



The College
of West Anglia

Governance and Financial Management Regulations

Approved by Corporation 11 May 2011¹

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A GENERAL

Terminology

1 The terms used in this document have the following meanings:

SFA	The Skills Funding Agency
Funding Body	The agency or agencies that provide funding to the College.
Corporation	The Corporation of the College, comprising members appointed under the College's charter and the relevant statutory instruments to be responsible for its affairs
Finance and General Purposes Committee	The committee of the Corporation charged with monitoring the financial affairs of the College
Clerk	The person appointed by the Corporation to act as independent Clerk to the Corporation responsible for advising the Corporation with regard to the operation of its powers; procedural matters; conduct of its business and governance practice.
Designated Senior post holders	The Principal, Executive Director of Finance and Information; Executive Director Partnerships; Executive Director Curriculum and Learning.
Senior Management Team	The Principal, designated senior post holders and Assistant Principals, senior managers
Executive Director of Finance and Information	The senior postholder responsible to the Principal for the College's financial management
Manager	Any member of the College's staff who has responsibility for managing part of the College's affairs or budget, including (but not limited to) heads of department, heads of faculty and members of the senior management team

Status of the Regulations

2 These Regulations are subordinate to the College's Articles of Government, to applicable legislation or regulations and to any restrictions contained in the College's Financial Memoranda with the SFA.

Distribution

3 A controlled copy of these Regulations shall be posted on the College intranet and distributed to:

- (a) all members of the Corporation
- (b) the Clerk to the Corporation
- (c) all members of the Senior Management Team

B GOVERNANCE

THE CORPORATION

Purpose

- 1 The purpose for which the Corporation was established is:
 - (a) To determine the educational character and mission of the College and for oversight of its activities
 - (b) To ensure the provision of high quality further and higher education
 - (c) To carry on any other business or activity related to or necessary for the provision of further and higher education

Powers

- 2 The Corporation has the following powers:
 - (a) To own, acquire and dispose of land and other property
 - (b) To enter into contracts
 - (c) To borrow money and, in connection with such borrowing, to grant mortgages, charges or other securities in respect of any land or property owned by the Corporation
 - (d) To invest any sums not immediately required for the purposes of carrying on any activities within its powers
 - (e) To accept gifts of money, land or other property and apply these, or hold and administer these on trust
 - (f) To do anything incidental to the conduct of an education institution providing further or higher education

Responsibilities

- 3 The Corporation is responsible for, and **cannot delegate** its responsibility for:
 - (a) Determining the educational character and mission of the institution;
 - (b) The approval of the annual estimates of income and expenditure;
 - (c) Ensuring the solvency of the institution and the Corporation and for safeguarding their assets;
 - (d) The appointment of the Principal, or holder of a senior post
 - (e) The appointment of the Clerk
 - (f) The modification or revocation of the Articles of Government

- (g) The appraisal of the Principal
- (h) Reporting in the annual financial accounts on the adequacy of the College's systems of internal control

Further, the Corporation **may not delegate**:

- (a) the consideration of the case for dismissal, and
- (b) the power to determine an appeal in connection with the dismissal of the Principal, the Clerk or the holder of a senior post other than to a committee of members of the Corporation.

The Corporation is responsible for, and **may delegate** its responsibility for, the following functions:

- (a) approving the quality strategy of the institution;
- (c) setting a framework for the pay and conditions of service of staff, other than the holder of a senior post

Membership

- 4 The Membership of the Corporation shall be a maximum of 20 governors of which 2 shall be staff governors, 2 shall be student governors and one the Principal.

Appointment, reappointment and resignation of members

- 5 All members, other than members appointed by the Government of any Funding Body, shall be elected by the full Corporation.
- 6 Members of the Corporation, other than student members, shall serve for a term of office of not more than four years.
- 7 Members retiring at the end of their term of office shall be eligible for re-election, without restriction on the number of terms served, subject to review by Search Committee.
- 8 A member may at any time resign his office by giving notice in writing to the Clerk to the Corporation.
- 9 Should a member be absent from meetings of the Corporation or its Committees or Working Groups for a period longer than six consecutive months without the permission of the Corporation, or become unable or unfit to discharge the functions of a member, the Corporation may, by notice in writing to that member, remove him/her from office and thereupon the office shall become vacant.
- 10 Any staff member (including the Principal) or student member shall cease to be a Corporation member if they cease to be a member of staff or student of the College, and the office shall become vacant.

- 11 A student member shall cease to hold office if he/she is expelled from the College.

Meetings

- 12 Quorum:

Corporation meetings and its sub-committees and working group meetings shall be quorate if at least 40% of the members are present.

- 13 Chair:

(a) The full Corporation shall appoint its Chair and Vice Chair, who shall be appointed annually, at the last meeting before the expiry of their term of office, or at the first meeting following the resignation or removal from office of the Chair or Vice Chair.

(b) The Principal, staff and student members are not eligible to be Chair or Vice Chair, but may participate in the process of appointment

- 14 In attendance:

The Clerk to the Corporation, or his/her nominee appointed by the Chair, shall attend every meeting.

- 15 Frequency of meetings:

The Corporation shall meet at least once in every term and shall hold such other meetings as may be necessary.

- 16 Summoning of meetings:

(a) Corporation meetings shall be summoned by the Clerk to the Corporation, who shall send to the members written notice of the meeting and a copy of the agenda at least seven clear days in advance of the meeting.

(b) A special meeting of the Corporation may be called at any time by the Chair or at the request in writing of any five members. This meeting may be called with less than seven days' notice if the Chair (or in his absence, the Vice Chair) so directs, on the ground that there are matters demanding urgent consideration.

- 17 Agenda standing items:

The Clerk shall maintain a list of standing agenda items for each meeting, which shall be reviewed annually. These items shall be sufficient to discharge the Corporation's non-delegable responsibilities under the Articles of Government.

18 Time limitations on decided questions:

If a decision has been resolved by the Corporation it may not be rescinded or varied at a subsequent meeting unless consideration of the rescission or variation is a specific item of business on the agenda for that meeting, ie it cannot be changed under Matters Arising.

19 Public access to meetings:

Meetings of the Corporation (and its sub-committees) shall not be open to members of the public, press, staff, students and other interested parties unless by prior agreement with the Chair.

C CORPORATION COMMITTEES

Establishment of committees

1 The Corporation shall establish and maintain the following committees:

Committee	Specialist Attendance	Standing Orders
Finance and General Purposes	Clerk Executive Director of Finance and Information Head of Finance SMT as required	Membership = 6 Quorum = 3
Audit	Clerk Executive Director of Finance and Information Co-optee SMT as required Internal and Financial Statements Auditors, as required	Membership = 5 Quorum = 2
Search	Clerk	Membership = 5 Quorum = 2
Remuneration	Clerk Principal	Membership = 4 Quorum = 2
Employment Policy	Clerk Principal Head of Human Resources Health & Safety Officer SMT as required	Membership = 5 Quorum = 2
Performance Review and Quality	Clerk Executive Director of Curriculum and Learning Head of Organisational Development and Quality SMT as required	Membership = 5 Quorum = 2
Special Committee	Clerk	Membership = 4 Quorum = 3

Committee Standing Orders

2 The business of each committee shall be conducted in accordance with the standing orders set out below, which shall be reviewed at least every two years by the Corporation.

Finance and General Purposes Committee

1 Purpose and responsibilities:

(a) The Corporation is responsible for, and cannot delegate its responsibility for, the following financial matters –

- Ensuring the solvency of the College
- Safeguarding the College assets
- Approving an annual budget before the start of each financial year

(b) The purpose of the Finance and General Purposes Committee is to assist the Corporation in the discharge of these responsibilities by advising the Corporation on all financial and property matters, and in particular by reviewing the following areas and making recommendations to the Corporation thereon –

- The effectiveness of the use of the College's resources
- The solvency of the College
- The procedures for safeguarding College assets
- The College's management accounts and operating statements
- The annual revenue and capital budgets
- The annual financial accounts
- The financial implications of recommendations made by other committees
- The College's insurance and risk management policies
- The College's property strategy

2 Powers:

(a) The Corporation delegates to the Finance and General Purposes Committee the power to determine financial policies and in particular (but without loss of generality) –

- To determine policies relating to the borrowing of money and the grant of mortgages, charges or other securities within the limits imposed by the Financial Memorandum
- To determine investment policies for funds not immediately required for the running of the College, subject to the requirement to invest prudently
- To determine the policy for the setting of College fees
- To appoint the College's bankers
- To review and approve proposals for the setting up of companies to undertake commercial activities
- To approve minor modifications to the Financial Regulations during the year, subject to any modifications so approved being set out in full in the Committee's Minutes, which are laid before the full Corporation.

(b) The Finance and General Purposes Committee has the power to request from other committees of the Corporation any information on the financial implications of matters discussed by them.

3 Membership:

- (a) Six members of the Corporation, one of whom shall be the Principal
- (b) Members of the Finance and General Purposes Committee, excluding Staff and student members, shall be, ex officio, Directors of the College's subsidiary companies, subject to appointment by the Corporation.

4 Meetings:

(a) Quorum –

- 3 members

(b) Chair -

- A non-executive member elected annually by the Corporation

(c) Vice Chair

- A non-executive member elected annually by the Committee

(d) In attendance –

- The Executive Director of Finance and Information
- The Head of Finance
- The Clerk to the Corporation
- SMT as required

(e) Frequency -

- At least three times per year to fit with the College's reporting and planning cycle

(f) Standing agenda items –

- The Clerk shall maintain a list of standing agenda items for each meeting, which shall be reviewed annually by the Corporation
- The list of standing agenda items shall include the review of the management accounts

(f) Agenda and papers distribution –

- At least seven clear days in advance of the meeting

Audit Committee

1 Purpose and responsibilities:

- (a) To monitor and advise the Governing Body on the effectiveness of the College's governance, internal control and risk management
- (b) To monitor and advise the Governing Body on the ability of the college's systems to secure economy, efficiency and effectiveness (value for money)
- (c) To produce an annual report to the Governing Body and the Principal prior to the signing of the annual financial statements

In particular it shall -

- Oversee and, as required, report to the Governing Body the work of the Internal Audit Service, including:
 - Advising the Governing Body on its appointment, terms of reference, its strategy and the scope and planning of its work
 - Assessing its performance
 - Considering its reports
 - Ensuring effective co-ordination between its work and that of the College's other auditors
 - Monitoring all additional services performed for the College by the Internal Audit Service
- Oversee and, as required, report to the Governing Body the work of the external financial statements auditor, including:
 - Advising the Governing Body on its appointment and remuneration
 - Assessing its performance
 - Considering its reports
- Consider the reports of the regularity auditor and any other externally-appointed auditor such as a funding auditor
- Monitor the College's response to the audit reports and the implementation of agreed recommendations
- Consider the Financial Management and Control Evaluation (FMCE) and recommend to Corporation, annually, the self assessment of the College's financial management and control arrangements.
- Keep itself informed of developments in audit requirements imposed by the Government, the SFA or generally accepted auditing standards
- Ensure that suspected instances of fraud, irregularity, impropriety or control weaknesses and breakdowns are investigated appropriately

- Consider the draft annual financial statement

2 Powers:

The audit committee has the following powers to:

- (a) Investigate any activity within its terms of reference
- (b) Seek any information it requires from the internal audit service, the financial statements auditor, governors, committees and college employees, plus relevant information from subcontractors and other third parties
- (c) Obtain external professional advice
- (d) Go into confidential session and exclude any or all participants and observers, except the Clerk, but must comply with the rules of quoracy

3 Membership:

- (a) Five Corporation members
- (b) The audit Committee must include at least one person, whether a governor or not, with relevant financial/audit expertise
- (c) The following may not serve on the Audit Committee –
 - The Principal
 - The Chair of the Corporation
 - Members of the Finance Committee
 - Staff with significant financial responsibility

4 Meetings

- (a) Quorum –
 - 2 members
- (b) Chair –
 - A member elected annually by the Corporation
- (c) Vice Chair
 - A member elected annually by the Committee
- (d) In attendance –
 - The Executive Director of Finance and Information
 - The Clerk to the Corporation
 - Representatives of the Internal Audit Service and the Financial Statements Auditor where business relevant to them is being discussed

- Representatives of any other auditors (e.g. Regularity Auditor, Funding Auditor) at the discretion of the Chair, when business relevant to them is being discussed
- Any other Corporation member requested by the Audit Committee to attend
- Co-opted members with relevant financial/audit experience
- Other members of management where their areas of responsibility are under discussion

(e) Frequency –

- At least three times per year, to fit with the needs of the planning and reporting cycles of internal and external audit
- Additional meetings at the discretion of the Chair

(f) Standing agenda items –

- The Clerk shall maintain a list of standing agenda items for each meeting, which shall be reviewed annually by the Corporation
- The list of standing agenda items shall include the review of all audit reports since the last meeting

(g) Agenda and papers distribution –

- At least seven clear days in advance of the meeting

Search Committee

1 Purpose and responsibilities:

- (a) To agree a framework and methodology for seeking and replacing Corporation Board members
- (b) To advise on the appointment of members (other than staff or student members)
- (c) To advise on such other matters relating to membership and appointments as the Corporation may ask it to
- (d) To evaluate the contribution made by existing individual governors prior to their re-appointment

The Corporation shall not:

- (a) Appoint any person as a member (other than as a staff or student member) without first consulting and considering the advice of the Search Committee

2 Powers:

- (a) Reporting to the Corporation

3 Membership:

- (a) Five members of the Corporation who shall be the Chair and Vice Chair, Principal and two other members of the Corporation

4 Meetings:

(a) Quorum –

- 2 members

(b) Chair –

- Ex officio, the Chair of the Corporation

(c) Vice Chair –

- Ex officio, the Vice Chair of the Corporation

(d) In attendance –

- The Clerk to the Corporation

(e) Frequency –

- As and when determined by the Corporation

(f) Standing agenda items –

- The Clerk shall maintain a list of standing agenda items for each meeting, which shall be reviewed annually by the Corporation

(g) Agenda and papers distribution –

- At least seven clear days in advance of the meeting

Remuneration Committee

- 1 Purpose and responsibilities:
 - (a) To determine the remuneration of the Principal, designated senior post holders and the Clerk.
- 2 Powers:
 - (a) Reporting to the Corporation
- 3 Membership:
 - (a) Four members, including:
 - The Chair and Vice-Chair of the Employment Policy Committee
 - Two other members, one of whom will be proposed by Employment Policy Committee
- 4 Meetings:
 - (a) Quorum –
 - 2 members
 - (b) Chair –
 - Ex officio, Vice-Chair of Employment Policy Committee
 - (c) In attendance –
 - The Principal (except during discussions relating to the Principal's remuneration)
 - The Clerk (except during discussions relating to the Clerk's remuneration)
 - (d) Frequency –
 - As and when required to fit in with the College's reporting and planning cycle
 - To be held directly following Employment Policy Committee meetings
 - (e) Standing agenda items –
 - The Clerk shall maintain a list of standing agenda items for each meeting, which shall be reviewed annually by the Corporation
 - (f) Agenda and papers distribution –
 - At least seven clear days in advance of the meeting

Employment Policy Committee

1 Purpose and responsibilities:

- (a) To determine the framework for the pay and conditions of staff other than the holders of designated senior posts, taking into account, in this connection, any scheme of pay and conditions drawn up by relevant National or Regional Bodies
- (b) To make recommendations to Corporation of pay awards to groups of staff, other than the holders of designated senior posts
- (c) To be responsible for determining the College's overall Human Resources Strategy. This will include the agreement of HRM aims and objectives within the medium/long term planning process and the establishment of performance indicators
- (d) To monitor the recruitment/staffing profile/sickness absence/equality and diversity data/safeguarding/staff training and development and evaluate performance
- (e) To make recommendations to the Corporation in respect of the rules
 - Relating to the conduct of staff
 - To govern the procedures for the discipline, suspension and dismissal by the Principal, of staff, other than the holders of senior posts and the Clerk, including the procedures for appeal against dismissal
 - To govern the procedures for offering staff opportunities to seek redress of any grievance relating to their employment
- (f) To consider and make recommendations to the Corporation on health and safety matters and to annually review the Health and Safety Policy
- (g) To make recommendations to the Corporation regarding other procedural agreements related to Collective Bargaining
- (h) To make recommendations to the Corporation in relation to the policies to be adopted in regard to staff development, appraisal and review. This will include the review of quality standards
- (i) To consider matters related to superannuation and pension arrangements
- (j) To monitor and review the Public Disclosure 'Whistleblowing' Policy.
- (k) To consider such other employment matters as may, from time to time arise

2 Powers:

- (a) Reporting to the Corporation

3 Membership:

(a) Five members, including:

- The Chair of Remuneration Committee
- The Principal
- Three other members of the Corporation

4 Meetings:

(a) Quorum –

- 2 members

(b) Chair –

- A member elected annually by the Corporation

(c) Vice Chair –

- A member elected annually by the Committee

(d) In attendance –

- The Clerk to the Corporation
- The Head of Human Resources
- Health and Safety Officer as required
- SMT as required

(e) Frequency –

- At least three times per year to fit in with the College's reporting and planning cycle

(f) Standing agenda items –

- The Clerk shall maintain a list of standing agenda items for each meeting, which shall be reviewed annually by the Corporation

(g) Agenda and papers distribution –

- At least seven clear days in advance of the meeting

Performance Review and Quality Committee

1 Purpose and responsibilities:

(a) To monitor and review the academic performance of the College, including –

- Student achievements
- External verifiers' reports
- Hearing the Student Voice
- Performance of curriculum areas
- Information and Learning Technology (ILT)
- HE Provision

(b) To recommend to Corporation the College's Quality Strategy

(c) To recommend to the Corporation the Safeguarding Child/Vulnerable Adult policies

(d) To consider, monitor and make recommendations to the Corporation on the Equality and Diversity Policy, Single Equality Scheme and Equality Objectives

(e) To monitor and review the quality of the service provided by the College, including –

- ISO 9001 Quality Management System and approve Quality Policy
- Self-assessment reports
- Corporate action plans
- Complaints
- Framework for Excellence
- Value Added
- Appropriate policies, including:
 - Freedom of Information Act – College Publication Scheme
 - Teaching and Learning Policy

(f) To review and approve the College Charter and the Employer Charter

2 Powers:

(a) Reporting to the Corporation

3 Membership

(a) Five members including:

- The Principal
- Four other members of the Corporation

4 Meetings:

(a) Quorum –

- 2 members

(b) Chair –

- A member elected annually by the Corporation

(c) Vice Chair –

- A member elected annually by the Committee

(d) In attendance –

- Executive Director Curriculum and Learning
- The Head of Organisational Development and Quality
- Clerk to the Corporation
- SMT as required

(e) Frequency –

- At least three times per year to fit in with the College's reporting and planning cycle

(f) Standing agenda items –

- The Clerk shall maintain a list of standing agenda items for each meeting, which shall be reviewed annually by the Corporation

(g) Agenda and papers distribution –

- At least seven clear days in advance of the meeting

Special Committee

Reviewed to reflect I&A effective 1/01/08

1 Purpose and responsibilities:

- (a) To examine the case for the dismissal of a designated senior postholder*² referred to the Committee by the Chair of the Corporation, the Vice Chair of the Corporation or a majority of the members of the Corporation within the specified timescale
- (b) To give the person whose dismissal is to be considered the right to make representations in writing or orally
- (c) To consider and determine the case referred to it within the rules set out and agreed by the Corporation
- (d) To provide a right of appeal to a quorate meeting of the Corporation Board or a committee of 4 members of the Corporation
- (e) To seek guidance on employment issues from College solicitors, Head of Human Resources, Association of Colleges (AoC) or such other agency as it chooses

2 Powers:

- (a) Reporting to Corporation

3 Membership:

- (a) The Chair of the Corporation, the Vice Chair of the Corporation, Principal, Staff and Student Governors may not sit on the Committee, nor anyone who has any interest in its findings or who has been involved in any way in an investigation or other disciplinary action leading up to the reference of the particular matter to the Committee unless it is reasonably impracticable to avoid. No person may sit on the Committee unless they are a member of the Corporation.
- (b) The Committee shall comprise 4 members of the Corporation who shall be
 - Chair or Vice Chair of Employment Policy Committee
 - Chair or Vice Chair of Finance and General Purposes Committee
 - Chair or Vice Chair of Performance Review and Quality Committee
 - One other governor selected by Corporation

Excepting that, where any of the members hold either the office of Chair or Vice Chair of Corporation, a substitute be nominated.

* For the purposes of this Committee, the Principal, Clerk and members of the Senior Management Team identified at page 3 are designated "Senior Postholders"

4 Meetings:

(a) Quorum –

- 3 members

(b) Chair –

- Selected from amongst and by the members of the Special Committee

(c) In attendance –

- The Clerk to the Corporation, except where the Clerk's dismissal is the subject of the Special Committee meeting. In these circumstances an independent person shall be appointed to Minute the proceedings
- If requested, a colleague or union representative to accompany the person whose dismissal is to be considered

(d) Frequency –

- As and when determined

(e) Standing agenda items –

- No requirement

(f) Agenda and papers distribution

- A meeting shall be convened as soon as practicable after a reference to it and shall hold its first meeting within 7 calendar days of being convened.

D CORPORATION WORKING GROUPS

Establishment of working groups

- 1 The Corporation has the power to establish and to delegate to working groups any of its functions for which delegation is not expressly prohibited
- 2 The following working groups are in existence at the time of drafting these regulations:

Working Group	Specialist Attendance	Standing Orders
Selection	Clerk SMT as required	As required
Appeals	Clerk SMT as required	As required
Property Steering Group	Clerk Consultant(s) as required SMT as required	Membership = 6 Quorum = 3 governors

Standing Orders/Terms of Reference

- 3 Each Working Group's business shall be conducted in accordance with the terms of reference established by the Corporation at the formation of the Group.
- 4 The Working Group governor-membership shall remain as that originally elected throughout the duration of the group's existence unless determined otherwise by the Corporation. Should a working group member resign, the group will seek a replacement from within the Corporation membership and the Clerk shall advise the Board accordingly at the next Corporation meeting.

Property Steering Group

- 1 Purpose and responsibilities:
 - (a) To oversee and monitor the development of a planned, affordable and sustainable estates strategy for the College
 - (b) To oversee the implementation of the agreed estates strategy
 - (c) To advise management as appropriate on key issues that arise in connection with the estates strategy
 - (d) To take, on behalf of the Corporation, and in accordance with its powers, certain key decisions relating to the College's estates strategy
- 2 Powers:
 - (a) Reporting to the Corporation
 - (b) The Corporation delegates to the Group the power to take on its behalf certain decisions that relate to the implementation of the College's estates strategy and in particular
 - Approving the appointment of consultants and building contractors for building works of £500,000 or more
 - The purchase of land, provided that this falls within parameters previously agreed by the Corporation
 - The approval of funding applications other than where Corporation approval is mandatory, or statutorily required
 - To seek any information it requires to discharge its responsibilities including the power to obtain external professional advice
 - To canvas the views of the Group other than in the formal, scheduled meetings, in order to meet essential, key deadlines
- 3 Powers reserved to the full Corporation:
 - The estates strategy itself and any fundamental changes to it
 - The overall budget for its implementation
 - The approval of borrowing facilities
 - The disposal of land
- 4 Membership:
 - (a) 6 members including:
 - The Principal
 - Three members of the Corporation
 - The Executive Director Finance and Information
 - The Director of Employer Engagement and Estates

5 Voting Rights:

- (a) The Principal and three governors only

6 Meetings:

(a) Quorum:

- Three members of the Group, all of whom should be members of the Corporation

(b) Chair -

- A non-executive member elected annually by the Corporation

(c) Vice chair –

- A non-executive member elected annually by the Working Group

(d) In attendance:

- The Head of Property Services Department
- Co-optee(s) determined by the Group
- The Clerk to the Corporation
- Others by invitation

(e) Frequency:

- Termly, but more frequently if required

(f) Standing agenda items:

- The Clerk shall maintain a list of standing agenda items for each meeting

(g) Agenda and papers distribution:

- At least seven clear days in advance of the meeting

E FINANCIAL REGULATIONS

Status

Purpose

- 1 These regulations contain the policies laid down by the Corporation to govern the College's financial and contractual activities.
- 2 These regulations apply to the College and to any subsidiary companies and other subsidiary undertakings of the College. Wherever the term "College" is used in these regulations, this applies equally to the College's subsidiary companies and other subsidiary undertakings.

Financial procedures

- 3 The Regulations shall be supplemented by Financial Procedures issued by the Executive Director of Finance and Information.

Compliance with the Regulations

- 4 Compliance with both the Financial Regulations and the Financial Procedures is compulsory for all staff connected with the College. Non-compliance may result in disciplinary action under the College's disciplinary policy.
- 5 All managers are responsible for ensuring that all activities under their control comply with these regulations and any other relevant financial procedures.

Review

- 6 The Finance Committee is responsible for keeping these Regulations under continuous review and advising the Corporation of any necessary changes.

Responsibilities

Responsibilities in financial matters

- 7 The Corporation is responsible for, and cannot delegate its responsibility for the following financial matters:
 - (a) Ensuring the solvency of the College
 - (b) Safeguarding the College's assets
 - (c) Approving an annual budget before the start of each financial year
- 8 In addition the Corporation has overall responsibility, but can delegate this, for:
 - (a) Ensuring that the funds provided by the funding body are used in accordance with the terms and conditions specified by that body including those in the College's Financial Memorandum

- (b) Ensuring that systems of internal control and risk management are effective
 - (c) Ensuring that the College complies with the Audit Code of Practice
 - (d) Approving the College's Strategic Plan
 - (e) Appointing the internal audit service and financial statements auditor.
- 9 The Principal is the College's designated Accounting Officer and is responsible for the College's financial affairs, including ensuring that:
- (a) the College has appropriate arrangements for sound financial management, achieving value for money and accounting
 - (b) the College has adequate systems of internal control and risk management
 - (c) the uses to which the funding body's payments to the College are put are consistent with the purposes for which they have been given
 - (d) a budget is prepared for approval by the Corporation.
- 10 The Executive Director of Finance and Information is responsible for day to day financial administration including:
- (a) Maintaining adequate financial systems and records
 - (b) Preparing budgets and financial management information
 - (c) Preparing the College's annual accounts
 - (d) Preparing and dispatching any financial information required by the funding body
 - (e) Ensuring that any income due from funding bodies is claimed and received
 - (f) Advising the College's Corporation and committees, the Principal and other managers on financial matters
 - (g) Managing the College's tax affairs.
- 11 All managers are responsible for:
- (a) Running the departments and/or activities which they manage so as to meet the financial targets assigned to them
 - (b) Maintaining adequate financial systems and records for those activities in accordance with these Financial Regulations, the more detailed requirements in the Financial Procedures and the requirements of the Executive Director of Finance and Information
 - (c) Reporting serious risks and incidents to the appropriate SMT member or the Clerk to the Corporation.

Financial management, budgets and targets

Financial targets

- 12 The College's affairs shall be run so as to achieve as far as possible the financial objectives approved by the Corporation and set out in its strategic plan.
- 13 These financial objectives shall be consistent with the overall objectives of
 - (a) Ensuring the solvency of the College
 - (a) Safeguarding the College's assets.

Budgets and budgetary control

- 14 The Executive Director of Finance and Information shall prepare a budget for the College for each financial year covering revenue income and expenditure, capital expenditure and related capital grant income, cash flow and a year-end balance sheet. The Corporation, advised by the Finance Committee, shall approve the budget.
- 15 It is the responsibility of all managers to manage the activities for which they are responsible so as to meet the financial targets set for them.
- 16 Subject to any restrictions imposed by the Executive Director of Finance and Information, managers may transfer ("vire") budget amounts between budget lines under their control provided that:
 - (a) they notify the Head of Finance so that the budget can be adjusted accordingly and
 - (b) the change does not prejudice the achievement of any overriding objectives of the College.
- 17 The Senior Management Team may approve other changes to the budget, for example to build in new activities, provided that the changes neither adversely affect the budgeted revenue surplus or deficit nor increase the budgeted capital expenditure (net of capital grant income). The Senior Management Team may also transfer expenditure budgets from revenue to capital. Changes that adversely affect the College's surplus or deficit or increase capital expenditure except by a transfer from revenue expenditure must be approved by the Corporation.
- 18 Budget holders have no authority to carry forward balances on their budgets at the end of the year.
- 19 Unspent amounts against budgets for capital expenditure projects that by their nature extend over more than one budget year shall be carried forward until the projects are completed. The Principal may approve the carrying forward of other capital budgets for specific projects.
- 20 The Executive Director of Finance and Information shall monitor the College's financial performance against the budget and submit revised budgets as

necessary during the year. The Corporation, advised by the Finance Committee, shall approve the revised budget.

As soon as managers become aware of any significant departures from agreed budgetary targets, they must report these to the Principal and the Executive Director of Finance and Information.

Accounting

Accounting policies

- 21 The College shall prepare consolidated accounts in accordance with UK law and the requirements of the funding body.

Financial year end

- 22 The College's financial year-end shall be 31 July.

Accounting records and returns

- 23 The Executive Director of Finance and Information is responsible for:
- (a) Maintaining financial records in a form that complies with legislation and is acceptable to the relevant funding bodies or authorities
 - (b) Preparing and dispatching financial returns required either by legislation, by the funding bodies or authorities within the required timescales.

Financial forecasts for external bodies

- 24 The Executive Director of Finance and Information shall prepare any financial forecasts required by the funding body. The Corporation, advised by the Finance Committee, shall approve these forecasts.

Financial information for the Corporation

- 25 The Executive Director of Finance and Information shall prepare and submit to the Corporation and/or the Finance Committee such forecasts and other financial information as they request, or as he considers necessary to aid their understanding of the College's financial position. These shall be presented at least termly to the Corporation and monthly (except in the first month of the year) to the Finance Committee, and shall include:
- (a) Income and Expenditure statements against budget
 - (b) Statements of capital expenditure against budget
 - (c) Summarised balance sheets
 - (d) Summarised cash-flow statements.

- 26 The Executive Director of Finance and Information is responsible for ensuring that the financial information prepared for the Corporation is complete and accurate, and for alerting senior management and the Corporation to any known, significant inaccuracies or suspected irregularities therein.

Value for Money ("VFM")

- 27 The college has a duty to deliver VFM in its use of the public funding it receives and to maximise the benefits to learners that it delivers from that funding.
- 28 All staff are responsible for ensuring that the college obtains VFM from all of its activities. SMT and managers are responsible for taking a lead in obtaining VFM, and SMT for monitoring whether the college is achieving VFM.
- 29 VFM is defined as the right balance of:
- Economy: minimising cost
 - Efficiency: maximising productivity and minimising the effort involved in doing things
 - Effectiveness: ensuring the maximum benefit in terms of delivery of the college's strategies and objectives.
- 30 VFM is not just buying things at the cheapest price, although that is often one aspect of it. In addition to cost, VFM might include looking at such things as fitness for purpose, convenience, delivery, reliability, durability, performance, technology, staff workload, impact on efficiency, maintenance, support, running costs, obsolescence, and disposal issues. VFM is in effect an assessment of the costs and benefits (financial and non-financial) across the whole life of a product or activity.
- 31 In employment matters, securing VFM might include looking at long and short term needs, qualifications, skills, experience, flexibility to cope with change, resilience to loss of key staff, market remuneration levels. VFM is one consideration to be weighed alongside others such as the college's commitment to equality and diversity, its responsibilities as a fair employer, the priority it gives to staff development and legal / contractual obligations.
- 32 VFM shall be delivered in the College as follows:
- SMT shall integrate VFM principles into management strategies, planning processes and shall keep under review whether the staffing arrangements in all areas represent VFM
 - SMT shall keep under review whether the college's staffing and physical infrastructure gives it the resources and the flexibility to strike the right long-term balance between effectiveness, efficiency and economy
 - All managers shall integrate VFM principles into the processes within their areas of responsibility and ensure that their staff are trained and aware of what they need to do to secure VFM in their areas

- All managers and staff shall pursue VFM as an objective in all activities. This will include:
 - Striving to achieve maximum benefit for minimum cost / effort
 - Ensuring that the college delivers high quality for the public funding that it receives (including optimising student success and progression)
 - Only entering into purchases and contracts that offer acceptable quality at competitive price, based on appropriate research and by following college procurement rules
 - Utilising resources (staff and non-staff) fully and efficiently
 - Comparing the respective benefits of different forms of employment (e.g. permanent, temporary / hourly paid, trainees / apprentices)
 - Constantly seeking to improve the efficiency and effectiveness of college processes
 - Researching and adopting good practice from other organisations
 - Striving to achieve an acceptable level of control for the minimum bureaucracy and effort
- SMT and the Audit Committee (through Internal Audit Service) shall commission VFM reviews where appropriate
- SMT shall review the college's cost base, its efficiency and the effectiveness of delivery of its objectives against other organisations (eg through benchmarking) and report the results to the Corporation and/or sub-committees.

Income

Claiming and recording of income

- 33 The Executive Director of Finance and Information is responsible for ensuring that appropriate procedures and systems are in place to:
- (a) submit claims for all grants or tax refunds due to the College by the due date
 - (b) invoice promptly all income due from commercial clients
 - (c) collect all fees due from students in accordance with the College's fees policy and
 - (d) promptly bank all money received.
- 34 Individual managers are responsible for notifying the Executive Director of Finance and Information of all sources of income and establishing and

maintaining the systems and records needed to collect income due in their areas promptly.

Approval of the College's charges

- 35 The Senior Management Team shall set the charges to be made by the College in accordance with the policies and framework laid down by the Finance Committee.

Credit control

- 36 The Executive Director of Finance and Information is responsible for establishing suitable credit control processes for monitoring and collecting outstanding debt.
- 37 To enforce the collection of outstanding student debts, SMT may authorize sanctions including the withholding of College degrees, diplomas, certificates or other qualifications from the College, the non-inclusion of names in pass lists and the withholding of tutor support from students who fail to pay their debts to the College.

Expenditure

Approval of purchase requisitions (capital and revenue)

- 38 Authority is delegated to management to approve the purchase of goods and services (other than the purchase or long term lease of land or buildings) as follows:

- (a) Budget holding managers: up to £25,000 in their areas of responsibility
- (b) Individual senior managers: up to £100,000 in their areas of responsibility
- (c) The Principal: up to £250,000
- (d) The Senior Management Team (acting collectively): up to £500,000

Contracts or purchases of £500,000 or more shall require the approval of the Finance & General Purposes Committee or, for building works, the Property Steering Group.

- 39 Budget holding managers may delegate the authority to approve purchase orders to other individuals.
- 40 Managers are responsible for ensuring that all purchases (made in whatever way, including for example using credit cards or under separate contracts) against their budgets:
- (a) do not exceed the relevant budgets
 - (b) are an appropriate use of College resources in line with the College's strategies and plans
 - (c) represent good value for money

- (d) where appropriate have been tendered or competitive quotes have been obtained in line with the requirements of these regulations and other approved procedures of the College.
 - (e) are made in compliance with the probity requirements in section F of these regulations and in particular do not involve conflicts of interest, bribes or other inducements.
- 41 Purchases must comply with EU tendering regulations (as interpreted by various UK statutory instruments). Currently the following must be put out to public tender in accordance with rules set out in various EU directives:
- (a) Purchases of goods and services over Euro 200,000 (currently approx. £139,000)
 - (b) Purchases of building works over Euro 5 million (currently approx. £3 million). This applies also to building works financed in other ways, for example works by a leaseback arrangement or by granting operating rights.
- 42 Where a single requirement for goods or services is fulfilled by several separate purchases, these shall be aggregated to calculate the levels above which tendering is required. Where goods or services are purchased by instalments or on a lease or rental basis, the value of all committed instalments or rental payments shall be included.

Purchase orders

- 43 All purchases shall be ordered using the official College order form incorporating the College's conditions of contract except:
- (a) where a separate, written contract is entered into
 - (b) for genuine emergencies
 - (c) on-going bills from utility suppliers (electricity, water, gas, telephones, rates and similar) under a contract approved under the provisions elsewhere in these regulations
 - (d) renewals of annual licences (e.g. performing rights, software)
 - (e) purchases using College credit cards approved as described below
 - (f) orders placed electronically in ways approved by the Executive Director of Finance and Information
 - (e) other purchases with the prior permission of the Principal.
- 44 Where a separate contract is used, the manager responsible shall ensure that it is approved as required elsewhere in these Regulations.

College credit cards

- 45 The Executive Director of Finance and Information may approve the issuing of College credit cards and other cards of a similar nature, such as Government Procurement Cards, to College employees and may also revoke such approval.
- 46 College credit cards shall be used for valid business purchases only. All expenditure using them shall be accounted for. Their misuse or failure to account for expenditure shall be grounds for disciplinary action. Department Managers shall be responsible for setting in place systems to monitor the use of College credit cards against their budgets and account for expenses charged through them.

Taxation

- 47 The Executive Director of Finance and Information is responsible for managing the College's taxation affairs, advising managers and staff on taxation issues, issuing any necessary instructions. He shall report to the Finance Committee on significant issues.

Reimbursement of expenses

- 48 Staff shall be reimbursed for any expenses incurred in performance of their College duties (including travel and subsistence costs, necessary business entertaining and small items of expenditure on consumables) provided that:
- (a) they were necessarily or appropriately incurred on College business
 - (b) value for money is obtained and
 - (c) the most efficient, practical options have been used for travel and accommodation.
- 49 Senior managers and Corporation members' expenses shall be authorised as follows:
- (a) For the Principal: by the Chair or, in his absence, the Vice Chair
 - (b) For other members of the Senior Management Team: by the Principal or, in his absence (the Director of Finance and Information) (in which case the Director of Finance and Information's expenses shall be authorised by the Chair or Vice Chair)
 - (c) For the Chair: by the Principal
 - (d) For the Vice Chair and all other members of the Corporation: by the Principal
 - (e) The expenses of the Chair, Principal, Vice Chair and governors, together with the expenses incurred by designated senior post holders shall be reported to the Audit Committee annually for retrospective review.

- 50 Staff shall not benefit personally from travel on College business or from the use of College cars. For instance, promotional offers by travel organisations must be used to the College's benefit.

Advances

- 51 Where it is necessary, the Principal or Executive Director of Finance and Information and the responsible department head may jointly approve advances to staff who are going to incur expenditure on the College's behalf. The Executive Director of Finance and Information shall approve the procedures for accounting for such advances.

Use of private cars on College business

- 52 Staff are encouraged to use their own vehicles where this is the most efficient, practical option, and shall be reimbursed at rates set in the Financial Procedures for using their own vehicles on College business.
- 53 (a) Staff and governors using their own vehicles must maintain appropriate insurance cover for business use, and shall be reimbursed for the cost of this by the inclusion of an appropriate amount in the reimbursement rates.
- (b) Business mileage expense claims for staff and governors will be subject to production, on an annual basis, of an original and valid insurance certificate and driving licence and a copy of an original MOT certificate (if applicable).

Other payments to staff

- 54 The relevant Head of Department and either the Principal or the Executive Director of Finance and Information shall approve any payments to staff other than their normal remuneration and those dealt with above. The Executive Director of Finance and Information shall establish systems to record the amounts paid, the reasons and the staff members involved.

Contracts

Approval of contracts other than those for the purchase, sale or long term lease of land or buildings

- 55 This section applies to all agreements that are legally binding on the College except for:
- (a) Learning Agreements with students
 - (b) Contracts covered elsewhere in these regulations (purchase orders, contracts for the purchase, sale or long term lease of land or buildings and contracts for the disposal of other College assets).
- 56 Authority is delegated to management to enter into contracts on the College's behalf as follows:
- (a) Budget holding managers: up to £25,000 in their areas of responsibility

- (b) Individual senior managers: up to £100,000 in their areas of responsibility
- (c) The Principal: up to £250,000
- (d) The Senior Management Team (acting collectively): up to £500,000.
- (e) Contracts with a value of £500,000 or more shall require the approval of the Finance & General Purposes Committee or, for building works, the Property Steering Group.

The value of a contract shall be the best monetary estimate of the income or expenditure associated with a contract, whichever is the greater.

- 57 Managers entering into contracts are responsible for reviewing the contracts and the proposed activities and satisfying themselves before signing that:
- (a) They comply with these Regulations, the College's Instrument and Articles of Government and any legal restrictions on the College's powers
 - (b) They are consistent with the College's agreed strategies and plans
 - (c) They represent value for money and are an efficient and effective use of the College's resources
 - (d) They are entered into in compliance with the probity requirements in section F of these regulations and in particular do not involve conflicts of interest, bribes or other inducements
 - (e) Appropriate management arrangements will be in place for carrying out the College's obligations under the contract and maintaining any necessary systems and records
 - (f) The Senior Management Team is aware of any significant risks being taken on by the College as a result, appropriate measures are planned to manage them and they are appropriately recorded in the College's risk management systems
 - (g) A due diligence review has been carried out on the other party when appropriate (e.g. for agency or subcontracting arrangements)
 - (h) The contract is appropriately worded to have the right legal effect (seeking professional legal advice if appropriate) and, when contracting with agents or subcontractors, prohibits bribes
 - (i) The wording of the contract has been reviewed and approved by the Head of Finance or Executive Director of Finance and Information, and other managers have been consulted as appropriate
 - (j) A signed original of the contract is held in the College's contracts register, currently maintained in the Finance department.
- 58 The Principal shall report to the Finance Committee all contracts over £100,000 in value signed on the College's behalf (other than routine variations to funding agreements) and any other contracts that he considers significant to the College.

Approval of contracts for the purchase, sale or long term lease of land and buildings

- 59 The purchase, sale or long-term (defined as over 2 years) lease of land or buildings shall only be undertaken with the approval of the Corporation.
- 60 Purchases or disposals of land and/or buildings are also subject to the restrictions from time to time imposed by any of the funding bodies. Currently those require the consent where:
- (a) They are in excess of the lower of £1 million or 5% of College revenue
 - (b) The assets were acquired with Exchequer funds.
- 61 Title deeds or long-term leases for land and / or buildings shall be deposited with the College's solicitors.

Use of the College seal

- 62 When a deed or document requires the College's seal, it must be sealed by the Clerk to the Corporation or, in his or her absence, the Executive Director of Finance and Information, and authenticated by the signature of two members of the Corporation at least one of whom must be the Chair, Vice Chair or Principal.
- 63 The Clerk to the Corporation shall maintain a record detailing the use of the College's seal.

Assets and liabilities

Capital assets

- 64 Where the College holds assets, the managers responsible must ensure that they are held securely and well controlled.
- 65 The Executive Director of Finance and Information shall maintain a central register of capital assets.

Stocks

- 66 Where the College holds stocks or stores, the managers responsible must ensure that:
- (a) They are held securely and well controlled
 - (b) Appropriate records and accounting systems are in operation to meet statutory or operational needs.
 - (c) For stocks with significant value, regular inspections and stock-checks are carried out, including year-end stock-checks for those items requiring valuation in the College's accounts.
- 67 The accounting records and systems and the procedures for stock-checking must have the approval of the Executive Director of Finance and Information.

- 68 Managers responsible for stocks of a hazardous nature must ensure that these are subject to appropriate safeguards and security checks, which must have the approval of the appropriate senior manager.

Disposal of assets

- 69 Authority is delegated to management to dispose of assets with an original cost up to £60,000, or fully-depreciated assets with an original cost up to £500,000. The Executive Director of Finance and Information shall approve procedures for the disposal of these assets. The disposal of assets above these limits shall require the prior approval of the Finance and General Purposes Committee.

Treasury management

- 70 The Finance Committee shall set the policies for cash management and for managing investments and borrowings. It is responsible for monitoring the implementation of such policies and for reviewing them regularly.
- 71 All borrowing shall be in the name of the College or its subsidiary undertakings.
- 72 The Principal and the Executive Director of Finance and Information (acting jointly) are authorized to maintain and use loan or overdraft facilities up to £1.5 million. The Finance Committee's approval shall be required for all borrowing in excess of £1.5 million.
- 73 Borrowings shall be subject to any restrictions imposed by the funding body or other regulatory authority. Currently these require consent where they are in excess of:
- (a) Unsecured borrowings up to 5% of the College's total annual income
 - (b) Secured borrowings up to 5% of the College's total annual income in order to finance the construction, refurbishment or purchase of land and buildings provided only those land and buildings are used as security.
- 74 The Executive Director of Finance and Information shall be responsible for:
- (a) Maintaining sufficient cash in the College's accounts to fund day to day activities
 - (b) Investing surplus funds in one of the following:
 - Deposits with major banks
 - Money market deposits guaranteed by major banks
 - Government stocks
 - Other investments guaranteed by major banks or the Government
 - (c) Keeping the College's investment policy under review in the light of market conditions
- 75 Executive decisions concerning borrowing, investment or financing shall (within the parameters of the policy set above and by the Finance Committee) be delegated to the Executive Director of Finance and Information who shall report

to the Finance Committee on the activities of the treasury management operation.

Guarantees or indemnities

- 76 The College shall not give any guarantees, letters of comfort or indemnities incurring contingent liabilities other than in the normal course of business.
- 77 Any guarantees, letters of comfort or indemnities given by the College shall:
- (a) Require the prior approval of the Executive Director of Finance and Information and the Principal, or, if they benefit either of these two postholders, the prior approval of the Finance Committee.
 - (b) Be reported to the Finance Committee by the Clerk to the Corporation.

Intellectual property

- 78 Any designs, inventions or discoveries made by staff in the course of their College duties shall be the property of the College. Managers are responsible for notifying the Executive Director of Finance and Information, who is responsible for ensuring that any registrations or patents are established in the College's name.

Subsidiary Companies and Trusts

Companies and investments

- 79 The College may establish companies to carry out services or business on its behalf.
- 80 The Finance Committee shall approve the establishment of such companies and the procedures for forming them and monitoring their financial performance and shall recommend to Corporation the appointment of directors to companies in which the College is a majority shareholder. The College may invest in other organisations for the purpose of furthering its educational aims provided that such investments are risk-assessed and approved in advance by the Finance Committee.

Trust funds

- 81 The Finance Committee is responsible for ensuring that all the College's trust funds are operated within any relevant legislation and in accordance with the specific requirements of each trust.
- 82 The Executive Director of Finance and Information is responsible for maintaining appropriate records of the affairs of each trust fund and advising the Finance Committee on the control and investment of fund balances.

F INTERNAL CONTROL AND RISK MANAGEMENT

General policy

- 1 The Principal is responsible for:
 - (a) Developing and implementing a strategy to identify, assess and control the risks facing the College
 - (b) Reporting periodically to the Corporation on major, risk-bearing activities or contracts and the measures or controls implemented to manage the risks
 - (c) Monitoring the activities undertaken by the College to identify any significant emerging risks
 - (d) Reporting without delay to the Chair of the Audit Committee and the Chair of the Corporation if new risks are identified that threaten the financial stability or operational viability of the College or its ability to achieve its strategic objectives.
- 2 The Senior Management Team is collectively responsible for approving the strategy and monitoring its effectiveness.
- 3 All College managers are responsible for:
 - (a) Identifying any risks inherent in the projects or activities which they manage
 - (b) Implementing appropriate measures and controls to manage these risks
 - (c) Ensuring that their staff are sufficiently informed and trained to be able manage risks in their areas
 - (d) Reporting significant risks to the Principal, the appropriate senior manager or if appropriate the Clerk to the Corporation
 - (e) Participating collectively in periodic reviews to identify the main risks faced by the College as a whole and assess the adequacy of the measures or controls implemented to manage them.
- 4 All Corporation committees are responsible for overseeing internal controls and the management of risks in their areas of responsibility.
- 5 The Audit Committee is responsible for:
 - (a) Advising the Corporation on the adequacy and effectiveness of the College's internal control, risk management and governance processes
 - (b) Reporting in its Annual Report to the Principal and the Corporation on the above

Insurance

- 6 The Executive Director of Finance and Information is responsible for effecting insurance cover in accordance with the approved risk management strategy and dealing with claims.
- 7 All staff are responsible for notifying the Executive Director of Finance and Information immediately of any event which may give rise to an insurance claim.

Security

- 8 The Principal is responsible for the security of the College, its physical assets and its IT systems and for ensuring that the College has appropriate contingency plans.
- 9 The Principal shall ensure that the College complies with the Data Protection Act and nominate a Data Protection Officer who shall monitor the College's compliance with the Act.
- 10 All Senior Managers and Managers are responsible for maintaining proper security at all times for cash, systems, buildings, assets, stores etc under their control, consulting as necessary with the Executive Director of Finance and Information.
- 11 All staff are required to comply with the security procedures in force, including those for IT systems. Conscious breaches of security shall be a disciplinary offence.

Third party relationships

Banking arrangements

- 12 The Finance Committee, shall appoint the College's bankers.
- 13 All bank accounts shall be in the name of the College or one of its subsidiaries.
- 14 The Executive Director of Finance and Information is responsible for:
 - (a) Liaising with the College's bankers
 - (b) Drawing up cheques and preparing other payments
 - (c) Opening and closing bank accounts.
- 15 The Senior Management Team shall approve those staff who shall be identified as authorised to sign cheques or approve other forms of payments. Payments over an amount set by the Executive Director of Finance and Information (currently £10,000) shall require the advance approval or, in the case of cheques, signature of two authorised signatories. Payments over £1 million to a single payee shall require the advance approval or, in the case of cheques, signature of two members of the Senior Management Team. The Head of Finance shall report any payments over £1 million to the next available meeting of the Finance and General Purposes Committee.

- 16 The Executive Director of Finance and Information is responsible for ensuring that all bank accounts are reconciled regularly and unusual items or differences investigated appropriately.

Student Union

- 17 The student union is a constituent part of the College and is responsible to the Corporation.
- 18 Subject to any constraints imposed by any regulatory body, the Corporation shall determine the level of grant, if any, to be paid annually to the student union.
- 19 The student union is responsible for running its own affairs, maintaining its own bank account and financial records and preparing its own annual accounts.
- 20 The student union accounts will be audited by the College's Finance department or a firm of auditors approved by the College and will be presented to the Corporation.
- 21 In accordance with an agreement between the College and the student union, the College's internal audit service shall have access to records, assets and personnel within the student union in the same way as other areas of the College.

Probity

Code of conduct

- 22 The College expects that all staff will act in accordance with the following principles in all College business:
- (a) They will work objectively and diligently for the objectives of the College.
 - (b) They will act openly and honestly.
 - (c) They will act with the utmost probity and propriety, remembering that the College is entrusted with public money for the purposes of further education.
 - (d) They will comply with the seven principles of public life published in 1996 in the Second Report of the Committee on Standards in Public Life (the Nolan Committee): selflessness; integrity; objectivity; accountability; openness; honesty; and, leadership.

Use of public funds

- 23 The Principal is responsible for ensuring that the College uses the funds it receives from public bodies in accordance with the purpose(s) for which it received them. The Executive Director of Finance and Information shall maintain systems to enable the proper use of public funds to be established.

Disclosure of interests

- 24 The Clerk shall maintain a register of interests. All members of the Corporation and Senior Managers are required to declare their interests to the Clerk for entry into the register.
- 25 For this purpose, interests are defined in section H paragraphs 13 and 14 of the Corporation Code of Conduct.

Bribes, inducements, gifts and hospitality

- 26 The making or accepting of bribes or any other inducements, financial or non-financial, in respect of any transactions carried out on behalf of the College by any staff is forbidden and shall be a disciplinary offence.
- 27 Staff and Corporation members must also avoid placing themselves in a position where they might be perceived either to be influenced by the receipt of gifts or hospitality or to be attempting to influence others through gifts or hospitality. In practical terms, this means that the giving and receiving of gifts and hospitality is restricted:
- (a) Gifts must be of low value (below £40)
 - (b) Hospitality should not be on a scale that might be perceived as lavish. The following are examples of acceptable hospitality:
 - Light refreshments
 - Modest working meals
 - Where there is a genuine need to represent the College in the community
 - At functions or events where it is clear that the hospitality is corporate and not personal (for example, conferences and training courses)
 - (c) The nature of gifts or hospitality should not cause embarrassment to the college or individuals if made public
 - (d) Care should be taken that gifts or hospitality cannot be interpreted as being given with the intention of influencing a business decision improperly. In particular, gifts or hospitality close to purchasing decisions or agreements should be minimised or avoided where possible.
- 28 The above restrictions apply to associated individuals (e.g. spouses, children, close relatives, business partners) and to any organisations owned by staff or governors.
- 29 The college is responsible in law for the actions of its agents or subcontractors. Staff should:
- (a) Undertake due diligence reviews before entering into relationships with agents or subcontractors

- (b) Ensure that agency or subcontracting agreements prohibit bribery.
- 30 Where gifts or hospitality have to be refused, this should be done courteously but firmly, referring if appropriate to the college's rules. If necessary, staff or governors should pay their own share of costs and, where eligible, claim these through expenses in the normal way.
- 31 Where there is any doubt over the appropriateness of gifts or hospitality, Corporation members should seek approval from the Chair or Vice-Chair of the Corporation and staff should seek approval from the Principal, any member of the Senior Management Team or the Head of Finance. In exceptional circumstances, retrospective approval may be sought.
- 32 The Clerk will maintain a register of gifts and hospitality (above £40 in value). Governors and Senior Managers will be asked to complete an annual declaration regarding any gifts or hospitality received.

Irregularities and fraud

- 33 The College shall investigate any suspected fraud or irregularity within its operations and, if proven, take legal and/or disciplinary action against the perpetrator(s).
- 34 The Executive Director of Finance and Information is responsible for ensuring that the financial systems incorporate appropriate checks and controls to minimise the risk of fraud or irregularities.
- 35 If a member of staff, a manager, a member of the Corporation, the external auditors or the Internal Audit Service discover any evidence of irregularity, fraud, corruption or any impropriety, they shall report it immediately to (as appropriate) either, the Executive Director of Finance and Information, the Clerk to the Corporation or the Head of HR, who shall immediately take such steps as are necessary to:
 - (a) Prevent the covering up of evidence
 - (b) Prevent any further losses to the College
 - (c) Instigate an investigation, including where appropriate a police investigation.
- 36 Once it is established that there are reasonable grounds to suspect any irregularity, fraud, corruption or impropriety, the following people shall be informed as soon as possible:
 - (a) The Principal
 - (b) The Executive Director of Finance and Information
 - (c) The Chair of the Corporation
 - (d) The Chair of the Audit Committee
 - (e) The Head of the Internal Audit service

- 37 Where the Audit Committee feels that there is evidence of irregularity, fraud, corruption or any impropriety:
- (a) It shall commission a special investigation
 - (b) The Chair of the Committee shall notify the Chair of the Corporation, who shall raise the matter at the next meeting of the Corporation. Where the matter is considered significant, the Governors shall consider holding a special meeting.
- 38 The Principal, the Head of Internal Audit and the external auditors must report to any specified regulatory body, without delay any of the following of which they become aware:
- (a) serious weaknesses which may result in significant fraud or irregularities
 - (b) frauds over £10,000 or novel, unusual or complex frauds or frauds in which there is likely to be great public interest because of their nature or the people involved
 - (c) major accounting and other control breakdowns.
- 39 The Principal must advise the Corporation in writing if he considers that any action or policy under consideration by it either:
- (a) is incompatible with the requirements of the funding body or
 - (b) would infringe the requirements of probity or regularity.

Whistleblowing

- 40 Staff who have concerns about serious malpractice (including Financial irregularities, dangerous working conditions, criminal activities, serious abuse or fraud) are encouraged to raise their concerns with the Clerk to the Corporation or the Executive Director of Finance and Information. If this is not possible, for any reason, the concern should be raised with the Head of HR. The College will maintain a policy to support the raising of such concerns and will not victimize nor harass nor tolerate the victimization or harassment of any individual doing so.

G AUDIT

Appointment of auditors

Auditors

- 1 The College shall appoint:
 - (a) An Internal Audit Service (“IAS”)
 - (b) A Financial Statements Auditor and
 - (c) Such other auditors as the Audit Committee shall consider necessary which may for example include an auditor of the controls over the College’s funding systems.

Appointment of the Internal Audit Service (IAS)

- 2 The Internal Audit Service shall be appointed by the Corporation on the recommendation of the Audit Committee for a term of up to 7 years, subject to satisfactory performance as determined by annual review by the Audit Committee.
- 3 The Head of the Internal Audit Service shall rotate at least every 7 years.
- 4 The College shall:
 - (a) devote sufficient resources to the Internal Audit Service, acting on the advice of the Audit Committee and the head of the Internal Audit Service and
 - (b) report any disagreement over resources to the head of Provider Financial Auditor.
- 5 The organisation acting as the College’s Financial Statements Auditor shall not provide the Internal Audit Service.

Appointment of the Financial Statements Auditor

- 6 The Financial Statements Auditor shall be appointed on the recommendation of the Audit Committee following a competitive tender and the appointment shall be subject to annual review and reappointment.

Removal or resignation of auditors

- 7 Where the IAS or financial statements auditors cease to hold office they must provide a statement of circumstances to the governing body. The College must comply with any externally-imposed requirements to copy this to Funding Bodies

Role of Audit

Role of internal audit

- 8 The role of the Internal Audit Service shall be
- (a) to provide an audit service to the whole college, the governing body and all levels of management
 - (b) to provide assurance to the governing body and Principal on the adequacy and effectiveness of the College's risk management, control and governance processes by evaluating and reporting to it the effectiveness of the controls for which it is responsible
 - (c) to operate within formal terms of reference agreed by the governing body on the recommendation of the Audit Committee.

Role of the Financial Statements Auditor

- 9 The role of the Financial Statements Auditor shall be to:
- (a) Report on the truth and fairness of the College income and expenditure for the year, and the financial position of the College and any subsidiary companies in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions.
 - (b) Report on the regularity and propriety of transactions, that is, that any terms and conditions attached to funds provided to the College have been complied with.
 - (c) Report on the College's compliance with the principles set out in the Combined Code on Corporate Governance issued by the London Stock Exchange.
- 10 The College shall comply with any externally-imposed requirements on the distribution of the financial statements audit management letter.

Auditors' rights

Access to the Audit Committee

- 11 The IAS and Financial Statements Auditor shall have the right of unrestricted access to:
- (a) any documents, assets, records, personnel, and premises, and be authorised to obtain such information and explanation as considered necessary for their work;
 - (b) the Chair of the Audit Committee and to ask the Chair to convene a meeting if necessary.
- 12 The Head of the Internal Audit Service shall have direct access to the Principal and to the governing body, normally through the Chair of Audit Committee.

- 13 The regulatory/funding body shall have unrestricted access to all records (including internal audit working papers), information and assets, which it considers necessary to fulfil its responsibilities.

Audit independence

Prohibition of audit staff from undertaking other duties

- 14 Staff undertaking the internal or external audit of the College's activities shall not have any other executive, management or operational responsibilities within or on behalf of the College.

Use of auditors for other work

- 15 The Governing body must approve any additional services by the IAS, Financial Statements Auditor and/or Funding Auditor above £20,000 in any 12 month period.
- 16 The governing body and Internal Audit Service must both ensure that additional services do not compromise the audit service providers' objectivity, independence or ability to achieve audit plans.
- 17 Audit Committee must be informed of all additional work undertaken by the Internal Audit Service, whatever the value.

Conduct, planning and reporting of Internal audit work

Standards of operation

- 18 The Internal Audit Service shall work in accordance with recognised professional standards including Government Internal Audit Standards (GIAS).

Scope of work

- 19 Internal audit service shall review the whole system of controls that the College has established to achieve its objectives, manage the risks to its activities and secure propriety, efficiency and effectiveness in all of its operations. The scope of its work shall include:
- (a) Governance and risk management processes
 - (b) All College activities including those of subsidiary companies and joint ventures or those carried out through collaboration with other organisations, including franchised learning provision.
 - (c) The College's responsibilities towards its funding bodies and all other public bodies
 - (d) Planning systems including long term planning, forecasting, monitoring, management information and financial planning and budgeting
 - (e) All significant College systems and processes

- (f) All College departments and personnel and any contractors who provide services that are included within the scope of the audit
- (g) Learner information systems and funding claims.
- (h) Controls to minimize the risk of irregularities and fraud.

Planning and reporting

20 Internal audit shall produce:

- (a) Strategic and annual plans, which shall be approved by the Corporation on the advice of the Audit Committee
- (b) An annual report, which shall be presented to the Corporation via the Audit Committee including an opinion on the overall adequacy and effectiveness of the College's risk management, control and governance processes within the scope of their review.
- (c) A written report at the close of each audit assignment.

Reporting of irregularities and fraud

21 The Head of the Internal Audit Service shall issue written procedures to auditors on the action to be taken if they suspect or discover fraud or irregularity and shall arrange to be informed by the College as soon as possible of all suspected or discovered fraud whether internal or external. The procedures shall be consistent with the policy on reporting fraud and irregularity stated earlier in these Regulations.

H CODE OF CONDUCT FOR CORPORATION MEMBERS

STATUS

Introduction

- 1 The Code of Conduct originally established by the Norfolk College Corporation on 31 October 1995 was amended on 16 November 1998 to apply to Corporation Members of The College of West Anglia.

Purpose of the Code of Conduct

- 2 This Code is intended as a guide for Corporation Members to indicate the standards of conduct which are expected of them, to enable them to understand their legal duties and to assist them both in carrying out their duties and in their relationship with the Corporation and the Principal. The Code is therefore aimed at promoting effective and well-informed College governance, and is not intended to be a definitive or authoritative statement of the law.
- 3 In addition to this Code, Members are recommended to familiarise themselves with the following, which will be supplied to them on appointment:
 - The College's Instrument and Articles of Government
 - The College's Strategic Plan
 - The current Financial Memorandum entered into by the College with the SFA; and
 - Governor Training Materials
- 4 Sections H1, H2 and H3 are attached to this Code for easy reference to summarise the requirements, as they affect Corporation Members, of respectively:
 - The Articles of Government
 - The College's Financial Memorandum with the SFA; and
 - The Further and Higher Education Act 1992

They should not be read as an exhaustive statement of duties, powers or provision, and Members should refer to the source documents listed above. If a Member is in doubt about the provisions of any of these documents, the Clerk shall be consulted and, if necessary, legal advice shall be obtained. However, ultimate responsibility for the appropriateness of conduct as a Member of a corporate body and for any act or omission in that capacity rests with the individual Member.

Interpretation

- 5 In this Code "College" means the College of West Anglia, and "Member", "Chair", "Principal" and "Clerk" mean respectively the Member, Chair, Principal and Clerk for the time being of the Corporation. All other definitions have the same meanings as given in the College's Instrument and Articles of Government, and words importing one gender will import any gender.

Compliance with the Code of Conduct

- 6 This Code applies to every committee, working party or other subsidiary body of the Corporation to which Members may be appointed.
- 7 Members will be asked to sign a statement explicitly acknowledging their acceptance of the Code of Conduct. Regardless of this, acceptance of appointment as a Member of the Corporation will be construed as acceptance of this Code.

Powers and Duties of Corporation Members

“Nolan” Principles of Public Life

- 1 Members are required to conform to the seven principles set down by the Second Report of the Committee on Standards in Public Life (the Nolan Committee) in 1996:
 - (a) *Selflessness*
Take decisions solely in the public interest, not to gain financial or other material benefits for themselves, their families or their friends.
 - (b) *Integrity*
Not place themselves under financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
 - (c) *Objectivity*
Make choices on merit.
 - (d) *Accountability*
Be accountable for their decisions and actions and submit themselves to whatever scrutiny is appropriate.
 - (e) *Openness*
Be as open as possible about decisions and actions, giving reasons and restricting information only when the wider public interest clearly demands this.
 - (f) *Honesty*
Declare any private interests relating to the public duties and take steps to resolve any conflicts arising in a way that protects the public interest.
 - (g) *Leadership*
Promote and support these principles by leadership and example.

Fiduciary duty

- 2 Members owe a fiduciary duty to the College. This means that they should show it the highest loyalty and act in good faith in its interests. Each Member should act honestly, diligently and, subject to the provisions appearing in paragraph 7 of this Code relating to collective responsibility, independently.

- 3 Whatever decisions Members take at meetings of the Corporation and its committees must be for the benefit of the College as a whole and not for any improper purpose, or for personal motive. The “benefit of the College” can be taken to mean, first and foremost, the interests of its students and other users of the College’s services, and the safeguarding of public funds. Members should have regard to those interests, and must not allow any sectional interest to take precedence. In particular, Members are not appointed as ‘representatives’ or ‘delegates’ of any outside body, and may not lawfully be bound by mandates given by others.

Skill, care and diligence

- 4 A Member should in all his work for the College exercise such skill as he possesses and such care and diligence as would be expected from a reasonable person in the circumstances. This will be particularly relevant when Members act as agents of the College, for example, when functions are delegated to a committee or the Corporation or the Chair. Members should be careful to act within the terms of reference of any committees on which they serve.

Responsibilities of the Corporation and its Members

- 5 Members must observe the provisions of the College’s Instrument and Articles of Government and in particular the responsibilities given to the Corporation by Article 3(1) of the College’s Articles of Government. Those responsibilities, including a list of “reserved” responsibilities, which are so important that they must not be delegated, are set out in the summary of the provisions of the Articles within this Code of Conduct.
- 6 Members should also have regard to the different, but complementary, responsibilities given to the Principal as the College’s Chief Executive. Whereas it is the Corporation’s function to decide strategic policy and overall direction and to monitor the performance of the Principal and any other senior post holders, it is the Principal’s role to implement the Corporation’s decisions, and to manage the College’s affairs within the budgets and framework fixed by the Corporation. Members should work together so that the Corporation and the Principal perform their respective roles effectively.
- 7 Members are collectively responsible for observing the duties set out in the Financial Memorandum, which the College has entered into with the SFA as a condition of receiving public funds. A summary of some of the more important requirements of the Financial Memorandum is set out in H2.4.
- 8 Members should note that they are also responsible for the proper use of income derived from all Funding Bodies, including (but not limited to) the SFA, YPLA, the Higher Education Funding Council for England (HEFCE) and the European Union (EU).

Powers

- 9 Members are responsible for taking decisions that are within the powers given to the Corporation by Sections 18 and 19 of the Further and Higher Education Act 1992. A summary of those powers is included at the end of this Code of Conduct.

- 10 If a Member thinks that the Corporation is likely to exceed its powers by taking a particular decision, he should immediately refer the matter to the Clerk for advice.

Conflicts of Interest

- 11 Like other persons who owe a fiduciary duty, Members should seek to avoid putting themselves in a position where there is a conflict (actual or potential) between their personal interest and their duties to the Corporation. They should not allow any conflict of interest to arise, which might interfere with the exercise of their independent judgement.
- 12 Members are reminded that under clause 11(1) of the College's Instrument of Government they must not take or hold any interest in any of the College's properties or receive any remuneration for their services (save as a member of the College's staff) without the written approval of the Secretary of State for Education.
- 13 Members are also reminded that under clause 11(2) of the College's Instrument of Government they must disclose to the Corporation any financial interest which they or their spouses, partners, children or other close relatives have, or may have, in
- (a) the supply of work or goods to or for the purposes of the College;
 - (b) any contract or proposed contract concerning the College; or
 - (c) any other matter relating to the College.
- 14 However, an interest does not have to be financial for the purposes of disclosure. If it is likely or would, if publicly known, be perceived as being likely to interfere with the exercise of a Member's independent judgement, then the interest, financial or otherwise, should be
- (a) reported to the Clerk; and
 - (b) fully disclosed to the Corporation before the matter giving rise to the interest is considered.
- 15 Members should withdraw from that part of the meeting at which the matter giving rise to the interest is considered, where required to do so by a majority of the members of the Corporation or committee present at the meeting, and on no account may vote in relation to the matter.
- 16 A staff member shall withdraw from the meeting if the matter under consideration relates to pay and conditions under negotiation and the staff member is representing any of the staff concerned in those negotiations.
- 17 Members must not receive gifts, hospitality or benefits of any kind from a third party which might be seen to compromise their personal judgement or integrity. Any offer or receipt of such gifts, hospitality or benefits should immediately be reported to the Clerk.

- 18 The Clerk will maintain a Register of Members' Interests which will be open for public inspection. Members are required to disclose routinely to the Corporation all business interests, financial or otherwise, which they or (so far as they are aware) their spouses or partners, children or other close relatives may have, and the Clerk will enter such interests on the Register. Members should inform the Clerk whenever their circumstances change and interests are acquired or lost. In deciding whether an interest should be disclosed, Members should have regard to the meaning given to "interest" in paragraph 14 above.

Collective responsibility

- 19 The Corporation operates by Members taking majority decisions at quorate meetings. Therefore, a decision of the Corporation, even when it is not unanimous, is a decision taken by the Members collectively and each individual Member has a duty to stand by it, whether or not he was present at the meeting of the Corporation when the decision was taken.
- 20 If a Member disagrees with a decision taken by the Corporation, his or her first duty is to have any disagreement discussed and minuted. If the Member strongly disagrees, he should consult the Chair and, if necessary, then raise the matter with the Corporation when it next meets. If no meeting is scheduled, the Member should refer to clause 12(4) of the College's Instrument of Government as to the power to call a special meeting and, if appropriate, exercise it, requesting the Clerk to circulate the Member's views in advance to the other Members. Alternatively, the Member may decide to offer his resignation from office, after consulting the Chair.

Confidentiality

- 21 Because of the Corporation's public accountability, Members should ensure that, as a general principle, students and staff of the College have free access to information about the proceedings of the Corporation. Accordingly, agendas, minutes and other papers relating to meetings of the Corporation are normally available for public inspection when they have been approved for publication by the Chair.
- 22 There will be occasions when the record of discussions and decisions will not be made available for public inspection. It is envisaged that this will only apply in the following circumstances:
- Matters relating to an individual
 - Matters relating to a commercial transaction which, if known, would disadvantage the College financially
 - Legal matters or matters relating to negotiations which, if known, would disadvantage the College

In determining an item "confidential" members shall, whenever practicable, specify a time limit after which the restriction can be removed.

- 23 Members should be aware that items designated “confidential” may still be required to be disclosed under the Freedom of Information Act. The limits on the requirement to disclose information are determined by law and are not affected by any Corporation decision to designate an item as “confidential”.
- 24 Confidential Minutes (excluding restricted matters) are circulated to all members of the Corporation with the agenda for the subsequent meeting and remain “confidential”, subject only to the annual review by the Chair, Principal and Clerk which will identify those documents that may be released into the public domain.
- 25 It is important that the Corporation and its committees have full and frank discussions in order to take decisions collectively. To do so, there must be trust between Members with a shared corporate responsibility for decisions. Members should keep confidential any matter which, by reason of its nature, the Chair or the Members or members of any committee of the Corporation are satisfied should be dealt with on a confidential basis.
- 26 Members should not make statements to the press or media or at any public meeting relating to the proceedings of the Corporation or its committees without first having obtained the approval of the Chair or, in his absence, the Vice Chair.
- 27 It is unethical for Members publicly to criticise, canvass or reveal the views of other Members which have been expressed at meetings of the Corporation or its committees.
- 28 The requirements of the Data Protection Act 1998 and the Freedom of Information Act 2000 will apply, as appropriate, to any request for information from a third party.

Attendance at meetings

- 29 A high level of attendance at meetings of the Corporation and its Committees and Working Groups is expected.

Members’ training and development

- 30 Members are encouraged to obtain a thorough grounding in their duties and responsibilities by participating in the College’s governance induction and training programmes, including regular refresher workshops. Training needs will be reviewed on an annual basis by the Corporation.
- 31 In order to promote more effective governance, Members will carry out an annual review of the performance by the Corporation of its duties and responsibilities as part of a continuing process of self-evaluation.

H1 Summary of members' responsibilities under the College's Articles of Government

Responsibilities

- 1 Under Article 3(1) of the College's Articles of Government the Corporation shall be responsible for and cannot delegate -
 - (a) the determination of the educational character and mission of the institution and for oversight of its activities;
 - (b) the effective and efficient use of resources, the solvency of the institution and the Corporation and for safeguarding their assets;
 - (c) approving annual estimates of income and expenditure;
 - (d) the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts and the clerk (including where the clerk is, or is to be appointed as, a member of staff, his appointment, grading, suspension, dismissal and determination of pay in his capacity as member of staff);
 - (e) setting a framework for the pay and conditions of service of all other staff.
- 2 "Senior Post" means the post of Principal and such other senior posts as the Members may determine for the purposes of the Articles.

Responsibilities which must not be delegated

- 3 Article 9 of the Articles of Government prohibits the Corporation from delegating the following:-
 - (a) the determination of the educational character and mission of the institution;
 - (b) the approval of the annual estimates of income and expenditure;
 - (c) ensuring the solvency of the institution and the Corporation and the safeguarding of their assets;
 - (d) the appointment or (subject to Article 17) the dismissal of the Principal; or holder of a senior post;
 - (e) the appointment or dismissal of the Clerk (including where the clerk is, or is to be, appointed as a member of staff his appointment or, subject to article 17, dismissal in his capacity as member of staff); and
 - (f) the modifying or revoking of the Articles of Government.
- 4 The Corporation may, from time to time, resolve to add other matters, which must not be delegated to this list of "reserved" responsibilities.

H2 Summary of members' responsibilities under the Financial Memorandum

The Financial Memorandum

- 1 The Financial Memorandum is the agreement under which public funding is currently provided to the College. Its provisions are a legal obligation on the College. The Memorandum consists of two parts.
 - (a) Part 1, the Memorandum itself, contains those conditions which might be expected to apply generally to the further education sector for a number of years. It underwent a major amendment on 1 August 2006 and supersedes FEFC Circular 99/48
 - (b) Part 2, issued annually, is specific to each College and consists of the annual funding agreement (the training provision the College has to deliver and the funding which will be provided) and any specific conditions applying to the College (e.g. any additional borrowing restrictions).
- 2 A summary of the main provisions of Part 1 appears below.

Overall role

- 3 The roles of the SFA, the Governing Body, the Principal and the Clerk are defined as follows:

The SFA's Accounting Officer (accountable to Parliament)	Ensuring that funds are used for the purposes for which they were allocated Ensuring regularity and propriety of expenditure Securing value for money
The Governing Body (accountable to the College's stakeholders)	Setting objectives for the College Determining the limits of the Principal's discretion
The Principal	Managing the College towards the objectives and within the limits set by the Board Ensuring compliance with the Financial Memorandum Responsible as Accounting Officer, for the College's use of public and College funds
The Clerk	Advising the Corporation on the operation of its powers; procedural matters; the conduct of business and governance practice. Administrative support for the Corporation, its sub-committees and Board members Intervening when s/he considers that the board is acting inappropriately or beyond its powers

Responsibilities

- 4 The responsibilities of the Board are determined by statute, the Instrument and Articles of Government, the Financial Memorandum itself and any directions made by the SFA. The non-delegable responsibilities of the Board are set out in Section H1 – Summary of members' responsibilities under the College's Articles of Government.

The Board is specifically required to establish:

- (d) An Audit Committee
- (e) A Search Committee

Funding

- 5 Funding Bodies allocate funds to the College in return for meeting targets. These funds may only be used for the purpose for which they have been allocated, i.e. education eligible for SFA funding.

Acquisition and Disposal of Land or Buildings

- 6 The College must obtain SFA consent for all land or buildings transactions (including leases) involving more than £1 million or 5% of revenue, whichever is the lower.
- 7 The Board should keep the College's holdings of land and buildings under review and dispose of any which are surplus.
- 8 The SFA expects the College to apply the proceeds of any assets sales to investment in fixed assets.

Borrowings

- 9 The Board must obtain SFA consent for all borrowings -
- (a) over 5% of revenue on an unsecured basis
 - (b) over a cumulative maximum of 5% of the College's total annual income on a secured basis, to finance the construction, refurbishment or purchase of land and buildings provided that only the land and buildings so purchased or constructed are offered as security

Accounts and financial management

- 10 The College must keep proper accounting records and supply the SFA with audited accounts, signed by the Principal and Chair (or nominated Board member), within timescales that may be determined by the SFA.
- 11 The Principal must notify the SFA in writing if at any time there is a significant deterioration in its financial position

Audit

- 12 The College must arrange external and internal audit in accordance with the SFA's Audit Code of Practice and any succeeding or supplementary publications.

Guarantees and indemnities

- 13 The College shall not give any guarantees, indemnities or letters of comfort except in the normal course of business.

Information

- 14 The College is required to supply the SFA with Annual accounts.
- 15 The College is required to carry out audits in accordance with the SFA's Audit Code of Practice and any other directions drawn up and published by the SFA.

Requirement to inform the SFA of changes

- 16 The College must notify the SFA in writing of
- (a) The intention to make a major change to its nature or location
 - (b) The vacating or filling of the posts of Chair, Principal or Clerk
 - (c) When the Principal will be absent for an extended period, the name of the person who will act as Principal during his absence.

H3 Summary of the powers of the Corporation under the Further and Higher Education Act 1992 (Amended by the Learning and Skills Act 2000)

Principal Powers

- 1 Under Section 18 of the Further and Higher Education Act 1992 a further education corporation may:-
 - (a) provide further and higher education; and
 - (b) supply goods or services in connection with their provision of education.

These powers are known as the Corporation's "principal powers".

Supplementary Powers

- 2 Under Section 19 of the 1992 Act a further education corporation may do anything which appears to it to be necessary or expedient for the purpose of or in connection with the exercise of any of the principal powers conferred by Section 18 of the Act, including in particular the following:-
 - (a) the power to acquire and dispose of land and other property.
 - (b) the power to enter into contracts, including in particular -
 - Contracts for the employment of teachers and other staff for the purposes of or in connection with carrying on any activities undertaken in the exercise of their principal powers; and
 - Contracts in respect of carrying on by the Corporation of any such activities;
 - (c) the power to borrow such sums as the Corporation thinks fit for the purposes of carrying on any activities they have power to carry on or to meet any liability transferred to them under Sections 23 to 27 of the 1992 Act (i.e. when the College achieved its corporate independence on 1st April 1993) and in connection with such borrowing, the power to grant any mortgage charge or other security in respect of any land or other property of the Corporation;
 - (d) the power to invest any sums not immediately required for the purposes of carrying on any activities they have power to carry on;
 - (e) the power to accept gifts of money, land or other property and apply it, or hold and administer it on trust, for any of those purposes; and
 - (f) the power to do anything incidental to the conduct of an educational institution providing further or higher education, including founding scholarships or exhibitions, making grants and giving prizes.
- 3 The Corporation may also provide facilities of any description (including accommodation and recreational facilities for students and staff and facilities to meet the needs of students having learning difficulties) which appear to be necessary or desirable for the purposes of or in connection with the carrying on of the principal powers.

- 4 The powers conferred by Section 19 of the Act are known as “supplementary powers”.
- 5 The Further and Higher Education Act 1992 was amended by the Learning and Skills Act 2000.