

Financial Regulations

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1.0 Introduction

St Helens College (“the College”) is a Further Education Corporation incorporated under the Further and Higher Education Act 1992, with exempt charity status for the purposes of Part 3 of the Charities Act 2011. In 2022, the Office for National Statistics reclassified the English further education college sector as central government. Therefore, the central government financial control framework, ‘Managing Public Money’, applies to St Helens College and its subsidiary companies.

In the conduct of its financial affairs, the College will comply with any financial requirement contained in the College’s Instrument and Articles of Government under the Further and Higher Education Act 1992. The College also complies with the Financial Memorandum published by the Education and Skills Funding Agency (ESFA) and the Office for Students (OfS). From March 2025 the ESFA’s functions will be integrated into the Department for Education (DfE).

The College’s financial regulations are the rules and policies that support its financial operations whilst maintaining financial control. They provide guidance and prescribe what is required by staff and Governors to safeguard assets and ensure probity in the use of funds. Compliance with financial regulations is a vital component in ensuring the continued success of the College and it is a mandatory requirement for all staff and Governors to comply with the financial regulations. Any non-compliance with financial regulations may be subject to disciplinary proceedings and will be reported to the Audit Committee.

The financial regulations will apply to all College entities including subsidiaries, unless otherwise agreed by the Governing Board.

2.0 Financial control

2.1 The Corporation

The Corporation 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 ESFA are used in accordance with the terms and conditions specified in the College’s financial memorandum with the ESFA;
- ensure the College meets the requirements of ‘Managing Public Money’.
- ensure that financial control systems are in place and are working effectively;

- ensure that the College complies with the ESFA 's audit code of practice;
- approve the College's strategic plan;
- approve annual estimates of income and expenditure
- approve the annual financial statements;
- appoint the College's internal and external auditors.

2.2 Committee structure

The Corporation has ultimate responsibility for the College's finances but is assisted in this scrutiny and monitoring by the committees detailed below. These committees are accountable to the Governing Board. (A diagram depicting the committee structure is included at Appendix 1).

2.2.1 Finance, Resources and Commercial (FR&C) Committee

The FR&C Committee is a Standing Committee of the Board with the primary focus of overseeing financial performance and sustainability in line with the Financial Memorandum, maximising the College's financial robustness and resilience.

The Committee will examine annual estimates and accounts and recommend their approval to the Governing Board. It will ensure that short term budgets are in line with agreed longer-term plans and that they are followed. It will consider any other matters relevant to the financial duties of the Corporation and make recommendations accordingly. The Committee will also ensure that the Corporation has adequate information to enable it to discharge its financial responsibilities.

2.2.2 Audit Committee

Colleges are required by their financial memorandum with the ESFA and by the ESFA's Post 16 Audit Code of Practice to appoint an Audit Committee. The Committee is independent and advisory and reports to the Governing Board. It consults 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 performance.

The audit requirements of the College are set out in ESFA's Post 16 Audit Code of Practice

2.2.3 Senior Leadership Team (SLT)

The SLT is responsible for the day-to-day management of all College operations, focussed in particular, on two main objectives of raising the quality of teaching, learning and assessment and of providing a secure, stable financial environment that enables the generation of an annual operating surplus.

To achieve this second objective, the SLT will ensure the College maximises its financial performance, attains value for money, safeguards its assets and has a strong system of internal control via the review of monthly management accounts, key performance indicators, Income & Expenditure and cash flow forecasts and a detailed annual budget, and the regular review and monitoring of internal financial policies. The SLT will also monitor and take action to address student recruitment, staff utilisation and other staffing Key Performance Indicators (KPIs) as well as approve all new staff posts and the replacement of vacant posts.

The SLT will ensure that high quality financial reports are produced for submission to the FR&C Committee and that all material financial matters are reported to that Committee.

2.3 Audit requirements

The ESFA through its financial memorandum requires the College to put in place appropriate audit arrangements. These arrangements concern:

- the establishment of an audit committee;
- the provision of external audit in accordance with the guidelines embodied in the Audit Code of Practice.

2.3.1 External and internal auditors

External and internal auditors have authority to:

- access the College premises at reasonable times;
- access all asset 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.

2.3.2 Appointment of auditors

The Corporation should re-appoint the internal audit service provider(s) formally each year on the advice of the audit committee. The Chief Financial Officer, on behalf of the Governing Board, must subject the audit providers to competition for both quality and price at least every five years or when the service provider undergoes a merger, de-merger, take-over, or other significant re-organisation. If the provider is changed the contract with the incoming provider should start on the day after expiry of the outgoing provider to ensure continuity of provision.

2.3.3 External audit

It is a condition of funding by both the ESFA and the devolved areas (as defined by the Government) that Governing Boards appoint an external auditor to audit its annual accounts. The external auditor must provide an opinion on whether the annual accounts, in all material respects, give a true and fair view and have been prepared in accordance with the relevant Statement of Recommended Practice: Accounting for Further and Higher Education. The external auditor has a professional duty to consider the members of the Governing Board's report on the operation and financial review within the annual accounts. The external auditor must set out any findings arising from the audit in a management letter to the Corporation each year.

Governing Boards must appoint a reporting accountant to provide an assurance report on regularity each financial year. The reporting accountant must be the same as the external auditor.

2.3.4 Internal audit

In accordance with the ESFA's Post-16 Audit Code of Practice, and unless specified within the terms and conditions of any grant funding agreements and contracts with the ESFA, it is no longer a mandatory requirement to have an internal audit service. However, where the Corporation opts to engage an internal audit service, its internal and external audit services must be commissioned from separate audit providers.

Although not mandatory, any internal audit work undertaken should meet the Chartered Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing (Standards) and HM Governments Public Sector Internal Audit Standards.

The role of the internal audit service is to provide the Audit Committee with an independent view on whether the College's governance and risk management arrangements and systems of internal control were operating adequately and effectively during the period, in order to manage the achievement of its objectives (whilst securing economy, efficiency and effectiveness) and that there were no instances where any breakdown of control resulted in a material discrepancy.

The Audit Committee should, in turn, place reliance on the work undertaken and the opinions offered by the internal audit service, in recommending within its Annual Report to the Governing Board, that the Corporation approve the Statement of Corporate Governance and Internal Control within the year-end Annual Report and Accounts. The internal auditors will be appointed for a period of five years and then retendered.

The terms of reference for the College's Internal Auditors are attached as Appendix 2.

2.3.5 Independence

The internal audit service must be independent in its planning and operation and have direct access to the Governing Board, Chief Executive Officer, and Chair of the Audit Committee.

2.3.6 Other auditors

The College may from time to time be subject to audit review by external bodies including but not limited to the ESFA, OfS, National Audit Office, European Commission Auditors, HM Revenue & Customs, and other funders. They have the same access as external and internal auditors.

2.4 Responsibilities

2.4.1 Chief Executive Officer

The Chief Executive Officer is the College's designated accounting officer and is responsible for the effective and efficient financial administration of the College's affairs. The Chief Executive Officer is responsible for presenting audited accounts to members of the Governing Board. As the designated officer, the Chief Executive Officer may be required to justify any of the College's financial matters to the Public Accounts Committee at the House of Commons.

2.4.2 Chief Financial Officer

Day-to-day financial administration is controlled by the Chief Financial Officer. The Deputy Chief Executive fulfils the role of Chief Financial Officer. The Chief Financial Officer is responsible to the Chief Executive Officer for:

- preparing annual capital and revenue budgets and financial plans;
- preparing accounts, managing information, monitoring and control of income and 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, and arranging for their audit;
- ensuring that the College maintains satisfactory financial systems;
- providing professional advice on all matters relating to financial policies and procedures and probity.

2.4.3 Directors

The Directors are responsible to the Chief Executive Officer for financial management in their own areas. They are advised by the Chief Financial Officer in executing their financial duties. The Chief Financial Officer will also supervise and approve the financial systems operating within their departments including the form in which accounts and financial records are kept.

The Directors are responsible for establishing and maintaining clear lines of responsibility within their areas of responsibility for all financial matters.

When resources are devolved to budget holders, they are accountable to the Directors for their own budget.

2.4.4 Head of Finance

The Head of Finance reports to the Chief Financial Officer who delegates responsibility for:

- day to day management of the Finance Department;
- preparation of monthly consolidated management accounts, including income & expenditure account, balance sheet, cash flow statement, KPIs, bank covenant tests and the ESFA financial health-score;
- revised consolidated forecasts for the annual income & expenditure account, balance sheet and cash flow;
- ensuring controls over expenditure are adhered to and monitoring spend against budget;
- ensuring suppliers and other creditors are paid in a timely manner whilst managing cash;
- ensuring fees are invoiced in timely manner and debts are paid promptly;

preparation of the annual budget, including consolidated income and expenditure account, balance sheet, cash flow and capital expenditure

2.4.5 All members of staff

All members of staff should be aware of and adhere to the financial regulations of the College both in this document and also per other financial policies as published on the College's website(s).

This should include awareness of the College's financial authority limits and the values of purchases for which quotations and tenders are required.

All staff should use any resources with which they are provided and any budgets that are delegated to them, in compliance with the College's financial regulations and to enhance the operations and performance of the College.

They shall make available to the Finance Department any relevant financial records or information that they hold or receive from third parties.

They shall immediately notify the Chief Financial Officer whenever any matter arises which involves, or is thought to involve, irregularities concerning, inter alia, cash or property of the College. The Chief Financial Officer shall take such steps as they consider necessary by way of investigation and report.

2.5 Budgeting

2.5.1 Resource allocation

Resources are allocated annually by members of the Corporation on the recommendation of the FR&C Committee.

The Chief Executive Officer, Chief Financial Officer, Vice Principals, Directors, Heads of Department and Heads of School are responsible for the economic, effective, and efficient use of resources allocated to them.

2.5.2 Financial planning

The Chief Financial Officer is responsible for annually preparing a rolling three-year medium-term financial plan for approval by the Corporation on the recommendation of the FR&C Committee. Financial plans should be consistent with the strategic plans and estates strategy approved by the Governing Board.

The financial plan should be prepared and approved before the commencement of each financial year, the timetable and format for which should be determined by the Chief Financial Officer.

The ESFA may also require submission of financial plans and hence the timetable adopted should comply with their requirements. Any separate financial plan templates required to be completed and submitted to the ESFA must be consistent with the financial plans approved by the Governing Board.

2.5.3 Budget preparation

The Chief Financial Officer is responsible for preparing annually a revenue budget and capital programme for consideration by the FR&C Committee before submission to members of the Governing Board. The budget should also include monthly balance sheet and cash flow forecasts for the year as well as relevant KPIs, measurement against any bank covenant tests and the projected ESFA financial health-score.

The budget should derive from the detailed curriculum plans developed by the Heads of School, Vice Principals and Directors with the support of the Director of MIS.

A curriculum plan should be prepared for each curriculum area, detailing the courses proposed to run, the student numbers attending those courses, the fees, the staffing hours, and costs to run the course and all other direct costs associated with running the course, in order to ascertain the contribution each course will make for the College.

From the curriculum plan, a staffing plan should be prepared detailing the staff and associated costs required to run the curriculum, and the support staff needed. Detailed analyses should be prepared for each individual line of overhead expenditure.

The overall College budget will include a separate Income & Expenditure account for each curriculum area and business support function and once prepared and approved by the Governing Board, these should be disseminated to the relevant budget holders.

During the year, the Chief Financial Officer is responsible for submitting a revised forecast to FR&C Committee for consideration before submission to the Corporation for approval. This should include detailed analysis and explanations of variances to the approved budget.

2.5.4 Capital expenditure and significant revenue programmes

Capital expenditure is expenditure in excess of £2,000 on any single item, or any combined pool of similar individual items with a value of less than £2,000, but with a combined value of £10,000, expected to have a useful life beyond the year of account.

A three-year rolling programme of capital projects shall be prepared by the Chief Financial Officer, primarily driven by the annual curriculum and business planning process. This will be updated annually and considered as part of the budget setting process.

Those capital projects agreed with the Chief Executive Officer shall be consolidated into the College capital or revenue budgets (as appropriate) by the Chief Financial Officer for submission to the members of the Corporation for consideration.

Capital expenditure on land, buildings, equipment, and associated costs can only be considered as part of the capital budget approved by the members of the Governing Board.

The Chief Financial Officer is responsible for providing regular statements concerning all capital expenditure to FR&C Committee for monitoring purposes.

Proposed capital projects over £100,000 value should be, where appropriate, supported by:

- a statement which demonstrates the project's consistency with the strategic plans and estates strategy approved by the Governing Board;
- an initial budget for the project for submission to FR&C Committee. The budget should include a break-down 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 the guidance on options and investment appraisal where their funding is applied for.
- a demonstration of compliance with normal tendering procedures and ESFA regulations;
- a cash flow forecast.

For projects over £250,000, confirmation that the project meets, as a minimum, the requirement of a positive Net Present Value (NPV) based on a 3.5% rate of return.

Selected capital projects will be subject to the performance review process.

Project proposals, on the approved documentation, will be subject to approval as follows:

Value (inc. VAT)	Authoriser
Up to £100,000	Chief Executive Officer or Chief Financial Officer
Over £100,000	FR&C Committee
Over £250,000	Governing Board

The proposer will be notified, in writing, of the approval by the Head of Finance.

Capital expenditure projects over £1m will be broken down into sub-projects for approval by the Corporation when considering the overarching project. Where appropriate, these sub-projects will align with the Royal Institute of British Architects (RIBA) plan of work stages. Sub-project approvals will be governed in line with the procures and values set above and are subject to Corporation approval for the overarching project and availability of Capital Expenditure within the annual budget set by the Governing Board.

Variances for sub-projects

For each sub-project, the variances shall be authorised as follows, subject to these costs being within the overall budget approved by the Corporation and availability of funds.

Value	Authoriser
Up to 5% of approved sub-project expenditure to a maximum of £100,000	Chief Executive Officer or Chief Financial Officer
Up to 10% of approved sub-project expenditure to a maximum of £250,000	FR&C Committee
Over £250,000	Governing Board

2.5.5 Budgetary control

The Chief Financial Officer shall be responsible to the Chief Executive Officer for maintaining the budgetary performance of the whole College. This will primarily be done by the timely production of monthly management accounts, monthly re-forecasts of outturn for the year and by breaking down the overall College budget into many curriculum areas and cost centres with budget delegation for each given to individual budget holders. In addition, the Head of Finance will monitor expenditure carefully by reviewing and authorising all purchase orders.

The budgets for curriculum areas and business support cost centres will be devolved to individual budget holders on approval by the Corporation of the annual budget.

The budget holders will be involved in the preparation and establishment of the budget through the preparation of the curriculum plans, the staffing plans, and the detailed analyses of the overheads.

It is the responsibility of the budget holders to control the income and expenditure within the agreed budget, through effective day to day monitoring. They will be assisted in this duty through the receipt of monthly management accounts for their budget area from the Finance Department, which will include income and expenditure to date and the variances to budget, as well as other data such as student numbers and staffing information. Budget holders should carefully manage purchases they authorise to ensure they are managing spend within budget.

Each budget holder must ensure they are achieving their income targets, and they are maintaining expenditure within budget, in order to assist the College in achieving its overall budget. There will be a detailed review of actual to budgeted performance in each term involving the Chief Financial Officer, vice Principals and Directors. In these reviews any changes to budgeted expenditure may be approved. Changes may be authorised either up or down depending on student numbers and College performance as a whole. Outside of these reviews any changes to budget must be agreed formally by the Senior Leadership Team within the overall budget set by the Governing Board.

In the event the Chief Financial Officer is unable to carry out their duties, the Head of Finance will assume the role for the purposes of these Financial Regulations. The Head of Finance, in consultation with the Chief Executive Officer/Principal, will delegate their financial duties to other members of the team.

2.5.6 Treatment of year end balances

Only amounts relating to projects spanning multiple accounting periods will be subject to any carry forward of balances. In the majority of cases the end of an accounting period will result in closure of budgets.

2.6 Value for Money

Value for money (VFM) is achieved when an organisation obtains the optimum benefit from available resources.

The College describes VFM in terms of the ‘three Es’:

- Economy – the careful use of resources to save expense, time, or effort – spending less
- Efficiency – generating more from the procured service whilst spending less cost, time, or effort – spending well
- Effectiveness – where the purchase of a service or product results in greater impact for stakeholders, for the same amount of expense, time, or effort – spending wisely

The objectives of VFM within the College are:

- the integration of VFM into decision making, planning, and reporting
- monitoring of the achievement of VFM through reporting and benchmarking
- ensuring that the principles of VFM are understood and that it is the responsibility of all staff to pursue VFM in all the College’s activities
- being able to demonstrate that VFM is being achieved.

2.7 Accounting policies

The following are the main accounting policies that are applied consistently in dealing with material items in relation to the financial statements prepared each year to 31 July.

2.7.1 Basis of preparation

The financial statements are prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the post-16 Audit Code of Practice, the latest version of the *College Accounts Direction* and in accordance with Financial Reporting Standard 102 – “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

2.7.2 Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

2.7.3 Basis of consolidation

The consolidated financial statements include the College and its subsidiaries, controlled by the College. Control is achieved where the College has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. Intra-group sales and profits are eliminated fully on consolidation. All financial statements are made up to 31 July.

2.7.4 Going Concern

The financial statements are prepared on a going concern basis.

2.7.5 Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from OfS represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

Grants (including research grants) from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

Income from other revenue streams such as catering, nursery provision and rental income is recognised at the fair value of the consideration received or receivable for the sale of the goods or services to external customers. Turnover is shown net of Value Added Tax.

2.7.6 Accounting for post-employment benefits

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

The TPS is an unfunded scheme. Contributions to the TPS are calculated to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme, and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements, and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

2.7.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

2.7.7.1 Land and buildings

Freehold buildings are depreciated on a straight-line basis over their expected useful lives as follows:

- Buildings – 50 years
- Major refurbishments – 20 years
- Minor refurbishments – 10 years

Freehold land is not depreciated.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS 102, the Group followed the transitional provision to retain the book value of land and buildings, which were revalued in the past, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

2.7.7.2 Assets under construction

Assets under construction are accounted for at cost, based on the value of certifying officers' certificates and other direct costs, incurred to 31 July. They are not depreciated until they are brought into use.

2.7.7.3 Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

2.7.7.4 Equipment

Equipment costing less than £2,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

- Technical equipment 4 years
- Motor vehicles 4 years
- Computer equipment 2 - 4 years
- Furniture, fixtures, and fittings 4 years

2.8 Financial records

The College will ensure financial records are kept in a suitable form in compliance with relevant statutory requirements and in line with stipulations and prescribed by the providers of grant.

2.9 Management accounts

The College will ensure that monthly consolidated management accounts are produced and distributed to the Corporation within 15 working days of the month-end.

The management accounts reporting pack and its effectiveness will be reviewed periodically by SLT and the Chair of FR&C to ensure it meets with expectation and requirement.

The management accounts reporting pack will include: Statement of Financial Performance, Balance Sheet, Cashflow Statement, Cashflow Forecast, Financial Health Computation, Key Financial Ratios, and commentary.

2.10 Month and year-end close-down procedures

On or before the first working day of each month, a new accounting period must be opened by either the Finance Business Partner or Senior Finance Officer to enable purchase orders and cash receipts to be processed.

2.10.1 Sales ledger

On the first or second working day of each month, after verifying that all transactions relating to the month have been posted, staff will run the following reports from the accounting system:

- Statements for each customer
- Ledger reconciliation report
- Aged debtor report.

Once these are completed, the Finance Business Partner or Senior Finance Officer must be notified to close down the month, preventing further postings.

2.10.2 Purchase Ledger

Within the first 3 working days of each month, after verifying that all transactions relating to the month have been posted, staff will run the following reports from the accounting system:

- Ledger reconciliation report
- Aged creditor report.

Once these are completed, the Finance Business Partner or Senior Finance Officer must be notified, who will close down the month, preventing further postings.

2.10.3 Management and financial accounts

Following the closedown of the ledgers, finance staff will ensure that:

- all payroll journals have been processed
- depreciation and capital grant release journals are processed
- bank reconciliation is completed
- accruals and prepayments have been completed
- all transactions have been posted
- balance sheet reconciliations are prepared.

The Business Finance Partner will run the income & expenditure account through the bluQube accounting software and notify the Head of Finance.

The Head of Finance will review the income & expenditure account in detail, comparing to budget and forecast and reviewing movements in the month. The Head of Finance will also run the balance sheet report and review monthly movements. Any adjustments as a result of the review will be notified to the Business Finance Partner who will put through the appropriate journals.

The Head of Finance will send the income & expenditure account and balance sheet to the Chief Financial Officer for review and discussion. Any further adjustments will be processed by the Business Finance Partner.

When the Chief Financial Officer and Head of Finance are satisfied with the accuracy of the figures, the month will be closed down by the Business Finance Partner.

The Head of Finance will then produce the full management accounts pack as detailed in 2.9 above.

At the year end, sales ledger follows their usual month end procedure, although, with the agreement of the Head of Finance, close down may be delayed for up to five working days.

Purchase ledger will also follow their normal month end procedure but may remain open for a period of 10 working days, to allow for the receipt of July invoices at year end. Once the Head of Finance is satisfied that the majority of invoices have been processed, the ledger will be closed down, and any further invoices relating to the year will be notified to the Business Finance Partner for accrual.

3.0 Income and banking

The Chief Financial Officer is responsible for ensuring that appropriate procedures are in operation to enable the College to receive all income to which it is entitled.

Levels of charges for course fees, other services rendered, goods supplied, and rents and lettings are determined by procedures approved by the Governing Board.

The Chief Financial Officer is responsible for the prompt collection, security and banking of all income received. Cash received is reconciled on a daily basis, stored in the Finance office safe before being taken by a security firm and deposited at the local bank branch.

All receipts received via the bank are reconciled either directly to invoices or funding and other grants or are reconciled to student records for the fees received from the Student Loans Company, Worldpay, Shopify or other payment mechanisms.

The Chief Financial Officer is responsible for ensuring that all grants notified by the ESFA, and other bodies are received and appropriately recorded in the College's accounts.

The Chief Financial Officer is responsible for ensuring that all claims for funds, including grants and contracts, are made by the due date and that invoices for services rendered are invoiced promptly in accordance with agreed terms

3.1 Appointment of day-to-day banking establishments

The Corporation is responsible for the appointment of the College's bankers on the recommendation of FR&C Committee. The Chief Financial Officer and Head of Finance shall put any proposal to change bankers initially to the Senior Leadership Team and then to FR&C Committee if they believe a more beneficial service could be provided by an alternative bank.

3.2 Banking arrangements

3.2.1 Bank accounts

The Chief Financial Officer shall authorise all arrangements for the opening of bank accounts and shall be authorised to operate such bank accounts as they consider necessary, including variations in the College banking terms and overdraft arrangements.

All payments must be approved and processed in line with Appendix 3a – bank mandate signatories and Appendix 3b – bank payments.

Cheques are rarely used. The blank cheques are kept securely in the Finance office safe. Payments via cheque will follow the bank mandate in Appendix 3a.

3.2.2 Cash flow management

The Chief Financial Officer shall be responsible for the efficient management of the College's cash flow. Responsibility for the day-to-day cash flow management shall be delegated to the Head of Finance.

The Head of Finance shall prepare an annual cash flow forecast for inclusion in the annual budget pack approved by the Governing Board. The forecast shall be monitored weekly by the Head of Finance and an updated forecast for the financial year should be included in the monthly management accounts pack.

The Head of Finance is responsible for ensuring that all bank accounts are reconciled to the College's accounting records on a monthly basis and for the review of those bank reconciliations.

3.3 Cash receipts

All monies received within the individual departments from whatever source must be recorded by the College on a daily basis together with the form in which they were received.

Money must be paid to the cashier promptly and custody of all cash holdings must comply with the requirements of the College's insurers. Cash office staff will ensure that all monies are reconciled and deposited in the safe on a daily basis.

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

Spot checks will be carried out from time to time by cash office staff on all tills, floats and petty cash balances held in individual departments. Additionally, a Senior Finance Officer will check client and attendance records against till receipts in both the Gym and the Hair and Beauty outlets.

3.4 Collection of debts

The Chief Financial Officer should ensure that:

- debtors' invoices are raised promptly in respect of income due to the College
- staff responsible for sales invoice processing are not those involved in receipt of income;
- debtors are raised on official College invoices;
- swift and effective action is taken to collect overdue debts in accordance with the College's formal procedures
- all reasonable steps are taken to recover outstanding amounts and documentary evidence is retained
- outstanding debts are monitored regularly by the Credit Controller and the Head of Finance.

A credit authorisation form must be completed for all credit notes. The form must record the reason for the credit and should be signed by the Head of Finance. The credit authorisation form should be supported by any relevant documentation.

On a regular basis, the Head of Finance shall be responsible for reviewing all credit notes raised in the month and shall check those with a gross value exceeding £500 for the appropriate authorisation. The overall value of credit notes raised shall be considered for evidence of any adverse trends.

The Head of Finance should review with the Credit Controller quarterly the debtors' ledger for potential bad debts.

When all reasonable steps have been made to recover outstanding fees, the debt on the authorisation of the Head of Finance may be passed to a debt recovery agency.

Debts known to be irrecoverable shall be written off when approval has been obtained from the appropriate person:

Up to £1,000 – Finance Business Partner.

Up to £5,000 – Head of Finance.

Over £5,000 – Chief Financial Officer.

Debts written off in excess of £10,000 shall be reported by the Chief Financial Officer to FR&C.

'Managing Public Money' sets out specific requirements for writing off debts. Currently, debts over £45,000 require consent from the Department for Education. In all cases, a bad debt write-off form must be completed by the Sales Ledger staff and must be signed by the appropriate person.

On a monthly basis, the Credit Controller shall provide the Head of Finance with a schedule of bad debts written off, recovered and provisions made.

A specific provision will be made for those debts which may prove to be uncollectable. The level of this provision will be reviewed at least annually to determine its adequacy.

The proportion of any particular debt which is to be provided will depend upon individual circumstances but any debt which remains outstanding beyond 6 months from the date of invoice will be provided for in full.

The Head of Finance shall be responsible for ensuring that, if applicable, VAT bad debt relief is appropriately recorded and recovered.

3.5 Student fees

The collection of all student fees shall be in accordance with the arrangements approved by the Chief Financial Officer.

3.5.1 Tuition and registration fees

The College has a Further Education Tuition Fee Policy There is a separate policy for Higher Education fees. Both of these policies are approved annually by the Governing Board.

At enrolment it will be determined whether a student's fees will be paid via Government funding, via the Student Loans Company, by their employer, by the student themselves or be co-funded. The students are responsible for ensuring they bring the relevant documentation/evidence to support claims for their fees to be paid through Government funding or their employer. If the student is paying fees themselves then an initial payment must be taken on enrolment.

3.5.2 Non-payment

A student shall not be permitted to continue in attendance after the third week of the commencement of the course if the student has not made an initial payment or made satisfactory arrangements with the College for how the fees will be paid e.g. submitted necessary documentation to secure an Advanced Learner Loan.

If a student has not paid an account, fallen significantly behind with payments nor made arrangements satisfactory to the College for payment, then the student shall not be allowed to sit any final examination or receive any final assessment marks, diploma, certificate, or other qualifications until the outstanding account is paid up to date or satisfactory arrangements for payment are in place.

3.5.3 Refunds of fees

The fees chargeable to a student who withdraws from a course are detailed within the Further Education Tuition Fee and Higher Education Tuition Fees policies...

Full refunds will be made where it is the decision of the College to cancel a course.

There may be extenuating circumstances whereby a student withdraws from a course and the Curriculum Director and Head of Finance can approve a refund if the student provides sufficient evidence as to why they need to withdraw. The Head of Finance can approve refunds up to £5,000. Refunds above £5,000 require approval of the Chief Financial Officer. Refunds over £10,000 shall be reported to the Chair of the FR&C.

3.5.4 Fee Remission Policy

The College operates a Fee Remission Policy designed to assist those students in financial hardship.

3.5.5 Principal's discretion

The College operates an additional fee remission category, which assists students in financial hardship who do not fit into the current fee remission policy. The Chief Executive Officer and Chief Financial Officer have the overall responsibility to waive any fees where they consider there is a genuine need for financial assistance.

3.5.6 Learner Support Fund

These funds are used to provide financial help to students where access to further education might be inhibited by financial considerations.

The College Learner Support Fund guidelines and appeals procedure are available on the website(s).

3.6 Gifts, benefactions, and donations

The College has a separate Gifts & Hospitality Policy.

3.7 Security of documents

The Chief Financial Officer is responsible for the safekeeping of official and legal documents relating to the College. Signed copies of deeds, leases, agreements, and contracts must, therefore, be forwarded to the Chief Financial Officer. All such documents shall be held in an appropriately secure, fireproof location.

3.8 Stocks and stores

As a publicly funded body, the College is committed to ensuring effective use of resources in all activities and delivering a high-class service by ensuring that:

- excessive working stocks are not carried
- stock levels are as accurate as possible
- all receipts and issues from stock are promptly recorded and authorised
- any discrepancy is immediately reported and investigated.

Curriculum Directors are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. Where stocks and stores are held, which exceed £1,000 in value, stock records shall be maintained.

The systems used for stores accounting must have the approval of the Chief Financial Officer, and must take account of the following:

- stocks should be held in secure premises/locations with access restricted to authorised personnel
- stock cards must be maintained for all stock items with issues and/or receipts promptly recorded and duly authorised
- regular stock checks should be carried out to ensure the accuracy of stock records.

The arrangements for custody and control of stocks and stores over £1,000 may take the form of complete stock takes of all items at agreed intervals or alternatively a perpetual stock check of a number of items on a rolling programme basis to ensure that all items are checked at least once a term. A full stock take will be carried out by a member of the Finance Team on 31 July to determine the accurate stock figures for inclusion in the financial statements. Physical stock checks must be recorded on the stock card and should include:

- the physical stock checks
- the date of the stock check
- the name of the employee undertaking the physical check.

Where the physical count differs from that recorded on the stock cards the difference should be recorded, investigated where relevant and authorised by the Curriculum Director.

Procedures should exist to review stock levels and ensure that excessive working stocks are not carried. The Curriculum Directors 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 Curriculum Directors whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Chief Financial Officer and that appropriate instructions are issued to staff within their departments.

4.0 Private consultancy and intellectual property

4.1 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 Chief Executive Officer.

Additional payments are those made for services provided by staff which involve:

- the use of the College time
- the use of the College premises
- the use of the College facilities

- the establishment of a contract to supply, where members of College staff will be involved in the delivery of the contract
- exploitation of the College's name or contacts for personal gain
- a risk of bringing the College's name or the individual names of St Helens College or Knowsley Community College into disrepute.

All payments to staff must be made through the payroll system and have the relevant tax and/or National Insurance applied.

4.2 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 Chief Executive Officer.

Applications for permission to undertake work as a purely private activity must be submitted to the Chief Executive Officer, and include the following information:

- The name of the member(s) of staff concerned
- Title of the project and a brief description of work involved
- The proposed start and duration of the work
- An undertaking that the work will not interfere with the normal College duties of the member(s) of staff concerned.

4.3 Intellectual property right and patents

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.

4.3.1 Copyrights

In accordance with the College's standard Contract of Employment, if at any time during the employment of an individual they originate any work in which copyright may exist, the same shall belong to the Governing Board.

If the Corporation wishes to become involved in the commercial exploitation of a publication, which may involve a payment to the employee, the scheme must be approved by the Corporation in advance.

4.3.2 Inventions and patents

In accordance with the College's standard Contract of Employment, any invention made or developed by an employee whilst employed by the College will be the property of the College. If the Corporation wishes to become involved in the commercial exploitation of an invention, which may involve a payment to the employee, the scheme must be approved by the Corporation in advance.

5.0 Expenditure

The Chief Financial Officer is responsible for making payment to suppliers of goods and services to the College. The College must follow Managing Public Money guidance when handling novel, contentious, and repercussive transactions.

5.1 Authorities

Primary budget holders (Heads of Department, Heads of School) are responsible for all orders issued by their department. Requisitions must only be raised by persons authorised to do so by the primary budget holder.

The authorisation levels (including VAT) are as follows:

	Order Value	Authoriser
Curriculum	All	Head of School/Department
	£3,000 and above	Curriculum Director
	£10,000 and above	Vice Principal
	£25,000 and above	Chief Financial Officer
Business Support	All	Head of Department
	£10,000 and above	Chief Financial Officer

The budget holder only has authority to spend within the budget for their cost centre as per the annual budget approved by the Governing Board. Requests to spend over the annual budget must be approved by the Head of Finance and if greater than £5,000 by the Chief Financial Officer within the annual budget approved by the Governing Board. For curriculum, the requests must first be made to and be approved by the Curriculum Director and if greater than £5,000 by a Vice Principal or a Director. For Business Support, the request must first be signed off by the Head of Department. Requests must clearly explain the reasons why expenditure over and above budget is required. Final compliance checks are completed on all orders by the Head of Finance. Material variations are reported to the Corporation through the management accounts.

In general, budgets cannot be switched between nominal codes within a curriculum area/department or switched between curriculum areas/departments. Requests to do so must be approved by the Head of Finance and if greater than £5,000 by the Chief Financial Officer. For curriculum, the requests must first be made to and be approved by the Curriculum Director and if greater than £5,000 by the Vice Principal. For Business Support the request must first be signed off by the Head of Department. Requests must clearly explain the reasons why the budget holder wishes to transfer the budget.

5.2 Petty cash

The Chief Financial Officer shall make available such imprests as are considered necessary for the disbursement of petty cash expenses.

Petty cash purchases without an official order are allowed for items not exceeding £20 in value for each transaction, subject to the prior approval of the budget holder. The issue of petty cash will be made against a petty cash slip, receipts must be provided for all petty cash purchases, and the slip signed by the person receiving the cash.

Staff subsistence and travelling expenses must not be paid out of petty cash accounts, nor may proceeds from sales be paid into petty cash accounts.

Requisitions for reimbursement must be signed off by the Head of Finance with 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 safe keeping. 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 Chief Financial Officer or another person nominated by him or her.

Expenditure should be coded to the correct budget code, and this will be checked by the Finance office.

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 Chief Financial Officer.

5.3 Cash advances

Cash advances will be made available to budget holders to facilitate necessary expenditure in respect of trips (including King's Trust Team Challenges) within the UK or overseas. All such imprests must be cleared immediately on return.

5.4 Purchase orders

All goods or services should be ordered via the College finance system, bluQube. The process for placing orders is described in the document 'Process for Placing Purchase Orders' which can be found on the College Intranet and MyDay.

Official purchase orders must be issued for all goods and services placed with suppliers of the College except for suppliers of public utility services, periodical payments such as rent or rates, petty cash purchases or other exceptions as the Chief Financial Officer may approve.

Suppliers must be on the College's supplier list. Any new supplier must be first validated via the 'New supplier – internal verification form', which must be signed by the Procurement Manager and the Head of Finance or Chief Financial Officer. Secondly, the new supplier must complete the 'Application for Inclusion on the College's List of Suppliers'

When placing orders on bluQube, requisitioners must code orders to the correct nominal code as per the approved annual budget. The Head of Finance will check all coding is correct. Any requests to vire costs to a different nominal code require prior approval as specified in section 5.1.

A notification will be received on bluQube if an order is placed that is above budget. Requests to overspend on budget must be approved as stated in section 5.1.

5.5 Tendering

For the purchase of goods or new services quotations should be obtained as follows (inclusive of VAT):

Below £5,000	At least one quote
£5,000 - £9,999	At least 3 quotes
£10,000 - £49,999	At least three quotes plus a written statement confirming best value for money obtained for the supplier chosen, if the cheapest option is not preferred.
At or above £50,000 -	A competitive Invitation to Tender (ITT) to be issued with use of purchasing frameworks (as provided by organisations such as the Crescent Purchasing Consortium) or open tendering (utilising the Central Digital Platform) and most advantageous tender demonstrated.

When considering the spend for purchase of goods and / or services the *total* spend for the full contract / service period must be taken into consideration. If goods and /or services are required for a period of more than one year then the single year value multiplied by the number of years (including any rights to extend) must be used to ascertain the aggregate contract values and therefore, should indicate the route for tendering / quotations in respect of above aggregate values. If the Contract period is unknown for the purposes of assessing Contract Value, a period of 4 years should be assumed.

Subject to any special rules imposed by funding bodies, the College's tendering procedures as described in Appendix 4 are applicable to purchases where the *estimated* total cost is above £50,000 including VAT.

If a situation arises whereby the financial regulations cannot be fully adhered to in the case of placing purchase orders or tendering e.g. where single tender action is more appropriate, emergency situations or where it is not possible to obtain three quotes or tenders, then a separate Variation to Financial Regulations form (see Appendix 5) must be completed and signed off by the Chief Financial Officer. If the contract value is greater than £100,000, the variation must also be approved by the Chair of the FR&C committee and/or the Chair of Corporation. A copy of the signed Variation to Financial Regulations form will be sent to the Governance Director to ensure that the variation is verbally reported to the FR&C Committee.

Regulation 74 and Schedule 8 of the Procurement Act 2023 (and where appropriate Regulation 72 of the Public Procurement Regulations) allow for extensions / variations to contracts by a maximum 10% of contract value for goods and services contracts and 15% for works contract in circumstances where it is not viable to move to another supplier. However, justification to vary in this manner is also required. In exceptional circumstances variations up to the value of 50% maybe permissible. In these circumstances you must seek advice from the Deputy CEO & CFO and / or Procurement Manager

Subcontracting

Prior to undertaking any tendering / acquiring quotations for Subcontracting the following should be reviewed to ensure that compliance with the Standards are adhered to:

2024-25 Subcontracting funding rules for post-16 education and training (excluding apprenticeships) and

ESFA subcontracting standard - GOV.UK

5.6 Contracts

Following the relevant and appropriate tendering process and adhering to the thresholds as per section 5.5, all contracts shall be signed on behalf of the Corporation using the following signature authorisation:

	Contract Value (inc. VAT)	Authorised signature
Curriculum	All	Head of School/Department
	£3,000 and above	Curriculum Director
	£10,000 and above	Vice Principal
	£25,000 and above	Chief Financial Officer
Business Support	All	Head of Department
	£10,000 and above	Chief Financial Officer

The above matrix does not apply to any contracts to be signed under seal. The form of contract will depend on whether the contract award is a call-off contract via a Framework Agreement. For circumstances where a college contract is to be used, a template contract can be found at Appendix 6.

Details of all contracts must be entered onto the Contracts Register which is held and maintained by the Procurement Manager.

5.7 PCR (Public Contract Regulations) 2015 and Procurement Act 2023

The Chief Financial Officer is responsible for ensuring that the College complies with its legal obligations concerning procurement legislation and in particular in relation to PCR 2015 and the Procurement Act 2023. PCR 2015 and Procurement Act regulations apply to written contracts for all forms of procurement or hire (whether or not hire purchase) with a total contract value exceeding the threshold value. The thresholds are £5,372,609 including VAT (£4,477,174 excluding VAT) for works regulations and £214,904 including VAT (£179,087 excluding VAT) for supplies of goods and services) and for light touch regime services £663,540 including VAT (£552,950 excluding VAT). These thresholds are modified from time to time.

The total contract value is the overall consolidated value for the requirement / contract. For example, if there is an annual requirement for a period of 4 years this must be consolidated and provides the total contract value.

It is the responsibility of the Curriculum Directors and Heads of Department to ensure that their members of staff comply by notifying the Procurement Manager of any purchases likely to exceed the thresholds noted above. This will need to be done well in advance in order to enable advertisements in Contracts Finder / Find a Tender / Central Digital Platform, etc. where appropriate.

We reserve the right not to advertise opportunities below £50,000 including VAT or where a Framework is utilised. This is in alignment with Transparency requirements of PCR2015 and the Procurement Act 2023, where an In-Scope Organisation is satisfied that it is lawful not to advertise an opportunity and chooses not to advertise the opportunity at all (e.g. where quotations are sought, single tender action is being considered, a framework agreement, Dynamic Market or DPS is used, etc), the requirement to publish an opportunity notice on Contracts Finder does not apply to that procurement.

However, the Contract Award must be published within a reasonable time (which is 90 days after the contract award date), on Contracts Finder or the Central Digital Platform, for all contracts awarded where the value is above £30,000 (including VAT).

The Procurement Act 2024 applies for any new procurements after 24 February 2025, unless they relate to further competitions where the original framework was procured under PCR2015.

Budget holders and third parties must ensure that any conflicts of interest are mitigated and avoided. Conflicts of interest must be declared in writing before the tender exercise begins. The Procurement Manager will provide advice on managing conflicts, which may include replacing evaluators in the evaluation process.

Social Value (as defined in the Public Services (Social Value) Act 2012, considers the wider economic, community or environmental benefits that can be generated through effective procurement. All Tenders over the value of £50,000 including VAT should have consideration to Social Value in their evaluation criteria.

It is the responsibility of the Curriculum Directors and Heads of Department to ensure that their members of staff comply by notifying the Procurement Manager of any purchases likely to exceed the thresholds noted above. This will need to be done well in advance in order to enable advertisements in Contracts Finder / Find a Tender, etc. where appropriate.

We reserve the right not to advertise opportunities between £25,000 and £50,000. This is in alignment with Transparency requirements of PCR2015, where an In-Scope Organisation is satisfied that it is lawful not to advertise an opportunity and chooses not to advertise the opportunity at all (e.g. where quotations are sought, single tender action is being considered, a framework agreement or DPS is used, etc), the requirement to publish an opportunity notice on Contracts Finder does not apply to that procurement.

However, the Contract Award must be published within a reasonable time (which is 90 days after the contract award date), on Contracts Finder, for all contracts awarded where the value is above £30,000 (including VAT).

5.7.1. Conflict of Interest

Formal tendering over £50,000 including VAT

College staff, Governors and consultants ('evaluators') involved in Procurement processes are required to ensure that in their interactions with suppliers they are not subject to a potential conflict of interest, which would provide a supplier with an unfair advantage.

Evaluators should also be fully aware of the College's gift policy  [on MyDay](#).

Where a formal tender is being undertaken in collaboration with the Procurement Department, all evaluators will be required to complete a Conflict of Interest Statement. Where appropriate, evaluators will receive access to evaluation training, which includes details of the College's gifts policy and approach to managing conflicts of interest.

All evaluators must declare to the Procurement Department any changes to declared conflicts as soon as they become aware of a new potential conflict of interest and update their declaration in the event of any changes.

The College is under a duty to identify and mitigate conflicts of interest arising where a procurement falls within the scope of the Procurement Act 2023 as set out in [Sections 81 to 83](#) of that Act.

The Procurement Department will prepare (and keep under review) a 'conflicts assessment' before publishing a tender, to mitigate the risk of any conflict providing a supplier with an unfair advantage.

If the College is aware of circumstances that it considers are likely to cause a reasonable person to believe there to be a conflict or potential conflict of interest, a conflicts assessment must also include details of any steps the Procurement Department has taken, or will take, to demonstrate that no such conflict or potential conflicts exists.

Quotations below £50,000 including VAT.

In the event where quotations are being sourced by evaluators, no Conflict of Interest Statement is required to be completed. Evaluators are required to ensure any potential conflict of interest is reported to the Procurement Department **prior** to the commencement of the quotation process, or at the earliest known date the evaluator became aware of the conflict, and a decision will be made by the Procurement Department if the evaluator should be replaced in the quotation process.

Examples of conflicts of interest

Examples of conflicts of interest may include, but are not restricted to:

- if you are a current or previous employee of a supplier, or have a member of your family, your partner (married, civil partnership or not), your siblings, your children, or any close personal or professional relationships that are an employee of a supplier, that is likely to be interested in taking part in the relevant procurement.
- if you, or a member of your family has a financial interest in a supplier that is seeking to do business with the College;
- if you, or a member of your family is or has previously consulted for one of the bidding suppliers.
- If you have previously received any significant gifts or hospitality from one of the bidding suppliers.

This is a non-exhaustive list of examples and it is your responsibility to ensure that any and all actual, potential or perceived conflicts are disclosed prior to you being involved in the procurement.

5.8 Payment of invoices

5.8.1 Payment process

The College's payment terms should be conveyed to suppliers and taken account of in contract documentation to ensure that we meet our contractual requirements to pay suppliers. The Head of Finance must be informed if any alternative payment terms are requested. For certain suppliers, such as the examination boards, the College follows the supplier's terms.

Payments for all services and goods to suppliers are made by BACS transfer.

Payments are made on the last working day of each month, though there is also a smaller run on the 14th of each month, to capture urgent payments and to comply with payment terms of a small number of suppliers.

The normal payment terms of the College are that approved invoices are paid at the end of the month following the month in which the invoice is dated. Hence, an invoice dated 15 March will be paid 30 April.

There are a number of suppliers, mainly for utilities and insurance that are paid by monthly direct debit.

Authorisation of payments to be made by BACS transfer follows the authorisation limits per the bank mandate as detailed in Appendix 3A.

Once the necessary authorisations to pay suppliers have been obtained, the College uses Bottomline Technologies payment software PTX to make the payments. The PTX devices are held by three members of staff – the Head of Finance, the Management Accountant, and a Senior Finance Officer. To process a payment

requires two of the three device holders to authorise via the PTX software. See Appendix 3B.

New suppliers must be made aware of the College's payment processes. Details of where and how to submit invoices should be included within contracts during contract drafting, advising invoices for goods or services to be submitted to the Finance Department via email to shcinvoice@sthelens.ac.uk

The Head of Finance must ensure the College has sufficient funds available to pay all the invoices/suppliers being paid at any one time.

5.8.2 Invoice verification

At the point of purchase order placement, suppliers must be instructed to submit invoices for goods or services to the Finance Department via email to shcinvoice@sthelens.ac.uk and that the College purchase order number must be included on any invoice submitted.

Payments will only be made by the Head of Finance against invoices that have a college purchase order number quoted on the invoice. Invoices without a purchase order number will not be paid and will be returned to the supplier with a request for a valid purchase order number. Exceptions are for services such as utilities and examination fees.

Prior to payment of an invoice, the budget holder must approve the invoice.

By certifying the invoice, the budget holder confirms that:

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

Any invoices received that have not been sent directly to the Finance email address must be passed to the Finance Team as soon as they have been certified. Any discrepancies must be reported to the Finance Team without delay

5.9 College credit cards

Where appropriate, the Chief Financial Officer or Head of Finance may approve the issuing of college credit cards to staff. The cardholder is responsible for the safekeeping of the card. Such credit cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action.

The cards will each have an expenditure limit approved by the Chief Financial Officer or Head of Finance

The College purchasing procedures should be applied in order to obtain approval for the purchase prior to use of the credit card.

Credit cards should only be used when a supplier will not provide credit terms for the College and there is no alternative supplier that could supply the goods or services of a similar quality and price who would grant credit facilities.

The monthly statement should be verified by the cardholder and for each item a valid receipt/invoice should be provided, and each item must have a matching approved purchase order.

A copy of the statement and valid supporting documentation should be sent to the Senior Finance Officer within 14 days of the statement date.

Failure to comply with the above procedures may result in the credit card being withdrawn from the cardholder.

5.10 Delivery and acceptance of goods

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

If the goods are deemed to be unsatisfactory, the record shall be marked accordingly, and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly, and the supplier immediately notified.

6.0 Salaries and wages

6.1 Payroll

The College will only employ staff for whom financial provision has been made.

The Director of People and Organisational Development shall be responsible for the maintenance of the personnel records and for the provision of relevant information to enable all salaries, wages, and other emoluments to be paid.

The Chief Financial Officer shall be responsible for the maintenance of the related records, including those of a statutory nature. The Chief Financial Officer 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, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Chief Financial Officer.

All staff will be appointed to the salary scales approved by the Corporation and in accordance with appropriate conditions of service. All letters of appointment must be issued by the HR office. The Director of People and Organisational Development will be responsible for keeping the Chief Financial Officer 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 pensions, income tax, national insurance, etc.

Payslips are produced electronically, and copies are held centrally. The Payroll Manager will work within the ICT Policy to ensure the security of the server.

The Head of Finance shall be responsible for ensuring that the general ledger control accounts for Pay As You Earn (PAYE), National Insurance contributions and other deductions are reconciled on a monthly basis.

On a twice-yearly basis, the Payroll Manager shall issue a list of employees paid to Directors who shall be responsible for notifying the Chief Financial Officer of any discrepancies.

Payment to casual workers (i.e. those persons without a contract of employment) shall be processed through the payroll unless adequate proof of self-employed status can be provided and HMRC IR35 regulations are satisfied. In all such circumstances, the person must render an invoice which will be processed for payment through the purchase ledger system.

All payments must be made in accordance with the College 's detailed payroll financial procedures and comply with HM Revenue & Customs regulations including IR35 relating to off payroll workers.

6.2 Pensions

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

The Chief Financial Officer is responsible for day-to-day matters including:

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

6.3 Overseas travel

All the College related overseas travel must be approved in line with the College's travel subsistence and allowance claims policy by the Chief Executive Officer in advance of committing the College to those arrangements or confirmation of any travel bookings. The Chair of the Corporation shall be informed of overseas travel by the Chief Executive Officer or members of the Governing Board. The FR&C Committee shall approve arrangements for travel by the Chair of the Governing Board.

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

6.4 Allowances for members of the Corporation

The Corporation may pay to its Governors such travelling, subsistence, or other allowances as it decides, but shall not without the written approval of the Secretary of State, and the Charity Commission, pay allowances which remunerate the Governors for their services as members.

Claims for members of the Corporation will be authorised by the Governance Director or the Chief Financial Officer in line with the Travel Subsistence and Allowance Claims Policy and Procedure.

6.5 Severance and other non-recurring payments

Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the Corporation through FR&C Committee.

Professional advice should be obtained where necessary. All such payments shall be authorised by the Chief Executive Officer and calculations checked by the Director of People and Organisational Development or Chief Financial Officer.

All matters referred to an industrial tribunal shall be notified to the People department and the FR&C Committee at the earliest opportunity in order that budget provision may be made, as necessary. All determinations of tribunals must be similarly notified.

Managing Public Money sets out specific requirements for special payments, including severance, compensation, and ex-gratia payments. The guidance within Managing Public Money must be followed for any payment that falls within the government definitions for these special payments.

7.0 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 Chief Financial Officer. The College has a Travel Subsistence and Allowance Claims Policy, which sets out the College's procedures for reimbursement of subsistence allowances, travelling and incidental expenses.

8.0 Assets

8.1 Land, buildings, fixed plant, and machinery

The accounting policies in relation to depreciation and accounting for grant funded assets are detailed in section 2.7.7.

A detailed fixed asset register is maintained in the Symmetry Accounting software. The register lists every asset individually and every asset is assigned a unique asset code.

In addition, all capital projects are assigned a project code so that expenditure can be tracked against the approved capital project. A capital monitoring Excel report is maintained that details expenditure against budget and the outstanding commitments.

On a quarterly basis, the asset register is reconciled to the nominal ledger balance for fixed assets. This is prepared by the Senior Finance Officer and signed off by the Management Accountant and Head of Finance.

All capital expenditure requests must be submitted on a capital expenditure form and approved as per guidelines in section 2.5.4.

Any disposals of fixed assets must be detailed on a fixed asset disposal form. Assets disposed of with a net book value under £10,000 must be signed off by the Head of Finance and those above £10,000 by the Chief Financial Officer.

Disposal of land and buildings must only take place with the authorisation of the Governing Board. Prior discussion with the ESFA shall be undertaken if exchequer funds were involved in the acquisition of the asset.

Before the end of each academic year the Finance Department will send each curriculum area and business support department a list of assets held in their area as per the fixed asset register. It is the responsibility of each Head of School and Head of Department to verify that the assets are still in existence, continue to be used and are in a good state of repair. Finance should be notified of any assets that require writing off via the asset disposal form.

8.2 College vehicles

The College has a number of vehicles available for the use of staff. The use is restricted to business use only, unless expressly authorised by the Chief Executive Officer.

8.3 Inventories

In addition to the asset register, Heads of School and Heads of Department are responsible for maintaining inventories for all plant, equipment and furniture and stores in their departments with an individual item value in excess of £500.

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 Chief Financial Officer.

8.4 Personal use

Assets owned or leased by the College shall not be subject to personal use without proper authorisation from a member of the Senior Leadership team.

9.0 Treasury management

The College cash flow should be monitored on a weekly basis by the Head of Finance and an updated forecast for at least the following 12 months produced on a monthly basis. The cash flow forecast should be incorporated in the monthly management accounts pack.

The Head of Finance and Chief Financial Officer will manage cash balances effectively to ensure no adverse impact to the overall cash days target set as per the budget.

The College's Reserves Policy states that the College will seek each month to have a minimum of 25 free cash days in hand. This will ensure that it can meet its immediate financial obligations.

The College aims to build up cash balances to provide continuity even if there are unexpected costs or loss of income and also to provide funds for future investment.

The College will seek to ensure that cash balances do not drop below £2m. Cashflow is monitored on a weekly basis to ensure that pending obligations can be met. In the event that cash balances are likely to drop below £2m for a period of more than five working days, the Chair of the Finance, Resource & Commercial Committee will be informed immediately.

Where the bank balance is forecast to go below £500k the Head of Finance and Chief Financial Officer should seek to take positive actions such as creditor payment management to maintain the balance above £500k. In the event that this cannot be achieved, the Department for Education should be approached for a re-profiling of grant funding or alternative support package.

9.1 Investment

Corporation The College may invest money in line with its funding conditions.

9.1.2 Period of investment

Funds may be placed on short-term deposit carrying notice periods up to twelve months in accordance with the authorisation limits set down in the financial regulations from time to time. Any investment for a period longer than twelve months must be approved by the FR&C Committee.

9.1.3 Sums invested

Investment will be regulated by reference to the sums invested in any single instrument, and in accordance with the authorisation limits set down in the financial procedures from time to time. No more than one-third of total investments, or £2 million, whichever is the higher, may be invested in a single College at any one time, unless the FR&C Committee direct otherwise, in advance of the investment.

The FR&C Committee must approve any single investment in excess of £2 million.

9.2 Bank loans

The College is unable to apply for new bank loans.

Any amendments to existing borrowing will be made in line with the requirements of Managing Public Money.

10.0 Subsidiaries and joint ventures

10.1 Existing subsidiaries

The College currently has one subsidiary undertaking.

10.1.1 Waterside Training Limited

The College owns 88.9% of the shares of Waterside Training Ltd (Waterside) and has 100% of the voting rights and is entitled to 100% of any dividends.

Waterside trains apprentices and provides education services for the College's own apprentices. It also runs technical engineering-based courses.

A Memorandum of Understanding is in place between the College and Waterside for the services each party will provide in relation to each other. The management accounts of Waterside are produced by the College Finance Team and consolidated into the accounts of the College.

10.2 Establishing new companies or joint ventures

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

The Corporation is responsible for approving the establishment of companies and the procedure to be followed in order to do so. The process involved in forming a company and arrangements for monitoring and reporting on the activities of subsidiary undertakings will be the responsibility of the FR&C Committee.

It is the responsibility of the Corporation to establish the shareholding arrangements. Directors of companies will be appointed in accordance with the articles of the company by the Chief Executive Officer and reported annually to the Governing Board.

The directors of companies where the College is the majority shareholder must submit, via the FR&C Committee, the annual accounts to the Governing Board.

The financial policies and procedures of the College will be applied to any subsidiary company where the College is the majority shareholder.

11.0 Risk management

The following key principles outline the College's approach to risk management and internal control:

- The Governing Board, advised by the Audit Committee, has responsibility for overseeing risk management within the College as a whole
- An open and receptive approach to solving risk problems is adopted by the Governing Board
- The Chief Executive Officer and Senior Leadership Team support, advise and implement policies which underpin College Strategy, as approved by the Governing Board
- The College makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks
- Senior middle managers are responsible for encouraging good risk management practice within their designated managed area, seeking staff contributions formally and informally through the appraisal and briefing systems

- Key risk indicators will be identified and closely monitored on a regular basis.

The College has a separate Risk Management Framework.

12.0 Fraud and corruption

As a publicly funded body the College is committed to ensuring the highest standards of propriety in all activities and to delivering a high-class service. It seeks to comply with all legislation in this respect.

The College has a detailed Anti-Fraud, Bribery and Corruption Policy and Procedure outlining its approach to minimising the risk of fraud and corruption.

12.1 Bribery Act 2010

The College is responsible for ensuring the establishment and maintenance of systems of internal control for the prevention and detection of fraud, irregularities, and corruption. The College's auditors assess the adequacy of these arrangements on a regular basis and ensure that there are adequate procedures in place to prevent corrupt business practices.

Any person who offers, promises, or gives an advantage (bribing another person) or who requests, agrees to receive, or accepts an advantage (being bribed) shall be liable to investigation and further action under these financial regulations and may also commit an offence under the Bribery Act 2010.

The College will not tolerate fraud, corruption, or abuse of position for personal or College al gain. The College is legally responsible if it fails to prevent bribery and can be automatically prosecuted for this strict liability offence. The College's Anti-Fraud, Bribery and Corruption Policy and Procedure supports the College's compliance with the Bribery Act 2010.

The Bribery Act 2010 applies to transactions carried out by or on behalf of the College both within the UK and worldwide. There are potential criminal sanctions for individuals and entities in the event of a breach.

Any person who has reason to believe that a fraudulent irregularity with financial implications for the College has taken place or is about to take place is responsible for informing the Governance Director or the Chief Financial Officer immediately, who will investigate and report on any such matter. The College's auditors will be informed of the occurrence of all instances of fraud or irregularity.

Significant theft, fraud or irregularity involving sums over £10,000 must be reported by the Chief Executive Officer to:

- the ESFA in accordance with their requirements set out in the Audit Code of Practice;
- the Audit Committee;
- the Police.

It is the responsibility of the Chief Financial Officer to ensure that:

- staff involved with the receipt and payment of money are aware of the risks of fraud and money laundering and aware of the College's Anti-Bribery and Anti-Corruption Policy and the consequences of breach of the Bribery Act 2010;
- systems and processes are designed to minimise the risk of fraud and/or money laundering;
- action plans are in place in the event of any fraud or money laundering being identified.

13.0 Employee disclosures - “whistleblowing”

The Public Interest Disclosure Act 1998 gives legal protection to staff against being dismissed or penalised by their employers as a result of disclosing inappropriate circumstances or certain concerns which are both serious and are likely to be of wider public interest.

All Colleges who receive ESFA funding are required to have appropriate channels through which staff and students can make allegations about perceived irregularities in the running of the College or the activities of colleagues within the organisation. Provided the allegation is made lawfully, without malice and in the public interest, the position within the College of the individual making the allegation will not be jeopardised. Where an individual discovers information which they reasonably believe shows malpractice or wrongdoing within the organisation then this information should be disclosed without fear of reprisal and may be disclosed independently of line-management or other arrangements.

The College has a detailed Whistleblowing Policy and Procedure outlining the approach to employee disclosure.

Corporation members have adopted a code of conduct and register of interests which is regularly updated and reported publicly.

14.0 Systems failure/amendments/access

14.1 Physical security

Access to the main computer room shall be restricted to authorised computer services personnel. The main computer room shall have the following features:

- adequate security to prevent unauthorised access;
- independent power supply from the main control room;
- air conditioning;
- halon gas extinguishers ;
- smoke detectors.

14.2 Back-up procedures

The College operates the following back-up procedures:

- Daily back-up - transaction data is backed up each night by ICT Services and all back-ups are recorded in a log file. The back-up is stored to industry standard on a storage area network;
- Weekly back-up - once a week a complete system back-up is performed and stored as above.

14.3 Access levels

The users' level of access to the Symmetry Accounting system and the functions they are authorised to perform shall be determined by the Head of Finance. A list of authorised users together with their user identification codes and authority levels is maintained by the Head of Finance and the systems manager. Each user shall possess their own unique log-in identity, and these should never be "borrowed" by other users. The systems manager shall ensure that the system password is changed once a month.

14.4 Standing data amendments

Only those users with appropriate authority levels are able to amend standing data on the financial database. A full log of all such amendments is maintained by the system. The Head of Finance is responsible for reviewing the log on a regular basis. The log of amendments shall be retained for at least one complete financial year.

14.5 System amendments

Program amendments to the Symmetry Accounting system shall only be undertaken by Symmetry Limited. All requests for program amendments, whether to the accounting system or to other databases, should be made by means of a written specification of the changes required. Program amendments should be fully tested and accepted by the user before incorporation into the live system. All such amendments shall be logged by the system manager. Other amendments, for example, change of code structure, change in accounting methods, etc., should be recorded by the Head of Finance.

14.6 System manager

The Head of IT Services shall be responsible for management of the finance system. All queries or problems relating to the operation of the system should be directed to the system manager or their designated deputy.

14.7 Disaster recovery

In the event of a total hardware failure, data will be recovered from the virtualised snapshot taken on the previous evening in accordance with the ICT Disaster Recovery Plan.

15.0 Contracts to supply training (including partnership provision)

This procedure shall apply to all situations where the College agrees with a third party or subsidiary company to provide training or to provide funding for training.

Before training or funding starts, the financial basis and resource implications are to be presented in writing to the Chief Financial Officer who will indicate agreement by signing the proposal document.

St Helens College's standard contract is to be used as a basis for all collaborative arrangements.

Contracts will be signed on behalf of the College by the Chief Executive Officer or Chief Financial Officer.

No partnership provision contract is to over-run the end of a financial year.

Payments may only be authorised by the Director of MIS and the Head of Finance.

16.0 Other

16.1 Taxation

The Chief Financial Officer is responsible for advising line managers on all taxation issues that apply to the College, in the light of guidance issued by the appropriate bodies and relevant legislation. Therefore, the Chief Financial Officer will issue instructions to departments on compliance with statutory requirements including those concerning Value Added Tax (VAT), PAYE, national insurance, Corporation tax and import duty.

The Chief Financial Officer 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.

16.2 Security

Line managers are responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, cash, etc. under their control. They shall consult the Chief Financial Officer 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 Head of Finance immediately. Spare/backup keys held by Finance must be securely stored.

16.3 Insurance

The Chief Financial Officer is responsible for ensuring effective insurance cover is maintained, as determined by the FR&C Committee. This will include the following:

- negotiating claims
- maintaining the necessary records.

The Chief Financial Officer is responsible for obtaining insurance quotes in accordance with procurement procedures.

The Chief Financial Officer will also deal with the College's insurers and advisers about specific insurance problems.

SLT must ensure that any agreements negotiated within their areas with external bodies cover any legal liabilities to which the College may be exposed. Advice from the Chief Financial Officer should be sought to ensure that this is the case.

SLT members must give prompt notification to the Chief Financial Officer of any potential new risks and additional property and equipment which may require additional insurance and alterations affecting existing risks.

SLT members must advise the Chief Financial Officer, immediately, of any event which may give rise to an insurance claim. The Chief Financial Officer will notify the College's insurers and, if appropriate, prepare a claim in conjunction with the SLT for transmission to the insurers. Insurance claims of over £100,000 will be reported to the Finance, Resources and Commercial Committee.

The Chief Financial Officer will keep a register of all insurances affected by the College and the property and risks covered.

The Chief Financial Officer is responsible for ensuring that suitable records of plant which are subject to inspection by an insurance company are kept and for ensuring that inspection is carried out in the period subscribed.

All staff using their own vehicles on behalf of the College shall maintain appropriate insurance cover for business use.

16.4 Code of Conduct for staff and members of the Corporation

The College is committed to the highest standards of openness, integrity, and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe. In addition, the College expects that staff at all levels will meet the requirements of its adopted Code of Conduct.

Additionally, members of the Governing Board, SLT or those involved in procurement are required to disclose interests in the College's register of interests maintained by the Governance Director. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the financial procedures. In particular, no person shall be a signatory to or approve a College contract where they also have an interest in the activities of the other party.

16.5 Hospitality

Staff entertaining guests from outside bodies at lunchtime should normally use the College's catering facilities.

16.6 Students' Union

The students' union, if any, is a constituent part of the College and as such is responsible to the Governing Board.

The students' union is responsible for maintaining financial records through Student Services. In accordance with an agreement between the College and the students' union, the College's auditors shall have access to records, assets, and personnel within the students' union in the same way as other areas of the College.

16.7 Use of the College seal

Where a deed or document requires the College's seal, it must be sealed by the Governance Director. In line with the Instrument and Articles of Government Corporation A register of the seal's use will be maintained by the Governance Director and is available on request.

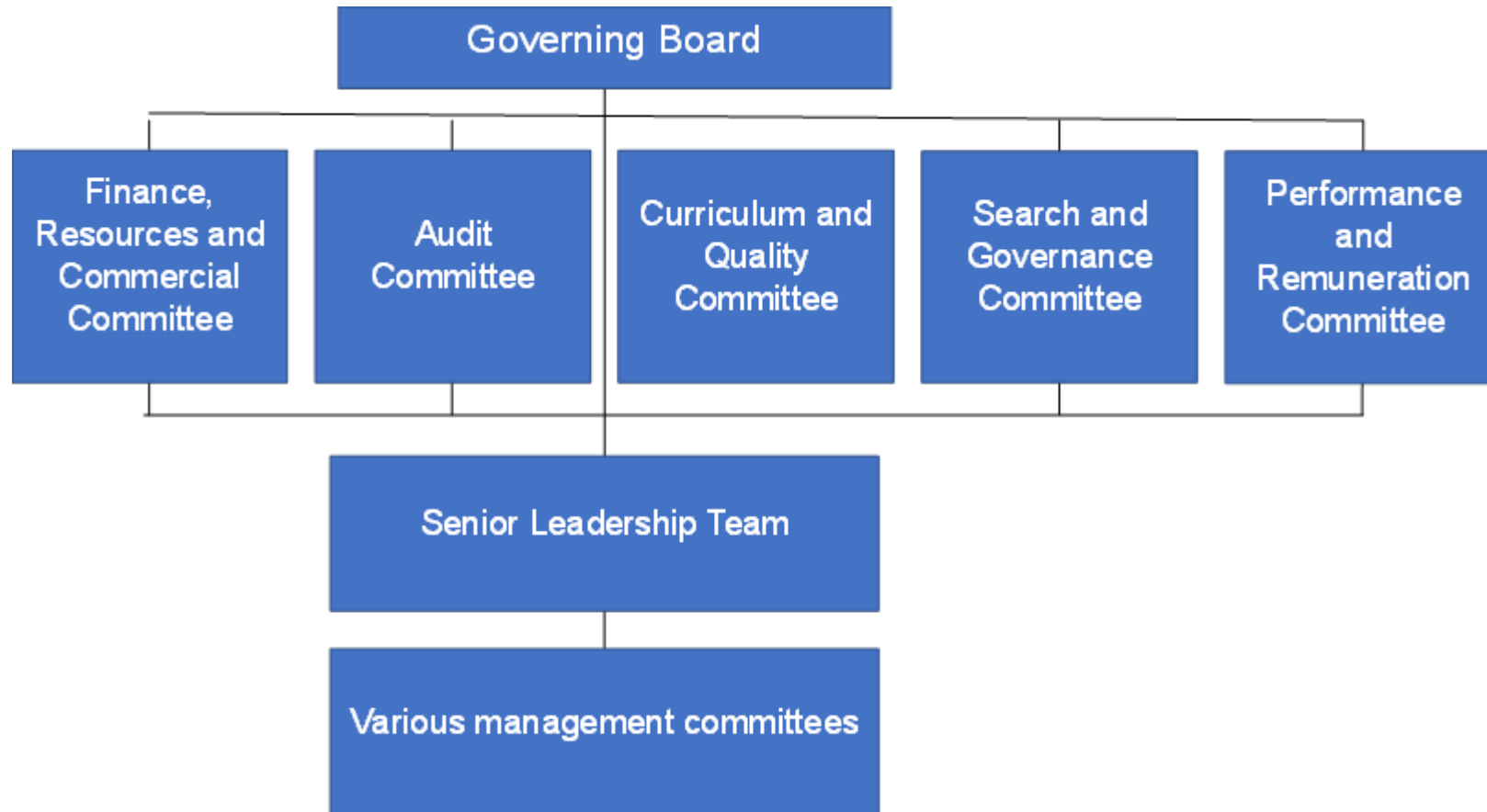
16.8 Trust funds

The Chief Financial Officer is responsible for maintaining a record of the requirements for each trust fund and for advising the FR&C Committee on the control and investment of fund balances. The FR&C Committee is responsible for ensuring that all the College trust funds are operated within any relevant legislation and the specific requirements for each trust.

16.9 Provision of indemnities, guarantees and letters of comfort

Any member of staff asked to give an indemnity, guarantees and letters of comfort for whatever purpose, should consult the Chief Financial Officer before any such indemnity, etc. is given. The guidance within Managing Public Money shall be followed.

Appendix 1: Committee Structure



Appendix 2: Terms of reference for the College Internal Audit service

The role of the internal audit service is to provide management with an objective assessment of whether systems and controls are working properly to achieve management's objectives. It is a key part of a College's whole system of internal control because it measures and evaluates the adequacy and effectiveness of other controls so that:

- The Governing Body and senior management can know the extent to which they can rely on the whole system of internal control of the College
- individual managers can assure themselves that the systems and controls for which they are responsible are reliable.

Appointment

The internal audit service shall be appointed by the Corporation for a maximum term of 5 years, subject to annual renewal thereafter. This is subject to satisfactory annual review by the Audit Committee and recommendation to the Governing Board. Remuneration shall be fixed by the Governing Board on the advice of the Audit Committee.

Scope

The work of the internal audit service must embrace the whole system of internal control of the College including all its activities and all its locations, funded from whatever source. The internal audit service shall consider the adequacy of systems and controls necessary to secure propriety, economy, efficiency, and effectiveness in all areas. It shall seek to confirm that management have taken the necessary steps to achieve these objectives.

The whole system of internal control of the College examined by the internal audit service shall be construed to mean all those systems that secure achievement of the College's entire set of strategic objectives, as expressed in its strategic plan.

The systems of control subject to the internal audit service's work shall include those systems of control operated by:

- all the College's subsidiary or associated companies
- the College's partners in collaborative provision
- contractors of the College that provide any service that handles or processes the College finances or management information in any form.

It is not within the remit of the internal audit service to question the appropriateness of policy decisions. However, the internal audit service is required to examine the management arrangements of the College by which such decisions are made, monitored, and reviewed.

The internal audit service may also conduct any special reviews requested by the Governing Board, Audit Committee, or the Chief Executive Officer, provided such reviews do not compromise its objectivity, independence, or achievement of its plan to audit the whole system of internal control. Such special reviews should be approved by the Corporation in advance of their performance, on the advice of the Audit Committee.

Responsibilities

The person leading the internal audit service is required to give an annual opinion to the Governing Board, through the Audit Committee, on the adequacy and effectiveness of the College's system of internal control, and the extent to which they can rely on it. The wording of this statement of assurance should be in accordance with the Post-16 Audit Code of Practice.

In order to provide the required statement of assurance, the internal audit service will undertake a programme of work over a cycle authorised by the Corporation on the advice of the Audit Committee, to achieve the following objectives:

- to review and appraise the soundness, adequacy, and application of the whole system of internal control
- to ascertain the extent to which the whole system of internal control ensures compliance with established policies and procedures.
- to ascertain the extent to which the assets and interests entrusted to, or funded by the College are properly controlled and safeguarded from losses of all kinds
- to ascertain that management information is reliable as a basis for the production of financial, statistical, and other returns
- to ascertain the integrity and reliability of information provided to management including that which is used in decision-making
- to ascertain that systems of control are laid down and operate to achieve the most economic, efficient, and effective use of resources.

Standards and approach

The internal audit service's work shall be performed in accordance with the requirements of the ESFA as detailed in the Post-16 Audit Code of Practice and its supplements and the standards for internal audit promulgated by HM Treasury. The work shall comply in all material respects with the Public Sector Internal Audit Standards (PSIAS) and have regard to the auditing guidelines Guidance for Internal Auditors.

In achieving its objectives, the internal audit service should:

- identify all systems and controls on which management proposes to rely and plan to review them over a cycle
- evaluate such systems and controls, identify inappropriate or inadequate controls, and recommend improvements in procedures or practices
- ascertain that systems and controls have been established and are working to achieve the most economic, efficient, and effective use of resources
- draw attention to any apparently uneconomical or otherwise unsatisfactory results flowing from management's decisions, practices, or policies
- liaise with the external auditor, and with the Agency's audit service.

Independence

The internal audit service has no executive role, nor does it have any responsibility for the development, implementation, or operation of systems. It may provide advice, however, on control and related matters, subject to the need to maintain objectivity, and resource constraints.

The Audit Committee shall advise the Corporation on all matters concerning internal control. Within the College, responsibility for the whole system of internal control rests fully with management, which should ensure that appropriate and adequate arrangements exist without reliance on the College internal audit service. In order to preserve the objectivity and impartiality of the internal audit service's professional judgement, responsibility for implementing audit recommendations rests with management.

Access

The internal audit service has rights of access to all the College's personnel, premises, documents, records, information, assets, its companies, and collaborative partners, and is authorised to obtain such information and explanations which the internal audit service considers necessary to fulfil its responsibilities.

Reporting

The person leading the internal audit service has right of direct access to the Chair of the Audit Committee and the Chief Executive Officer. They should submit an audit needs assessment, a strategic audit plan, and an annual report to the Corporation for approval, following consultation with the Chief Executive Officer and the Chief Financial Officer and after consideration by the Audit Committee.

The person leading the internal audit service is accountable to the Chief Executive Officer and the Corporation through the Audit Committee for the performance of the service. The internal audit service also reports audit results to the heads of department or services within the College. The person leading the internal audit service shall keep the Chief Executive Officer informed of audit results and draw the attention of the Audit Committee to significant findings or recommendations.

The internal audit service shall produce its reports, usually within one month of completion of each audit, giving an opinion on the area reviewed and making recommendations where appropriate. Recommendations should be prioritised. All reports should be provided to the Chief Executive Officer. usually within one month of issue. In their response, they should state, for agreed recommendations, their proposed action, the person responsible for implementation and a date by which action will be completed. Material recommendations will usually be followed up some six to twelve months later. A copy of the audit report will be presented to the next available Audit Committee meeting. The Audit Committee shall monitor the implementation of audit recommendations by management.

The internal audit service's annual report to the Corporation should include:

- a statement of the extent to which the Corporation can rely on the whole system of internal control of St Helens
- an analysis of common or significant weaknesses arising.
- a comparison of the internal audit service's activity during the year with that planned, placed in the context of internal audit need
- details of any major audit findings where action appears to be desirable but has not been taken and which thus need to be brought to the attention of the Governing Board
- the extent of achievement of any objectives (including targeted performance indicators) which may have been agreed for the internal audit service.

Irregularities including fraud and corruption

St Helens internal audit service should report without delay any serious weaknesses, significant frauds, major accounting, and other control breakdowns to the ESFA Chief Executive, copied to the chief auditor,

Liaison

The internal audit service shall liaise with the external auditor and the ESFA's audit service to enhance the level of service it provides to the management of the College.

Ownership of papers

The internal audit working papers are property of the College. In the event of a change internal audit service provider, the outgoing internal audit service provider will surrender all audit working papers which demonstrate compliance with the PSIAS standards. Arrangements should be made for the outgoing internal audit provider to meet the incoming internal audit service provider where appropriate.

Termination of appointment

The Corporation may, by resolution, remove the College's internal audit service before its term of office expires, notwithstanding any agreement between the internal audit service and the College.

Appendix 3A: Bank Mandate Signatories

1 Signatories

The signatories per the bank mandate (as of 1 September 2020) consist of the following:

Group A – Chief Executive Officer, Chief Financial Officer, Vice Principals and Head of Finance.

Group B - Finance Business Partner.

2 Authorisation limits

The authorisations are split into the following bands:

£0 - £9,999 - Two signatories, one of which must be from Group A.

£10,001 - £99,999 - Two signatories from Group A, one of whom must be the Chief Financial Officer or Head of Finance.

£100,000+ - Two signatories from Group A, one of whom must be the Chief Financial Officer.

Appendix 3B: Bank Payments

All payments are now made by BACS, except for a few suppliers with whom a direct debit has been set up (usually the Utility companies), and very rare exceptions where bank details could not be obtained and in this case cheque payments may be used.

1 Authorisation to Make Payment

The authorisations for BACS payments are as follows

1.1 Supplier Payments

Authorisation follows the bank mandate as in Appendix 3A.

1.2 Wages Payments

The Chief Executive Officer or Chief Financial Officer must approve.

1.3 PAYE/NI and Pension Payments

Approval by any two from the Chief Executive Officer, Chief Financial Officer, Head of Finance, Finance Business Partner, , though one approver must be the Chief Financial Officer or Head of Finance.

2 Processing of Payments

Payments by BACS are transmitted via PTX software.

The PTX devices are held by the Head of Finance, Finance Business Partner and Senior Finance Officer.

Approval for processing payment must first be obtained as in section 1 above.

The processing limits for BACS payments are as follows:-

£0 - £9,999 - Any two of the device holders

£10,000+ - Any two of the device holders, one of which should be the Head of Finance.

Appendix 4: Tendering criteria

General

Every contract made by or on behalf of the College shall comply with the following provisions and no exceptions from any of these provisions shall be made otherwise than by the prior written approval of the Chief Financial Officer.

All purchases must be in accordance with the College's detailed procedures.

Tender limits

Where the estimated value of a contract is less than £50,000 then the Chief Financial Officer shall ensure that a reasonable price is obtained, in line with the table at paragraph 5.5 of the financial regulations.

Where the estimated value of a contract is greater than £50,000 then the College's tenders will be invited as above from companies on the College's approved list of contractors or suppliers on frameworks managed by purchasing consortia such as Crescent Purchasing Consortium.

The College shall undertake independent financial vetting of the contractor.

Where contracts exceed £500,000 in value, the contractor shall be asked to provide a performance bond.

Where invitations to tender have been issued, the Chief Financial Officer shall produce a contract schedule form stating the title of the tender and the names of the persons or companies invited to tender.

Where payment is to be made by the College, a tender other than the lowest tender in terms of monetary value shall not be accepted except in exceptional circumstances where there is a definable reason, for example when the lowest tender shall be deemed to be the lowest in terms of monetary value commensurate with the required quality. Where payment is to be received by the College, a tender other than the highest tender in terms of monetary value shall not be accepted except in exceptional circumstances where there is a definable reason.

The College is not obliged to accept any tender, however reasons for non-acceptance shall be recorded by the Chief Financial Officer.

Appendix 5: Variation to Financial Regulations

In situations where the financial regulations cannot be adhered to, for example in emergency situations or where it has not been possible to obtain 3 quotations then the form below must be completed.

All sections must be completed, signed by the requisitioner and the Department Director/Head and passed to the Chief Financial Officer for Approval.

NAME:	DATE:
DEPARTMENT:	BUDGET CODE:
VALUE OF ORDER: £	INCLUDED IN BUDGET: YES / NO
NAME OF SUPPLIER:	BUDGETED AMOUNT / ANNUAL BUDGET: £
SUPPLIER INCLUDED ON COLLEGE LIST OF APPROVED SUPPLIERS: YES / NO	
NATURE OF GOODS OR SERVICES PURCHASED:	
EXPLANATION OF VARIATION FROM FINANCIAL REGULATIONS:	
WHAT:	
WHY:	
SIGNED BY REQUISITIONER:	APPROVAL BY HEAD OF DEPARTMENT/DIRECTOR:
	NAME:
	Signed:
APPROVED BY CHIEF FINANCIAL OFFICER: YES / NO	
Comments:	
Signed:	
APPROVED BY CHAIR OF FRC (if value exceeds £100,000): YES / NO	
Comments:	
Signed	

Appendix 6: Form of contract

All contracts must be in writing and shall specify the goods or services to be supplied, the price to be paid with details of discounts or other deductions, the time, or times within which the contract is to be performed and, where appropriate, the number of liquidated damages which may otherwise become due.

In every contract there shall be inserted a clause to prevent a contractor from transferring or assigning, directly or indirectly, the contract without the consent of the College and to prevent the sub-let of the contract without the College's consent except insofar as it relates to the supply of patent or proprietary articles, raw materials, or material products.

A clause shall be inserted to secure that the College shall be entitled to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if the contractor shall have offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the contract or any other contract or any contract with the College or if the like acts shall have been done by any person employed by him or acting on his behalf shall have committed any offence under the Prevention of Corruption Acts 1889 to 1916, the Anti Bribery and Corruption Act 2010 or any superseding legislation.

A clause shall be inserted to require that, where appropriate, British Standard specification, International Standard specification or similar national standards or other EC member states have been used, provided they meet the British equivalent current at the date of tender and unless there is good and sufficient reason to the contrary. All goods and materials supplied or used, and all workmanship shall be in accordance with that standard, or such higher standard as may be specified.

Any such other clauses shall be inserted as the College shall determine whether generally or in relation to a specific contract.

Where suppliers submit their own form of contract for signature, the contract shall be referred to the Chief Financial Officer who will ensure the terms and conditions are acceptable before ensuring contracts are signed in accordance with the College's governing framework.

At the discretion of the Chief Financial Officer, contracts may in the first instance be referred to the College's solicitors for approval.