

Polisi Coleg Penybont Bridgend College Policy

Enw'r Polisi/Policy Name: **Bridgend College Group Financial Regulations**

Côd dogfen/Document code (os yn berthnasol/if applicable)

Adran/Department: Finance

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Teitl Swydd/Job Title: Finance Manager

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1. Pwrpas ac Amcanion/ Purpose and Objectives:

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1. Background

- 1.1. The 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 Further Education Corporations (Replacement of Instrument and Articles of Government) (Wales) Order 2006 which came into force on 6th April 2006. The College is accountable through its Governing Body, which has ultimate responsibility for the effectiveness of its management and administration.
- 1.2. The College is an exempt charity for the purposes of the Charities Act 1993.
- 1.3. The Financial Memorandum between Welsh Government and the College sets out the terms and conditions on which grant is made. The Governing Body is responsible for ensuring that conditions of grant are met. As part of this process, the College must adhere to the funding body's Audit Code of Practice, which requires it to have sound systems of financial and management control. The Financial Regulations of the College Group form part of this overall system of accountability.
- 1.4. The College has three wholly owned subsidiary companies, all limited companies registered at Companies House. Together with Bridgend College they form part of the Bridgend College Group and are subject to these Financial Regulations.

2. Status of Financial Regulations

- 2.1. This document sets out the Bridgend College Group's Financial Regulations. The Governing Body approved this document on 28th March 2019. It applies to the College and all its subsidiary undertakings.
- 2.2. These Financial Regulations are subordinate to the Further Education Corporations (Replacement of Instrument and Articles of Government) (Wales) Order 2006 and to any restrictions within the

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Financial Memorandum between Welsh Government and the College or the Further Education 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:
- sustaining 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 and any financial procedures is compulsory for all staff connected with the College Group. A member of staff who fails to comply with the Financial Regulations or the financial procedures may be subject to disciplinary action under the College's Disciplinary Procedure. It is the responsibility of all members of the Senior Leadership Team to ensure that their staff are made aware of the existence and content of the Bridgend College Group Financial Regulations and financial procedures.
- 2.5. The Resource Planning Committee is responsible for keeping the Financial Regulations under review and for recommending appropriate changes to the Governing Body.
- 2.6. In exceptional circumstances, the Principal or the Chair of Governors may authorise a departure from the detailed provisions herein. A record of any such departure must be presented to the Resource Planning Committee and to the Governing Body at the earliest opportunity.

2. Manylion Polisi/ Policy Details:

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1. The Governing Body

1.1. The Governing Body is responsible for the effectiveness of the College's management and administration. It is responsible for:

- the solvency of the College and the safeguarding of the College's assets
- appointing, grading, reviewing the performance of, suspending, dismissing and determining the pay and conditions of service of the Principal and other senior post-holders
- setting a framework for pay and conditions of service of all other staff
- the financial, planning and other management controls, including controls against fraud and theft, applied by the College to safeguard public funds
- approving the appointment of external auditors and an internal audit service
- securing 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
- taking into account appropriate financial considerations at all stages in reaching decisions and in their execution
- planning and conducting 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
- approving an annual budget before the start of each financial year
- complying with the Further Education Audit Code of Practice
- approving the College's Strategic Plan
- approving the College's annual Financial Statements

2. Chief Executive/Chief Accounting Officer

2.1. The Principal is the College's designated chief accounting officer and is responsible for ensuring the financial administration of the College's affairs in accordance with the Financial Memorandum between Welsh Government and the College. As the designated officer, the Principal may be required to justify any of the College's financial matters to the Welsh Government.

2.2. The Principal shall demonstrate his or her oversight of financial matters by signing the Operating and Financial Review and Balance Sheet within the annual Financial Statements.

3. Committee Structure

3.1. The Governing Body has ultimate responsibility for the College's finances and strategy but delegates specific powers and processes to the committees detailed below. These committees are accountable to the Governing Body.

3.2. **The Resource Planning Committee** is responsible for monitoring the College's financial position and financial control systems. The Committee will examine quarterly forecasts and annual accounts and recommend their approval to the Governing Body. It will consider any other matters relevant to the financial duties of the Governing Body and make recommendations accordingly. The Committee will also ensure that the Governing Body has adequate information to enable it to discharge its financial responsibilities. The Committee will consider and recommend to the Governing Body a long-term strategy for the College's estate advising on the acquisition, maintenance and disposal of the estate. It will also monitor and report on major capital projects. Detailed terms of reference are available from the Clerk to the Corporation.

3.3. **The Audit Committee** - Colleges are required by their Financial Memorandum between Welsh Government and the College by the Further Education Audit Code of Practice to appoint an Audit Committee. The Committee is independent, advisory and reports to the Governing Body. 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. The Committee must also ensure that satisfactory arrangements are in place to promote economy, efficiency and effectiveness and will also advise the Governing Body on risk management issues. The audit requirements of the College are set out in the Further Education Audit Code of Practice. Detailed terms of reference are available from the Clerk to the Corporation.

3.4. **The Curriculum and Quality Committee** is responsible for consideration of the College's quality standards and their ongoing improvement. Detailed terms of reference are available from the Clerk to the Corporation.

3.5. **The Remuneration Committee** will consider senior post-holders' pay and conditions. It has the power to make recommendations to the Governing Body on their remuneration, including pay and other benefits, as well as contractual arrangements. Detailed terms of reference are available from the Clerk to the Corporation.

4. Other Roles with Financial Responsibility

4.1. **Vice Principal - Resources** is responsible for:

- providing appropriate financial information to the Governing Body, Resource Planning Committee, Principal and Senior Leadership Team
- ensure all statutory and legal obligations are met in line with requirements from HMRC, the Pensions Regulator and other relevant organisations
- liaising with internal and external auditors and to receive reports and recommendations for onward presentation to the Audit Committee
- providing professional guidance on all financial matters
- managing and controlling the College's Risk Management Strategy
- ensuring that all major capital schemes are planned and delivered on time and within budget

4.2. **Finance Manager** is responsible for day-to-day financial administration including:

- ensuring effective systems and procedures are maintained regarding the control of the financial operations that will allow the discharge of the Principal's statutory obligations
- reviewing and updating the Financial Regulations for approval by the Principal and the Governing Body
- providing appropriate financial information to the Governing Body, Resource Planning Committee, Principal and Senior Leadership Team

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- preparing annual budgets
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations
- preparing College and Group companies financial statements and accounts which the College is required to submit to other authorities
- managing the staff payroll
- cash flow projections
- managing and maintaining the College's insurance cover
- overseeing the procurement of goods and services in line with best practice • provide professional guidance on all financial matters

The Vice Principal – Resources and the Finance Manager are collectively referred to as Senior Finance Personnel in this document.

4.3. The Senior Leadership Team is responsible for financial management within the areas or activities they control. They are advised by the Vice Principal - Resources and the Finance Manager in executing their financial duties. Senior Leadership Team members are responsible for establishing and maintaining clear lines of responsibility within their areas for all financial matters. Where resources are devolved to budget holders, they are accountable to their Senior Leadership Team member for their own budget. Members shall:

- formally sign off the Curriculum Plans prepared by the Deputy Principal
- work with Senior Finance Personnel to set and meet annual budgets
- inform Senior Finance Personnel of anything that may affect the financial affairs of the College including any legislation, notification, consent, approval, or circular received from a Welsh Government department or other external source
- report deviations in actual performance when compared with budget or forecast to the Finance Manager
- ensure the effective and efficient management of resources
- oversee the production of their area's business plans, budgets and development requirements.

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4.4. Budget Holders will normally consist of:

- The Principal
- Senior Leadership Team
- College Managers
- Any other employee may be included with approval from the Finance Manager

They shall ensure:

- that budgets under their control are managed with due regard to efficiency, effectiveness and economy
- that any College regulations, procedures and guidance are brought to the attention of their staff and to ensure that they are followed
- they consult with the Finance Manager about the process relating to the receipt and payment of money
- they consult the Finance Manager with respect to any matter which is liable to cause their allocated budget to be exceeded
- provide the Finance Manager with access where necessary to documents, records, property and cash under their control
- they immediately notify Senior Finance Personnel of any financial irregularity, or suspected irregularity, which comes to their notice.

4.5. All members of staff should:

- be aware and have a general responsibility for the security of the College's property, for avoiding loss and the most efficient use of resources
- ensure that they are aware of the College's financial authority limits and the values of purchases for which quotations and tenders are required (see 18.16)
- make available any relevant records or information to the Finance Manager in connection with the implementation of the College's financial policies, financial regulations and the system of financial control
- provide Senior Finance Personnel with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the Governing Body

- immediately notify Senior Finance Personnel whenever any matter arises which involves, or is thought to involve, irregularities concerning, inter alia, cash or property of the College. They shall take such steps as are considered necessary by way of investigation and report.

5. Risk Management

5.1. The Corporation is responsible for overseeing risk management within the institution whilst the Principal and Senior Leadership Team implement policy. All senior staff are responsible for encouraging good risk management practice within their area of responsibility.

5.2. The Risk Management Policy sets out full details of the College's approach to risk management.

6. Whistle blowing

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

6.2. The full procedure for whistle blowing is set out in the College's Whistle Blowing Policy, which is available on the portal.

7. Conflict of Interest

7.1. Members of the Governing Body and Budget Holders with authority to spend over £5,000.01 in a single transaction are required to disclose interests in the College's register of interests maintained by the Clerk to the Corporation. They will also be responsible for ensuring that entries in the register are kept up to date regularly and promptly.

7.2. In particular, no person shall procure goods or services where he or she also has an interest in the activities of the other party without the approval of the Principal.

8. Receiving gifts or hospitality

8.1. It is an offence under the Bribery Act 2012 for members of staff to:

- request, agree to receive or accept a financial or other advantage intending that, in consequence, a relevant function or activity should be performed improperly (whether by themselves or another person)
- request, agree to receive or accept a financial or other advantage as a reward for the improper performance (whether by themselves or another person) of a relevant function or activity

8.2. 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

8.3. 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.

8.4. 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 Senior Leadership Team member or the Finance Manager. For the protection of those involved, the PA to the

Principal will maintain a register of gifts and hospitality received where the individual or cumulative value is in excess of £10. Members of staff in receipt of such gifts or hospitality are obliged to record this promptly.

FINANCIAL MANAGEMENT AND CONTROL

9. Financial Planning

9.1. The Finance Manager is responsible for preparing annually a financial plan for approval by the Governing Body on the recommendation of the Resource Planning Committee and for preparing financial forecasts for submission to Welsh Government as our funding body. Financial plans should be consistent with the strategic plans, curriculum planning and estates strategy approved by the Governing Body. The timing and format of this may change to reflect the requirements of Welsh Government.

9.2. **Budget Preparation** – The Finance Manager is responsible for preparing an annual budget for consideration by the Resource Planning Committee before submission to the Governing Body. The budget should also include a monthly cash flow forecast and a Capital Budget.

9.3. Each term, the Finance Manager is responsible for submitting revised budgets, through quarterly forecasts, to the Resource Planning Committee for consideration before submission to the Governing Body for approval.

9.4. **Capital Budget** – The capital programme will include all expenditure on land, buildings, equipment. Expenditure of this type will be managed through protocols established by the Vice Principal - Resources who will provide updates to the Resource Planning Committee.

9.5. **Other major developments** - Any new business activity or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time must initially be presented for approval to the Resource Planning Committee.

10. Financial Controls

- 10.1. **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 Senior Leadership Team member for the income and expenditure appropriate to their budget.
- 10.2. Budget holders should not incur any expenditure which exceeds their budget allocation. Where there is a risk of the situation negatively impacting on the department's ability to fulfil their level of service this should be raised immediately with their line manager.
- 10.3. Potentially significant departures from agreed budgetary targets must be reported **immediately** to Senior Finance Personnel by the budget holder or Senior Leadership Team member concerned and, if necessary, corrective action taken.
- 10.4. **Financial information** - Budget holders are assisted in their duties by management information provided by the Finance Department, the Finance Proactis dashboard, and by the electronic reports available to them.
- 10.5. The Vice Principal – Resources is responsible for providing an updated budgetary report of the College's finances to the Principal and each Resource Planning Committee. These reports are also presented to the Governing Body, which has overall responsibility for the College's finances.
- 10.6. **Changes to the approved budget** - Changes to the approved budget will be identified via the quarterly/termly forecasting procedures outlined in the College's Finance Strategy.

10.7. **Virement** - Where a budget holder is responsible for more than one budget, virement is permitted between accounts of the same category on approval by the relevant Senior Leadership Team member and by confirmation to the Finance Manager.

10.8. Virement between different categories of budget is not permitted without the approval of the Finance Manager.

10.9. **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 unless approved by the Finance Manager.

11. Accounting Arrangements

11.1. **Financial Year** - The College's financial year will run from 1 August until 31 July the following year.

11.2. **Basis of Accounting** - Consolidated Financial Statements are prepared in accordance with the accounts direction issued from time to time by Welsh Government. Such direction will cover information to be contained within the Financial Statements; the manner in which they are to be presented; and the methods and principles according to which they are prepared. The Financial Statements will be prepared in accordance with International Financial Reporting Standards (IFRS) adapted as necessary for Further and Higher Education.

11.3. **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 instalments over their estimated remaining useful life. Land will not be depreciated.

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- 11.4. Expenditure incurred on repair or refurbishment 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.
- 11.5. Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the Balance Sheet where the acquisition cost per item is £500 or more. A group of items (e.g. a suite of new furniture) with a combined value greater than £500 may also be capitalised even if the individual items are not greater than £500. Capitalised assets other than land and buildings will be depreciated over a period of years commensurate with their anticipated useful life.
- 11.6. Accounting records - The Finance Manager is responsible for the retention of financial documents which should be kept in a form that is acceptable to the relevant authorities.
- 11.7. The College is required by law to retain key documents for six years. These include:
- official purchase orders
 - paid invoices
 - accounts raised
 - bank statements
 - copies of receipts
 - payroll records, including part-time lecturers' contracts.
- 11.8. Senior Leadership Team members should ensure that retention arrangements comply with any specific requirements of relevant funding organisations such as European Union grants.
- 11.9. **Public access** - The College is subject to the Freedom of Information Act 2000 and members of the public may request copies of College documents. Requests for information must be referred to the College's Freedom of Information Officer. The Finance Manager will determine whether a fee for any request can be charged under the Act.
- 11.10. **Taxation** – Senior Finance Personnel are responsible for advising Senior Leadership Team members, in the light of guidance issued by the appropriate bodies and relevant legislation as it

applies, on all taxation issues, to the College. The Finance Manager will issue instructions to budget holders on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.

11.11. The Finance Manager 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.

12. Audit Requirements

12.1. 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.

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

12.3. Following consideration by the Resource Planning Committee and the Audit Committee, the Financial Statements must be submitted to the Governing Body for approval and forwarded to the College's funding body.

12.4. **External Audit** - The appointment of External Auditors will take place in line with the College's tender procedures and is the responsibility of the Governing Body. The Governing Body will be advised by the Audit Committee.

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- 12.5. The primary role of the External Auditors is to report on and carry out examination of the Financial 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 Further Education Audit Code of Practice issued by Welsh Government in 2007.
- 12.6. **Internal audit** - The Internal Auditor is appointed by the Governing Body on the recommendation of the Audit Committee.
- 12.7. The Vice Principal – Resources is responsible for liaising with the Internal Auditors to achieve an appropriate focus for activities in light of the assessed risks within the College.
- 12.8. The Financial Memorandum between Welsh Government and the College requires that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in the Further Education Audit Code of Practice issued by Welsh Government in 2007. The main responsibility of internal audit is to provide the Governing Body, the Audit Committee, the Principal and Senior Leadership Team with assurances on the adequacy of the internal control system.
- 12.9. The Internal Audit service remains independent in its planning and operation but has direct access to the Governing Body, Principal and Chair of the Audit Committee.
- 12.10. **Financial irregularities, including fraud and corruption** - It is the duty of all members of staff, management and the Governing Body to notify Senior Finance Personnel or the Clerk to the Corporation immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.
- 12.11. **Value for money** - It is a requirement of the Financial Memorandum that the Governing Body 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 funding body, the National Audit Office, the Public Accounts Committee or other relevant bodies.

- 12.12. **Other auditors** - The College may, from time to time, be subject to audit or investigation by external bodies such as Welsh Government and European Funding auditors. In such, they have the same rights of access as External and Internal Auditors.

13. Treasury Management

13.1. Treasury management policy - The Resource Planning Committee is responsible for approving the College's Treasury Management Policy setting out a strategy and policies for cash management, long-term investments and borrowings. This will require compliance with funding body rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the financial memorandum. The Resource Planning Committee has a responsibility to ensure implementation, monitoring and review of such policies.

13.2. All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Vice Principal – Resources. All borrowing shall be undertaken in the name of the College and shall conform to any relevant funding body requirements.

13.3. The Vice Principal – Resources will report to the Resource Planning Committee on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him or her.

13.4. **Appointment of bankers** - The Governing Body is responsible for the appointment of the College's bankers on the recommendation of the Resource Planning Committee.

13.5. Bank mandates must be approved by the Governing Body.

13.6. **Banking arrangements** – The Finance Manager is responsible for liaising with the College's bankers in relation to the College's bank accounts and for ensuring compliance with the bank mandates approved by the Governing Body

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

14. Income

14.1. The Finance Manager is responsible for ensuring that appropriate procedures are in operation to enable the College to receive all income to which it is entitled. All College budget holders and relevant staff shall ensure that the Finance Manager is advised promptly of all fees, charges and amounts due from outside bodies so that appropriate arrangements can be made for collection or invoicing thereof.

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

14.3. The Finance Manager is responsible for ensuring that all grants notified by the funding body and other bodies are received and appropriately recorded in the College's accounts.

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

14.5. **Receipt of cash, cheques and other negotiable instruments** - All monies received within the College from whatever source must be paid to the Finance Department promptly. The keeping and transit of all monies received must comply with the requirements of the College's insurers.

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

14.7. **Receipts by credit or debit card** - the College may only receive payments by debit or credit card using procedures approved by the Finance Manager.

14.8. **Collection of debts** - The Finance Manager 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

14.9. Only the Finance Manager can implement credit arrangements and indicate the periods in which different types of invoice must be paid.

14.10. Requests to write off any debt up to £5,000 must be referred to the Finance Manager. Approval for debt write-offs in excess of £5,000 but below £10,000 must be approved by the Vice Principal - Resources. Any write-offs in excess of £10,000 but below £25,000 can only be authorised by the Principal. All write-offs in excess of £25,000 must be approved by the Resource Planning Committee or Governing Body.

14.11. **Student fees** - The procedures for collecting tuition must be approved by the Finance Manager who is responsible for ensuring that all student fees due to the College are received.

14.12. Any student who has not paid an account for fees or any other item owing to the College shall be prevented from re-enrolling at the College and from using any of the College's facilities unless appropriate arrangements have been made. The College retains the right, subject to

awarding body approval, to withhold any certification from any individual with an unresolved debt to the College.

15. Non-recurrent Grants and Contracts

15.1. Where approaches to outside bodies for support for project funding or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the budget holder to ensure that the financial implications have been appraised by Senior Finance Personnel.

15.2. The Finance Manager is responsible for examining every formal application for grant and shall ensure that there is adequate provision of resources to meet all commitments. The Finance Manager shall maintain all financial records relating to non-recurrent grants and contracts and shall initiate all claims for reimbursement.

15.3. Each grant will be assigned to a budget holder and the control of income, pay and non-pay expenditure will be controlled within their budget centre.

15.4. Staff undertaking grant activity will maintain the records specified by the Finance Manager to enable compilation of returns to the relevant funding body.

15.5. Many grant awarding bodies stipulate conditions under which their funding is given. In many cases there are also procedures to be followed regarding the submission of reports or any other relevant information. Failure to respond to these conditions often means that the College will suffer a significant financial penalty. It is the responsibility of the budget holder to ensure that conditions of funding are met.

16. Other Income Generating Activity

16.1. **Profitability** – all income generating courses including full cost recovery courses must be self-financing or surplus generating unless there are compelling reasons why this is not the

case. In all such instances, this must be approved by the Principal prior to any commitment being made.

16.2. 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 budget holder, their line manager, and Senior Finance Personnel.

17. Intellectual Property Rights and Patents

17.1. 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. The Resource Planning Committee is responsible for dealing with any patents accruing to the College from inventions and discoveries made by staff in the course of their work or research.

18. Expenditure

18.1. The Finance Manager is responsible for making payments to suppliers of goods and services to the College.

18.2. Scheme of delegation/financial authorities - Each member of the Senior Leadership Team is responsible for purchases within his or her area. Purchasing authority may be delegated to named individuals within the area. In exercising this delegated authority, budget holders are required to observe the purchasing financial procedures.

18.3. The Finance Manager shall maintain a register of Authorised Signatories and each budget holder must supply him or her with specimen signatures to certify invoices for payment.

18.4. The Finance Manager must be notified immediately of any changes to the authorities to commit expenditure.

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18.5. Budget holders are not authorised to commit the College to expenditure without first ensuring that sufficient funds have been authorised to meet the purchase cost.

18.6. **Purchase orders** - Official College orders must be placed for the purchase of all goods or services, except in the circumstances approved by the Finance Manager which may include:

- supplies of public utilities
- periodical payments such as rent and rates
- petty cash purchases
- internal transfers
- hire of transport which may be unforeseen • use of the purchasing card

18.7. In exceptional circumstances, urgent orders may be given verbally but must be confirmed by an official purchase order endorsed 'confirmation order only' not later than the following working day.

18.8. Under no circumstances should official College order numbers be used to make private purchases.

18.9. All purchase orders satisfying the following authorisation levels must be approved by the relevant individuals prior to dispatch/completion of the work.

18.10. Purchase Requisitions and Invoices: – the following authorisation levels, inclusive of VAT where applicable, should be adhered to:

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Up to £5,000	Manager
Up to £10,000	Director and Head of Curriculum
Up to £20,000	Executive Director and Assistant Principal
Up to £50,000	Deputy Principal and Vice Principal
Up to £100,000	Principal
£100,000 plus	Governing Body

- 18.11. **Purchasing cards** - The operation and control of the College's purchasing cards is the responsibility of the Finance Manager.
- 18.12. Holders of purchasing cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Cards must not be loaned to another person, nor should they be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs.
- 18.13. The Finance Manager shall determine what information is required on purchases made with purchasing cards from cardholders and deadlines for receipt in the finance section to enable financial control to be maintained and cardholders must provide that information.
- 18.14. The use of these cards is limited to the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. The Finance Manager will be responsible for setting in place a system to monitor the use of College credit cards and account for expenses charged through them.

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- 18.15. **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 in accordance with sound business practice and the College's Sustainable Procurement Policy.
- 18.16. Tenders and Quotations - delegated budget holders must comply with the College's tendering procedures referred to below which are inclusive of VAT where applicable:
- | | |
|-------------------|---|
| Up to £3,000 | At budget holder's discretion although value for money should always be at the forefront of the decision making process |
| £3,001 to £20,000 | At least three written quotations with a clear rationale provided where the cheapest quote is not accepted |
| > £20,000 | Tender Process |
- £181,302 (net of OJEU regulations may apply – this figure is subject to annual adjustment VAT) plus please contact the Procurement Officer
- 18.17. Documentation to record the decision to award should be kept and available should inspection be required for expenditure over £3,000. Electronic Purchase Orders require confirmation of procurement compliance.
- 18.18. In respect of spend on technical and professional fees in relation to Capital projects and development work the tender threshold is £75,000. This is ringfenced to approved suppliers and all instances where the exception threshold is utilised should be reported to the Resource Planning Committee by a member of Senior Finance Personnel.
- 18.19. The awarding of contracts should be linked to the authorisation levels in section 18.10 above and in line with contracts agreed by public sector consortia (e.g. National Procurement Service (NPS), Crescent Purchasing Consortium (CPC) etc further details are available from the Procurement Officer.

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- 18.20. In exceptional cases, the above guidelines may be waived in the following circumstances which must be approved by Senior Finance Personnel:
- The goods/service can only be sourced from a single supplier
 - The budget holder deems it appropriate and necessary to purchase new/replacement equipment from the original supplier. However, this may need to be justified to an auditor.
- 18.21. The achievement of value for money will be an objective in the letting of all contracts. Any quote or tender that does not accept the lowest price must provide a written explanation to the Procurement Officer.
- 18.22. Building contracts are the responsibility of the Vice Principal – Resources and are administered by the College’s Facilities Manager. Proposals will normally be initiated by the Facilities Manager and supported by the Procurement Officer. Quotations or tenders should be sought in line with the above thresholds.
- 18.23. The Finance Manager, supported by the Procurement Officer, is responsible for ensuring the College complies with its legal obligations concerning European Union (EU) procurement legislation.
- 18.24. It is the responsibility of budget holders to ensure that their staff comply with EU Regulations by notifying the Procurement Officer of any purchase that is likely to exceed the current £181,302. This will need to be done in advance in order to ensure advertisements in the Official Journal of the European Union (OJEU) and compliance with prescribed timescales.
- 18.25. **Manual Cheques, BACS, CHAPS Payments** will be made in line with the Bank Mandate approved by the Resource Planning Committee.
- 18.26. **Receipt of goods** - 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. Where possible a delivery note shall be obtained from the supplier at the time of delivery. Budget

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holders are responsible for ensuring an electronic goods receipt note is generated in the Proactis system.

- 18.27. **Payment of invoices** - Procedures for making all payments shall be in a form specified by the Finance Manager.
- 18.28. The Finance Manager is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by BACS transfer. In exceptional circumstances, the Finance Manager will require same day bank payments or computer printed cheques to be prepared to cover urgent payments.
- 18.29. Budget holders are responsible for ensuring that expenditure within their curriculum or business support area does not exceed funds available.
- 18.30. Suppliers should be instructed by budget holders to submit invoices for goods or services direct to the Finance Department.
- 18.31. Payments will only be made by the Finance Department against invoices that have a system generated Purchase Order number that has been approved in line with the authorisation level outlined in 18.10. Exceptions to this must be approved by the Finance Manager.
- 18.32. **Staff Reimbursement** - The College's purchasing and payments procedures are in place to ensure the majority of non-pay supplies are 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. The procedures governing this are outlined in the Bridgend College Group - Employee Expenses Policy.
- 18.33. **Cash floats** will only be allowed in exceptional circumstances and in all cases must be approved by the Finance Manager.

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- 18.34. The Finance Department requires 10 working days notice to establish a cash float, failure to give this notice may result in the cash not being available.
- 18.35. The member of staff granted a cash float is personally responsible for its safe-keeping. The float 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 Finance Manager or another person nominated by him or her.
- 18.36. All un-spent cash floats should be returned to the Finance Department the next working day after the event or circumstance that required the cash float. If this is not possible, prior agreement from the Finance Manager is required.
- 18.37. All expended cash floats should be reconciled with receipts. The receipts should be returned to the Finance Department the next working day after the event or circumstance that required the petty cash float. If this is not possible, prior agreement from the Finance Manager is required.
- 18.38. Under no circumstance should cash floats be used to recompense staff for hours worked or expenditure incurred. This needs to be entered as a Time & Expenses claims on My Page by the member of staff.
- 18.39. 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 their line manager.
- 18.40. **Petty Cash** requisitions for reimbursements must be sent to the Finance Department, together with appropriate receipts. Transactions should not exceed £50 in value unless agreed with the Finance Manager.
- 18.41. **Student payments** - Payments and method of payment to students shall be made on the authority of the Finance Manager supported by detailed claims approved by the relevant manager. In all cases, policies for student bursaries and other student payments must be approved by the Principal.

- 18.42. **Late Payments** - 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. In view of the penalties in this Act, the Governing Body requires that invoices must be processed and approved for payment in a manner to ensure compliance with the Act.
- 18.43. **Giving hospitality** – regulations relating to staff entertaining guests from partner institutions or outside bodies are set out in the Bridgend College Group - Employee Expenses Policy.

19. Pay Expenditure

- 19.1. **Remuneration policy** - All College staff will be appointed to the salary scales approved by the Governing Body and in accordance with appropriate conditions of service. All letters relating to changes in salary must be issued by the Human Resources Department.
- 19.2. Salaries for Senior Post-Holders will be determined by the Remuneration Committee set up by the Governing Body.
- 19.3. **Appointment of staff** - All contracts of service shall be concluded in accordance with the College's approved personnel practices and procedures and all offers of employment with the College shall be made in writing by the Director of People. Managers shall ensure that the Director of People and Human Resources Manager are promptly provided with all information they may require in connection with the appointment, resignation or dismissal of employees.
- 19.4. **Salaries and wages** - The Finance Manager is responsible for payments of salaries and wages to all staff including payments for overtime. All timesheets and hourly paid claims will be in an online format prescribed or approved by the Finance Manager.
- 19.5. The Human Resources Manager will be responsible for keeping the Finance Manager informed of all matters relating to personnel for budget monitoring purposes. In particular, these include:
- appointments, resignations, dismissals, supervisions, secondments and transfers

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- 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 pension, income tax and national insurance

19.6. All casual and part-time employees will be included on the payroll.

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

19.8. All payments must be made in accordance with the College's payroll financial procedures and comply with HMRC regulations.

19.9. **Pension schemes** – The Finance Manager, supported by the Senior Finance Officer, is responsible for day-to-day pension matters, including:

- Paying contributions to authorised pension schemes
- Preparing the annual return to various superannuation schemes
- Ensuring Auto Enrolment regulations are adhered to

19.10. **Travel, subsistence and other allowances** - All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in the Employee Self Service Portal and will be paid via the monthly payroll. Full details are set out in the Bridgend College Group - Employee Expenses Policy.

19.11. **Overseas travel** - All arrangements for overseas travel are set out in the Bridgend College Group - Employee Expenses Policy.

19.12. **Severance and other non-recurring payments** - Severance payments shall only be made in accordance with relevant legislation. Professional legal advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. Such payments shall be authorised by the Director of People, Vice Principal - Resources, the

Principal and/or Governors, in line with the authorisation level outlined in 18.10. Calculations will be checked by Senior Finance Personnel and the Director of People or Human Resources Manager.

19.13. The Resource Planning Committee, in consultation with the Principal, may give approval for variations to the originally approved amounts. Any such variations must be reported to the next meeting of the Committee. Amounts paid should be declared in the Financial Statements.

19.14. Any matters referred to an industrial tribunal shall be notified to the Resource Planning Committee at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

20. Assets

20.1. **Land and buildings** - The purchase, lease or rent of land and buildings can only be undertaken with authority from the Governing Body and with reference to funding body requirements where applicable.

20.2. **Fixed asset register** - The Finance Manager is responsible for maintaining the College's register of land, buildings, plant and machinery and computer equipment. A detailed inventory of computer equipment register is maintained by the IT Services Manager.

20.3. Inventories must be checked annually, with specific attention paid to those assets with a value exceeding £5,000.

20.4. When transferring equipment between departments the Finance Manager must be informed.

20.5. **Stock** – Budget holders are responsible for establishing adequate arrangements for the management and control of stocks within their faculty or department. The system used for accounting for this stock must have the approval of the Finance Manager.

20.6. **Safeguarding assets** – Budget holders are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc. under their control. They will consult the Facilities Manager in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

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

20.8. **Personal use** - Assets owned or leased by the College shall not be subject to personal use without proper authorisation of the Vice Principal – Resources.

20.9. **Asset disposal** - Disposal of equipment and furniture must be undertaken with the approval of the Finance Manager.

20.10. Disposal of land and buildings must only take place with the authorisation of the Governing Body. Welsh Government consent will also be required and a request to retain any proceeds from the sale must accompany the notification.

20.11. **All other assets** – All managers are responsible for establishing adequate arrangements for the management and control of all other assets owned by the College, whether tangible or intangible. The IT Services Manager is responsible for establishing and maintaining the security and control of electronic data.

21. Funds Held on Trust

21.1. **Gifts, benefactions and donations** - The Finance Manager 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 Financial Contingency Fund** - The Assistant Principal - Learner Journey, with advice from the Student Services Manager, will prescribe the format for recording the use of student welfare funds. Records of the Financial Contingency Fund will be maintained in line with funding body requirements.

21.3. **Voluntary funds** - The Finance Manager 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.

22. Other

22.1. **Insurance** - The Finance Manager, supported by the Procurement Officer, 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, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified and insured against. 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 Resource Planning Committee on a biennial basis.

22.2. The Finance Manager, supported by the Procurement Officer, is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Procurement Officer will keep a register of all claims and will also deal with the College's insurers and advisers about all insurance related issues.

22.3. All staff using their own vehicles on behalf of the College shall maintain appropriate insurance cover for business use. This is stipulated in the Bridgend College Group - Employee Expenses Policy.

22.4. **Acquisitions and joint ventures** - In all circumstances, approval from the Governing Body is needed to acquire a company, set up a new company or set up a joint venture to undertake services on behalf of the College.

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22.5. Under the Learning and Skills Act 2000 a College needs the prior approval of the funding body before a company or a joint venture can be set up, acquired or established. The Governing Body is responsible for ensuring that the required procedures are followed.

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

22.7. The directors of companies where the College is the majority shareholder must submit, via the Resource Planning Committee an annual report to the Governing Body. 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.

22.8. Where the College is the majority shareholder in a company its financial year must be consistent with that of the College.

22.9. **Security** - Keys to safes or other similar containers must be kept securely at all times. The loss of such keys must be reported to the Finance Manager immediately.

22.10. A data protection officer shall be nominated to ensure compliance with the Act and the safety of documents. The Data Protection Officer, supported by the IT Services Manager, shall then 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.

22.11. The Principal or designated officer is responsible for the safekeeping of official and legal documents relating to the College.

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22.12. **Use of the College's seal** - Where a deed or document requires the College's seal, it must be sealed by the Clerk to the Corporation or, in his or her absence, the Vice Principal – Resources in the presence of a member of the Governing Body.

22.13. The Clerk to the Corporation is responsible for submitting a report to each meeting of the Governing Body whenever there has been use of the College's seal since the last meeting.

22.14. Provision of indemnities - Any member of staff asked to give an indemnity, for whatever purpose, should consult the Finance Manager so that legal advice can be taken before any such indemnity is given.

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3. Cyfrifoldeb (os yn berthnasol)/ Responsibilities (if applicable):

Covered in document.

4. Dogfennau Cysylltiedig (os yn berthnasol)/ Related Documents (if applicable):

Bridgend College Disciplinary Procedure

Risk Management Policy

Whistle Blowing Policy

Sustainable Procurement Policy

Bridgend College Group - Employee Expenses Policy

5. Adolygiad dogfen/Document review:

28th March 2022

Asesiad Effaith Iaith Gymraeg/ Welsh Language Impact Assessment

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Enw Polisi / Gweithdrefn Name of Policy / Procedure						
Perchennog Polisi Policy Owner (to complete this EIA)						
Nod(au'r) a Pwrpas y Polisi Aim(s) and Purpose of Policy						
I bwy mae'r polisi hwn yn effeithio? Who does the policy affect?	Dysgwyr Learners		Staff		Y Cyhoedd Gyffredinol / General Public	

Safonau Iaith Gymraeg / Welsh Language Standards

Rhif/ No.	Math/ Type	Safon / Standard	Cadarnhaol (gallai fod o fudd)	Negyddol (gallai effeithio)	Dim Effaith
			Positive (could benefit)	Negative (could impact)	No Impact
94	Safonau Llunio Polisi Policy Making standards	<p>Pan fyddwch yn llunio polisi newydd, neu'n adolygu neu'n addasu polisi sydd eisoes yn bodoli, rhaid i chi ystyried pa effeithiau, os o gwbl (pa un ai yw'r rheini'n bositif neu'n andwyol) y byddai'r penderfyniad polisi yn eu cael ar— (a) cyfleoedd i bersonau ddefnyddio'r Gymraeg, a (b) peidio â thrin y Gymraeg yn llai ffafriol na'r Saesneg.</p> <p>When you formulate a new policy, or review or revise an existing policy, you must consider what effects, if any (whether positive or adverse), the policy decision would have on — (a) opportunities for persons to use the Welsh language, and (b) treating the Welsh language no less favourably than the English language.</p>			

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Cynllun Gweithredu / Action Plan

Dylai camau gweithredu ddangos camau i'w cymryd i leihau neu, lle bo modd, ddileu unrhyw effaith negyddol ar yr Iaith Gymraeg.

Actions should demonstrate steps to be taken to reduce or where possible, eliminate any negative impact on the Welsh Language

Gweithredu/ Action	Pwy/ Who	Erbyn Pryd/ By When	Mesur Llwyddiant/ (sut y byddwn ni'n gwybod ein bod wedi cyflawni'r camau gweithredu) Success Measure (how will we know we have achieved the action)

Dyddiad Cwblhau Aseu / Assessment Completion Date: