a balance on their budget to the following year unless the Finance & Resources Committee has approved a specific scheme for carrying forward all or part of unspent amounts. Specific departmental consumables and equipment account balances may be carried forward with the agreement of the Principal and the approval of the Finance & Resources Committee.

12 Accounting Arrangements

12.1 Financial year

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

12.2 Basis of accounting

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

12.3 Format of the financial statements

The financial statements are prepared in accordance with the Statement of Recommended Practice *Accounting for Further and Higher Education*, subject to any specific requirements of the LSC, and in accordance with the provisions of the Companies Act 1985, if that is appropriate.

12.4 Capitalisation and depreciation

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

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

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where one of the following criteria is met:

- The acquisition cost per item is £2000 or more.
- Grouped items (e.g. a suite of computers) with an individual value of less than £500 and a group value of £2000 or more.
- Where new equipment is purchased to upgrade a room or area and the total cost exceeds £2000

Capitalised assets other than land and buildings will be depreciated over a period of 10 years, except IT, which is 3 years, commencing in the year of acquisition.

12.5 Accounting records

The Vice Principal - Finance & Resources is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.

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

- official purchase orders
- paid invoices
- accounts raised
- bank statements
- copies of receipts
- paid cheques
- payroll records, including Associate lecturers' contracts.
- student records

The retention period for ESF documentation is as required by Government Office for the East of England.

Details of The College Policy on the retention of College records are included in the Financial Procedures

The Vice Principal - Finance & Resources will make appropriate arrangements for the retention of electronic records.

Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as regional development agencies.

Additionally, for auditing and other purposes, other financial documents should be retained for four years or as determined by the funder.

12.6 Public access

Under the terms of the Charities Act 1993, the Corporation is required to supply any person with a copy of the College's most recent financial statements within two months of a request. The Act enables the Corporation to levy a reasonable fee and this will be charged at the discretion of the Vice Principal - Finance & Resources. The College will also allow members of the public to inspect the statement of accounts during normal working hours, provide copies to local libraries on request.

12.7 Taxation

The Vice Principal - Finance & Resources is responsible for advising College Managers, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the College. Therefore the Vice Principal - Finance & Resources will issue instructions to departments on compliance with statutory requirements including those

concerning VAT, PAYE, national insurance, corporation tax and import duty.

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

13 Audit Requirements

13.1 General

External auditors and internal auditors shall have authority to:

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

The Vice Principal - Finance & Resources is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

Following consideration by the Finance & Resources Committee, the financial statements should be reviewed by the Audit Committee. On the recommendation of the Finance & Resources and Audit Committees they will be submitted to the Corporation for approval

13.2 External audit

The appointment of financial statement auditors for the main financial statements of the College will take place annually and is the responsibility of the Corporation. The Corporation will be advised by the Audit Committee.

The primary role of the financial statements audit is to report on the College's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to

report on the appropriate use of funds. Their duties will be in accordance with advice set out in the LSC's audit code of practice and the Auditing Practices Board's statements of auditing standards.

In addition, the LSC will appoint separate funding auditors to carry out an external audit of the College's Individualised Learner Record (ILR) return. The primary role of this audit is to give assurance to the LSC that the College's funding is accurate within certain agreed tolerances. This work will also help the Financial Statement's auditors of the College in their work on the income elements of the financial statements.

13.3 Internal Audit Service

The Internal Audit Service is appointed by the Corporation on the recommendation of the Audit Committee.

The College's financial memorandum with the LSC requires that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in the LSC's audit code of practice. The main responsibility of internal audit is to provide the Corporation, the Principal and senior management with assurances on the adequacy of the internal control system.

The Internal Audit Service remains independent in its planning and operation but has direct access to the Corporation, Principal and Chair of the Audit Committee. The formal responsibilities of Internal Audit Service are detailed at Appendix H. The Internal Audit Service will also comply with the Auditing Practices Board's auditing guideline *Guidance for Internal Auditors*.

13.4 Fraud and corruption

It is the duty of all members of staff, management and the Corporation to notify the Vice Principal - Finance & Resources immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

The Vice Principal - Finance & Resources shall immediately invoke the fraud response plan, which incorporates the following key elements (see Appendix I for fuller details):

- he/she will notify the Principal and the Audit Committee (through its chair) of the suspected irregularity and shall take such steps, as he/she considers necessary by way of investigation and report
- the Principal shall inform the police if a criminal offence is suspected of having been committed

- any significant cases of fraud or irregularity shall be reported to the LSC in accordance with their requirements as set out in the audit code of practice
- the Principal and/or Audit Committee shall commission such investigation as may be necessary of the suspected irregularity, by the Internal Audit Service or others, as appropriate
- the Internal Audit Service, or others commissioned to carry out an investigation, shall prepare a report for the Principal and/or Audit Committee on the suspected irregularity. Such report shall include advice on preventative measures.

If the suspected fraud is thought to involve the Vice Principal - Finance & Resources and/or the Principal, the member of staff shall notify the Chair of the Audit Committee direct of their concerns regarding irregularities.

13.5 Value for money

It is a requirement of the financial memorandum that the Corporation of the College is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the LSC, the National Audit Office, the Public Accounts Committee or other relevant bodies.

The Internal Audit Service is to have regard to value for money in its programme of work. This will be used to enable the Audit Committee to refer to value for money in its annual report.

13.6 Other auditors

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

14 Treasury Management

14.1 Treasury management policy

The Finance & Resources Committee is responsible for approving a treasury management policy setting out a strategy and policies for cash management, long-term investments and borrowings. This will require compliance with LSC rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the financial memorandum. The Finance & Resources Committee has a responsibility to ensure implementation, monitoring and review of such policies.

All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Vice Principal - Finance & Resources and an appropriate reporting system set up. All borrowing shall be undertaken in the name of the College and shall conform to any relevant LSC requirements.

The Vice Principal - Finance & Resources will report to the Finance & Resources Committee termly in each financial year on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him/her.

14.2 Appointment of bankers and other professional advisers

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

14.3 Banking arrangements

The Vice Principal - Finance & Resources is responsible, on behalf of the Finance & Resources Committee, for liaising with the College's bankers in relation to the College's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the Vice Principal - Finance & Resources, who shall make proper arrangements for their safe custody.

Any two signatories as per the current Banking Mandate may open or close a bank account for dealing with the College's funds. All bank accounts shall be in the name of the College

All cheques drawn on behalf of the College must be signed in the form approved by the Finance & Resources Committee. Cheques up to an agreed amount, specified in the College's detailed financial procedures, shall require two signatures. Cheques over the agreed amount must be signed by three authorised persons, of which only one may be that of an authorised member of staff in the Finance department. Details of authorised persons and limits shall be provided for in the College's detailed financial procedures.

All automated transfers on behalf of the College, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Finance & Resources Committee. Details of authorised persons and limits shall be provided for in the College's detailed financial procedures.

The Vice Principal - Finance & Resources is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

15 Income

15.1 General

The Vice Principal - Finance & Resources is responsible for ensuring that appropriate procedures are in operation to enable the College to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the Vice Principal - Finance & Resources.

Levels of charges for services rendered, goods supplied and rents and lettings are determined by policy approved by the Finance & Resources Committee, and are approved by the Corporation.

The Vice Principal - Finance & Resources is responsible for the prompt collection, security and banking of all income received.

The Vice Principal - Finance & Resources is responsible for ensuring that all grants notified by the LSC and other bodies are received and appropriately recorded in the College's accounts.

The Vice Principal - Finance & Resources is responsible for ensuring that all claims for funds, including grants and contracts, are made by the due date.

15.2 Maximisation of income

It is the responsibility of all staff to ensure that revenue to the College is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to the Vice Principal - Finance & Resources of sums due so that collection can be initiated.

15.3 Receipt of cash, cheques and other negotiable instruments

All monies received within departments from whatever source must be recorded by the department on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments.

All monies received must be paid to the Finance Department promptly, and in accordance with a timetable prescribed by the Vice Principal - Finance & Resources and set out in financial procedures. The custody and transit of all monies received must comply with the requirements of the College's insurers.

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

15.4 Receipts by credit or debit card: the College may only receive payments by debit or credit card using procedures approved by the Vice Principal - Finance & Resources.

15.5 Collection of debts

The Vice Principal - Finance & Resources should ensure that:

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

Only the Vice Principal - Finance & Resources or Principal can implement credit arrangements and indicate the periods in which different types of invoice must be paid.

Requests to write off individual debts in excess of £5,000 must be referred in writing to the Vice Principal - Finance & Resources for submission to the Finance & Resources Committee for consideration. Debts below this level may be written off with the permission of the Vice Principal - Finance & Resources or Principal.

15.6 Student fees

The procedures for collecting tuition fees must be approved by the Vice Principal - Finance & Resources. He/she is responsible for ensuring that all student fees due to the College are received.

Any student who has not paid an account for fees or any other item owing to the College shall not be sent the certificate for any diploma or other qualification awarded by the College until all outstanding debts have been cleared. Such students shall be prevented from re-enrolling at the College and from using any of the College's facilities unless appropriate arrangements have been made.

15.7 Student loans

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

15.8 Emergency/hardship loans

Any College scheme for emergency/hardship loans must be approved by the Finance & Resources Committee. This will include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made other than in accordance with the approved scheme.

The Vice Principal - Finance & Resources is responsible for ensuring the adequacy of the systems in place for:

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

16 Other Income-Generating Activity

16.1 Private consultancies and other paid work

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

- outside consultancies or other paid work may not be accepted without the consent of the Principal.
- applications for permission to undertake work, as a purely private activity must be submitted to the Principal, and include the following information:
 - the name of the member(s) of staff concerned
 - the title of the project and a brief description of the work involved
 - the proposed start date and duration of the work
 - an undertaking that the work will not interfere with the teaching and normal College duties of the member(s) of staff concerned.
 - the days and hours this work will be undertaken on.

16.2 Off-site collaborative provision (franchising)

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

There shall be a contract signed by the Principal and on behalf of any partner organisation that shall comply at least with the LSC model contract (as amended from time to time) in place before any provision is made. Contracts for significant changes in franchising activity shall be approved in advance by the Corporation.

The form of the contract shall be scrutinised in advance of its operation by the Audit Committee and approved by the Finance & Resources Committee or the Corporation.

The impact of the contract(s) shall be subject to scrutiny by the Finance & Resources Committee or the Corporation. The format for regular reports shall be as stated in LSC guidance. They shall consider the risk factors associated with the proposed partnership and agree an appropriate entry in the College's financial forecast.

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

16.3 European Union (EU) and other matched funding

Any such project requires the approval of the Principal prior to any commitment being entered into. Such approval shall be dependent upon the manager being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of the College's costing and pricing policy.

Individual applications for funds in excess of £1,000,000 shall be the subject of a report by the Principal to the Corporation which will set out, amongst other things, the potential risks generated by the project.

If the College sub-contracts such work to external providers, the relevant manager shall ensure that:

- this is on the basis of a written contract, which allows for full audit access to detailed records
- appropriate monitoring procedures are in place to ensure that the outputs are achieved and the provision is of suitable quality
- payments are only made against detailed invoices.

16.4 Profitability and recovery of overheads

All other income-generating activities must be self-financing or surplus-generating unless it is intended that a new course is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the manager and the Vice Principal - Finance & Resources.

Other income-generating activities organised by members of staff must be costed and agreed with the Vice Principal - Finance & Resources before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the College's costing and pricing policy, in particular for the recovery of overheads.

16.5 Deficits

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

16.6 Additional contributions to departments

Distribution of surplus on other income-generating activity between central funds of the College and individual departments will be in accordance with the financial procedures.

16.7 Additional payments to staff

Any proposal that involves additional payments to members of staff should be supported by a schedule of names and values and must be approved by the Vice Principal - Finance & Resources and the Vice Principal responsible for Human Resources.

17 Intellectual Property Rights and Patents

17.1 General

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

17.2 Patents

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

17.3 Intellectual property rights

In the event of the College deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property procedures issued by the College and contained in the College's detailed financial procedures.

18 Expenditure

18.1 General

The Vice Principal - Finance & Resources is responsible for making payments to suppliers of goods and services to the College.

18.2 Scheme of delegation/financial authorities

The manager is responsible for purchases within his or her department. Purchasing authority may be delegated to named individuals within the department. In exercising this

delegated authority, budget holders are required to observe the purchasing policies and financial procedures.

The Vice Principal - Finance & Resources shall maintain a register of authorised signatories and College Managers must supply him with specimen signatures of those authorised to certify invoices for payment (for paper-based systems).

Under procedures agreed by the Vice Principal - Finance & Resources, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits (for electronic systems).

The Vice Principal - Finance & Resources must be notified immediately of any changes to the authorities to commit expenditure.

College Managers and budget holders are not authorised to commit the College to expenditure without first reserving sufficient funds to meet the purchase cost.

The budget holder authorising the invoice for payment should, wherever possible be different from the member of staff responsible for signing the purchase order form.

18.3 Procurement

The College requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice. Factors to be considered in determining lowest cost are noted in the financial procedures.

The Finance Manager is responsible to the Vice Principal - Finance & Resources for:

- ensuring that the College's purchasing policy is known and observed by all involved in purchasing for the College
- advising on matters of College purchasing policy and practice
- advising and assisting departments where required on specific departmental purchases
- developing appropriate standing supply arrangements on behalf of the College to assist budget holders in meeting their value for money obligations
- vetting all orders above £3000 (except where the commitment has already been authorized e.g. services, internal audit and insurance) before they leave the College unless previously authorized by a member of the Senior Management Team
- advising on the drafting and negotiation of all large-scale purchase contracts

(generally in excess of £5000) undertaken by the College, in collaboration with the responsible department

- ensuring that the College complies with EU regulations on public purchasing policy.

18.4 Purchase orders

The ordering of goods and services shall be in accordance with the College's detailed financial procedures/purchasing policies.

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

When transferring goods or services between departments, an interdepartmental transfer form must be used.

It is the responsibility of the Vice Principal - Finance & Resources (through the College's Finance Manager) to ensure that all purchase orders refer to the College's conditions of contract.

18.5 Tenders and quotations

College Managers and delegated budget holders must comply with the College's tendering procedures contained in the College's code of tendering practice, which are applicable as follows:

- under £3,000– the budget holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained
- from £3,000 to £50,000– where it is anticipated that there will be annual expenditure above £3,000 for a particular type of goods or services a preferred supplier may be ascertained by conducting an annual review to obtain value for money. In some circumstances external consortia such as Crescent Purchasing may carry out this activity and the finding of their tenders would be acceptable

For one off purchases within this range three written quotes must be obtained and attached to the College's order before any commitment has been made

- over £50,000– all items not covered above will require three competitive tenders

- the award of contracts over £50,000 shall be reported to the Finance & Resources Committee.

In all cases the quotes must be attached to the purchase requisition and sent to the Finance department for actioning.

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

The main points covered by the College's code of tendering practice are described at Appendix J and may be subject to special rules imposed by funding bodies.

18.6 Post-tender negotiations

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

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

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

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

All post-tender negotiations should be reported to the Finance & Resources Committee.

18.7 Contracts

Building contracts are the responsibility of the Finance & Resources Committee and are administered by the Vice Principal – Finance & Resources.

Proposals will normally be initiated by the Vice Principal responsible for property matters in respect of planned replacements, general improvement schemes, space planning or in response to requests from departments.

Consultants may be appointed if the project, as determined by the Principal and/or the Finance & Resources Committee, is too large or too specialised for College resources. Appointments shall be subject to tendering and other procedures where appropriate.

Proposals for significant projects shall be presented in the form of costings or investment appraisals prepared in conjunction with the Vice Principal - Finance & Resources as appropriate for Finance & Resources Committee consideration. Investment appraisals should comply with appropriate LSC guidance.

Following consideration by the Finance & Resources Committee and approval by the Corporation, submissions should be forwarded to the LSC where appropriate. If the required agreement is secured from the LSC, LSC procedural rules should be followed. LSC guidance on best practice should be followed even when LSC approval is not required.

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

Conditions of contract for the purchase of goods will be followed as described in the College's detailed financial procedures.

18.8 EU regulations

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

The Finance Manager will advise College Managers on the thresholds that are currently in operation. A breach of these EU regulations is actionable by a supplier or potential supplier.

It is the responsibility of College Managers to ensure that their members of staff comply with EU regulations by notifying the Finance Manager of any purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements in journals such as the *Official Journal of the European Community* (OJEC).

The Finance Manager is also required to submit to the LSC annually details on expenditure, which exceeds the threshold. Copies of the relevant documentation falling into this category must be provided by College Managers to the Finance Manager

18.9 Receipt of goods

All goods shall be received at designated receipt and distribution points. They shall be checked for quantity and/or weight and inspected for quality and specification as soon as possible after delivery. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods.

All persons receiving goods on behalf of the College should, wherever possible, be independent of those who negotiated prices and terms and placed the official order.

18.10 Payment of invoices

The procedures for making all payments shall be in a form specified by the Vice Principal - Finance & Resources.

The Vice Principal - Finance & Resources is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by computer cheques or BACS transfer each week. In exceptional circumstances the Vice Principal - Finance & Resources will prepare cheques manually for urgent payments.

College Managers are responsible for ensuring that expenditure within their departments does not exceed funds available.

Suppliers should be instructed by the budget holder to submit invoices for goods or services to the Finance Department. Invoices received by departments must be passed to the Finance Department as soon as they have been received. (paper system)

Suppliers should be instructed by the budget holder to submit invoices for goods or services to the Finance Department (electronic system).

Care must be taken by the budget holder to ensure that discounts receivable are obtained.

Payments will only be made by the Vice Principal - Finance & Resources against invoices that have been certified for payment by the appropriate manager or budget holder (paper-based system).

Payments will only be made by the Vice Principal - Finance & Resources against invoices that can be matched to a receipted order (electronic system).

Certification of an invoice or receipting of an electronic order will ensure that:

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory
- where appropriate, it is matched to the order
- invoice details (quantity, price discount) are correct
- the invoice is arithmetically correct
- the invoice has not previously been passed for payment
- where appropriate, an entry has been made on a stores record or departmental inventory
- an appropriate cost centre is quoted; this must be one of the cost centre codes included in the budget holder's areas of responsibility and must correspond with the types of goods or service described on the invoice.

18.11 Staff reimbursement

Braintree College's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement.

Where such purchases by staff are planned, the Vice Principal - Finance & Resources and the relevant manager may jointly approve cash advances to staff who are going to incur expenditure on the College's behalf. Upon completion of the travel or project to which the advance relates, within one month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to an individual is still outstanding.

18.12 College credit cards

Where appropriate, the Principal or the Vice Principal - Finance & Resources may approve the issuing of College credit cards to senior or key staff. Such credit cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. The Vice Principal - Finance & Resources will be responsible for setting in place a system to monitor the use of College credit cards and account for expenses charged through them.

18.13 Petty cash

Where a single item is for less than £100 it may be paid from petty cash. It must be

supported by receipts or vouchers where available.

The petty cash box must be kept locked in a secure place in compliance with the requirements of the College's insurers when not in use and will be subject to periodic checks by Finance Manager or another person nominated by him.

At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float and counter-signed by the Finance Manager.

18.14 Other payments

Payments for maintenance and other items to students on behalf of sponsoring organisations shall be made on the authority of the Vice Principal - Finance & Resources, supported by detailed claims approved by the manager

Individual payments under 'outward collaborative provision' contracts shall be authorised by the Vice Principal - Finance & Resources. This authority shall be on the basis that the payment represents a bona fide element of the contract which has been approved under a scheme set out by the Finance & Resources Committee

18.15 Late payment rules

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

- small businesses can charge interest on overdue invoices
- interest is chargeable on sales made after 1 November 1998
- the rate of interest is currently 8% per annum above the official daily rate of the Bank of England
- the Act also applies to overseas organisations
- the College can be sued for non-payment.

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

18.16 Project advances

The Vice Principal - Finance & Resources and the relevant manager may jointly approve cash advances for projects carried out away from the College where cash expenditure may be unavoidable. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or an institute credit

card.

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

18.17 Giving hospitality

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

The limits concerning acceptable expenditure for entertaining guests are set out in the College's detailed financial procedures.

19 Pay Expenditure

19.1 Remuneration policy

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

The Corporation will determine what other benefits, such as cars, medical and life insurance, are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available.

Salaries and other benefits for senior post holders will be determined by the Remuneration Committee set up by the Corporation.

19.2 Appointment of staff

All contracts of service shall be concluded in accordance with the College's approved human resource practices and procedures, and all offers of employment with the College shall be made in writing by the Head of Human Resources. Budget holders shall ensure that Human Resources Manager is provided promptly with all information required in connection with the appointment, resignation or dismissal of employees.

19.3 Salaries and wages

The H.R. Manager is responsible for all payments of salaries and wages to all staff including

payments for overtime or services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, associate lecturers, will be in a form prescribed or approved by the Vice Principal - Finance & Resources.

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

The H.R. Manager shall be responsible for keeping all records relating to payroll including those of a statutory nature.

All payments must be made in accordance with the College's detailed payroll financial procedures and comply with Inland Revenue regulations.

19.4 Superannuation schemes

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

The Vice Principal - Finance & Resources is responsible for day-to-day superannuation matters, including:

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

The Human Resources Manager is responsible for administering eligibility to pension arrangements.

19.5 Travel, subsistence and other allowances

All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Vice Principal - Finance & Resources.

Claims by members of staff must be authorised by their manager (or Principal in the case of Vice Principals). The certification by the manager shall be taken to mean that:

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

Arrangements for travel by the Principal (or members of the Corporation other than the Principal) shall be approved by the Chair or Vice Chair of the Corporation. Arrangements for travel by the Chair shall be approved by the Finance & Resources Committee.

19.6 Overseas travel

In Braintree College, all arrangements for overseas travel must be approved by the Principal in advance of committing the College to those arrangements or confirmation of any travel bookings. Arrangements for overseas travel by the Principal or members of the Corporation shall be approved by the Chair or Vice Chair of the Corporation. Arrangements for travel by the Chair shall be approved by the Whole Corporation.

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

19.7 Allowances for members of the Corporation

Claims for members of the Corporation will only be allowed within the parameters of agreed Corporation policy, and will be authorised by the Principal and Clerk to the Corporation jointly.

19.8 Severance and other non-recurring payments

Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the Corporation through Finance & Resources Committee and, where appropriate, the Remuneration Committee. Professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments shall be authorised by the Principal and calculations checked by the Vice Principal - Finance & Resources. Any individual amounts that do not fall within the parameters above or are in excess of £50,000 require approval by the Finance & Resources Committee. In exceptional circumstances this approval may be given by the chair of the Finance & Resources Committee or Corporation in consultation with the Principal, to be reported to the next meeting of the relevant committee. Amounts paid to senior postholders and collectively to staff, should be declared in the financial statements.

All matters progressing to an industrial tribunal hearing shall be notified to the Finance & Resources Committee, in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

20 Assets

20.1 Land, buildings, fixed plant and machinery

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

20.2 Fixed asset register

The Vice Principal - Finance & Resources is responsible for maintaining the College's register of land, buildings, fixed plant and machinery. College Managers will provide the Vice Principal - Finance & Resources with any information he may need to maintain the register.

20.3 Inventories

College Managers are responsible for maintaining inventories, in a form prescribed by the Vice Principal - Finance & Resources, for all plant, equipment, furniture and stores in their departments with a value in excess of £500. The inventory must include items donated or held on trust.

Inventories must be checked at least annually as described in the College's detailed financial procedures.

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

20.4 Stocks and stores

College Managers are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. The systems used for stores accounting in departments must have the approval of the Vice Principal - Finance & Resources.

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

Those College Managers whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Vice Principal - Finance & Resources and that instructions to appropriate staff within their departments are issued in accordance with advice contained in the College's detailed financial procedures.

20.5 Safeguarding assets

College Managers are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc under their control. They will consult the Vice Principal - Finance & Resources in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

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

20.6 Personal use

Assets owned or leased by the College shall not be subject to personal use without proper authorisation.

20.7 Asset disposal

Disposal of equipment and furniture must be in accordance with procedures agreed by the Finance & Resources Committee and contained in the College's detailed financial procedures.

Disposal of land and buildings must only take place with the authorisation of the Corporation. LSC consent may also be required if exchequer funds were involved in the acquisition of the asset.

20.8 All other assets

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

21 Funds Held on Trust

21.1 Gifts, benefactions and donations

The Vice Principal - Finance & Resources is responsible for maintaining financial records in

respect of gifts, benefactions and donations made to the College and initiating claims for recovery of tax where appropriate.

21.2 Student welfare and access funds

The Vice Principal - Finance & Resources will prescribe the format for recording the use of student welfare funds.

Records of access funds will be maintained according to LSC requirements.

21.3 Trust funds

The Vice Principal - Finance & Resources is responsible for maintaining a record of the requirements for each trust fund and for advising the Finance & Resources Committee on the control and investment of fund balances.

The Finance & Resources Committee is responsible for ensuring that all the College's trust funds are operated within any relevant legislation and the specific requirements for each trust. They will also be responsible for investment of fund balances.

21.4 Voluntary funds

The Vice Principal - Finance & Resources shall be informed of any fund that is not an official fund of the College which is controlled wholly or in part by a member of staff in relation to their function in the College.

The accounts of any such fund shall be audited by an independent external person and shall be submitted with a certificate of audit to the appropriate body. The Vice Principal - Finance & Resources shall be entitled to verify that this has been done.

22 Other

22.1 Insurance

The Vice Principal - Finance & Resources is responsible for the College's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy (see section 7) all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be considered and approved by the Finance & Resources Committee on an annual basis.

The Vice Principal - Finance & Resources is responsible for effecting insurance cover as determined by the Finance & Resources Committee. He/she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Vice Principal - Finance & Resources will keep a register of all insurances effected by the College and the property and risks covered. He will also deal with the College's insurers and advisers about specific insurance problems.

College Managers must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the College may be exposed. The Vice Principal - Financial Service's advice should be sought to ensure that this is the case. College Managers must give prompt notification to the Vice Principal - Finance & Resources of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. College Managers must advise the Vice Principal - Finance & Resources immediately of any event that may give rise to an insurance claim. The Vice Principal - Finance & Resources will notify the College's insurers and, if appropriate, prepare a claim in conjunction with manager for transmission to the insurers.

The Environmental Services manager is responsible for keeping suitable records of plant, which is subject to inspection by an insurance company, and for ensuring that inspection is carried out in the periods prescribed.

All staff using their own vehicles on behalf of the College shall maintain appropriate insurance cover for business use and shall confirm this to the College at the time of appointment and with every claim for vehicle mileage.

22.2 Companies and joint ventures

In certain circumstances it may be advantageous to the College to establish a company or a joint venture to undertake services on behalf of the College. Any member of staff considering the use of a company or a joint venture should first seek the advice of the Vice Principal - Finance & Resources, who should have due regard to guidance issued by the LSC.

Under the Learning and Skills Act 2000, a College needs the prior approval of the LSC before a company or a joint venture can be established. The Corporation is responsible for

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

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

The directors of companies where the College is the majority shareholder must submit, via the Finance & Resources Committee, an annual report to the Corporation. They will also submit business plans or budgets as requested to enable the committee to assess the risk to the College. The College's internal and external auditors shall also be appointed to such companies.

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

22.3 Security

Keys to safes or other similar containers are to be carried on the person of those responsible at all times. The loss of such keys must be reported to the Vice Principal - Finance & Resources immediately.

An officer shall be responsible for maintaining proper security and privacy of information held on the College's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act 1998. A data protection officer shall be nominated to ensure compliance with the Act and the safety of documents.

The Vice Principal - Finance & Resources is responsible for the safekeeping of official and legal documents relating to the College. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Vice Principal - Finance & Resources. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

22.4 Students' Union

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

Subject to any constraints imposed by the LSC, the Corporation shall determine the level of grant to be paid annually to the Students' Union. The Corporation requires the Union to provide for information details of its proposed budget to assist in determining the appropriate level of grant.

The Students' Union is responsible for maintaining its own bank account and financial records and preparing its own annual financial statements.

In accordance with an agreement between the College and the Students' Union, the Union will provide monthly statements of income and expenditure to the Vice Principal - Finance & Resources and the Finance & Resources Committee for information purposes only.

At year end the Students' Union financial statements will be audited by an appropriately qualified firm of auditors and will be presented to the Finance & Resources Committee for information.

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

22.5 Use of the College's seal

The application of the seal of the Corporation shall be authenticated by-

(a) The signature of either the Chair or some other member authorized either generally or specially by the Corporation to act for that purpose;

and

(b) The signature of any other member.

In relation to (a) above, the Vice Chair shall be the authorized member.

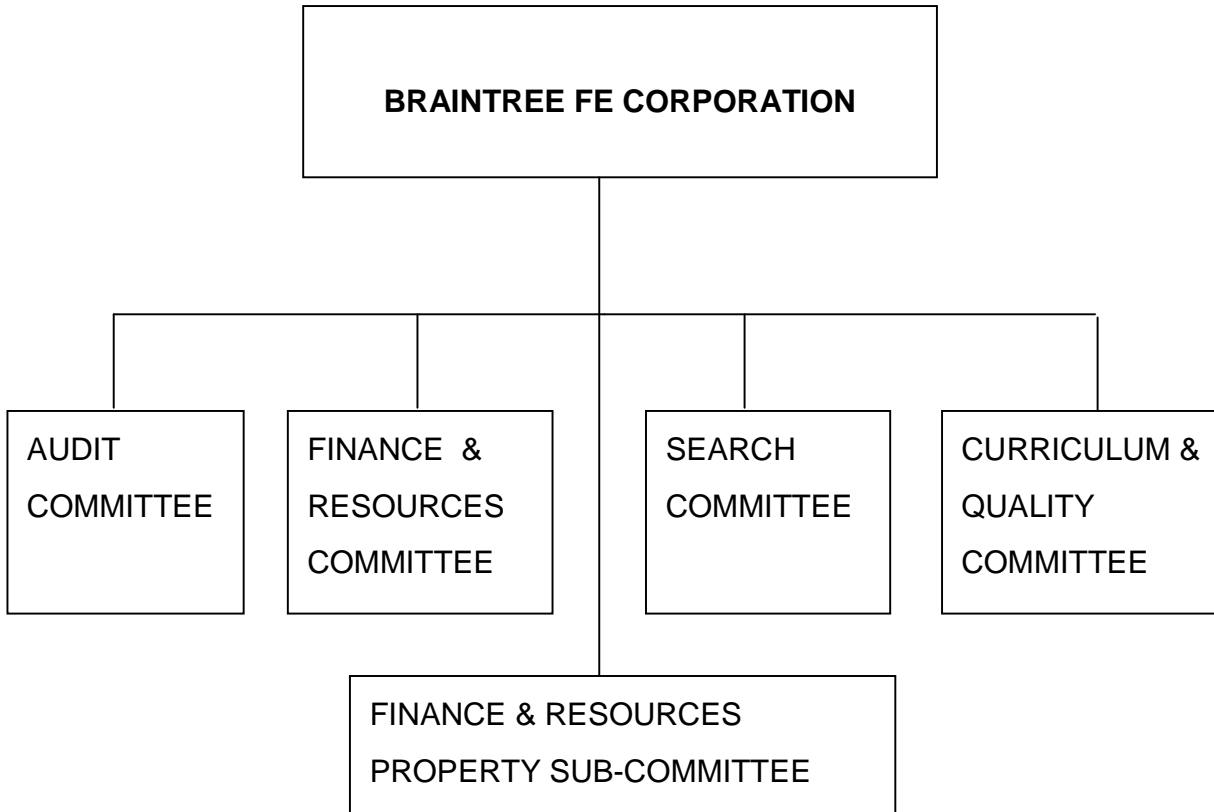
22.6 Provision of indemnities

Any member of staff asked to give an indemnity, for whatever purpose, should consult the Vice Principal - Finance & Resources before any such indemnity is given.

23 Appendices

Appendix A	Committee Structure
Appendix B	Finance & Resources Committee Responsibilities
Appendix C	Audit Committee Terms of Reference
Appendix D	Main Features of the Public Interest Disclosure Act 1998
Appendix E	The Seven Principles of Public Life from the Report of the Committee for Standards in Public Life (The Nolan Report)
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APPENDIX A: COMMITTEE STRUCTURE



APPENDIX B: FINANCE & RESOURCES COMMITTEE RESPONSIBILITIES

- Ensuring that the College maintains proper accounts and related records.
- Ensuring that systems are in place for all employees and creditors to be paid by their due date and that such systems are effective.
- Ensuring that all income received is correctly accounted for and that income receivable is collected promptly.
- Receiving and commenting on the College's revenue and capital budgets.
- Ensuring that the requirement of the financial memorandum with the funding council to maintain financial solvency is fulfilled.
- Managing the College's investments.
- Overseeing
 - cash management and borrowing policies
 - the College's banking arrangements
 - the College's insurance arrangements.
- Any other matters as directed by the Corporation.

APPENDIX C: AUDIT COMMITTEE TERMS OF REFERENCE

DUTIES

- To elect a Chair.
- To co-opt as Members of the Committee such persons as it determines but who are not Members of the Corporation.
- To determine the extent to which it will permit observers to attend its meetings and to determine its procedures for identifying matters which are confidential.
- To advise the Corporation on the effectiveness of the institution's internal control system including controls for securing economy, efficiency and effectiveness.
- To monitor annually, or more frequently if necessary, the implementation of approved recommendations relating to both internal audit reports and external audit reports and management letters.
- To monitor the effectiveness of the internal and external audit services.
- To advise the Corporation on the appointment of the internal audit service and head of internal audit, if applicable.
- To consider and advise the Corporation on the audit needs assessment and strategic and short-term audit plans for the internal audit service.
- To consider and advise the Corporation on internal audit reports.
- To advise the Corporation on the appointment and remuneration of external auditors and the scope of their work.
- To consider and advise the Corporation on the external audit reports and management letters.

These terms of reference to be reviewed as and when required.

REPORTING PROCEDURES

- The minutes (or a report) of meetings of the committee will be circulated to all members of the Corporation.
- The committee will prepare an annual report for the College's financial year. The report will be addressed to the Corporation and designated officer, summarising the activity for the year. It will give the committee's opinion on the extent to which the Corporation may rely on the internal control and risk management system and the arrangements for securing economy, efficiency and effectiveness. (This opinion should be based upon the information presented to the committee.) The audit committee annual report should normally be submitted to the Corporation before the members' responsibility statement in the annual financial statement is signed.

CLERKING ARRANGEMENTS

- The clerk to the audit committee will be the clerk to the Corporation (or other appropriate independent individual).

SUMMARY

The Act came into force on 2 July 1999. It encourages people to blow the whistle about malpractice in the workplace and is designed to ensure that organisations respond by acting on the message rather than against the messenger. The Act applies to employees blowing 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 applies whether or not the information is confidential and extends to malpractice occurring in the UK and any other country or territory. In addition to employees, it covers trainees, agency staff, contractors, home workers, trainees and every professional in the NHS. Employment law restrictions on minimum length of service and age do not apply. At present, the Act does not cover the genuinely self-employed, volunteers, the army, intelligence services or police officers. The Act has been described as 'the most far reaching whistleblower protection in the world'.

INTERNAL DISCLOSURES

A disclosure in good faith to a manager or the employer will be protected if the whistleblower has a reasonable suspicion that the malpractice has occurred, is occurring or is likely to occur.

REGULATORY DISCLOSURES

The Act protects disclosures made in good faith to prescribed bodies such as the Health and Safety Executive, the Finance & Resources Authority and the Inland Revenue, where the whistleblower has a reasonable belief that the information and their allegation(s) are substantially true.

WIDER DISCLOSURES

Wider disclosures (e.g. to the police, the media, MPs, and non-prescribed regulators) are protected if, in addition to the tests for regulatory disclosures, they are reasonable in all the circumstances and they meet one of the three preconditions. Provided they are not made for personal gain, these preconditions are that the whistleblower:

- reasonably believed they would be victimised if they raised the matter internally or with a designated regulator
- reasonably believed a cover-up was likely and there was no regulator
- had already raised the matter internally or with a prescribed regulator.

An employee who makes a wide, public disclosure is more likely to be protected if there was no internal procedure set up.

FULL PROTECTION

Where the whistleblower is victimised in breach of the Act they can bring a claim to an employment tribunal for compensation. Awards are uncapped and based on the losses suffered. Additionally, where an employee is sacked, they may apply for an interim order to keep their job. Not all disclosures made by an employee are protected under the Act. Those that are include criminal acts, health and safety violations, breaches of legislation and miscarriages of justice. However, such acts are only protected as long as the disclosure is made in good faith to the employer, or any other person authorised under a procedure set up by the employer for this purpose. (Disclosures can also be made to appropriate regulatory bodies, such as the Health and Safety Executive.) Where an employee reasonably suspects malpractice (and this includes any crime), they will be protected from victimisation where they raise the matter in good faith with a person who is legally responsible for whistleblowing.

QUALIFYING AREAS

The qualifying areas consist of information that the employee reasonably believes tends to

show one or more of the following matters is either happening now, took place in the past, or is likely to happen in the future:

- a criminal offence
- the breach of a legal obligation
- a miscarriage of justice
- a danger to the health or safety of any individual
- damage to the environment
- deliberate covering up of information tending to show any of the above five matters.

APPENDIX E: THE SEVEN PRINCIPLES OF PUBLIC LIFE FROM
THE REPORT OF THE COMMITTEE FOR
STANDARDS IN PUBLIC LIFE
(THE NOLAN REPORT)

SELFLESSNESS

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

INTEGRITY

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

OBJECTIVITY

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

ACCOUNTABILITY

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

OPENNESS

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

HONESTY

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

LEADERSHIP

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

APPENDIX F: SUMMARY OF PROTOCOLS FOR PROPOSED CAPITAL PROJECTS

Proposed capital projects should be supported by:

- A statement that demonstrates the project's consistency with the strategic plans and property strategy approved by the Corporation.
- An initial budget for the project for submission to the Finance & Resources Committee. The budget should include a breakdown of costs including professional fees, VAT and funding sources.
- A financial evaluation of the plans together with their impact on revenue plus advice on the impact of alternative plans.
- An investment appraisal in an approved format which complies with LSC guidance on option and investment appraisal.
- A demonstration of compliance with normal tendering procedures and LSC regulations. This will require careful consideration where partnership arrangements are in place.
- A cash flow forecast.

More detail on these protocols can be found the College's financial procedures.

APPENDIX G: SUMMARY OF PROTOCOLS FOR PROPOSED
MAJOR DEVELOPMENTS

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

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

More detail on these protocols can be found the College's financial procedures.

APPENDIX H: INTERNAL AUDIT RESPONSIBILITIES

The LSC's audit code of practice was revised in March 2003. Internal auditors will be required to adopt the Government Internal Audit Standards (GIAS).

The prime responsibility of the internal audit service is to provide the Corporation with assurance on the adequacy and effectiveness of the risk management, control and governance processes. Responsibility for risk management, control and governance processes remains fully with management, who should recognise that internal audit can only provide 'reasonable assurance' and cannot provide any guarantee against material errors, loss or fraud. Internal audit also plays a valuable role in helping management to improve systems of risk management, control and governance processes and so to reduce the potential effects of any significant risks faced by the college. Risk assessment provides the opportunity for internal audit work to be efficient and focused. It does not necessarily imply that internal audit activity has to be increased.

Internal audit can also provide independent and objective consultancy advice specifically to help management improve the risk management, control and governance processes. In such circumstances, internal auditors apply their professional skills in a systematic and disciplined way to contribute to the achievement of corporate objectives. Such advisory work contributes to the opinion that internal audit provides on the overall adequacy and effectiveness of risk management, control and governance processes.

PURPOSE

- 1 The purpose of this plan is to define authority levels, responsibilities for action and reporting lines in the event of a suspected fraud or irregularity. The use of the plan should enable the College to:
- prevent further loss
 - establish and secure evidence necessary for criminal and disciplinary action
 - notify the LSC, if the circumstances are covered by the mandatory requirements of the audit code of practice
 - recover losses
 - punish the culprits
 - deal with requests for references for employees disciplined or prosecuted for fraud
 - review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud
 - keep all personnel with a need to know suitably informed about the incident and the College's response
 - inform the police
 - assign responsibility for investigating the incident
 - establish circumstances in which external specialists should be involved
 - establish lines of communication with the police.

INITIATING ACTION

- 2 All actual or suspected incidents should be reported without delay to the Vice Principal - Finance & Resources, unless the Vice Principal – Finance & Resources is implicated, in which case it should be reported to the Principal. The Vice Principal - Finance & Resources/Principal should, within 24 hours, hold a meeting of the following project group to

decide on the initial response:

- Human Resources Representative.
- a senior representative of internal audit (if appropriate)
- Vice Principal - Finance & Resources/Principal.

- 3** The project group will decide on the action to be taken. This will normally be an investigation, led by Internal Audit. In the case of potential minor irregularities the initial informal investigations may need to be carried out by the College prior to the decision to involve Internal Audit. The decision by the project group to initiate a special investigation shall constitute authority to Internal Audit to use time provided in the internal audit plan for special investigations, or contingency time, or to switch Internal Audit resources from planned audits.

PREVENTION OF FURTHER LOSS

- 4** Where initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the project group will decide how to prevent further loss. This may require the suspension, with or without pay, of the suspects. It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.
- 5** In these circumstances, the suspect(s) should be approached unannounced. They should be supervised at all times before leaving the College's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the College. Any security passes and keys to premises, offices and furniture should be returned.
- 6** Advice should be obtained on the best means of denying access to the College while suspects remain suspended (for example, by changing locks and informing security staff not to admit the individuals to any part of the premises). Similarly, access permissions to the College's computer systems should be withdrawn without delay.
- 7** Internal audit shall consider whether it is necessary to investigate systems, other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the College's assets.

ESTABLISHING AND SECURING EVIDENCE

- 8** A major objective in any fraud investigation will be the punishment of the perpetrators, to act as a deterrent to other personnel. The College will follow disciplinary procedures against any member of staff who has committed fraud. The College will normally pursue the prosecution of any such individual.
- 9** Internal Audit will:
- maintain familiarity with the College's investigative and disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation
 - establish and maintain contact with the police where appropriate
 - establish whether there is a need for audit staff to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act
 - ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

NOTIFYING THE LSC

- 10** The circumstances in which the College must inform the LSC about actual or suspected frauds are detailed in the LSC's audit code of practice. The Principal is responsible for informing the LSC of any such incidents.

RECOVERY OF LOSSES

- 11** Recovering losses is a major objective of any fraud investigation. Internal Audit shall ensure that in all fraud investigations, the amount of any loss will be quantified. Repayment of losses should be sought in all cases.
- 12** Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice should also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The College would

normally expect to recover costs in addition to losses.

REFERENCES FOR EMPLOYEES DISCIPLINED OR PROSECUTED FOR FRAUD

- 13** The staff handbook includes a requirement that any request for a reference for a member of staff who has been disciplined or prosecuted for fraud shall be referred to the Human Resource Manager. The Human Resource Manager shall prepare any answer to a request for a reference having regard to employment law.

REPORTING TO GOVERNORS

- 14** Any incident matching the criteria in the LSC's audit code of practice (as in paragraph 10 above) shall be reported without delay by the Principal to the chairs of both the Corporation and the Audit Committee.
- 15** Any variation from the approved fraud response plan, together with reasons for the variation, shall be reported promptly to the chairs of both the Corporation and the Audit Committee.
- 16** On completion of a special investigation, which has identified fraud, a written report shall be submitted to the Audit Committee containing:
- a description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud
 - the measures taken to prevent a recurrence
 - any action needed to strengthen future responses to fraud, with a follow-up report on whether or not the actions have been taken.

This report will normally be prepared by Internal Audit.

REPORTING LINES

- 17** The project group shall provide a confidential report to the Chair of the Corporation, the

Chair of the Audit Committee, the Principal and the partner of the Financial Statements Auditors at least monthly, unless the report recipients request a lesser frequency. The scope of the report shall include:

- quantification of losses
- progress with recovery action
- progress with disciplinary action
- progress with criminal action
- estimate of resources required to conclude the investigation
- actions taken to prevent and detect similar incidents.

RESPONSIBILITY FOR INVESTIGATION

- 18** All special investigations shall normally be led by the Internal Audit Service. Special investigations shall not be undertaken by management, although management should cooperate with requests for assistance from internal audit.
- 19** Some special investigations may require the use of technical expertise, which the Internal Audit Service does not possess. In these circumstances, the project group may approve the appointment of external specialists to lead or contribute to the special investigation.

REVIEW OF FRAUD RESPONSE PLAN

- 20** This plan will be reviewed for fitness of purpose at least annually or after each use. Any need for change will be reported to the audit committee for approval.

APPENDIX J: MAIN POINTS INCLUDED IN THE COLLEGE'S CODE OF TENDERING PRACTICE

- Duty to comply by the College's staff.
- EU directives to be complied with.
- Competitive tendering procedure, which will:
 - ensure fairness of competition
 - ensure that companies invited to tender are financially and technically able to meet the College's requirements
 - indicate the terms of the contract
 - outline the appropriate British standards to be complied with.
- Quotation procedure, which will indicate:
 - the minimum number of firms that should be expected to provide quotations
 - lists of available firms in existence which have been approved by the College that might undertake the work specified
 - the terms by which the contractors will be paid
 - the national requirements concerning good practice that should be followed.
- Submission of tenders (e.g. time, date, etc).
- Receipt and safe custody of tenders and records.
- Admissibility and acceptance of tenders.
- Acceptance of tenders/quotations.
- Justification of acceptance of tenders not at the lowest price.