

1. Introduction.....	4
1.1 Background.....	4
1.2 Status of Financial Regulations.....	4
2. Governance.....	5
2.1 The Board of Governors.....	5
2.2 Committee Structure.....	5
2.3 Finance Committee.....	6
2.4 Audit Committee.....	6
2.5 Remuneration Committee.....	6
2.6 Risk Management.....	7
3. Responsibilities.....	9
3.1 The Principal.....	9
3.2 The Director of Finance.....	9
3.3 Directors.....	9
3.4 Members of Staff.....	9
4. Audit.....	11
4.1 General.....	11
4.2 External Audit.....	11
4.3 Internal Audit.....	12
4.4 Fraud.....	12
4.5 Value for Money.....	13
4.6 Other Auditors.....	13
5. Accounting.....	14
5.1 Financial Year.....	14
5.2 Basis of Accounting.....	14
5.3 Format of the Accounts.....	14
5.4 Capitalisation and Depreciation.....	14
5.5 Accounting Returns.....	15
5.6 Accounting Records.....	15
6. Financial Planning and Control.....	16
6.1 Budget Preparation.....	16
6.2 Capital Programmes.....	16
6.3 Budgetary Control.....	17
6.4 Treatment of Year End Balances.....	17
7. Treasury Management.....	18
7.1 Appointment of Bankers.....	18
7.2 Banking Arrangements.....	18

8. Income .....	19
8.1 General .....	19
8.2 Cash Receipts .....	19
8.3 The Collection of Debts .....	20
8.4 Student Fees .....	20
8.5 Student Loans .....	20
8.6 Emergency/Hardship Loans.....	21
8.7 Gifts, Benefactions and Donations .....	21
9. Research Grants and Contracts .....	22
9.1 General .....	22
9.2 Additional Payments to Staff .....	23
10. Expenditure .....	24
10.1 General.....	24
10.2 Authorities .....	24
10.3 Purchasing .....	24
10.4 Tenders and Quotations.....	26
10.5 Contracts.....	26
10.6 EU Regulations .....	27
10.7 Payment of Invoices .....	27
10.8 Petty Cash .....	28
11. Salaries and Wages .....	29
11.1 General.....	29
11.2 Superannuation .....	30
11.3 Travel, Subsistence and Other Allowances.....	30
12. Assets.....	31
12.1 Land, Buildings and Equipment .....	31
12.2 Inventories .....	31
12.3 Stocks and Stores .....	31
12.4 Asset Disposal .....	32
12.5. Personal Use .....	32
13. Other .....	33
13.1 Companies.....	33
13.2 Insurance.....	33
13.3 Taxation .....	34
13.4 Security.....	34
13.5 Courses, Conferences and Services Rendered .....	35
13.6 Hospitality.....	35

13.7 Students' Union.....	35
13.8 Private Consultancies and Other Paid Work.....	36
13.9 Whistleblowing .....	37
13.10 Receiving Gifts or Hospitality.....	37

## *1. Introduction*

### *1.1 Background*

The Financial Memorandum between the Department for Employment and Learning and the College sets out the terms and conditions on which grant is made. The Board of Governors is responsible for ensuring that conditions of grant are met. As part of this process the Financial Memorandum requires the College to have sound systems of financial and management control. The financial regulations of the College form part of this overall system of accountability.

### *1.2 Status of Financial Regulations*

This document sets out the College's financial regulations. It translates into practical guidance the College's broad policies relating to financial control.

These financial regulations are subordinate to the College's Scheme of Management and to any restrictions contained within the College's Financial Memorandum with the Department for Employment and Learning.

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. It is the responsibility of the Director of Finance to ensure that staff are made aware of the existence and content of the College's financial regulations and that an adequate number of copies are available for reference.

The Finance Committee is responsible for maintaining a continuous review of the financial regulations and advising the Board of Governors of any additions or changes necessary.

The College's detailed financial procedures set out precisely how the regulations will be implemented and are contained in a separate manual, "Financial Procedures".

## *2. Governance*

### *2.1 The Board of Governors*

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

- ensure the solvency of the College
- safeguard the College's assets
- ensure the effective and efficient use of resources
- ensure that the funds provided by the Department for Employment and Learning are used in accordance with the terms and conditions specified in the College's Financial Memorandum with the Department
- ensure that financial control systems are in place and are working effectively
- approve the College's strategic and operational plans
- approve annual estimates of income and expenditure and to approve the annual financial statements
- appoint the College's internal and external auditors.

The responsibilities of The Board of Governors are set out in full in the Financial Memorandum.

### *2.2 Committee Structure*

The Board of Governors has ultimate responsibility for the College's finances, but delegates this to the Committees detailed below. These Committees are accountable to the Board of Governors.

### *2.3 Finance Committee*

Monitoring of the College's financial position and financial control systems is undertaken by Finance Committee. The Committee will examine annual estimates and accounts and recommend their approval to the Board of Governors. 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 Board of Governors and make recommendations accordingly. The Committee will also ensure that the Board of Governors has adequate information to enable it to discharge its financial responsibilities.

### *2.4 Audit Committee*

The Audit Committee is independent, advisory and reports to the Board of Governors. 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:

- reviewing the College systems of internal control;
- considering and advising the Board of Governors on the appointment of internal and external auditors;
- monitoring the internal and external audit services and receiving reports;
- monitoring management action on the implementation of audit recommendations; and
- securing appropriate liaison between external and internal audit..

It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

### *2.5 Remuneration Committee*

Consideration of senior management's pay and conditions is the responsibility of the Remuneration Committee. It has the power to make recommendations to the Board of Governors on their remuneration, including pay and other benefits, as well as contractual arrangements.

## *2.6 Risk Management*

The College acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health.

The Board of Governors has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the College through the development, implementation and embedment within the organisation of a formal structured risk management process.

The risk management policy of St. Mary's University College is to adopt best practices in the identification, evaluation and cost effective control of risks to ensure that they are eliminated or reduced to an acceptable level.

It is acknowledged that some risks will always exist and will never be eliminated. All employees must understand the nature of risk and accept responsibility for risks associated with their area of authority. The necessary support, assistance and commitment of senior management will be provided.

Primary responsibility for risk management will rest with the College Senior Management Team. The Senior Management Team will carry out an annual identification of risks exercise. Identified risks will be analysed and evaluated annually by the Senior Management Team. The Senior Management Team will establish control and monitoring mechanisms for all identified risks. The Senior Management Team will prepare an annual report on internal control and risk management for the Board of Governors Audit Committee.

The Audit Committee will carry out a review of the effectiveness of internal control based on the report submitted by the Senior Management Team and report its findings to the Board of Governors.

The risk management objectives of the college are to:

- Integrate risk management into the culture of the College
- Manage risk in accordance with best practice

- Consider legal compliance as a minimum standard
- Anticipate and respond to changing environmental and legislative requirements
- Prevent injury and damage and reduce the cost of risk
- Raise awareness of the need for risk management



### *3. Responsibilities*

#### *3.1 The Principal*

The Principal is responsible for the administration of the College's affairs. The Principal's responsibilities are set out in the Financial Memorandum.

#### *3.2 The Director of Finance*

Day to day financial administration is controlled by the Director of Finance. The Director of Finance 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.

#### *3.3 Directors*

Directors are responsible for authorising expenditure in relation to their own faculties. Where resources are devolved to Heads of Department, they are accountable to their faculty Director for their own budget. They are advised by the Director of Finance in executing their financial duties.

#### *3.4 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 Director of Finance in connection with the implementation of the College's financial policies, these financial regulations and the system of internal control.

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

## *4. Audit*

### *4.1 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/her control.
- access records belonging to third parties, such as contractors when required.

Whenever any matter arises which involves, or is thought to involve, irregularities or fraud concerning cash, stores or other property of the College or any other suspected irregularity in the exercise of the activities of the College, the Head of Department concerned shall notify the Director of Finance who will take such steps as he/she considers necessary by way of investigation and involvement of internal audit.

The Director of Finance is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

On the recommendation of Finance Committee the accounts will be submitted to the Board of Governors for approval.

### *4.2 External Audit*

The appointment of external auditors will take place at least every five years and is the responsibility of the Board of Governors. The Board of Governors will be advised by the Finance Committee.

The primary role of external 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 Financial Memorandum and the Auditing Practices Board's auditing standards.

#### *4.3 Internal Audit*

The internal auditor is appointed by the Board of Governors on the recommendation of the Finance Committee.

The College's Financial Memorandum with the Department for Employment and Learning requires that it has an effective internal audit function.

The prime responsibility of the internal audit service is to provide the Board of Governors, the accounting officer and other managers with assurance on the adequacy and effectiveness of the internal control system, including risk management and governance. Responsibility for internal control 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 internal control and so to reduce the potential effects of any significant risks faced by the College. Risk management provides the opportunity for internal audit work to be efficient and focused. It does not imply that internal audit activity has to be increased.

The internal audit service remains independent in its planning and operation and has direct access to the Board of Governors, Principal and chairman of the Audit Committee.

#### *4.4 Fraud*

It is the duty of all members of staff, management and Board of Governors to notify the Director of Finance immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

The Director of Finance shall immediately invoke the fraud response plan.

If suspected fraud is thought to involve the Director of Finance and/or the Principal, the member of staff shall notify the chair of the Audit Committee direct of their concerns regarding irregularities.

#### *4.5 Value for Money*

It is a requirement of the Financial Memorandum that the Board of Governors 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 funding bodies, the NI Audit Office, the Public Accounts Committee or other relevant bodies.

Internal audit 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.

#### *4.6 Other Auditors*

The College may, from time to time, be subject to audit or investigation by external bodies such as the Department for Employment and Learning, Northern Ireland 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.

## *5. Accounting*

### *5.1 Financial Year*

The College financial year will run from 1 August to 31 July the following year.

### *5.2 Basis of Accounting*

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

### *5.3 Format of the Accounts*

The financial statements are prepared in accordance with the Statement of Recommended Practice Accounting for Further and Higher Education Institutions, subject to any specific requirements of the Department for Employment and Learning.

### *5.4 Capitalisation and Depreciation*

New land and buildings will be recorded in the balance sheet at actual cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated 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 acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item is £5,000 or more. Capitalised assets other than land and buildings will be depreciated in equal instalments over their estimated useful life.

### *5.5 Accounting Returns*

The Director of Finance is responsible for consolidating and despatching financial returns and other periodic financial reports to the Department for Employment and Learning and other agencies as required. The Director of Finance is also responsible for ensuring that all grants notified by the Department for Employment and Learning and other bodies are received.

### *5.6 Accounting Records*

The Director of Finance is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.

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

- official orders
- paid invoices
- accounts raised
- bank statements
- copies of receipts
- complete paper record transactions for each year from the computerised accounting system.

Additionally, for auditing and other purposes, other financial documents should be retained for three years.

## *6. Financial Planning and Control*

### *6.1 Budget Preparation*

The Director of Finance is responsible for preparing annually a revenue budget and capital programme for consideration by Finance Committee before submission to the Board of Governors. The Director of Finance must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to Directors and Heads of Department as soon as possible following their approval by the Board of Governors.

During the year, the Director of Finance is responsible for submitting revised budgets to the Finance Committee for approval. Changes to approved budgets will be approved by the Finance Committee unless they fall below £50,000, in which case they may be approved by the Director of Finance.

### *6.2 Capital Programmes*

Capital expenditure on land, buildings, furniture and associated costs can only be considered as part of the capital programme approved by the Senior Management Team. The Director of Finance is responsible for providing regular statements concerning all capital expenditure to Finance Committee for monitoring purposes.

Proposed capital projects exceeding £ 250,000 should be supported by:

- a statement which demonstrates the project's consistency with the strategic plans approved by the Finance Committee
- an initial budget for the project for submission to the Finance 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 Department for Employment and Learning guidance on option and investment appraisal



- a demonstration of compliance with normal tendering procedures and Department for Employment and Learning regulations
- a cash flow forecast.

Following completion of a capital project, a final report should be submitted to the Finance Committee recording actual expenditure against budget and reconciling funding arrangements where a variance has occurred.

### *6.3 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. The budget holder will be assisted in this duty by management information provided by the Director of Finance. The types of management information available to different levels of management are described in the College's detailed financial procedures together with the timing at which they can be expected.

Significant departures from agreed budgetary targets must be reported immediately to the Director of Finance by the Head of Department concerned and, if necessary, corrective action taken.

The Director of Finance is responsible for supplying budgetary reports on all aspects of the College's finances to the Finance Committee on a basis determined by the Finance Committee.

### *6.4 Treatment of Year End Balances*

At year-end, budget holders will not normally have the authority to carry forward a balance on their budget to the following year.

## *7. Treasury Management*

### *7.1 Appointment of Bankers*

The Board of Governors is responsible for the appointment of the College's bankers on the recommendation of the Finance Committee. The appointment shall be for a specified period after which consideration shall be given by Finance Committee to competitively tendering the service.

### *7.2 Banking Arrangements*

The Director of Finance is responsible for, on behalf of the Finance Committee, 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 Director of Finance who shall make proper arrangements for their safe custody.

Only the Director of Finance 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 Committee. Cheques must be signed by two authorised persons. Details of authorised persons and limits shall be provided for in the College's detailed financial procedures.

The Director of Finance is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

## *8. Income*

### *8.1 General*

The Director of Finance 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 must have the approval of the Director of Finance.

Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined by procedures approved by the Finance Committee and are approved by the Board of Governors.

The Director of Finance is responsible for the prompt collection, security and banking of all income received.

The Director of Finance is responsible for ensuring that all grants notified by the Department for Employment and Learning and other bodies are received and appropriately recorded in the College's accounts.

The Director of Finance is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

### *8.2 Cash Receipts*

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.

Money must be paid to the cashier and custody of all cash holdings must comply with the requirements of the College's insurers.

No deductions may be made from any cash collected on behalf of the College prior to paying into the cashier.

Personal or other cheques must not be cashed out of money received on behalf of the College.

### *8.3 The Collection of Debts*

The Director of Finance should ensure that:

- invoices are raised promptly in respect of income due to the College
- invoices are raised on official College invoices
- swift and effective action is taken to collect overdue debts in accordance with the College's formal procedures (detailed in the financial procedures)
- outstanding debts are monitored and reports are prepared for managers.

The Director of Finance is responsible for implementing credit arrangements and indicating a period in which different types of invoice must be paid

Requests to write-off debts in excess of £ 5,000 must be referred in writing to the Finance Committee for consideration. Debts below this level may be written off with the permission of the Director of Finance.

### *8.4 Student Fees*

The procedures for collecting tuition fees must be approved by the Director of Finance. 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 to the College shall not receive the certificate for any degree, 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 facilities.

### *8.5 Student Loans*

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

### *8.6 Emergency/Hardship Loans*

The College scheme for emergency/hardship loans must be approved by the Finance 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 Director of Finance 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.

### *8.7 Gifts, Benefactions and Donations*

The Director of Finance 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.

## *9. Research Grants and Contracts*

### *9.1 General*

Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective.

The term 'research grant' is restricted to research projects funded by the UK research councils, charities and the Department for Employment and Learning.

All other externally financed research projects are classified as 'research contracts'.

Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Research Manager to ensure that the financial implications have been appraised by the Director of Finance.

The Director of Finance is responsible for examining every formal application for grant and shall ensure that there is adequate provision of resources to meet all commitments. The Director of Finance should ensure that the full cost of research contracts is established. The research agreement must be in line with the College's policy with regard to indirect costs and other expenses and take account of different procedures for the pricing of research projects depending on the nature of the funding body.

Research grants and contracts shall be accepted on behalf of the College by the Director of the Faculty of Education or Principal.

The Director of Finance shall maintain all financial records relating to research grants and contracts and shall initiate all claims for reimbursement from sponsoring bodies by the due date.

Each grant or contract will have a named supervisor or grant holder and will be assigned to a specific budget centre.

Control of pay and non-pay expenditure will be contained within the budget centre. The head of the budget centre may delegate day-to-day control of

the account to a supervisor or grant holder, but any overspend or under recovery of overheads is to be the clear responsibility of the budget centre with any loss being a charge on departmental funds.

### *9.2 Additional Payments to Staff*

Any proposal which involves additional payments to members of staff should be supported by a schedule of names and values and must be approved by the Director, and in the case of a Director, the Principal.

## *10. Expenditure*

### *10.1 General*

The Director of Finance is responsible for making payment to suppliers of goods and services to the College.

### *10.2 Authorities*

The Director or Head of Department is responsible for purchases within his/her faculty/department

The Director of Finance shall maintain a register of authorised signatories. Any changes to the authorities to sign must be notified to the Director of Finance immediately. Budget holders must supply the Director of Finance with a specimen signature.

Directors, Heads of Department and budget holders are not authorised to commit the College to expenditure without first reserving sufficient funds to meet the purchase cost.

Expenditure on a single item in excess of £ 1,000 shall require the approval of the Director of Finance. Expenditure on a single item in excess of £25,000 shall also require the approval of the Principal.

### *10.3 Purchasing*

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 value for money are as follows:

#### *Equipment offered*

Extent to which it meets the minimum requirement  
Compatibility with equipment already in use  
Extras above the minimum requirement  
Scope for improvement  
Conformity with standards



Reliability  
Maintainability  
Repair/Service arrangements  
Quality of after-sales facilities

*Status of Supplier*

Financial viability  
Production capacity  
Quality assurance record  
Delivery record

Immediate Cost

Initial price  
Firmness of price  
Payment terms  
Transport costs  
Installation costs  
Warranties and guarantees  
Running costs  
Costs of spares  
Servicing and maintenance costs  
Storage and other costs  
Receipts from eventual disposal  
Replacement timeframe

Delivery

Operational and financial effect of earlier or later availability  
Reliability of offer  
Conformity with requirement

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

Official College order books must be used for the purchase of all goods or services, except those made using petty cash. In exceptional circumstances, and only with permission from the Director of Finance, urgent orders may be given orally, but must be confirmed by an official order endorsed "confirmation order only" not later than the following working day.

#### *10.4 Tenders and Quotations*

Subject to special rules imposed by funding bodies, all contracts over £50,000 shall be subject to formal tendering procedures.

For all purchases over £1,000 a written record of at least three competitive quotes should be attached to the purchase requisition. It is desirable, but not mandatory that competitive quotes are also sought for purchases under £1,000.

For purchases over £10,000 the budget holder shall, through the Finance Office, arrange for at least three competitive quotations and present them to the Director of Finance who shall record a formal assessment of the quotations against agreed criteria.

#### *10.5 Contracts*

Building contracts are the responsibility of Finance Committee and are administered by the Director of Finance.

Proposals will normally be initiated by the Director of Finance 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 Finance Committee, is too large or too specialised for College resources. Appointments shall be subject to tendering and other procedures where appropriate.

Proposals shall be presented in the form of costings or investment appraisals as appropriate for Finance Committee development. Investment appraisals should comply with appropriate Department for Employment and Learning guidance.

Following consideration by the Finance Committee and approval by the Board of Governors, submissions should be forwarded to the Department for Employment and Learning where appropriate. If required agreement is secured by the Department, Department procedural rules should be followed. DEL guidance on best practice should be followed even when Department approval is not required.

All contracts will attempt to ensure best value for money.

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

#### *10.6 EU Regulations*

The Director of Finance is responsible for ensuring that the College complies with its legal obligations concerning European procurement legislation. EU procurement regulations apply to written contracts for all forms of procurement or hire (whether or not hire purchase) with a total value exceeding a threshold value. A breach of these regulations is actionable by a supplier or potential supplier.

#### *10.7 Payment of Invoices*

The procedures for making all payments shall be in a form specified by the Director of Finance.

The Director of Finance is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by BACs produced monthly. In exceptional circumstances the Director of Finance will prepare cheques manually for urgent payments.

Suppliers should be instructed by the budget holder to submit invoices for goods or services to the Director of Finance's Office.

Directors, Heads of Department and other budget holders are responsible for ensuring that expenditure within their department does not exceed funds available.

Payments will only be made by the Director of Finance against invoices which have been certified for payment by the appropriate Head of Department or budget holder. Certification of an invoice 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
- invoice details (quantity, price, discount) are correct

- where appropriate, an entry has been made on a stores record or departmental inventory

Invoices must be passed to the Director of Finance's Office as soon as they have been certified. Care must be taken by the budget holder to ensure that discounts receivable are obtained.

### *10.8 Petty Cash*

Where a single item is for less than £ 20 it should be paid from petty cash if possible. It must be supported by receipts or vouchers where available.

The Director of Finance shall make available to departments such imprests as are considered necessary for the disbursement of petty cash expenses.

Requisitions for reimbursement must be sent to the Director of Finance, together with appropriate receipts or vouchers, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.

The member of staff granted a float is personally responsible for its safekeeping. 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 the Head of Department or another person nominated by him or her.

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 Head of Department.

## *11. Salaries and Wages*

### *11.1 General*

The Director of Finance is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All time sheets and other pay documents will be in a form prescribed or approved by the Director of Finance.

All College staff will be appointed to the salary scales approved by the Board of Governors and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Personnel Officer. The Personnel Officer will be responsible for keeping the Director of Finance informed of all matters relating to personnel for payroll purposes.

In particular these include:

- appointments, resignations, dismissals, supervisions, secondments and transfers
- absences from duty for sickness or other reason, apart from approved leave
- changes in remuneration other than normal increments and pay awards
- information necessary to maintain records of service for superannuation, income tax, national insurance etc.

The Director of Finance 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 Director of Finance 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 financial procedures and comply with Inland Revenue regulations.

### *11.2 Superannuation*

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

The Director of Finance is responsible for day-to-day superannuation matters including:

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

### *11.3 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 Director of Finance.

Claims by members of staff must be certified by their Head of Department (or Director in the case of Heads of Departments). The certification by the Head of Department shall be taken to mean that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the College.

## *12. Assets*

### *12.1 Land, Buildings and Equipment*

The purchase, lease or rent of land or buildings or fixed plant can only be undertaken with authority from the Finance Committee and with reference to Department for Employment and Learning requirements where exchequer funded assets or exchequer funds are involved.

The Director of Finance is responsible for maintaining the College's register of land, buildings, fixed plant and machinery.

### *12.2 Inventories*

In addition to the asset register, unit managers and Heads of Departments are responsible for maintaining inventories for all plant, equipment and furniture and stores in their departments.

The inventory must include items donated or held on trust.

Inventories must be checked at least annually and retained in the form prescribed by the Director of Finance as described in the College's detailed financial procedures.

### *12.3 Stocks and Stores*

Heads of Departments and unit 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 Director of Finance.

Heads of Departments and unit 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 Heads of Department and unit managers whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Director of Finance and that instructions to appropriate staff within their departments are issued in accordance with advice contained in the College's detailed financial procedures.

#### *12.4 Asset Disposal*

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

Disposal of land and buildings must only take place with the authorisation of the Trustees. Department for Employment and Learning consent may also be required if public funds were involved in the acquisition of the asset.

#### *12.5. Personal Use*

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



### *13. Other*

#### *13.1 Companies*

In certain circumstances it may be advantageous to the College to establish a company to undertake services on its behalf.

The Board of Governors is responsible for approving the establishment of companies and the procedure to be followed in order to do so

It is the responsibility of the Board of Governors to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the College.

The directors of companies where the College is the majority shareholder must submit, via Finance Committee, an annual report to the Board of Governors.

#### *13.2 Insurance*

The Director of Finance is responsible for effecting insurance cover as determined by Finance Committee. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. He/she will also deal with the College's insurers and advisers about specific insurance problems.

Unit managers and Heads of Departments must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the College may be exposed. The Director of Finance's advice should be sought to ensure that this is the case. Unit managers and Heads of Departments must give prompt notification to the Director of Finance of any potential new risks and additional property and equipment which may require insurance and any alterations affecting existing risks.

Unit managers and Heads of Department must advise the Director of Finance, immediately, of any event which may give rise to an insurance claim. The Director of Finance will notify the College's insurers and, if appropriate, prepare a claim in conjunction with the Head of Department for transmission to the insurers.

The Facilities Manager will keep a register of all insurances affected by the College and the property and risks covered.

The Facilities 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.

### *13.3 Taxation*

The Director of Finance is responsible for advising staff 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 Director of Finance will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.

The Director of Finance 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.

### *13.4 Security*

Unit managers and Heads of Department are responsible for maintaining proper security at all times for all stock, stores, furniture, cash, etc under his or her control. He or she shall consult the Director of Finance in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Keys to safes or other similar containers are to be carried with the person responsible at all times. The loss of such keys must be reported to the Director of Finance immediately.

The Computer Services Manager shall be responsible for maintaining proper security and privacy of information held on computer. The restriction of access to computer areas to authorised persons only by the use of passwords are the types of security control available that will be used. Information relating to individuals held on computer will be subject to the provisions of

the Data Protection Act. A data protection officer shall be nominated to ensure compliance with the Act.

### *13.5 Courses, Conferences and Services Rendered*

Any staff wishing to run a short course or conference must have the permission of their Head of Department. The course organiser will be responsible to the Head of Department for day-to-day management of the course.

Courses or conferences organised by members of staff must be costed and agreed with the Director of Finance before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the College's policy. All courses 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 Head of Department and the Director of Finance.

The term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information.

The costing and pricing of such services must be in accordance with the College's costing and pricing procedures which are contained in the College's detailed financial procedures.

### *13.6 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.

### *13.7 Students' Union*

The Students' Representative Council (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 the constraints imposed by the Department for Employment and Learning, the Board of Governors shall determine the level of grant to be paid annually to the Students' Union.

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

At year end the Students' Union accounts will be audited by a firm of auditors approved by the College and will be presented to Finance Committee.

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.

### *13.8 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 faculty Director or Principal.
- applications for permission to undertake work as a purely private activity must be submitted to the Director or Principal, as appropriate, and include the following information:
  - the name of the member(s) of staff concerned
  - title of the project and a brief description of the work involved
  - the proposed start date and duration of the work
  - full details of any College resources required (for the calculation of the full economic cost)
  - an undertaking that the work will not interfere with the teaching and normal College duties of the member(s) of staff concerned.

### *13.9 Whistleblowing*

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 these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any country or territory.

Normally, any concern about a workplace matter at the College should be raised with the relevant member of staff's immediate line manager or Head of Department. However, the College recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved may make this difficult or impossible.

A member of staff may, therefore, make the disclosure to the Personnel Officer. If the member of staff does not wish to raise the matter with this person, or with the Principal or the Chairman of the Board of Governors, it may be raised with the Chairperson of the Audit Committee.

### *13.10 Receiving Gifts or Hospitality*

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 gifts or 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 relevant faculty Director or the Director of Finance.