

INTRODUCTION AND GOVERNANCE

1 GROUP STRUCTURE

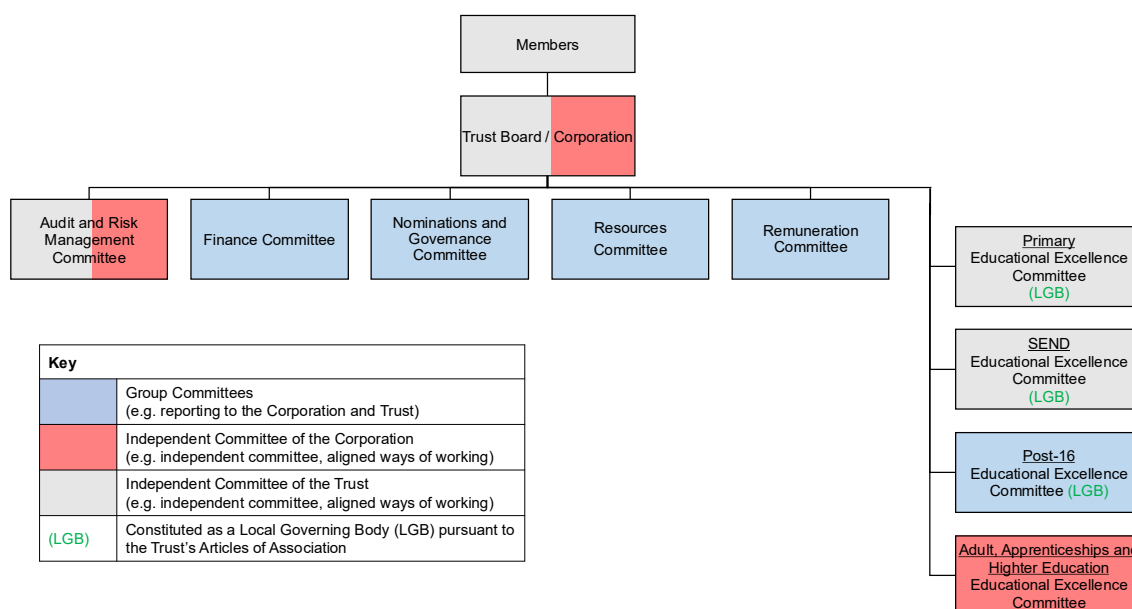
1.1 The **Eastern Education Group** ("Group") is akin to a charitable, corporate group and the Group works together in furtherance of their common educational, public benefit, charitable objects.

It includes:

- **West Suffolk College** – a statutory Further Education Corporation ("College"), and
- **Eastern Education Group Trust** – a Multi-Academy Trust ("Trust") which includes one primary school, five specialist SEN schools and two sixth form colleges:
 - Abbeygate Sixth Form College in Bury St Edmunds
 - Chalk Hill in Sudbury
 - Duke of Lancaster School in Fakenham
 - Exning Primary School in Newmarket
 - One Sixth Form College in Ipswich
 - Priory School in Bury St Edmunds
 - Stone Lodge Academy in Ipswich
 - Sunrise Academy in Lowestoft

The College and Trust work in collaboration to achieve the [Group's strategic plan](#). To promote and optimise understanding, collaboration and co-ordination; the College and Trust appoint common individuals to key governance and leadership roles (namely: Chair, Chief Executive ("CEO"), Chief Financial Officer ("CFO"), and Governance Professional) and the Group has a shared senior executive team.

The Corporation and Trust have substantial alignment of their governance arrangements and whilst distinct and legally separate institutions, have established several Group-wide governance committees:



- 1.2 The joint Finance Committee have delegated authority for* financial expenditure (within specified parameters)
- major developments and contracts (within specified parameters)
 - requests to vary the practices described within the Financial Regulations (within specified parameters)
 - and to approve the submission of the Trust's annual Schools Resources Management Self-Assessment.
- 1.3 The joint Resources Committee and Finance Committee have shared delegated authority for*:
- the purchase, lease or rent of land or buildings (within budget and subject to DfE regulation)
- (*subject to a quorum comprising at least two Committee members acting solely in the best interests of their respective independent Board):
- 1.3 The independent Audit and Risk Management Committees have delegated authority for:
- authorisation of expenditure for services provided to and/or from the Trust and the College
 - reviewing and recommending to the independent Board's the annual value for money report, of services provided to and/or from the Trust and the College
 - reviewing and recommending to the independent Board's the writing-off of debts owing to and/or from the Trust and the College
 - reviewing and recommending to the independent Board's any franchising, companies and joint ventures between the Trust and the College
- 1.4 The Financial Regulations should be read alongside the Scheme of Delegation, Terms of Reference of the Committees, the Corporation's Instruments and Articles of Government and the Trust's Articles of Association, Standing Orders and Governance Policies of the Corporation and Trust. These are published on the Group's website: see [College](#) and [Trust](#).
- 1.5 The College and Trust are legally distinct institutions which retain overarching and ultimate responsibility for all decisions made, irrespective of any delegated responsibility given to any Committee or individual. Moreover, delegated responsibilities cannot be amended or exercised other than by as delegated in this document, unless otherwise directed or agreed by the Corporation and/or Trust Board, as appropriate.



2 LEGAL STATUS AND GOVERNING DOCUMENTS

- 2.1 West Suffolk College is a Further Education Corporation established under the provisions of the [Further and Higher Education Act 1992](#). It is an [exempt charity](#) by virtue of the Charities Act 2011.
- 2.2 The Corporation, as laid down in the [Instrument and Articles of Government](#), is accountable for the effectiveness of its management and administration of the College.
- 2.3 Eastern Education Group Trust is a multi-academy trust limited by guarantee (company number 09702333). It is an exempt charity by virtue of the Charities Act 2011.
- 2.4 The Trust Board, as laid down in the [Articles of Association](#), is accountable for the effectiveness of its management and administration of the Trust and its schools and colleges.

3 EXTERNAL REGULATION

- 3.1 As publicly funded education providers, both the College and Trust must adhere to the regulation requirements set by the Department for Education (DfE) and HM Treasury.
- 3.2 In accordance with the requirements of the [College Financial Handbook](#) and the [Framework for auditors and reporting accountants of colleges](#), the College must ensure it has sound systems of internal financial management and control and must adopt a viable financial strategy to ensure the sustainability and the solvency of the College.
- 3.3 In accordance with the requirements of the [Academy Trust Handbook](#) and the Academies Framework and guide for external auditors, the Trust must ensure it has sound systems of internal financial management and control and must adopt a viable financial strategy to ensure the sustainability and the solvency of the Trust and its academies.
- 3.4 The financial regulations of the Group form part of the overall system of accountability.
- 3.5 The Group financial regulations are subordinate to the external regulations outlined above and any changes to regulations take precedence over these regulations.

4 OUR SYSTEM OF ACCOUNTABILITY

- 4.1 These financial regulations apply to the Group, Corporation, Trust and all its subsidiary undertakings. The financial regulations apply to the Group, except where separate financial regulations are required to meet the external regulation requirements for the Trust or the College.
- 4.2 Where the regulation differs between the College and the Trust, this will be denoted by:
- | | |
|---|------------------------------------|
|  | <i>only applies to the College</i> |
|  | <i>only applies to the Trust</i> |
- 4.3 The purpose of these financial regulations is to provide:
- practical guidance on broad policies relating to financial control
 - control over the totality of the Group's resources
 - management with assurances that the resources are being properly applied for the achievement of the Group's strategic plan and business objectives and include:
 - financial viability including going concern and financial sustainability
 - achieving value for money
 - fulfilling its responsibility for the provision of effective financial controls over the use of public funds
 - ensuring compliance with all legislation relating to financial control
 - safeguarding the tangible assets of the Group
 - ensuring compliance with the Risk Register
- 4.4 These financial regulations are subordinate to the Group's governing documents ([see 2](#)) and any restrictions established by the external regulators ([see 3](#)).

- 4.5 Compliance with the financial regulations is compulsory for all staff connected with the Group. Any member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the Group's disciplinary policy.
- 4.6 Any significant breach will be notified to the Trust Board or Corporation via the respective Audit and Risk Management Committee.
- 4.7 It is the responsibility of senior leaders to ensure that staff are made aware of the existence and content of these financial regulations.
- 4.8 The Finance Committee is responsible for maintaining a continuous review of these financial regulations, through the CFO, and for advising the Corporation and Trust Board of any additions or changes necessary.
- 4.9 In exceptional circumstances the Finance Committee may authorise a departure from the detailed provisions herein, such departure to be reported to the Corporation and Trust Board at the earliest opportunity.

RESPONSIBILITIES

5 GOVERNANCE

- 5.1 The financial responsibilities are laid out in the [College Financial Handbook](#) for the College and in the [Academy Trust Handbook](#) for the Trust.
- 5.2 The **Corporation and Trust Board** have financial responsibilities to:
- ensure the solvency of the Group
 - safeguard the Group's assets
 - appoint, grade, suspend, dismiss and determine the pay and conditions of service of the CEO (as Accounting Officer)
 - appoint, suspend and dismiss the CFO (who is Company Secretary of the Corporation)
 - appoint, suspend and dismiss the Governance Professional (who is Company Secretary of the Trust)
 - set a framework for pay and conditions of service of all staff
 - ensure that the financial, planning and other management controls, including controls against fraud and theft, applied by the Group and its companies are appropriate and sufficient to safeguard public funds
 - secure the efficient, economical and effective management of all of the Group's resources, expenditure, capital assets and equipment, and staff, so that the investment of public funds is not put at risk
 - ensure that appropriate financial considerations are undertaken when reaching and executing decisions
 - approve the Group's strategic plan
 - plan and conduct financial and academic affairs in line with the Group's strategic plan;
 - approve an annual budget before the start of each financial year
 - approve the annual financial statements
 - approve the risk management strategy
 - approve the appointment of internal auditors

- consider and approve the appointment of external auditors at least every 5 years (in line with the requirements of the external regulators ([see 3](#)))

The **Members** have financial responsibilities to:

- consider and approve the appointment of external auditors at least every 5 years (in line with the requirements of the external regulators [see 3](#))

6 EXECUTIVE

6.1 The **Chief Executive** (“CEO”) is the designated Accounting Officer.

As Accounting Officer, the CEO is responsible for ensuring the Group’s financial administration is compliant with the requirements of the external regulators ([see 3](#)) and must be able to assure Parliament, and the public, of high standards of probity in the management of public funds, particularly regularity, propriety and value for money. The CEO may be required to justify financial matters to the House of Commons’ Public Accounts Committee.

For the Trust, the CEO must have oversight and responsibility of the financial transactions, by:

- ensuring that property and assets are under governance control, and measures exist to prevent losses or misuse
- ensuring bank accounts, financial systems and financial records are operated by more than one person
- keeping full and accurate accounting records to support their annual accounts

The CEO shall demonstrate their oversight of financial matters by signing the governance statement and statement on regularity, propriety and compliance within the annual financial statements.

The accounting officer should ensure that any references in their final signed statement to instances of material irregularity, impropriety or funding noncompliance are consistent with any findings from the work of the reporting accountant and, where known, should state the monetary amounts involved.

For the College, the CEO must have oversight and responsibility of the financial transactions, by:

- the effective and efficient use of resources
- the solvency of the College and safeguarding its assets
- approving and monitoring annual budgets of income and expenditure

The CEO shall demonstrate their oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements, and the CEO’s statement of the two-year financial forecasts submitted to the funding body.

- 6.2 The **Chief Financial Officer** (“CFO”) is responsible to the CEO for the day-to-day financial administration of the Group.

This includes:

- preparing annual capital and revenue budgets and financial plans, in line with the Group’s strategic plan
- preparing monthly financial accounts, management information, monitoring and control of expenditure against budgets and all financial operations
- preparing the annual accounts and other financial statements and returns as required to submit to other authorities
- ensuring that satisfactory financial systems and records are maintained
- providing professional advice on all matters relating to financial policies and procedures
- day-to-day liaison with internal and external auditors to achieve efficient processes
- supervising and approving the financial systems in operation including how accounts and financial records are to be kept

[Appendix A](#) shows, for the main areas in which advice is sought, details of the key contacts within the Finance Department.

- 6.3 Staff with financial responsibility include the:
- **Senior Executive Team** (“SET”) [see Team](#)
are responsible for establishing and maintaining clear lines of responsibility for all financial matters where resources are devolved to SLT budget holders within their areas.
 - **Senior Leadership Team** (“SLT”)
are responsible for financial management for the areas/activities they control, including compliance with all relevant systems and procedures, and the provision of key information to the Finance Department.
- 6.4 All members of staff should be aware and have a general responsibility for the security of the Group and its property for avoiding loss and for due economy in the use of resources. They should ensure that they are aware of the Group’s financial authority limits and the values of purchases for which quotations and tenders are required (see 20.4). They shall make available any relevant records or information to the CFO or their authorised representative in connection with the implementation of the Group’s financial policies, these financial regulations and the system of financial control. They shall provide the CFO with such financial and other information as they may deem necessary, from time to time, to carry out the requirements of the Trust Board and Corporation. They shall immediately notify the CFO whenever any matter arises which involves, or is thought to involve, irregularities concerning, inter alia, cash or property of the Group. The CFO shall take such steps as they consider necessary by way of investigation and report.

7 RISK MANAGEMENT

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

The risk management policy sets out detailed guidance on the levels of risk considered to be acceptable/unacceptable by the Group.

- 7.2 The Corporation and Trust Board have overall responsibility for ensuring there is a risk management policy which lays out the formal, structured risk management process and that this is embedded throughout the organisation.
- 7.3 In line with [the policy](#), the risk management plan and supporting procedures include:
- the definition used for risk and risk management
 - the criteria for measuring risk, linking threats to their potential impact, likelihood of occurrence and sensitivity analysis
 - the level of 'acceptable risk' and tolerance levels in terms of measurable outcomes.
 - the level of risk to be covered by insurance
 - detailed regular review at department or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas
 - the types of mitigations and contingency plans considered
 - development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' responsible and accountable for managing the risk in question.
 - the reporting methods used to inform the Corporation and/or Trust Board of the risks above established tolerance levels
 - the stipulation of an annual review of risk management arrangements

The policy and procedures must be capable of independent verification.

- 7.4 The Senior Executive Team (SET) and their Senior Leadership Team (SLT) must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the Group may be exposed. The advice of the CFO should be sought to ensure that this is the case.

8 WHISTLEBLOWING

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

The full procedure for whistleblowing is set out in the [whistleblowing policy](#).

9 CODE OF CONDUCT

- 9.1 The Group is committed to the highest standards of openness, integrity and accountability. They seek to conduct their affairs in a responsible manner, having regard to the [Seven](#)

[Principles of Public Life](#) (formerly known as the Nolan Principles), which members of staff at all levels are expected to observe.

- 9.2 Additionally, governance members and staff with financial responsibility ([see 6.3](#)) are required to disclose interests in the Group's register of interests, which is maintained by the Governance Professional. Individuals are responsible for ensuring that entries in the register relating to them, are kept up to date regularly and promptly, as prescribed in the financial procedures.
- 9.3 In particular, no person shall be a signatory to a Group contract where they also have an interest in the activities of the other party. See [Appendix G](#) for more details.

10 RECEIVING GIFTS OR HOSPITALITY

- 10.1 It is an offence under the [Bribery Act 2010](#) for staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity.

The guiding principles to be followed by all governance members and staff must be:

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

Thus, governance members and staff should not accept any gifts, rewards or hospitality (or have them given to their families) from any organisation or individual which might be, or might be deemed by others to have been, influenced because of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the Group would be likely to provide in return. When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the CFO.

- 10.2 The Finance department maintains a register of gifts and hospitality received in excess of £50. Individuals are responsible for disclosing gifts and hospitality promptly and accurately to the Finance department.

11 PRIVATE CONSULTANCIES AND OTHER PAID WORK

- 11.1 Unless otherwise stated in the contract for permanent staff:
- outside consultancies or other paid work may not be accepted without the prior consent of the CEO;
 - applications for permission to undertake work outside of paid work must be submitted to the CEO and include the following information:
 - the name of the member(s) of staff concerned
 - the title of the project and a brief description of the work involved
 - the proposed start date and duration of the work

- full details of any Group resources required (for the calculation of the full economic cost)
- an undertaking that the work will not interfere with the teaching and normal duties of staff concerned.

12 FINANCIAL MANAGEMENT AND CONTROL

12.1 **Financial Planning:** The CFO is responsible for preparing annually a rolling three-year financial plan for approval by the Corporation and Trust Board on the recommendation of the Finance Committee and for preparing financial forecasts for submission to the funding body. Financial plans should be consistent with the Group's Strategic Plan.

12.2 **Budget setting:** The Finance Committee recommends the budget for the Corporation and Trust Board.

12.3 **Resource allocation:** Resources are allocated annually by the Corporation and Trust Board on the recommendation of the Finance Committee and based on the above budget. Staff with financial responsibility ([see 6.3](#)) are responsible for the economic, effective and efficient use of resources allocated to them.

12.4 **Budget preparation and allocation:** The CFO is responsible for preparing an annual revenue and capital budget which is suitably detailed to support effective resource allocation and includes annual cash flow forecasts and a projected year-end balance sheet, for consideration by the Finance Committee and approved by the Corporation and Trust Board.

Throughout the year, the CFO is responsible for appropriately revising forecasts and projected year-end balance sheet information for consideration by the Finance Committee and reporting to the Corporation and Trust Board.

12.5 **Capital Expenditure Budget:** Includes all capital expenditure on:

- purchase of land and/or buildings;
- site works, erection, alteration and improvement of buildings;
- professional fees associated with capital expenditure on land/buildings/site works/erection /alteration and improvement of buildings;
- purchase and/or installation of equipment, furniture and fixtures costing £5,000 or above
- staff costs directly attributable to capital projects

Capital projects must be included within, and capital expenditure must not be incurred outside of, the approved capital expenditure budget. The use of capital expenditure is subject to the scrutiny of the Finance Committee.

12.6 **Agile Capital Expenditure Budget approval:** To create the agility to respond to new capital/grant funded project opportunities which were not foreknown and therefore were not incorporated into the approved capital expenditure budget.

12.7 **Post-Project Evaluation:** Following completion of significant capital projects more than £250,000, a post-project evaluation or final report should be submitted to the Resources Committee including actual expenditure against budget and reconciling funding arrangements

where a variance has occurred as well as other issues affecting completion of the project. Post- project evaluations may also need to be sent to the relevant funding body, as laid down in funding body guidelines.

- 12.8 **Overseas activity:** In planning and undertaking overseas activity, the Group must have due regard to the relevant guidelines issued by the funding body.
- 12.9 **Other major developments:** Any new aspect of business, or proposed establishment of a company or joint venture, which will require an initial investment in buildings, equipment or resources of over £100,000 or ongoing annual net revenue expenditure of over £100,000 (over the life of the project), should be submitted to the Resources Committee for recommendation to and approval by the Corporation and/or Trust Board. The CFO will establish protocols ([see appendix F](#)) for these major developments to enable them to be considered for approval by the Corporation and/or Trust Board, setting out the information required for each proposed development as well as the financial criteria that they are required to meet. It is recommended to use the Authority to Vary form ([see appendix C](#)).

13 FINANCIAL CONTROLS

- 13.1 **Budgetary control:** The control of income and expenditure within an agreed budget, including day-to-day monitoring, is the responsibility of staff with financial responsibility ([see 6.3](#)) and any significant departures from agreed budgetary targets must be reported immediately to the CFO (or the Group Head of Finance) for corrective action to be taken as necessary.
- 13.2 **Financial information:** Monthly management accounts or department reports will be provided comparing actual income and expenditure to the original budget and from month three and onwards a new forecast of the projected outturn at the year end for SET members will be included. Budget Holders are assisted in their duties by management information provided by the Finance team.

The types of management information available to the different levels of management will equate to their requirements and demands. The CFO is responsible for supplying budgetary reports on all aspects of the Group to the Finance Committee on a basis determined by the Finance Committee but subject to any specific requirements of the funding body.

- 13.3 **Expenditure not included in approved Budget:** must be approved and may include:
- Bids for capital or grant funding (relating to an element of match funding within capital or revenue expenditure);
 - Bids for revenue funding (relating to costs associated with providing an additional or extended level of service within the current and/or subsequent years);
 - Unbudgeted staffing costs (especially where the additional staffing costs adversely impact the staffing percentage costs approved in the budget); and
 - Non-pay costs

The approval for these items shall be as below:

- **Capital or grant funding projects:**

- Submission of capital bids with a match funding element in excess of £500,000 must be approved by the Finance Committee or (if an urgent decision) the Chair of the Finance Committee, using the Authority to Vary Form ([see appendix C](#)).
 - The form should demonstrate how the project aligns to the Group's overall strategy and/or property strategy and the project should be reported to the Finance Committee.
 - If the capital bid is successful, the match funding element of the bid must, with due regard to:
 - the level of the Group's reserve funds,
 - existing capital commitments,
 - any other capital bids awaiting decisions,be considered and approved by:
 - For capital bids with a match funding element of up to £500,000 - the Finance Committee or (if an urgent decision) the Chair of the Finance Committee upon consultation with, and agreement from, a majority of the Finance Committee members.
 - For capital bids with a match funding element in excess of £500,000 - the Corporation or Trust Board or (if an urgent decision) the Chair of the Corporation or Trust Board upon consultation with, and agreement from, a majority of the Corporation or Trust Board members.
 - The CFO is responsible for regularly reporting of successful and in progress bids to the Finance Committee.
- **Bids for revenue funding:**
- The CEO or CFO may approve revenue bids that have a neutral or positive effect on the contribution to reserves position.
 - If the revenue bid will have a detrimental effect on the contribution to reserves position and is expected to adversely affect year end contribution by more than £100,000, it must be approved by the Finance Committee or (if urgent decision) the Chair of the Finance Committee and be reported to the next Finance Committee.
- **Non-pay costs:**
- It is accepted by the Finance Committee that overspends against certain budget headings can be balanced by extra income or savings against other non-pay budget headings; and such variances are reported via the rolling forecast of the Income and Expenditure reported to each Finance Committee meeting. However, if the CEO knowingly incurs non-pay expenditure that will adversely affect the year end outturn; this should be reported to the Finance Committee and if it is greater than £100,000 then the CEO will seek the prior permission of the Chair and the agreement of the Chair of the Finance Committee and be reported to the next meeting of the Finance Committee.
- **Fully Funded Capital Expenditure:**
- The CEO may authorise expenditure not included in the approved budget up to the value of £2,500,000 where that non-pay capital expenditure is funded by additional guaranteed income that was also not included in the approved budget and aligns to the Group's overall strategy and/or property strategy. Any such expenditure must be reported to the Finance Committee at its next meeting.

- The Finance Committee may authorise expenditure not included in the approved budget from £2,500,000 and £5,000,000.
- The Corporation or Trust Board may authorise expenditure fully funded capital expenditure above £5,000,000.

○ **Unfunded or Partially Match Funded Expenditure:**

- The CEO may authorise unfunded, unbudgeted **capital** expenditure of up to £250,000.
- The Finance Committee may authorise unfunded, unbudgeted **capital** expenditure from £250,000 and £500,000.
- The Corporation or Trust Board may authorise unfunded, unbudgeted **capital** expenditure above £500,000 upon the recommendation of the Finance Committee.

13.4 **Changes to the approved budget:** Only in exceptional circumstances will changes to the approved budget be considered. These must be approved by the Finance Committee and recommended to the Corporation or Trust Board, unless they fall within the delegated approval arrangements.

13.5 **Virement:** Budgets may be vired (reallocated between nominal codes in the same or similar categories) at the approval of the CFO (or delegate).

13.6 **Treatment of Year-End Balances:** At the year-end, only specific capital budgets and externally funded project grants may be carried forward, upon approval of the CFO and reported to the Finance Committee. Budget holders are not able to carry forward unspent revenue budgets.

13.7 **General Annual Grant (GAG) pooling:** The Trust pools all income in the Trust to direct resources appropriately across the academies. High Need Funding awards (Band I) remain to the direct benefit the individual child recipient.

13.8 **Treatment of reserves if an academy leaves the Trust:** The Trust will agree the level of reserves that the academy may depart with, based on a percentage of the academy's GAG and High Needs Funding income, in consideration of the overall Trust reserves and if the constituent academy has a deficit revenue balance.

13.9 **Appeal by an academy for GAG pooling:** If an academy feels that they have been unfairly treated through the application of 13.7 they should submit an appeal through the process detailed below:

1. The SLT lead for the academy must inform the CEO and CFO of the appeal in writing, and document the nature of the dispute, why additional funding is required (supported by appropriate evidence), what the funding will be used for, and what would be the potential impact if the funding was not received.
2. If the dispute cannot be fully resolved between the CEO and the SLT lead for the academy, the appeal will be escalated to an appeal panel of the Trust via the Governance Professional.
3. The appeal panel must meet to consider the appeal and notify of the outcome within 10 working days of the receipt of the documentation.

4. If the SLT lead for the academy remains dissatisfied with the outcome, they can appeal directly to the DfE. All decisions reached by the DfE are considered final.

14 ACCOUNTING ARRANGEMENTS

14.1 Financial year:

The financial year for the College runs from 1 August until 31 July the following year.

The financial year for the Trust runs from 1 September to 31 August the following year.

- 14.2 **Basis of accounting:** The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

14.3 Format of the financial statements:

The College's financial statements are prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education and the College Accounts Direction, subject to any specific requirements of the funding body, and in accordance with applicable accounting standards and following the guidance published by the Department for Education (DfE) in consultation with the external auditors.

The Trust's financial statements are prepared in accordance with the Charities SORP (Statement of Recommended Practice) FRS 102 and Academies Accounts Direction, subject to any specific requirements of the funding body, and in accordance with applicable accounting standards and following the guidance published by the Department for Education (DfE) in consultation with the external auditors.

- 14.4 **Capitalisation and depreciation:** New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Freehold land will not be depreciated.

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it “**provides incremental future benefits**” (Financial Reporting Standard 102 paragraph 17.6), that is, it improves the earning capacity or extends the life of the non-current asset.

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item is £5,000 or more. Capitalised assets other than freehold land, will be depreciated over a period of years commencing in the year of acquisition, as stated in the depreciation policy.

- 14.5 **Accounting records:** The CFO is responsible for retaining financial documents in a form that is acceptable to the relevant authorities. The Group is required by law to retain prime documents for six years from the end of the financial year that they relate to. These include:

- official purchase orders;
- paid invoices;
- accounts raised;
- bank statements;
- copies of receipts;

- paid cheques; and
- payroll records.

The CFO will make appropriate arrangements for the retention of electronic records and staff should ensure that retention arrangements comply with any specific requirements of funding organisations. Additionally, for auditing and other purposes, other financial documents should be retained for the statutory minimum required by law or as determined by the funder.

14.6 **Information to Budget Holders:** The Finance team will provide up-to-date budget reports and provide appropriate training to staff with financial responsibility ([see 6.3](#)) as required.

14.7 **Public Access:** Pursuant to the Charities Acts of 1993 and 2006, the Corporation and Trust Board are required to supply any person with a copy of the institution's most recent financial statements within two months of a request. Members of the public may inspect the statement of accounts via our website

College (see [here](#))

Trust (see [here](#))

14.8 **Taxation:** The CFO is responsible for advising on all relevant taxation issues and senior staff are responsible for providing all relevant taxation information to the CFO.

15 AUDIT REQUIREMENTS

15.1 External Auditors and Internal Auditors shall have authority to:

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

The CFO is responsible for drawing up a timetable for final accounts purposes and will advise staff and the External Auditors accordingly.

15.2 **External audit:**

The appointment of external auditors for the main financial statements of the College is the responsibility of the Corporation, as advised by the Audit and Risk Management Committee.

The appointment of external auditors for the main financial statements of the Trust is the responsibility of the Members, as advised by the Audit and Risk Management Committee.

The primary role of the external audit is to report on the financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements. Their duties will be in accordance with external regulator's Framework and guide for external auditors and reporting accountants ([see 3](#)) and the Auditing Practices Board's statements of auditing standards.

In addition, the Department for Education requires the external auditors to carry out an external regularity audit, to give assurance that income and expenditure has been applied in accordance with the purposes intended by Parliament, and that the financial transactions conform to the authorities which govern them.

From time to time the Audit and Risk Management Committee may also appoint External Auditors to carry out additional auditing work e.g. funding audits.

- 15.3 **Internal audit:** The Internal Auditor is appointed by the Corporation and Trust Board on the recommendation of the Audit and Risk Management Committee.

The main responsibility of internal audit is to provide the Corporation, Trust Board, the CEO and senior management with assurances on the adequacy of the internal control system. The External Regulators ([see 3](#)) require that the Audit and Risk Management Committee assess and provide the Corporation and Trust Board with an opinion on the adequacy and effectiveness of the College and Trust's audit arrangements, framework of governance, risk management and control, and processes for the effective and efficient use of resources, the solvency of the institution and the safeguarding of its assets.

The internal audit service is independent in its planning and operation but has direct access to the Corporation and Trust Board, CEO and Chairs of the Audit and Risk Management Committees. [See appendix B](#) for the formal responsibilities of Internal Audit. The internal auditor will also comply with the relevant and requisite auditing guidelines expected for Further Education colleges and academies.

- 15.4 **Fraud and corruption:** All incidents of theft and damage should be reported immediately to the CFO who shall immediately invoke the fraud response plan ([see appendix D](#)) and notify the CEO and the Chair of the Audit and Risk Management Committee and take steps they consider necessary to investigate and report.

If a criminal offence is suspected of having been committed, the CEO or CFO shall inform the police. The CEO will also report any significant cases of fraud or irregularity to the funding body, in accordance with the requirements in the framework and guide for external auditors and reporting accountants. The Audit and Risk Management Committee shall commission investigation of the suspected irregularity, by the Internal Auditors or others as appropriate, who shall carry out an investigation and prepare a report for the Audit and Risk Management Committee on the suspected irregularity which will include advice on preventative measures.

If the suspected fraud or corruption is thought to involve the CFO and/or the CEO, staff shall notify the Chair of the Audit and Risk Management Committee directly of their concerns regarding irregularities.

- 15.5 **Value for money:** The external regulators ([see 3](#)) require that the Group deliver value for money from public funds. The Group should keep arrangements for managing resources under review and take into account relevant guidance from the Department for Education, National Audit Office, Public Accounts Committee or other relevant bodies. Internal Audit is to

have regard to value for money in its programme of work. This will be used to enable the Audit and Risk Management Committee to refer to value for money in its annual report.

- 15.6 **Other auditors:** From time to time, the Group may be subject to audit or investigation by external bodies such as the funding body, National Audit Office, European Court of Auditors, and HM Revenue and Customs. They have the same rights of access as External and Internal Auditors.
- 15.7 **Alcohol:** Pursuant to the Academy Trust Handbook, the Trust is specifically prohibited from using Trust funds for the purchase of alcohol, except where it is to be used in religious services.

16 BANKING ARRANGEMENTS

- 16.1 **Appointment of Bankers and Other Professional Advisers:** The Corporation and Trust Board are responsible for the appointment of the bankers and other professional financial advisers (such as investment managers) on the recommendation of the Finance Committee for a period up to 10 years; after which the service shall be subject to competitive tendering.
- 16.2 **Banking arrangements:** The Group's bank accounts (and those of its subsidiary companies) may only be opened or closed by the CFO. The CFO is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate; and for liaising with the bankers in relation to bank accounts, associated arrangements and operations.
- 16.3 **Cheques:** The CFO is responsible for ensuring cheques are signed in accordance with the bank mandate and for the arrangements for their safe custody. Cheques drawn must be authorised in the form approved by the Finance Committee.
- 16.4 **Automated Transfers:** Automated Transfers (such as BACS, CHAPS or Faster Payments) must be authorised in the form approved by the Finance Committee.
- 16.5 **Treasury Management Policy:** The CFO is responsible for updating and maintaining this policy and for reporting to the Finance Committee, at a frequency determined by the Finance Committee, on the activities of the treasury management operation and on the CFO's use of powers delegated to them ([see appendix E](#)).

17 INCOME

- 17.1 The CFO is responsible for ensuring:
- appropriate procedures are in operation to receive all income to which the Group is entitled;
 - all receipt forms, invoices, tickets or other official financial documents in use and electronic collection systems must have the prior approval of the CFO;
 - levels of charges for contract research, services rendered, goods supplied and rents and lettings;
 - the prompt collection, security and banking of all income received;
 - ensuring that all grants notified by the funding body and other bodies are received and appropriately recorded in the accounts; and

- o ensuring that all claims for funds, including research grants and contracts, are made by the due date.

- 17.2 **Grant income agreements:** The CFO has delegated authority to sign the grant income agreements and, where two signatures are required, the CEO will countersign. All grant income agreements, whether received on a government electronic portal or issued as a deed requiring seal, will be treated in the same way with the same delegated authority to CFO and CEO.
- 17.3 It is the responsibility of all staff to ensure that the Finance Department is made aware of debtors as shown below and to provide timely and accurate information to the Finance Department. It is the responsibility of the Finance Department to invoice debtors and collect income due to the Group.
- 17.4 **Receipt of Cash, Cheques and Other Negotiable Instruments:** All monies received must be paid to the cashier on a regular basis, and in accordance with a timetable prescribed by the CFO and set out in financial procedures. The custody and transit of all monies received must comply with the requirements of the insurers. All sums received must be paid in and accounted for in full and must not be used to meet miscellaneous departmental expenses or be paid into the departmental petty cash float. Personal or other cheques must not be cashed.
- 17.5 **Receipts by Credit or Debit Card including online transactions:** The Group may only accept receipts by debit or credit card including online transactions using procedures approved by the CFO.
- 17.6 **Collection of Debts:** The CFO should ensure that:
- o where debtor invoices are required, they are raised promptly on official invoices;
 - o invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account;
 - o any credits granted are valid, properly authorised and completely recorded;
 - o VAT is correctly charged where appropriate, and accounted for;
 - o monies received are posted to the correct debtors account;
 - o swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the financial procedures; and
 - o outstanding debts are monitored and reports prepared for management.
- Only the CFO or the Group Director of Finance can vary approved credit arrangements and the Group's standard payment terms should be adhered to.
- 17.7 **Bad debts:** On the due date for payment one written and/or telephone reminder to the debtor. If the debt remains unpaid 30 days thereafter, the Finance Department may pass the papers to the Debt Collection Agency for appropriate action to be taken. The Group has the right to ask any student to leave the course if the debt remains unpaid.
- 17.8 **Writing off debts:** Debts may only be written off in accordance with [DfE guidance](#) for the College and the Academy Trust Handbook for the Trust and must be authorised in writing as shown below:
- o up to £10,000 – authorised by the CFO

- from £10,001 to £15,000 – authorised by the CEO
- over £15,000 – authorised and reported to the Finance Committee
- over 1% of total annual income or £45,000, whichever is smaller, for a single transaction require the approval of the DfE in advance
- over 5% of total annual income or £250,000, whichever is smaller, for cumulative total write offs for the academic year, require approval of the DfE in advance

Any intercompany debt to be written off will be reviewed by the Audit and Risk Management Committee of the College and Trust separately and escalated to the Corporation and Trust Board.

The regulations relating to debt write-offs do not apply to fee waivers which may be granted for bursary or other reasons.

17.9 **Student Fees:** The CFO is responsible for the Group's tuition collection fee procedures and for ensuring that all student fees due are received. Any student who has not paid an account for fees or any other item owing to the Group could be prevented from re-enrolling and from using any facilities unless appropriate arrangements have been made.

17.10 **Student Loans:** The College will accept loans paid via the Student Loan Company and will maintain appropriate records to support all transactions involving student loans.

17.11 **Emergency/Hardship Loans:** The College's scheme for emergency / hardship loans must be approved by the Corporation; and must include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made, other than in accordance with the approved scheme. The CFO is responsible for ensuring the adequacy of the systems in place for:

- approving loans in accordance with the scheme;
- paying loans that have been approved; and
- recovering loans that have not been paid.

For more information see <https://www.wsc.ac.uk/student-life/student-finance/5-apply-for-a-bursary> and the Bursary Policy on our [website](#)

18 OTHER INCOME GENERATING ACTIVITY

18.1 **Short courses and services rendered:** In this context, a short course is any course which does not form part of the award-bearing teaching load of the department. Any staff wishing to run a short course must have the permission of the Senior Executive Team and, as course organiser, accept responsibility for day-to-day management of the course. The term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information.

18.2 **Off-site collaborative provision (franchising):** Any contract or arrangement to provide education off-premises or with the assistance of persons other than the College's own staff or with independent contractors (partner organisations), must follow this procedure:

- A contract, supported by a business case, must be signed by the CEO and/or CFO and any partner organisation which must, as a minimum, comply with the [funding body's model contract](#).

- Contracts for significant changes in franchising activity require approval of the Finance Committee.
- The impact of contract(s) are subject to continuing scrutiny of the Finance Committee.
- Regular reports shall follow funding body guidance, consider risk factors associated with the proposed partnership and include an appropriate entry in the financial forecast.
- Where the partnership would represent a significant departure from the Group's strategic plan, the Corporation and/or Trust Board must approve the departure, and the CEO shall seek the views of and inform the funding body.

Any intercompany franchising arrangement will be reviewed by the Audit and Risk Management Committee of the College and Trust separately and escalated to the Corporation and Trust Board.

- 18.3 **Profitability and Recovery of Overheads:** All other income-generating activities must be self-financing or surplus-generating unless it is intended that a new course is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the Senior Executive Team member and the CFO, all courses must cover their direct cost of teaching and materials. Other income-generating activities organised by members of staff must be costed and agreed with the CFO before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the costing and pricing policy, in particular for the recovery of overheads.
- 18.4 **Deficits:** Any unplanned deficits incurred on other income-generating activities will be charged to departmental funds.
- 18.5 **Additional Payments to Staff:** Any proposal that involves additional payments to members of staff should be supported by a schedule of names and values and must be approved by the CFO and Chief People Officer (CPO).

19 INTELLECTUAL PROPERTY RIGHTS AND PATENTS

- 19.1 Certain activities undertaken including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.
- 19.2 **Patents:** The Finance Committee is responsible for establishing procedures to deal with any patents accruing to the Group from inventions and discoveries made by staff during their research.
- 19.3 **Intellectual property rights:** Should the College and/or Trust decide to become involved in the commercial exploitation of inventions and research, the matter should then proceed and incorporate intellectual property protection as appropriate.

20 EXPENDITURE

- 20.1 The CFO is responsible for making payments to suppliers of goods and services, and for:
- ensuring that the Group's procurement policy ([Appendix G](#)) is known and observed by all involved in purchasing;
 - advising on matters of purchasing policy and practice;

- advising and assisting departments where required on specific departmental purchases;
- developing appropriate standing supply arrangements to assist budget holders in meeting their value for money obligations;
- vetting all orders;
- drafting and negotiating all large-scale purchase contracts (in excess of £5,000) undertaken in collaboration with the responsible department; and
- ensuring compliance with the UK's regulations on public purchasing policy under the Procurement Act 2023.

20.2 **Procurement:** The Group requires all staff with financial responsibility ([see 6.3](#)), irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice. Factors to be considered in determining lowest cost are noted in the financial procedures.

20.3 **Purchase Orders:** The ordering of goods and services shall be in accordance with the Group's detailed financial procedures/purchasing policies. Orders must be placed for the purchase of all goods or services, except those made using purchasing cards, company credit cards, cheque requisitions or petty cash. In exceptional circumstances, urgent orders may be given orally but must be confirmed by an official purchase order endorsed 'confirmation order only' not later than the following working day. When transferring goods or services between departments, an interdepartmental transfer form must be used. It is the responsibility of the CFO to ensure that all purchase orders refer to the conditions of contract ([see Appendix H](#)).

20.4 **Tenders and Quotations:** Staff with financial responsibility ([see 6.3](#)) must comply with the tendering procedures below (all figures exclude VAT) in accordance with Value for Money for public funds:

Total Aggregate Value Goods and Services	Total Aggregate Value Works and IT*	Process to be used
<£5,000	<£25,000	External Purchase Order may be placed on the basis of a written single quotation. The Senior Leader who is responsible for the areas/activities must be satisfied that the price to be paid represents value for money. The Senior Leader must consider whether better value for money will be achieved by opening the opportunity to wider competition using a quotation process.
>£5,000 to £25,000	>£25,000 to £50,000	At least two written quotations obtained by staff from suitably qualified suppliers (including, where possible, one from a local SME).
>£25,000 to £50,000	>£50,000 to £150,000	At least three written quotations (preferably five) obtained by staff from suitably qualified suppliers (including, where possible, one or more local SME). The requirements must be advertised in 'Find a Tender' via the Procurement Team.
>£50,000 to Threshold**	>£150,000 to Threshold	Regulated below-threshold contracts process must be followed via the Procurement Team, with at least three written

		quotes (preferably five) from suitably qualified suppliers (including, where possible, one or more local SME). The requirements must be advertised in 'Find a Tender'.
>Threshold	>Threshold	A competitive tendering procedure or competitive flexible procedure must be followed via the Procurement Team.

* Works and IT refers to Estates (construction, renovations, extensions and building maintenance) and projects which are undertaken by either the projects team or IT team in line with the criteria laid out in the projects/IT procedures.

**Threshold limits are detailed in schedule 1 under the Procurement Act 2023 and updated yearly.

No requirements may be deliberately sub-divided or its total aggregated value understated to avoid these financial thresholds.

Utility contracts are considered exempt under the Procurement Act 2023, Examination and Exam Board / EPA fees are mandatory and therefore should be exempt from the process outlined above.

Further competitions run against existing Framework Agreements that fall into the thresholds above do not need to advertise the requirements in 'Find a Tender'.

The requirement to obtain the relevant number of quotations for goods and services may be waived in the following exceptional circumstances:

- The work or supply is urgent and there are justifiable reasons why procurement could not have been foreseen and for avoiding any delay;
- The work or supply is additional to on-going work and the contractor or supplier is on site and/or already commissioned to undertake related work or supply;
- Price testing with one other contractor would be a minimum in these circumstances;
- There are a limited number of suppliers or contractors (sometimes only a sole supplier) able to undertake the work or supply;
- Where using someone else would affect a warranty or be to the Group's disadvantage.

In all cases above the Authority to Vary Form (see [Appendix C](#)) must be completed and filed with the order; and prior permission of the following individuals must be obtained:

From £5,000 to £25,000	Group Accountant
from £25,001 to £100,000	Group Director of Finance
from £100,001 to £250,000	CFO or CEO
from £250,001 to £1,000,000	Finance Committee
over £1,000,000	Corporation or Trust Board

In the absence of the Group Director of Finance, two people from the following list can approve – Group Accountant; Group Director of Risk.

If requests for quotes are acknowledged by the supplier but not responded to, these will be included as quotations for the purposes of compliance with these regulations.

Except for expenditure covered by an approved Authority to Vary Form (see [Appendix C](#)), only partnership arrangements for the supply of goods or services specifically approved by the Finance Committee, Corporation or Trust Board will fall outside these arrangements for tenders and quotations. The [procurement procedure](#) describes the tendering practices and may be subject to special rules imposed by funding bodies.

- The CEO or CFO may approve non-discretionary contracts; and discretionary contracts up to £250,000 exc. VAT. For discretionary contracts between £250,000 and £1m exc. VAT the Finance Committee shall approve the contracts; unless expenditure incurred by this contract is matched by grant income and/or approved expenditure and the contract is required to progress speedily to meet external funding deadlines, in which case only the approval of the Chair of the Finance Committee is required. For discretionary contracts over £1m exc. VAT the Corporation or Trust Board shall approve the contract; unless expenditure incurred by this contract is matched by grant income and/or approved expenditure and the contract is required to progress speedily to meet external funding deadlines in which case only the approval of the Chair of the Corporation or Trust Board is required.

20.5 [Post-tender Negotiations \(i.e. after receipt of formal tenders but before signing of contracts\):](#)

Can be entered into with a view to improving price, delivery or other tender terms, providing:

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

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

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

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

[Monitoring Contracts:](#) Building contracts and contracts for the maintenance, improvement or replacement of buildings, building components, assets or equipment are the responsibility of the Resources Committee subject to approval of the Finance Committee in accordance with the thresholds per the table in section 20.4. Consultants may be appointed, subject to tendering and other procedures where appropriate, if deemed appropriate.

The CFO is responsible for providing regular statements concerning all capital expenditure to the Finance Committee for monitoring and to ensure prior approval has been sought and obtained as required.

20.6 [Receipt of Goods:](#) All goods shall be received at designated receipt and distribution points, checked for quantity and/or weight, inspected for quality and specification, and entered onto a goods received document on the day of receipt. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods. If goods are deemed to be unsatisfactory, the record shall be marked accordingly, and the supplier shall be notified immediately so that they can be collected for return as soon as possible. Where goods are short on delivery, the supplier shall be notified immediately. All persons receiving

goods must be independent of those who negotiated prices and terms and placed the official order.

- 20.7 **Payment of Invoices:** The CFO is responsible for approving the format and methods of payment for all categories of invoice. Similarly, invoices will be approved for payment in a format specified by the CFO.

Payments to UK suppliers will normally be made by bank transfer on a regular basis. In exceptional circumstances the CFO will arrange for immediate payment by cheque or bank transfer for urgent payments.

Staff with financial responsibility ([see 6.3](#)) are responsible for:

- ensuring that expenditure does not exceed funds available;
- instructing suppliers to submit invoices for goods or services to the Finance Department;
- ensuring discounts receivable are obtained; and
- that payments are only approved against invoices that have been certified for payment using the supplier invoice authorisation system.

Payments will only be approved by the CFO against invoices that match an approved order on the purchase order system. Certification of an invoice will ensure that:

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

- 20.8 **Debit/Credit Cards:** Where appropriate, the CEO or CFO may approve the issuing of credit cards for the payment of valid business expenses only, to senior staff. Misuse of such cards shall be grounds for disciplinary action. The CFO is responsible for setting in place a system to monitor the use of credit cards and account for expenses charged through them. The Finance Department also holds a card for use for purchases that can only be made using a card (e.g. telephone or internet purchases). Staff requesting payment by card should follow the standard financial procedure, but request payment by card rather than BACS. The transaction will be made by Finance Department staff, who will maintain all documentation for reconciliation with the statement.

- 20.9 **Petty Cash:** Cash should not be given to staff. Exceptionally, items of less than £50 may be purchased by staff, to be reimbursed through the expense claim form or internet payment form, however, such purchases must be authorised in advance. The petty cash float will be reconciled weekly to cash drawn from the bank and petty cash vouchers, which will be received by the Group Director of Finance or Treasury Team on a monthly basis.

- 20.10 **Late Payment Rules:** The Late Payment of Commercial Debts (Interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:
- small businesses can charge interest on overdue invoices;
 - the rate of interest is currently 8% per annum above the official daily rate of the Bank of England;
 - it applies to overseas organisations; and
 - we can be sued for non-payment.
- In view of the penalties in this Act, invoices must be passed for payment as soon as received.
- 20.11 **Prompt Payment Code:** The Group observes the principles of the code to show our commitment to paying suppliers within clearly defined terms, and to ensuring there are proper processes for dealing with issues that may arise.
- 20.12 **Project Advances:** The CFO and staff with financial responsibility ([see 6.3](#)) may jointly approve cash advances for projects carried out offsite where cash expenditure may be unavoidable. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or a corporate credit card. Receipts or paid invoices will be retained for all sums expended in this way. Upon completion of the project to which the advance relates, within one month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to a project or individual is outstanding.
- 20.13 **Giving Hospitality:** Staff entertaining guests from outside bodies at lunch time should normally use the Group's catering facilities. Where this is not the case, reasons must be stated when submitting a claim for reimbursement.
- 21 PAY EXPENDITURE**
- 21.1 **Remuneration Policy:** All staff will be appointed to the salary scales approved by the Senior Executive Team and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Human Resources Department. The Corporation and Trust Board, on the advice of the Finance Committee, will determine what other benefits, such as cars, medical and life insurance, are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available. The salaries and other benefits for the CEO will be determined by the Corporation and Trust Board upon the recommendation of the Remuneration Committee.
- 21.2 **Appointment of Staff:** All contracts of service shall be concluded in accordance with the approved personnel practices and procedures and all offers of employment shall be made in writing by the CPO. Staff with financial responsibility ([see 6.3](#)) must ensure that the CFO and the CPO are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.
- 21.3 **Salaries and Wages:** The CFO is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All timesheets and other pay

documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the CFO.

The CPO will be responsible for keeping the CFO informed of all matters relating to personnel for payroll purposes. **In particular:**

- 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; and
- information necessary to maintain records of service for superannuation, income tax and national insurance.

The CFO is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll. The CFO shall be responsible for keeping all records relating to payroll including those of a statutory nature. All payments must be made in accordance with the College's detailed payroll financial procedures and comply with HM Revenue & Customs regulations.

- 21.4 **Superannuation Schemes:** The Corporation and Trust Board are responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees. The CFO is responsible for day- to-day superannuation matters, including:

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

The CPO is responsible for administering eligibility to pension arrangements and for informing the CFO when deductions should begin or cease for staff.

- 21.5 **Travel, Subsistence and Other Allowances:** All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the CFO. Claims by members of staff must be authorised by their line manager or respective Senior Executive Team member. The certification should be supported by receipts where appropriate and authorisation will ensure that:

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

Arrangements for travel by the CEO are approved by the Chair.

- 21.6 **Overseas Travel:** All arrangements for overseas business travel must be approved by the CEO or Senior Executive Team member in advance of committing to those arrangements or confirmation of any travel bookings. Arrangements for overseas travel by the CEO or governance members shall be approved by the Chair. Arrangements for travel by the Chair shall be approved by the Governance Professional. If spouses, partners or other persons unconnected with the Group intend to participate in a trip, this must be clearly identified in the approval request and reimbursement in advance will be required to cover the costs of those persons to confirm travel bookings.

- 21.7 **Expenses for governance members:** Claims for reimbursement of expenses incurred, with supporting documentary evidence by governance members will be authorised by the Governance Professional.
- 21.8 **Severance and Other Non-Recurring Payments:** Severance payments shall only be made in accordance with the regulator's guidance ([see 3](#)) and under a scheme approved by the Finance Committee. Professional advice should be obtained where necessary. All such payments shall be authorised by the CEO and calculations checked by the CPO and CFO. Any individual amounts that do not fall within the parameters above shall be reported to the Finance Committee. In exceptional circumstances this approval may be given by the Chair of the Finance Committee in consultation with the CEO, to be reported to the next meeting of the relevant committee. Amounts paid should be declared in the financial statements. The Educational Excellence, Finance and Resources Committees must be notified at the earliest opportunity of an industrial tribunal in order that preparations and budget provision may be made as necessary. All determinations of tribunals must be similarly notified.
- 22 ASSETS**
- 22.1 **Land and Buildings:** The purchase, lease or rent of land or buildings can only be undertaken with authority from the Finance and Resources Committees provided that there is no detrimental effect to the overall budget. For all other instances the approval of the Corporation or Trust Board will be required or (if urgent approval is required) the Chair may approve the transaction and report to the next Finance and Resources Committee meetings. In all cases where funding body or other Government funding is involved, funding body requirements will be adhered to.
- 22.2 **Fixed Asset Register:** The CFO is responsible for maintaining the register of land, buildings, fixed plant and machinery. Staff are required to provide the CFO with any information they may need to maintain the register.
- 22.3 **Inventories:** A central inventory will be maintained for all plant, equipment, furniture and stores by the department responsible for the asset with an original value in excess of £1,000; in a format prescribed by the CFO. The inventory must include items donated or held on trust and will also include items with a value less than £1,000 if they are highly portable and potential targets of theft. The inventory must be checked at least annually. When transferring equipment, etc between departments, a transfer record must be kept and the inventories amended accordingly.
- 22.4 **Asset Replacement and Preventative Maintenance:** The CFO will be responsible for creating and maintaining a plan which provides for any routine planned maintenance of assets and equipment and their replacement at the end of their useful lifecycle. This will include making budgetary provision at the appropriate times in the cycle.
- 22.5 **Stocks and Stores:** Staff with financial responsibility ([see 6.3](#)) are responsible for establishing adequate arrangements for the custody and control of stocks and stores, ensuring that regular inspections and stock checks are carried out, and where of a hazardous nature undergo appropriate security checks pursuant to statutory requirements. Where stocks require valuation in the balance sheet, staff with financial responsibility must ensure that the

stocktaking procedures are approved by the CFO and that staff are issued with appropriate instructions.

22.6 **Safeguarding Assets:** Staff with financial responsibility ([see 6.3](#)) are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc under their control. They will consult the CFO in any case where security is thought to be defective or where it is considered that special security arrangements may be needed. Assets, so far as is practical, should be effectively marked to identify them as property.

22.7 **Personal Use:** Assets owned or leased shall not be subject to personal use without proper authorisation.

22.8 **Asset Disposal:** Assets may only be disposed of in accordance with the regulator's guidance ([see 3](#)). Staff must complete a fixed asset disposal form to advise the CFO in writing of any assets which they wish to sell or otherwise dispose of. If satisfactory evidence is given that the asset is of no further use, arrangements for sale/disposal may be made in line with current procedures and health and safety legislation.

23 FUNDS HELD ON TRUST

23.1 **Gifts, Benefactions and Donations:** The CFO is responsible for maintaining financial records in respect of gifts, benefactions and donations and initiating claims for recovery of tax where appropriate.

23.2 **Student Welfare and Access Funds:** The CFO will prescribe the format for recording the use of student welfare funds. Records of access funds will be maintained according to funding body requirements.

23.3 **Trust Funds:** The CFO is responsible for maintaining a record of the requirements for any trust fund and for advising the Finance Committee on the control and investment of fund balances. The Finance Committee is responsible for ensuring that any of the trust funds are operated within any relevant legislation and the specific requirements for each trust. They will also be responsible for investment of fund balances.

24 OTHER

24.1 **Insurance:** The CFO is responsible for the insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets. The CFO is responsible for effecting insurance cover and for obtaining quotes, negotiating claims and maintaining the necessary records.

The CFO will keep a register of all insurances and the property and risks covered and will also deal with the insurers and advisers about specific insurance problems. Staff must:

- ensure that any agreements negotiated with external bodies cover any legal liabilities;
- give prompt notification to the CFO of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks; and
- must advise the CFO immediately of any event that may give rise to an insurance claim.

The CFO will notify the insurers and, if appropriate, prepare a claim for transmission to the insurers.

The CFO is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed. All staff using their own vehicles shall maintain appropriate insurance cover for business use.

- 24.2 **Companies and Joint Ventures:** In certain circumstances it may be advantageous to establish a company or a joint venture, however any member of staff considering the use of a company or a joint venture should first seek the advice of the CFO, who should have due regard to guidance issued by the funding body. If agreed by the Corporation and/or Trust Board, they will determine the shareholding arrangements, the process for appointment of directors and auditors, and determine a memorandum of understanding underpinned by business plans and/or budgets to help assess risk. If the College or Trust are the intended majority shareholder there must be provision for an annual report to be returned to the Finance Committee, which will recommend to the Corporation and/or Trust Board, and for the intended company's financial year to be aligned.

Any companies or joint ventures within the Group will be reviewed by the Audit and Risk Management Committee of the College and Trust separately and escalated to the Corporation and Trust Board.

- 24.3 **Security:** Keys to safes (or similar) must be carried by those responsible at all times. The loss of such keys must be reported to the CFO immediately. The Chief Information Officer (CIO) shall be responsible for maintaining proper security and privacy of information held on the computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act 2018. A data protection officer shall be nominated to ensure compliance with the Act and the safety of documents. The CPO is the nominated Data Protection Lead. The CFO and Governance Professional are responsible for the safekeeping of official and legal documents. Therefore, signed copies of deeds, leases, agreements and contracts must be forwarded to either officer. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

- 24.4 **Students' Union (Arms Length):** West Suffolk College does not operate a Student Union but instead supports a student council which has no financial responsibility.

- 24.5 **Use of the Seal:** Where a deed or document requires the seal, it must be sealed by the Governance Professional or CFO and authenticated by the Chair, Vice Chair or other designated governance member. The seal shall be kept in a safe place secured by a lock in the custody of the Governance Professional or CFO.

- 24.6 **Provision of Indemnities:** Any member of staff asked to give an indemnity, for whatever purpose, should consult the CFO before any such indemnity is given.

- 2.7 **VAT Registration:** The College and Trust are both registered for VAT purposes as separate entities. Both will comply with the regulations specific to them.

25 **CYBERCRIME**

- 25.1 We will take steps, following the [DfE guidance](#), to be aware of the risk of fraud, theft and irregularity, and address it by putting in place proportionate controls.

APPENDICES

[Appendix A – Key Contacts in Finance Department](#)

[Appendix B – Internal Audit Responsibilities](#)

[Appendix C – Authority to Vary Regulations Form – Template](#)

[Appendix D – Fraud Response Plan](#)

[Appendix E – Treasury Management Policy](#)

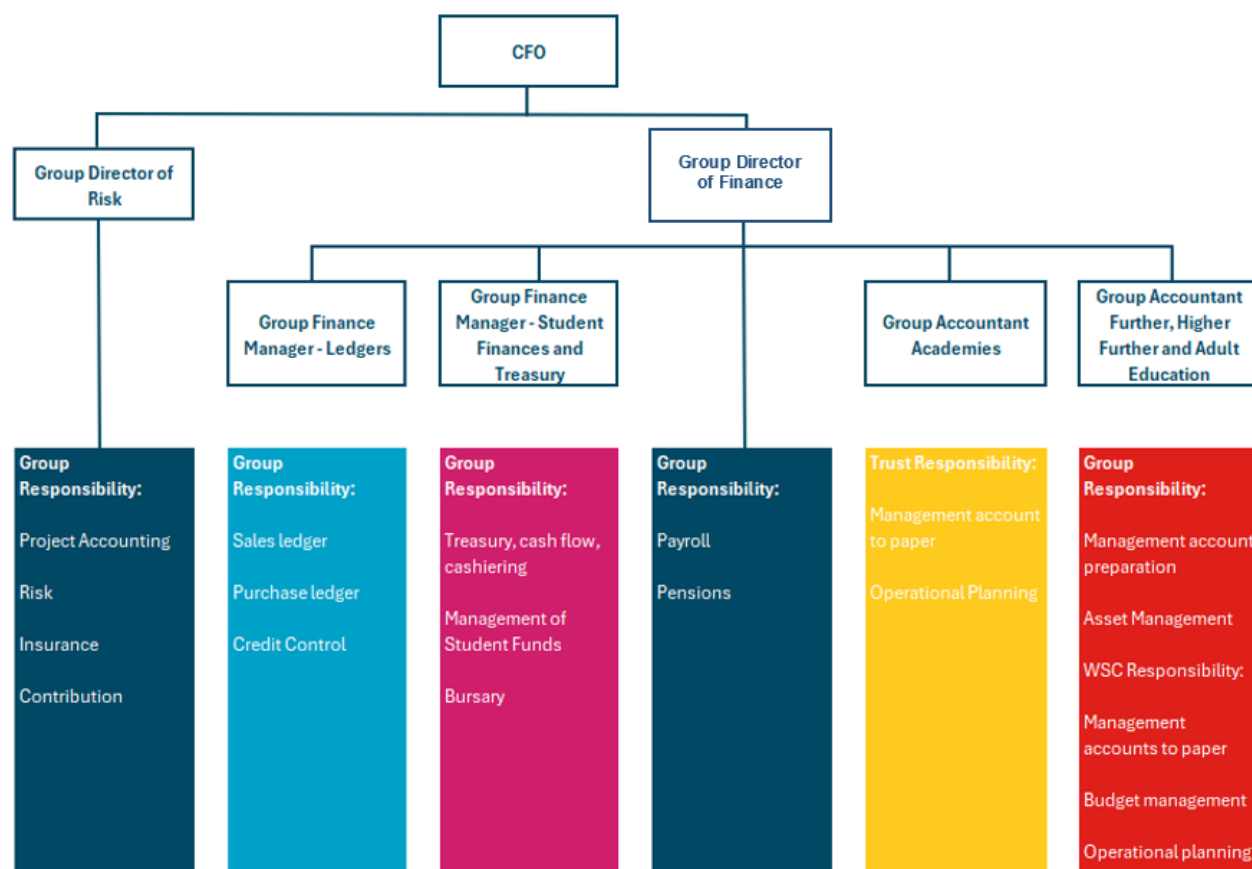
[Appendix F – Summary of Protocols for Proposed Major Developments](#)

[Appendix G – Procurement Policy](#)

[Appendix H – Terms and conditions of Purchase / Supply](#)

APPENDIX A

Key Contacts in the Finance Department



Role	Team member	Contact details
CFO	Anthony McGarel	anthony.mcgarel@easterneducationgroup.ac.uk
Group Director of Risk	Louise Carroll	louise.carroll@easterneducationgroup.ac.uk
Group Head of Finance	Amanda Brewster	amanda.brewster@easterneducationgroup.ac.uk
Group Finance Manager - Ledgers	Julie Norris	julie.norris@easterneducationgroup.ac.uk
Group Finance Manager - Student Finances and Treasury	Sam Pass	sam.pass@easterneducationgroup.ac.uk
Group Accountant - Academies	Bex Wilson	bex.wilson@easterneducationgroup.ac.uk
Group Accountant - Further, Higher Further and Adult Education	Samuel Ijaopo	samuel.ijaopo@easterneducationgroup.ac.uk

APPENDIX B

Internal Audit Responsibilities

In accordance with the Academies Trust Handbook, the Trust, via the Audit and Risk Management Committee, must implement a system of internal scrutiny to provide independent assurance to the board that its systems, controls and risk management procedures are operating effectively. The DfE published a good practice guide on [“Internal scrutiny in academy trusts - GOV.UK”](#) which allows the following options for internal scrutineer: an in-house internal auditor, a bought-in internal audit service, the appointment of a non-employed trustee or an independent peer review by the CFO from another academy trust.

Under the College Financial Handbook, college corporations have a responsibility for the effective and efficient use of resources, the solvency of the institution, and the safeguarding of their assets. In addition to the Framework, the DfE also publish a good practice guide on [“The scope of work of audit committees and internal auditors in college corporations”](#). The appointment of an internal audit service to carry out the evaluation ‘of internal financial and other controls(s)’ is neither mandatory under the Articles of Government, nor under the Financial Memorandum. Positive opinions from an internal audit service may provide a college corporation with a degree of assurance that it had systems in place to meet its continuing statutory obligations. It is for each college corporation, on the advice of its audit committee, to determine itself how best to fulfil its obligations to secure the proper, economic, efficient and effective use of resources and to safeguard the college’s assets.

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

In order to meet the Group’s internal scrutiny requirements, the Group has appointed an internal audit service. Which will undertake a programme of internal scrutiny to meet the requirements for both the Trust and the College.

The internal audit service remains independent in its planning and operation but has direct access to the Corporation and Trust Board, CEO and Chair of the Audit and Risk Management Committees. The internal auditor will also comply with the Financial Reporting Council’s auditing guideline Guidance for Internal Auditors.

APPENDIX C

Authority to Vary Financial Regulations

The supply of goods or services detailed on this form have been authorised by the Chief Financial Officer to be obtained from the supplier below. This form is only to be used where it is not possible to obtain the required number of quotes as detailed in the financial regulations.

To be completed by the individual requesting authority to vary financial regulations.

By submitting this form I am confirming that in accordance with the Bribery Act 2012, due diligence has been undertaken in support of this application and that to the best of my knowledge, no breach of the Act has or will be undertaken by contracting with the supplier named above; namely that neither party has engaged in any activity, practice or conduct which would constitute an act of accepting or offering a bribe or bribing a foreign official. I shall promptly report to the Group any offer or request for any undue financial or other advantage of any kind in connection with the performance of this agreement.

Submitted by:

Cost centre and account code:

Financial Regulations variation being authorised – Goods and Services (Please select)

- ☐ Requirement to source two competitive quotes (£5-25K exc. VAT)
- ☐ Requirement to obtain three written quotes (£25-50K exc. VAT)
- ☐ Requirement to obtain quotes via tender exercise (Over £50k exc. VAT)

Financial Regulations variation being authorised – Works and IT projects (Please select)

- ☐ Requirement to source two competitive quotes (£25-50K exc. VAT)
- ☐ Requirement to obtain three written quotes (£50-150K exc. VAT)
- ☐ Requirement to obtain quotes via tender exercise (Over £150k exc. VAT)

Reason for Variation (Please select)

- ☐ Specialist services
- ☐ Emergency work
- ☐ Approved supplier
- ☐ Other / Project (please detail in box below)

Details of goods or services to be purchased.

For each item you are purchasing you must provide narrative explaining the requirement to vary from financial regulations. Unless there was an urgent safeguarding issue time constraints is unlikely to be considered as a valid request to vary.

Supplier:

Item or service:

Net cost: £

VAT: £

Gross cost: £

Justification for variation *(mandatory explanation required for form to be approved):*

(Please duplicate the above required information if there is more than one supplier involved in your proposal)

Budget holder Date

Approval threshold:

	Total value of ATV request	Approval by:
<input type="checkbox"/>	From £5,000 to £25,000	Group Accountant
<input type="checkbox"/>	from £25,001 to £100,000	Group Director of Finance
<input type="checkbox"/>	from £100,001 to £250,000	CFO or CEO
<input type="checkbox"/>	from £250,001 to £1,000,000	Finance Committee
<input type="checkbox"/>	over £1,000,000	Corporation or Trust Board

Note: In the absence of the Group Director of Finance, two people from the following list can approve – Group Accountant(s); Group Director of Risk.

Approver:

Name:

Role:

Date:

Signed:

Please note: No commitment should be made with the supplier until you have a fully approved order number.

You will be required to attach a signed copy of this document to your order(s) at WSC and your requisitions / PO request at EEGT.

APPENDIX D

Fraud Response Plan

This plan seeks to define authority levels, responsibilities for action and reporting lines in the event of a suspected fraud or irregularity.

Initiating Action

All actual or suspected incidents should be reported without delay to the CFO, who will convene within 24 hours a meeting of the '*fraud group*' (comprising of the CPO, CFO and senior representative of the Internal Auditors) to decide on the action to be taken. This will normally be an investigation, led by Internal Auditors or others as appropriate, and the time to conduct the special investigation may use switch internal audit resources from planned audits.

Prevention of Further Loss

Where initial investigation provides reasonable grounds for suspecting a member(s) of staff of fraud, the *fraud group* will decide how to prevent further loss. This may require the suspension, with or without pay, of the suspects. It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.

In these circumstances, the suspect(s) should be approached unannounced. They should be supervised at all times before leaving the College's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the College. Any security passes and keys to premises, offices and furniture should be returned. Advice should be obtained on the best means of denying access to the College while suspects remain suspended (for example, by changing locks, removing ID passes and informing security staff not to admit the individuals to any part of the premises). Similarly, access permissions to the College's computer systems should be withdrawn without delay.

Internal Audit shall consider whether it is necessary to investigate systems, other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the College's assets.

Establishing and Securing Evidence

A major objective in any fraud investigation will be the punishment of the perpetrators, to act as a deterrent to other personnel. The College will follow disciplinary procedures against any member(s) of staff who has committed fraud. The College will normally pursue the prosecution of any such individual. Internal audit will:

- maintain familiarity with the College's disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation
- establish and maintain contact with the police where appropriate
- establish whether there is a need for audit staff to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act
- ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

Notifying the Education & Skills Funding Agency (ESFA)

The circumstances in which the College would have been required to inform the ESFA about actual or suspected frauds are detailed in the Sector Audit Code of Practice and in contracts with the funding body. The CEO is responsible for informing the ESFA of any such incidents.

Recovery of Losses

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

References for Employees Disciplined or Prosecuted for Fraud

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

Reporting to Governors

Any incident matching the criteria in the Sector Audit Code of Practice shall be reported without delay by the Principal to the Chairs of both the Corporation and the Audit and Risk Management Committee. Any variation from the approved fraud response plan, together with reasons for the variation, shall be reported promptly to the Chairs of both the Corporation and the Audit and Risk Management Committee.

On completion of a special investigation, a written report shall be submitted to the Audit and Risk Management Committee containing:

- a description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud
- the measures taken to prevent a recurrence
- any action needed to strengthen future responses to fraud, with a follow-up report on whether or not the actions have been taken.

This report will normally be prepared by internal audit.

Reporting Lines

The project group shall provide a confidential report to the Chair of Governors, the Chair of the Audit and Risk Management Committee, the CEO and the external audit partner at least monthly, unless the report recipients request a lesser frequency. The scope of the report shall include:

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

Responsibility for Investigation

All special investigations shall normally be led by internal audit. Special investigations shall not be undertaken by management, although management should co-operate with requests for assistance from internal audit.

Some special investigations may require the use of technical expertise which internal audit does not possess. In these circumstances, the project group may approve the appointment of external specialists to lead or contribute to the special investigation.

Review of Fraud Response Plan

This plan will be reviewed for fitness of purpose at least annually or after each use. Any need for change will be reported to the Audit and Risk Management Committee for approval.

Definitions

Fraud is knowingly making an untrue or misleading representation with the intention of making a gain for oneself or another or causing a loss, or risk of loss, to another.

Bribery is giving or offering someone a financial or other advantage to encourage that person to perform their functions or activities improperly, or to reward someone for having already done so.

Corruption is the misuse of entrusted power for personal gain. This would include dishonest or fraudulent behaviour by those in positions of power, such as managers or government officials. It would include offering, giving and receiving bribes to influence the actions of someone in a position of power or influence, and the diversion of funds for private gain.

APPENDIX E

Treasury Management Policy

Introduction

This policy is intended to cover the Treasury Management activities of the Group and any wholly owned subsidiary companies.

Approved Activities of the Treasury Function

The Group defines treasury management activities as follows:

'The management of the Group's Cashflows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with these risks'.

The Finance Committee approves the Group borrowing and investment strategy, including all new loan agreements. All new loan agreements will follow the regulator's guidance ([see 3](#)).

The CFO is responsible for the implementation of loan agreements, including drawdown of finance, documentation, arranging fixed charges and compliance with covenants.

The CFO is responsible for the investment of cash balances within the parameters set out by this policy.

Formulation of Treasury Management Strategy

The Group seeks to adhere to the four principal conditions of policy:

- Compliance with statute, regulation and best practice;
- Security of financial assets;
- Provision of adequate liquidity to meet financial obligations;
- Effectiveness and efficiency in the use of financial resources.

The combination of these principles is weighted towards minimising risk, preserving asset values and liquidity levels while minimising costs within these parameters.

Deposits with Approved Financial Counterparties

Building and other capital project requirements will generally mean that the level of surplus cash will fluctuate particularly during building construction periods and the summer period (when accommodation remodelling and IT and other equipment procurement is usually undertaken).

Deposits will usually be placed with the Group's bank on a basis appropriate to the Group's expected cash flow requirements. Where a deposit is placed with an institution other than the Group's bank it must have a positive credit rating from one of Fitch, Moody, Standard & Poor or Dunn & Bradstreet's credit rating service.

The Group will have regard to the principles stated in the report by the Treasury and Civil Service Committee of the House of Commons on the BCCI closure, wherein it was stated that: 'In balancing risk against return, public sector organisations should be more concerned to avoid risks than to maximise returns.'

Types of Financial Instruments

A key risk is that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Group's finances, against which the Group has failed to protect itself adequately.

Apart from the approved types of finance outlined above, the Group may, when deemed prudent, use interest rate swaps, interest rate collars, interest rate caps and interest rate floors to mitigate the impact of potential interest rate fluctuations (interest hedging).

Wherever possible such instruments will be entered into using the Group's current lenders and will be embedded within existing loan agreements.

Use of External Intermediaries

The Group will not use brokers or fund managers since the majority of its cash deposits are relatively small and short term.

The Group may use appropriate financial advice if the use of a Financial Instrument is contemplated.

Internal Delegation of Authority

This will be in accordance with the Financial Memorandum and the College's Financial Regulations but will include:

<i>Activity</i>	<i>Endorsement/Approval</i>
New loans	Finance Committee & DfE
Finance Leases (over £100,000)	Finance Committee
Charging of Properties	Finance Committee & DfE (if required)
College Treasury Policy	Finance Committee
Use of overdraft facility	Finance Committee

Liquidity Policy

The Group will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

Adequate cash resources is defined as cash or short term investments available to meet foreseeable needs in any period of 30 consecutive days. This is in line with the Group's fourth financial objective which is "Cash will be maintained to ensure sufficient cash balances to meet the expenditure needs of the business".

Surplus cash balances will be invested on the money market to maximise income for the Group.

The CFO will be responsible for the regular reporting of debtors and creditors to the Finance Committee.

A debt collection agency may be used for individual debtors in accordance with procedures agreed by the CFO.

Creditors will be settled in accordance with Group payment terms, except where the amounts are in dispute or individual payment terms have been agreed between the College and the creditor.

Risk Management

The Treasury Management Policy will be consistent with the Group Risk Management Policy and Strategy and Risk Appetite Statement.

Key Performance Indicators

The Group will seek to maximise its income from surplus funds subject to the other constraints imposed by this policy. The Group will budget for the following annually:

- o Borrowing costs
- o Interest on surplus funds

Policy Review and Reporting

The Treasury Management Policy will be reviewed annually, usually at the same time as the Financial Regulations. This is due to be reviewed in line with when the Managing Public Money Policy is ratified.

In addition, the following Treasury activities will be reported to the Finance Committee, including:

- o Rolling cash flow report – monthly as part of the KPI report
- o Performance against budget for interest on surplus funds
- o Debt Summary report – monthly as part of the balance sheet
- o Performance against budget for borrowing costs – included monthly in the Income and Expenditure report and in more detail within the annual Treasury and Loan activity report

This information will supplement the borrowing ratios included within the DfE Financial Performance Indicators.

Banking Services

The Group currently makes use of the banking facilities provided by Lloyds Bank Plc. The Group will carry out a 'Best Value' review of banking services at least every ten years. Criteria for selection and qualification of banking services will be determined by the Finance Committee.

APPENDIX F

Summary of Protocols for Proposed Major Developments

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

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

APPENDIX G

Procurement Policy

Eastern Education Group has a duty of care to ensure public funds are managed correctly and that value for money is sought in all aspects of sourcing goods, services and works. Eastern Education Group is classified as a Contracting Authority for the purposes of determining how it spends its resources; this includes Grants awarded. The classification means that Eastern Education Group is required to abide by the [Procurement Act 2023](#) and any amendments or equivalent brought into UK Law.

1 Principles and Objectives

All purchasing on behalf of Eastern Education Group must have regard to the importance of the Financial Regulations and the following sections under the Procurement Act 2023 –

- a) section 19 (competitive award);
- b) section 41 (direct award in special cases);
- c) section 43 (direct award after switching procedures);
- d) section 45 (award under frameworks).

All Eastern Education Group procurement and contracts activities must have regard to the importance of the following objectives –

- a) deliver value for money;
- b) maximising public benefit;
- c) sharing information for the purpose of allowing suppliers and others to understand the authority's procurement policies and decisions;
- d) acting and being seen to act, with integrity;
- e) Treating suppliers the same unless a difference between suppliers justifies different treatment;
- f) The fact that small and medium-sized enterprises may face particular barriers to participation; consider whether such barriers can be removed or reduced;
- g) Environmental impact and delivery of outcomes which are sustainable.

2 Responsibilities

Eastern Education Group adopts a flexible purchasing approach which aims to undertake procurement activities in a proportionate manner, giving the Senior Leadership Team responsibility for smaller procurement activities within their budget area. The Senior Leadership Team shall –

- a) have an awareness of the Group's Financial Regulations;
- b) be responsible for procurement and contract activities undertaken within their own areas/activities;
- c) nominate responsible members of their team to undertake specific procurement processes;
- d) ensure their teams are adequately skilled to undertake Request for Quotes or Tender exercises;
- e) ensure any Quotation or Tender undertaken supports business planning and has the appropriate sign off;
- f) consider the impact of procurement on Small and Medium Enterprises (SME) and/ or Voluntary, Community and Social Enterprises (VCSE) providers;

- g) ensure Eastern Education Groups policies and objectives are being met, including but not limited to; Health and Safety; Risk Management; Modern Slavery; Business Continuity; Fairness; Respect; Equality, Diversity; and Inclusion;
- h) ensure that, where relevant, financial evaluation of bids shall take into account the whole life cycle cost of the procured goods, services or works.

3 Market Engagement

Eastern Education Group recognises the benefit of engaging with supplier markets in a two-way flow of information regarding future procurement intentions. Care shall be taken to advise suppliers involved in market engagement exercises that their participation in the exercise should not be taken as an indication of future business and to ensure that no supplier or suppliers gain unfair competitive advantage through their involvement in market shaping activities.

Eastern Education Group may engage with suppliers and other persons in accordance with section 16 of the Procurement Act 2023 for the purpose of -

- a) developing the authority's requirements and approach to the procurement;
- b) designing a procedure, conditions of participation or award criteria;
- c) preparing the tender notice and associated tender documents;
- d) identifying suppliers that may be able to supply the goods, services or works required;
- e) identifying likely contractual terms;
- f) building capacity among suppliers in relation to the contract being awarded.

4 Conflict of Interest: Duty to Identify

Eastern Education Group will abide by section; 81 Conflict of Interest: Duty to Identify; 82 Conflict of Interest: Duty to Mitigate; 83 Conflicts assessment under the Procurement Act 2023 and take all reasonable steps to identify, and keep under review, in relation to a covered procurement any –

- a) Conflicts of interest
- b) Potential conflicts of interest

The Governance Professional maintains the record of pecuniary interests, declared by senior staff with financial responsibilities and governance members, which is available to the Finance and Procurement teams. It is the responsibility of staff and governance members to declare any conflicts of interests annually and upon a change, to the Governance Professional so that the record of pecuniary interests remains live and accurate.

5 Estimating the Value of the Contract

Eastern Education Group will value the estimated value of the contract as the maximum amount it could expect to pay under the contract including, where applicable, amounts already paid as highlighted in Schedule 3 under the Procurement Act 2023. Once the contract value has been estimated, Eastern Education Group will follow the procedure within the Group's Financial Regulations and Schedule 1 of the Procurement Act 2003 to determine the best route to market.

6 Award Criteria

Eastern Education Group will award a public contract to the supplier that submits the most advantageous tender in a competitive tendering procedure. The 'most advantageous tender' is the tender that Eastern Education Group considers –

1. Satisfies the contract requirements
2. Best satisfies the award criteria when accessed by reference to;
 - a. The assessment methodology under section 23(3)(a), and
 - b. If there is more than one criterion, the relative importance of the criteria under section 23(3)(b) of the Procurement Act 2023.

Eastern Education Group will disregard tenders in accordance with Section 19 (3) under the Procurement Act 2023.

7 Frameworks

Eastern Education Group may award a contract in accordance with a framework section; 45; 46; 47 and 48 under the Procurement Act 2023. A future contract may be awarded via a framework without competition between suppliers, but the Financial Regulations processes would still need to be followed.

8 Key Performance Indicators

Eastern Education Group must set out at least three Key Performance Indicators (KPIs) when a contract has been entered and be formally concluded in writing and shall include the following documents –

- The contract terms and conditions
- The specification
- Monitoring arrangements including KPI's if appropriate
- Any additional schedules

APPENDIX H



Eastern Education Group – Terms and Condition of Purchase / Supply.

1. DEFINITIONS

1.1 In these conditions unless the context otherwise requires - "the Contractor" means the person firm or company whose name appears on an Order placed by the College or on a Tender received by the College, "the Goods" means the articles or things referred to in the Order or Tender, "the Services" means the services referred to in the Order or Tender, "the Works" means the works referred to in the Order or Tender, "the Contract" means the contract arising from the acceptance by the Contractor of an Order, or the acceptance by the College of a Tender in whole or in part, "Order" means the document which is marked "Official Order" describing the goods, services or works as the case may be and which is placed on behalf of the College. "Tender" means the document wherein the Contractor offers to supply or execute the goods, services or works as the case may be and which is sent in response to an invitation by the College.

1.2 In the Contract unless the context otherwise requires or admits the masculine gender includes the feminine and vice versa and the singular includes the plural and vice versa.

1.3 If Special Conditions are incorporated in the Contract and are inconsistent with the General Conditions the Special Conditions shall prevail.

2. VARIATIONS - Neither the College nor the Contractor shall be bound by any variation or waiver of or addition to these Conditions unless that variation or addition shall have been agreed and evidenced in a document(s) signed by or on behalf of both parties.

3. QUALITY AND DESCRIPTION OF GOODS SERVICES OR WORKS - According to the nature of the Contract;

3.1 The Goods shall

i) conform as to quality kind and description with the particulars stated in the Contract and with any specification of the British Standards Institution which is relevant to the Goods and is current at the date of the Contract; goods used in compliance with a British Standard for which there is an associated Kite Mark or Safety Mark Scheme shall bear the certification mark of the Scheme,

ii) be of the quantity or in the numbers specified in the Contract,

iii) be of sound materials and workmanship, iv) conform in every respect to any sample provided or given by either party,

v) be capable of any standard of performance specified in the Contract,

vi) where the purpose for which they are required is indicated in the Order either expressly or by implication be fit for that purpose.

3.2 The Contractor shall

i) provide the Services with all proper skill and care,

ii) use materials as necessary which are

a) reasonably fit for the purpose for which they will be used and

b) of good quality.

3.3 The Contractor shall:

i) carry out the Works diligently and in a proper workmanlike manner to the satisfaction of the College;

ii) unless other instructions have been issued by the College commence work promptly and complete the Works within the time specified or if none is specified then within a reasonable time and should a delay occur the College must be notified in writing as soon as possible and the College's consent sought to a reasonable extension of the period for the completion of Works;

iii) provide all labour, plant, tools, transport and equipment necessary for the safe execution of the Works, such plant, tools and equipment to be stored at the sole risk of the Contractor and so as to cause minimum inconvenience to the College;

iv) throughout the progress of the Works, have full regard for the safety of all persons on the site and shall keep the site in an orderly state and shall provide and maintain at his own cost all lights, guards, fencing and warning signs for the protection of the Works and the safety and convenience of the public and others;

v) at the completion of the Works, remove all materials from the site (unless otherwise instructed) and permanently reinstatement any damaged surfaces and leave the site in a clean condition ready for occupation.

4. DELIVERY OF THE GOODS

4.1 The Goods properly packed and secured in such a manner as to reach their destination in good condition under normal conditions of transport shall unless otherwise agreed be delivered by the Contractor to the College or be dispatched by the Contractor for delivery to the College at the establishment or at the place or places specified in the Contract and at the time(s) mentioned therein.

4.2 Every delivery of the Goods shall be accompanied or preceded by a delivery or advice note addressed to the appropriate officer of the College at the establishment named in the Contract and that note shall state in full the name, quality, sort, rate, price, quantity and number of the Goods delivered therewith or to be delivered thereafter.

4.3 The Contractor his servants and agents shall comply with all reasonable requirements of the College at the place of loading and in particular shall ensure that his vehicles are not reversed or manoeuvred at any establishment where students are or are likely to be present without assistance from a responsible adult.

5. PASSING OF PROPERTY IN THE GOODS - The property in the Goods shall pass to the College immediately on delivery but shall pass back to the Contractor if and as soon as the right of rejection under these conditions is exercised.

6. DEFAULT BY CONTRACTOR IN THE SUPPLY OF GOODS OR SERVICES - If the Goods or Services or any of the Goods or Services to be supplied under the Contract shall a) not be duly delivered by the Contractor to the College at the time (if any) stated in the Contract subject to any extension or extensions of time granted by the College or resulting from the operation of Condition 6 hereof, or b) in the opinion of the Officer of the College for the use of whose department they are required (whose decision shall be conclusive as against the Contractor) not reasonably be of the quality and sort contracted for, or c) be deficient in the quantity or number required by the Contract, or d) be delivered without a delivery or advice note containing correct and sufficient particulars of the name quality sort rate price quantity and number of such goods then the College may, without prejudice to any other remedy, by written notice served on the Contractor reject those Goods or Services and if the Goods be not removed by the Contractor within twenty four hours after service of the notice, may return them to the Contractor at the expense of the Contractor and in every such case it shall be lawful for the College to purchase at such price and on such terms and conditions as the College thinks fit the same or similar goods or services and in that event the Contractor shall pay to the College or if it shall be lawful for the College to deduct from any sum that is due or may become due to the Contractor under the Contract or otherwise all costs charges and expenses of such additional supply or arising from such failure to perform the Contract over and above the rate or price at which such goods or services are under the Contract to be supplied and delivered.

7. DEFAULT BY CONTRACTOR IN EXECUTION OF WORKS

7.1 The College through its appropriate officer shall have the power to order the removal and proper re-execution of any work which in respect of materials or workmanship is not, in the officer's reasonable opinion (which shall be conclusive), in accordance with the requirements of the Contract and the Contractor shall comply with the College's written instructions within the time stated therein and all the costs of meeting the instructions shall be met by the contractor.

7.2 The Contractor shall make good any defect which occurs within one month of completion as may be required by the College.

7.3 If the Contractor without reasonable cause fails to proceed diligently with the Works, or wholly suspends the carrying out of the Works before completion, or if default is made by the Contractor in complying with this condition, the College may (in addition to any other remedy), enter upon the site of the works and expel the Contractor therefrom and may itself or through another Contractor complete the Works or make good the default, in which event the Contractor shall pay to the College or it shall be lawful for the College to deduct from any sum that is due or may become due to the Contractor under the Contract or otherwise all costs, charges and expenses of such work over and above the rate or price at which such work was to have been carried out under the Contract.

8. POSTPONEMENT OR CANCELLATION OF DELIVERY OF GOODS OR SERVICES - If for any unavoidable cause including a) any strike or lock-out of employees or any working to rule by employees, b) civil commotion, c) cessation or material interruption of traffic by air, road, rail or sea, d) force majeure, or e) exceptionally adverse weather either party to the Contract shall be unable to continue to supply or accept delivery as the case may be of all the Goods or Services which at the commencement of such disability be bound to deliver or accept as the case may be any Goods or Services and within one month after the termination of that period the College shall determine and shall serve notice on the Contractor whether it requires the quantity or the Services not delivered to be cancelled or to be delivered. If it does so require the Contract shall be performed in the same manner as if the time fixed for each delivery had been postponed by a period equal to the duration of the said period of disability.

9. INSPECTION OF GOODS AND PREMISES - The Contractor shall without hindrance permit any authorised officer or agent of the College to enter at any reasonable time without prior notice upon any land or premises or vehicles which are used for the preparation, distribution or storage of any of the Goods to be supplied under the Contract for the following purposes:

9.1 to inspect all or any part of the said land premises or vehicles to ascertain whether they are suitable for the preparation, distribution or storage of the said Goods

9.2 to check the quantity and/or quality of the Goods their description and their country of origin for this purpose to take such samples as are deemed necessary and the Contractor shall afford all reasonable assistance to the officer or agent in carrying out such inspections (and this shall include the provision of samples where requested).

10. CANCELLATION ON ACCOUNT OF CORRUPTION - 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 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 foreborne to do any action in relation to the obtaining or the execution of the Contract or any other contract with the College or for showing of forbearing to show favour or disfavour to any person in relation to the Contract or any other contract with the College or if the like acts shall have been done by any person employed by him or acting on his behalf (whether with or without the knowledge of the Contractor) or if in relation to any contract with the College the Contractor or any person employed by him or acting on his behalf shall have committed any offence under the Prevention of Corruption Acts 1889 to 1916 or any amendment of them or shall have given any fee or reward the receipt of which is an offence under sub-section (2) of Section 117 of the Local Government Act 1972.

11. PAYMENT

11.1 The Contractor shall render his account by an invoice quoting the Order or Tender number or otherwise making reference to the Contract within seven days of the delivery of the Goods of final performance of the Services or final completion of the Works together with where applicable a copy of the delivery note

11.2 Payment will normally be made before the expiration of the month following, the month in which the invoice is received by the College. Payment may be made by the College by means of BACS credit.

12. COMPLIANCE WITH LAW - The Contractor declares that the design, construction and quality of the Goods or Works or of any goods or materials used in the execution of the Works complies in all respects with all relevant requirements of any statute statutory rule or order or other instrument having the force of law or British Standards specification which may be in force at the time when the same are supplied.

13. INDEMNITY (PATENTS ETC.)

13.1 The Contractor shall fully indemnify the College against any action claim demand costs charges and expenses arising from or incurred by reason of any infringement or alleged infringement of any letters patent registered design trade mark or trade name protected in the United Kingdom by the use or sale of the Goods or any of the Goods and against all costs and damages which the College may incur in any action for such infringement or for which the College may become liable in any such action PROVIDED ALWAYS that this indemnity shall not apply to any infringement which is due to the use of the Goods in question in a manner or for a purpose not reasonably to be inferred by the Contractor or disclosed to the Contractor prior to the making of the Contract.

13.2 In the event of any claim being made or action brought against the College arising out of the matters referred to in this condition the Contractor shall be promptly notified thereof and may at his own expense conduct all negotiations for the settlement of the same and any litigation that may arise therefrom. The College shall not unless and until the Contractor shall have failed to take over the conduct of the negotiations or litigation make any admission which might be prejudicial thereto. The conduct by the Contractor of such negotiations or litigation shall be conditional upon the Contractor having first given to the College such reasonable security as shall from time to time be required by the College to cover the amount ascertained or agreed or estimated as the case may be of any compensation damages expenses and costs for which the College may become liable. The College shall at the request of the Contractor afford all available assistance for any such purposes and shall be repaid any expenses incurred in so doing.

14. ASSIGNMENT AND SUB-LETTING - The Contractor shall not transfer or assign directly or indirectly to any person whatever any portion of this contract without the prior written permission of the College. Sub-letting other than that which may be customary in the trade concerned shall not take place without the prior written permission of the College.

15. NOTICE TO CONTRACTOR - Any notice or other document to be served on the Contractor shall be deemed to have been duly served if delivered to the last known address of the Contractor or sent there by the Recorded Delivery service, when it shall be deemed to have been delivered forty eight hours after posting. Delivery by email should be evidenced.

16. NOTICE TO THE COLLEGE - Any notice or other document to be served on the College shall be deemed to be duly served if delivered to the address of the College or sent there by the Recorded Delivery service, when it shall be deemed to have been delivered forty-eight hours after posting but in either case shall only be effective if it identifies the Contract to which it relates. Delivery by email should be evidenced.

17. INDEMNITY (INJURY OR DAMAGE) - The contractor shall indemnify and keep indemnified the College against all losses and claims for death, injuries or damage to any person or property whatsoever (including where the Contract is for the supply of the goods themselves) which may arise out of or in consequence of the performance of the Contract and against all claims, demands, proceedings, damages, costs, charges and expenses whatsoever in respect thereof or in relation thereto provided always that:

17.1 The Contractor's liability to indemnify the College as aforesaid shall be reduced proportionately to the extent that the act or neglect of the College, its servants or agents may have contributed to the said death, loss, injury or damage, and

17.2 nothing herein shall render the Contractor liable for or in respect of or to indemnify the College against any compensation or damages with respect to damage which is the unavoidable result of the way in which the Contract is required to be performed.

18. INSURANCE - The Contractor shall before the commencement of the Works or the delivery of any of the Goods or Services insure himself and keep himself insured in a sum of £2 million during the continuance of the Contract against the liabilities defined in Condition 17 and shall if required produce to the College the policy or policies of insurance required to be effected hereunder together with the receipt for the payment of the last premium in respect of each policy.

19. EFFECT OF BANKRUPTCY etc. In the event of the Contractor becoming bankrupt or making a composition or arrangement with his creditors or having a winding up order made or (except for the purpose of amalgamation or reconstruction) a resolution for voluntary winding up passed or having a provisional liquidator, receiver or manager of his business or undertaking duly appointed or having possession taken by or on behalf of the holder of any debentures secured by a floating charge of any property comprised in or subject to the floating charge or if in Scotland he shall become insolvent or not a bankrupt or any application shall be made under any Bankruptcy Act for the time being in force for sequestration of his estate or a trust deed shall be granted by him on behalf of his creditors the College shall be at liberty to terminate the Contract forthwith by notified written to the Contractor or to the receiver or liquidator or to any person in whom the Contract may become vested and to act in the manner provided in Conditions 6 or 7.3 (as the case may be).

20. LAW - The Contract shall be construed in accordance with the laws of England

CONFIDENTIALITY

The recipient Party undertakes that it shall not at any time disclose to any third Party any confidential information disclosed to it by the disclosing Party concerning the business or affairs of the disclosing Party or of any member of its Group, including information relating to the disclosing Party's operations, processes, plans, product information, know-how, designs, trade secrets, software, market opportunities and customers (the Confidential Information).

The recipient Party may disclose the disclosing Party's Confidential Information to its employees, officers, agents, consultants or subcontractors (the Representatives) who need to know such information for the purposes of performing this Contract. Each Party shall procure that its Representatives to whom it discloses the other Party's confidential information comply with this clause as may be required by law, court order or any central government body or regulatory authority or by the rules of a recognised stock or securities exchange.

Neither Party shall use the other Party's Confidential Information for any purpose other than to perform its obligations under this Contract or, in order to fulfil its regulatory or legal obligations and/or exercise its rights under the Contract. The Supplier shall not make any press announcements or publicise this Contract or its contents, or any part of them, in any way without the prior written consent of EEG, and must take all reasonable steps to ensure that its staff does not do so either.

The Supplier shall not do anything which brings or could bring EEG into disrepute.

The Supplier shall not be permitted to market and publicise its connection with EEG's brand or use EEG's name, logos and trademarks whether in accordance with this Contract or otherwise unless expressly permitted by EEG.

Anti-slavery and human trafficking

In performing its obligations under the Contract, the Supplier shall:

a) comply with all applicable anti-slavery and human trafficking laws, statutes, regulations from time to time in force) including, but not limited to, the Modern Slavery Act 2015;

b) not engage in any activity, practice or conduct that would constitute an offence under the Modern Slavery Act 2015 if such activity, practice or conduct had been carried out in England and Wales;

c) include in contracts with its subcontractors anti-slavery and human trafficking provisions that are at least as onerous as those set out in this clause; and

d) Maintain a complete set of records to trace the supply chain of all Goods and Services provided to the Customer in connection with this agreement; and permit the Customer and its third party representatives to inspect the Supplier's premises, records, and to meet the Supplier's personnel to audit the Supplier's compliance with its obligations under this

The Supplier represents and warrants that it has not been convicted of any offence involving slavery and human trafficking or been the subject of any investigation, inquiry or enforcement proceedings regarding any offence or alleged offence of or in connection with slavery and human trafficking.

FREDIE (Fairness, Respect, Equality, Diversity, Inclusion, Engagement)

The Supplier shall not unlawfully discriminate within the meaning and scope of the Equality Legislation or any other law, enactment, order or regulation relating to discrimination on such grounds as age, race, gender, religion, disability, sexual orientation, or otherwise. The Supplier shall ensure compliance with this clause by all its employees and volunteers in the performance of the Services.