



FINANCIAL REGULATIONS

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Vision

Loreto College is centred in God, rooted in Christ and animated by the spirit of Mary Ward, the founder of the Institute of the Blessed Virgin Mary. Our vision is that it will be an educational community where each person has the experience of being loved and valued as a sacred individual created by a loving God; a community where students enjoy an enriching and liberating education that helps them grow into the fullness of life and empowers them to be people of courage who are alive to the needs of humanity and committed to making a better world.

Introduction

The College aims to be an educational community which gives expression to the core values of Mary Ward - freedom, justice, sincerity, truth, joy, excellence and internationality.

Loreto College has the highest expectations of personal, academic and professional excellence. This document sets out the College's policy and guidance on the procedures it will follow in the event that a member of staff raises a legitimate concern about a specified matter i.e. whistleblowing. Whilst ensuring it fulfils all associated legal responsibilities, the college will be mindful of its Mission and core values. It will exercise its duty of care to all its staff and students and will endeavour to act at all times with justice, compassion and respect for the dignity and worth of all those involved in the process.

These regulations should be read in conjunction with the Financial Procedures, Anti- Bribery Policy and Fraud and Corruption Response Plan.

1. Preamble

- 1.1 The formulation and maintenance of financial and accounting practices and standards is essential to ensure sound management, administration and control within any organisation with a large budget. It is equally important that all staff involved be fully aware of the requirements under which they should operate, i.e. the approved regulations and procedures.

- 1.2 This document sets out the Financial Regulations which have been approved by the Governing Body. They are designed not only to establish clearly defined practices but are also to provide protection of the staff involved. It is essential that they be observed. The Finance and General Purposes Committee on behalf of the Governing Body reserves to itself, without prejudice, the interpretation of these Regulations.
- 1.3 These Regulations accord with the Articles of Government of the College.
- 1.4 In November 2022, the statutory FE sector in England was reclassified into the central government sector, meaning that colleges must now meet the overall requirements in HM Treasury's document, 'Managing Public Money', and some other related obligations. The impact of these changes is summarised in Appendix 3.
- 1.5 The Finance and General Purposes Committee shall review these Financial Regulations annually and shall report to the Governing Body accordingly. Any changes to the Financial Regulations shall be subject to the approval of the Governing Body.
- 1.6 In these Financial Regulations the following expressions have the full meanings defined in this paragraph:
- "The College" means Loreto College, Manchester.
- "The Governing Body" means the Governing Body of the College.
- "The Principal" means the Principal of the College or Acting Principal or their nominated representative.
- "The Vice Principal (Planning & Resources)" means the person appointed by the College as Vice Principal (Planning & Resources)
- "Budget Holder" means an employee responsible for the administration of a separate department, unit or cost centre of the college.
- "The DfE" means the Department for Education
- 1.7 The Principal, in consultation with the Finance and General Purposes Committee and the Vice Principal (Planning & Resources) will support these Financial Regulations by the issue from time to time of more detailed instructions and guidelines.
- 1.8 All employees are required to comply with all Financial Regulations and any other financial instructions as may be issued under the terms of paragraph 1.6
- 1.9 The Principal and/or Vice Principal (Planning & Resources) and/or Internal Auditor will normally report any breach or suspected breach of Financial Regulations to the Finance and General Purposes and Audit Committees and, where it is appropriate, to the Governing Body.
- 1.10 Budget Holders shall give notice to the Vice Principal (Planning & Resources) of any proposed scheme or financial arrangements which may affect the finance of the College, so as to enable the financial aspect thereof to be considered, especially with regard to the leasing rather than purchase of assets.

2. Accounting Policies

All financial accounts, management accounts, budgets and other financial documents will be prepared using the policies detailed below.

2.1 Fundamental Principles

- 2.1.1 Prudence: Provision should be made where a loss can be reasonably expected to arise in the future, as soon as the loss is foreseen.

Provision should only be made for a gain where it is reasonably certain that the gain will arise.
- 2.1.2 Accruals: All income/expenditure which relates to a period should be credited/charged to that period, regardless of the date of receipt or payment.
- 2.1.3 Consistency: Similar items should be treated in the same way as each other from month to month and year to year.
Items should also be treated in the *same* manner in all financial documents that are prepared.
- 2.1.4 Going Concern: All financial documents are prepared on the basis that the College will continue in existence for the foreseeable future, and at least the next 12 months.

2.2 Assets and Property

- 2.2.1 Budget Holders shall be responsible for the care and custody of all College assets within their department, and should maintain a record of all assets in their control. These to be verified periodically and at least once per year by the Financial Controller with the support of CCIT.
- 2.2.2 In accordance with arrangements made or agreed by the Vice Principal (Planning & Resources), Budget Holders shall maintain appropriate records and inventories, and maintain procedures for the safe custody, issue and disposal of goods. Budget Holders shall arrange periodic physical checks of equipment and stores against relevant records.
- 2.2.3 The Principal shall have custody of all College contracts under seal, leases, deeds, agreements and similar legal documents.
- 2.2.4 Assets purchased by the College shall, as far as is practicable, be effectively marked to identify them as College property when they are delivered. Text books should be stamped to identify them as being the property of the college.
- 2.2.5 It is the responsibility of the Facilities Manager to maintain a record for all properties currently owned or used by the College.
- 2.2.6 The Facilities Manager is responsible for ensuring the proper security of all buildings and other assets.
- 2.2.7 No College assets shall be subject to personal use by an employee without the authority of the Vice Principal (Planning & Resources) or Financial Controller.
- 2.2.8 The fixed assets register shall be maintained by the Financial Controller or their nominee.
- 2.2.9 All assets with a value greater than £5000 will be included in the fixed assets register. All assets with a value less than £5000 will be treated as revenue expenditure.

- 2.2.10 It is the responsibility of the Budget Holder to ensure that any electrical equipment under their control is PAT tested in compliance with Health and Safety Guidelines.

2.3 Depreciation

- 2.3.1 Depreciation shall be charged on a yearly basis, calculated and charged monthly to the accounts using the rate and method set out below for each category of fixed assets.
- 2.3.2 Depreciation shall be charged pro rata for the year of acquisition, but in the year of disposal, depreciation is to be charged up to the date of disposal and any surplus or deficit to be separately taken to the Income and Expenditure account.

- 2.3.3 The following rates of depreciation shall be used:-

Plant and Machinery	-	20%	straight line
Office Equipment	-	25%	straight line
Educational Equipment	-	25%	straight line
Furniture & Fittings	-	25%	straight line
Computer Equipment	-	25%	straight line
Motor Vehicles	-	25%	straight line
Buildings	-	2.5%	straight line
Fixed Equipment	-	10%	straight line

2.4 Disposals

- 2.4.1 The Financial Controller shall be promptly notified of the disposal of assets and the Principal or Vice Principal (Planning & Resources) shall be consulted prior to disposal and written authorisation on the appropriate form obtained.
- 2.4.2 An invoice should be raised where appropriate for disposals and a receipt should always be given if an invoice is not produced.
- 2.4.3 See also Appendix 3 regarding the implication of Managing Public Money in respect of Asset Disposals.

2.5 Stock

- 2.5.1 Budget Holders will be responsible for the care and custody of consumable stores within their department.
- 2.5.2 Where significant levels of stock are held at year ends, provision for this will be made in the management and financial accounts based on information supplied by the Budget Holder to the Financial Controller.
- 2.5.3 Records kept by the College shall ensure that:
- A record is maintained which shows clearly the date of acquisition, value, quantity and serial number or description as appropriate of all purchases.
 - A register of issues of college property to staff and students is kept so that individual issues to individual people can be identified.
 - All losses or damage are notified to the Vice Principal (Planning & Resources) promptly.

3. Income

- 3.1 All sums due to the College shall be collected promptly in accordance with arrangements approved by the Vice Principal (Planning & Resources).
- 3.2 Budget Holders shall furnish such particulars for charges for work done, goods supplied or services rendered on behalf of the College and all amounts due, as the Vice Principal (Planning & Resources) may require in order to ensure that there is prompt recording of all sums receivable by the College.
- 3.3 After consultation with the Principal, all debts which the Vice Principal (Planning & Resources) has been unable to recover shall be referred to the College's solicitor without delay in order that appropriate action may be taken. Exceptions shall be made where the Principal is satisfied that such action would not be in the best interests of the College. Such exceptions shall be reported to the Finance and General Purposes Committee if they exceed £1000.
- 3.4 The Principal shall be authorised to write-off irrecoverable debts (except where precluded from doing so by law).
- 3.5 All receipt forms, tickets and documents of a similar nature shall be ordered by the Finance Officer.
- 3.6 All fees, charges and rents shall be reviewed annually in March by the Finance Committee and General Purposes in consultation with the Vice Principal (Planning & Resources) and Principal.
- 3.7 All income of the college shall be collected centrally through the college Finance Department. Exceptions to this shall be at the discretion of the Financial Controller.

4. Expenditure and Orders for Work, Goods and Services

- 4.1 The ordering of goods and services shall be in accordance with the instructions of the Vice Principal (Planning & Resources).
- 4.2 Official Orders shall be issued for all work, goods and services except such items as recurring charges for public utilities, periodic payments, petty cash purchases and any other exception approved by the Principal.
- 4.3 Goods can be purchased on-line by the Finance Officer using a college credit card, provided that value for money is obtained. Authorisation must be obtained from the Financial Controller or the Vice Principal (Planning & Resources). Monthly reconciliations must be completed by the Financial Controller.
- 4.4 Budget Holders may place orders for routine consumable expenditure up to the amounts provided for in the detailed annual estimates and subject to these regulations and financial procedures without further approval. Orders for expenditure outside the normal budget for expenditure on assets must be supported by written approval from the Principal.
- 4.5 Official orders shall be in a form approved by the Vice Principal (Planning & Resources) and where possible emailed to suppliers to reduce postage costs.
- 4.6 All orders for repairs to the College shall be placed by the Facilities Manager unless alternative arrangements are approved specially, in accordance with the instructions of the Vice Principal (Planning & Resources).

- 4.7 Budget Holders are responsible for the verification and certification of goods and services supplied in accordance with arrangements made by the Vice Principal (Planning & Resources), who shall be responsible for making safe and efficient arrangements for all payments.
- 4.8 Official orders shall not be raised for any personal or private purchases, nor shall personal or private use be made of College contracts, except by specific permission of the Vice Principal (Planning & Resources).
- 4.9 Any employee of the College who has any pecuniary, personal or other interest, direct or indirect, in any supplier to the College of goods or services shall be responsible for making a declaration of the interest to the Vice Principal (Planning & Resources).

5. Capital Expenditure

Items of capital expenditure with a value in excess of £20,000 must be submitted to the Finance and General Purposes Committee for approval.

6. Salaries, Wages and Pension

- 6.1 The payment of salaries, wages or other emoluments and pensions shall be made only under arrangements approved and controlled by the Principal.
- 6.2 The Payroll Manager, after approval by the Principal, shall notify the Payroll Bureau of all appointments, resignations, promotions or other changes which may affect the pay or pension of an employee or former employee.
- 6.3 Details of standing data held by the Payroll Bureau will be checked annually.
- 6.4 Payroll details supplied by the Payroll Bureau will be checked each month by the Vice Principal (Planning & Resources). The Principal and Vice Principal (Planning & Resources) will authorise payment.
- 6.5 Changes in salary relating to the Principal must be authorised by the Chair of Governors before Payroll is notified.
- 6.6 See also Appendix 3 regarding the implications of Managing Public Money on senior pay controls, special payments, severance and ex gratia payments.

7. Contracts and Agreements

- 7.1 All contracts shall be made in accordance with the College's Code of Tendering procedures (attached as Appendix 1).
- 7.2 All proposed agreements for leasing plant, equipment, vehicles or services require approval by the Principal, who shall report them to the Finance and General Purposes Committee.

8. Budgeting

- 8.1 The annual budget will be prepared in accordance with the following timetable

Month	Activity
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January	Initial indication of funding allocation from DfE
Feb/March	Applications analysed & student numbers estimated Staffing requirements determined.
March	Confirmation of funding allocation from DfE
April/May	Budget submissions sought from Budget Holders
June	Draft Budget, cashflow forecast and College Financial Forecasting Return (CFFR) to SLT & Finance and General Purposes Committee
June	Final Budget, cashflow and CFFR forecast produced
July	Governors approve Budget, cashflow forecast and CFFR

8.2 The Vice Principal (Planning & Resources) is responsible for preparing the College budget for the forthcoming financial year for consideration by the Finance and General Purposes Committee for submission to the Governors.

8.3 The college budget shall reflect the College's current:

- a) strategic plan
- b) information technology strategy
- c) accommodation strategy
- d) risk management plan.

The budget and financial plan shall comprise;

- a) an income and expenditure account;
- b) a capital expenditure programme
- c) a two year cashflow forecast
- d) a projected year end balance sheet.

8.4 Budget Holders shall submit such information to the Vice Principal (Planning & Resources) as is necessary to enable annual estimates of income and expenditure to be submitted to the Principal, attended as appropriate by the Vice Principal (Planning & Resources), to the Finance and General Purposes Committee and/or Governing body for approval.

Expenditure for which no provision has been made in an approved budget shall only be incurred after authorisation by the Vice Principal (Planning & Resources) in consultation with the Principal and the Chair of the Board of Governors.

Where income is raised in excess of budget during the year the Principal may authorise expenditure against this income. The Principal and Vice Principal (Planning & Resources) will approve this expenditure against specified expenditure budgets. The expenditure incurred should be in accordance with the strategic aims of the College and the stated purpose of the activity. Decisions must be reported to the Finance and General Purposes Committee.

8.7 *Virement*

8.7.1 The Vice Principal (Planning & Resources) may vary individual budgets within the limit of the overall budget.

8.7.2 The Vice Principal (Planning & Resources) shall be responsible to the Principal for controlling expenditure against approved estimates. The Principal shall review all variances and may

determine virement as appropriate up to a maximum of £10,000 per budget heading, provided that:

- a) the overall approved estimates will not be overspent during the then-current financial year
- b) there will be no continuing financial commitment as a result in subsequent financial years
- c) compliance will be made with any limitations imposed in approving each year's estimates.

8.7.3 Virement between pay costs and non pay costs and capital expenditure is not allowed.

Virements must be notified to the Finance and General Purposes Committee at their next meeting.

Where the variance is such that virement is not appropriate (i.e., the total budget will be exceeded) the following shall apply:

- a) up to £100 may be ignored;
- b) up to £1,000 may be reviewed by the Vice Principal (Planning & Resources);
- c) up to £10,000 must be reviewed by the Principal;
- d) above £10,000 must be brought to the attention of the Board.

8.7.6 These principles apply to supplementary estimates and such estimates for additional expenditure should be balanced by the availability of additional income from accumulated reserves.

8.8 Once the College budget has been agreed upon by the Principal and Finance and General Purposes Committee, Budget Holders will be informed of their budgets for expenditure.

8.9 It will be the primary responsibility of Budget Holders to ensure that they do not exceed their allocation; any further expenditure will only be allowed with written authorisation from the Principal.

9. Preparation and Presentation of Accounts

9.1 All accounting and financial systems operated by the College shall be under the control of the Vice Principal (Planning & Resources), who shall also be responsible for the production of financial management information as requested by the Principal.

9.2 At the end of the financial year, Budget Holders shall provide such information as is necessary to close the College's accounts promptly.

9.3 The financial accounts shall be prepared by the Financial Controller and the Vice Principal (Planning & Resources) in the prescribed form and within the timescale specified by the DfE. Once audited, the accounts will be presented to the Finance and General Purposes Committee for approval.

9.4 Once the final accounts have been approved by the Finance and General Purposes Committee they will be submitted to the Governing Body for their approval at some convenient time shortly following the closure of the College's accounts.

9.5 Monthly Management accounts will normally be produced within two weeks of the period end for presentation to the Finance & General Purposes Committee; where a monthly meeting is not

scheduled reports will be sent to the Chair of the Finance and General Purposes Committee and the governor with oversight of finance. They will be discussed by the senior leadership team at their next meeting. The July management accounts will be presented to the F&GP at its first meeting in the autumn term and will detail any adjustments likely to be required to produce the annual financial statements.

The following information will be reported upon:

- a) Actual performance compared to budgeted performance for the current period and year to date.
- b) Forecast performance to the financial year end.
- c) Detailed report of variances and cause / effect.
- d) Balance Sheet. This will include:
 - The current position,
 - The position at the end of the previous financial year,
 - The expected position at the end of the current financial year.
- e) Projected cash flow statement on a rolling two-year basis
- f) Staff and student statistics

10. Internal and External Audit

10.1 Internal Audit

- 9.1.1 The Audit Committee as constituted under the terms of the Joint Audit Code of Practice (or updates) shall establish and maintain a system of internal audit in all departments, units and cost centres of the college. The DfE are currently the lead organisation for financial monitoring and control.
- 9.1.2 The Internal Auditor shall have a right of access at all times to such records and documents, including computer data, of the college as appear to be necessary for the purposes of the audit and shall be entitled to require from any member of the College such information and explanation as thought necessary for that purpose. The Internal Auditor shall provide relevant reports and advice to the Audit and Finance and General Purposes Committees, the Principal and the Vice Principal (Planning & Resources).
- 10.1.3 Internal Audit shall appraise the adequacy of procedures to obtain security, economy, efficiency and effectiveness in the use of resources.
- 10.1.4 Cases of suspected fraud, misappropriation of money, materials or equipment, or any mismanagement of money or other assets, will be reported immediately to the Internal Auditor, who will investigate and report to the Vice Principal (Planning & Resources) and/or Principal and/or other appropriate authority, who will consider any legal proceedings. All such cases will be reported to the Audit Committee and the Governing Body.
- 10.1.5 Cases of Illegal Entry or Theft from Offices etc. within the College shall be reported to the Vice Principal (Planning & Resources) (and where appropriate to the Internal Auditor), who will complete the relevant documentation and investigate the matter, reporting to the Principal and/or Audit Committee who will consider any legal proceedings and report to the Governing Body.
- 10.1.6 The Vice Principal (Planning & Resources) shall approve any new systems for the maintenance of financial records or records of assets or any changes to such systems.

10.2 External Audit & Regularity Audit

10.2.1 The appointment of external auditors will normally take place every five years and is the responsibility of the Board of Governors. The Audit Committee will review the performance of the external auditors on an annual basis and advise the Board if any interim action is required.

The external auditors will normally be appointed to undertake the regularity audit required by DfE.

11. Banking and Petty Cash Accounts

11.1 All arrangements with the College's bankers concerning the College's banking accounts and the control and issue of cheques/payment by BACS shall be made by the Vice Principal (Planning & Resources) or Financial Controller.

11.2 The Vice Principal (Planning & Resources) shall be authorised to operate such banking accounts as considered necessary. No other college bank accounts shall be permitted.

11.3 All disbursements from the petty cash account shall be supported by adequate vouchers and records which shall be available for inspection at any time by the Internal Auditor, Principal, Vice Principal (Planning & Resources), or members of the Audit and Finance and General Purposes Committees.

11.4 Petty cash purchases without an official order are allowed for items not exceeding £30.00 or more in value for each transaction subject to the prior approval of the budget holder. Receipts must be provided for all petty cash purchases.

11.5 Subsistence and travelling expenses must only be paid out of petty cash accounts with the approval of the Principal.

11.6 Imprests shall be maintained and reimbursed in accordance with procedures approved by the Vice Principal (Planning & Resources). Imprest holders are responsible for the amount advanced to them and shall account for this amount on leaving the employment of the College or otherwise ceasing to hold the advance.

11.7 Income received shall not be paid into petty cash, but must be banked unless in exceptional circumstances approved by the Principal.

11.8 A separate Petty Cash account will be maintained exclusively for the dispersal of emergency funds to students in immediate financial hardship.

11.9 Credit Cards

11.9.1 The operation and control of the use of any credit and charge cards shall be the responsibility of the Vice Principal (Planning & Resources). The Finance and General Purposes Committee shall approve the cardholders.

11.9.2 The following members of College staff are authorised to hold College credit cards:

Name	Credit Limit
Principal	£5,000
Vice Principal (Planning & Resources)	£10,000
Director of Administration	£5,000

Financial Controller	£5,000
Finance Officer x 2	£2,500 each (monitored monthly by Financial Controller)
Bursary Officer	£2,500 (monitored monthly by Financial Controller)
Admin Services Manager	£1,000 (monitored monthly by Financial Controller)
Library & Study Centre Mgr	£3,000 (monitored monthly by Financial Controller)
Network Manager	£3,000 (monitored monthly by Financial Controller)
PA to the Principal	£1,000 (monitored monthly by Financial Controller)
Duke of Edinburgh coordinator	£2,000 (monitored monthly by Financial Controller)
Trip cards	£5,000 (to be set up when needed for overseas trips)

Credit limits may be transferred between card holders for operational efficiency with the approval of the Vice Principal (Planning & Resources).

- 11.9.3 The college credit cards should only be used when no other method of payment is possible and/or appropriate or their use will generate value for money for the college.
- 11.9.4 Receipts and other appropriate documentation should be retained by the cardholder following the transaction, and should be passed to the Financial Controller as soon as possible.
- 11.9.5 College credit cards must not be used for personal expenses.
- 11.9.6 Any standard individual credit card limit shall not exceed £10,000 (transfer of credit limits is allowable for operational reasons with approval of Vice Principal (Planning & Resources as above) and there shall be a corporate limit for all cards of £50,000.
- 11.9.7 No cash advances are to be made using a corporate credit card.
- 11.9.8 The person holding the credit card must in the event of its loss notify the Financial Controller immediately who will notify the credit card company.
- 11.10 The reconciliation of bank accounts will be performed monthly by the Financial Controller and reviewed by the Vice Principal (Planning & Resources).

12. Other Funds

- 12.1 "Other funds" shall mean funds which whilst not forming a part of the College's activities, shall be identified by the College's name, for example, staff fund.
- 12.2 The holders of "other funds" must keep separate accounts and records for each fund, and shall under no circumstances use the monies of the College in connection with these "other funds".
- 12.3 "Other fund" monies must not be left on the College premises, but shall be banked to the credit of the fund.
- 12.4 Bank accounts shall not be identified by the name of the College except with the express permission of the Vice Principal (Planning & Resources). The joint signature of at least two persons shall operate bank accounts.

13. Insurance

- 13.1 The Principal shall be responsible for effecting such insurance cover in the name of the College as may be necessary to safeguard the College against loss.

- 13.2 Budget Holders shall inform the Financial Controller promptly of any event which may involve the College in a claim, and of any intended activity or acquisition of an asset in their department which may involve the College in a risk not already covered by insurance or necessitate an extension of the value of the insurance cover.
- 13.3 The Financial Controller shall negotiate all claims made against or by the College and shall consult the College Solicitor where legal liability is involved.
- 14. Loans and Investment**
- 14.1 Following the ONS reclassification of FE sector into central government, the college must obtain consent for any new commercial borrowing from the Department for Education – see also Appendix 3.
- 14.2 The borrowing or re-borrowing of monies authorised or directed by the College and all other matters in connection with the raising or repayment of loans shall be subject to the supervision and control of the Principal, who shall report thereon to the Finance and General Purposes Committee.
- 14.2 The investment or utilisation of monies in hand and other accumulations shall be affected by the Vice Principal (Planning & Resources), using a list of institutions approved annually by the Finance Committee.
- 15. Use of College Premises**
- 15.1 Where the College has discretion relating to charges for the use of its premises, these charges shall be determined by the Finance and General Purposes Committee and reviewed annually.
- 16. Use of College Vehicles**
- 16.1 The College has the following vehicles: two minibuses.
- No College vehicle shall be assigned to an individual member of staff. All vehicles are to be used for College business only, except in exceptional circumstances and with the prior approval of the Principal.
- 16.2 Staff must request use of the vehicle through the minibus booking system.
- 16.3 Use of the minibus is subject to the proposed driver having completed their minibus test and having provided the Facilities Manager with sight of their driving license. The driving license must be checked to confirm that the correct vehicle category is permitted. Minibus drivers must be aged 21 or over in order to comply with the College insurance arrangements.
- 16.4 Should the vehicle be involved in an accident, the Financial Controller must be informed immediately.
- 16.5 Any fuel costs incurred during the period of private use are to be borne by the user.
- 16.6 Should the vehicle be involved in an accident during the period of private use the process followed should be as that required should an accident arise when the vehicle is on College business.
- 17. Computer Security**
- 17.1 All employees of the College (and students where applicable) are required to comply with the various Information Security Policies which are in place at any time. These are currently:
- a) Information Security Policy

- b) GDPR Policy
- c) ICT User Agreement: Students and Staff
- d) CCTV Policy

- 17.2 Physical access to the computer system will be restricted to authorised users. Users will be responsible for ensuring that access via their staff laptop or desktop PC is restricted. Users should log out before leaving their terminal.
- 17.3 The Facilities Manager will be responsible for ensuring that adequate precautions are taken to prevent theft or damage, either vandalism, fire or similar event to any terminals wherever located in the College.
- 17.4 Only the Principal, members of the finance team and the nominated systems administrator shall have direct access to the accounts system. Budget holders have access to raise and approve orders within the system. Technicians and a limited number of non-budget holders have access to raise order requests which go through the approval process with the relevant budget holder. Final approval is given by a member of the Finance Team before submitting to suppliers.
- 17.5 A register of users shall be maintained which details the facilities to which they have access.
- 17.6 The Vice Principal (Planning & Resources) shall be responsible for the compilation and verification of all funding claims based on student data made by the College to the DfE and other external bodies. The Vice Principal (Planning & Resources) shall be responsible for maintaining a system of adequate control and verification checks in order to ensure the accuracy and validity of such return.
- 17.7 The Network Manager will be responsible for ensuring that adequate facilities have been secured to allow the College to quickly restore its systems in the event of a complete loss of computer facilities.

18. Travel, Subsistence & Expenses

- 18.1 The College's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel and are entitled to reimbursement.

All claims must be submitted using the relevant claim form, which are available on myLoreto.

Claims relating to expenses incurred during staff development activities should be made via the SD2 Training Impact and Reimbursement form, and authorised by the Head of HR.

Payment for travel expenses not relating to staff development activities must be made via the Travel Expenses claim form and must be authorised by the Principal. All tickets and receipts must be retained and attached to the claim form. Where employees are required to use their own vehicles on approved College business, they may claim an allowance as follows:

- Motor cars 45p per mile up to 10,000 miles per annum, 25p per mile thereafter
- Motor cycles 24p per mile irrespective of mileage per annum.

Subsistence claims may reasonably be made (without being subject to tax) if a member of staff is travelling from College on College business and is away from the College for a period

of time in excess of 5 hours. Beverages must be of a non-alcoholic nature. All claims must be supported by a receipt.

Payment for supplies must be made via a Request for Payment form, which must be signed by the Budget Holder (or Line Manager, where the claimant is the Budget Holder) to confirm that the purchase was necessary for the business of the college. Proof of the expenditure should be attached to the claim form.

All travel and expense claims must be submitted by the end of the term in which the cost was incurred. Payments will be made monthly to employees via BACS transfer.

- 18.2 The Governing Body will pay expenses to Governors where expenditure is incurred on College business. Any activity which is likely to result in a claim for £300 or more should be approved by the Clerk to the Governing Body beforehand.
- 18.3 Governors, the Principal or senior management who are intending to undertake travel in the UK or Republic of Ireland which is likely to incur expenses of £750 or more or other foreign travel on College business which is likely to incur expenses of £500 or more should obtain permission beforehand from the Finance & General Purposes Committee. Each proposed trip should set out the expected costs and likely benefits to the college and a full report detailing the actual costs and benefits must be produced afterwards and forwarded to the Governing Body.
- 18.4 Claims for travel and other expenses by members of the senior management team and the Governing Body are to be approved as follows:
- claims by members of the senior management team other than the Principal are approved for payment by the Principal
 - claims by the Principal shall be approved for payment by the Chair of the Finance & General Purposes Committee
 - claims by Governors are to be authorised by the Clerk to the Governing Body and approved for payment by the Chair of Governors excepting if the claim is made by the Chair of Governors then it should normally be approved by the Vice Chair.

19. Receipts of Gifts and Hospitality

- 19.1 Staff must not receive gifts, hospitality or benefits of any kind from a third party, which might be seen to compromise their personal judgment or integrity. Seasonal gifts with a value of up to £20 may be accepted. Gifts with a value of over £20 must be recorded in the Gifts and Hospitality Register held by the Vice Principal (Planning & Resources). Clarification can be sought from the Vice Principal (Planning & Resources) or the Financial Controller.

20. Private Consultancies and Other Paid Work

- 20.1 Unless otherwise stated in a member of staff's contract, outside consultancies or other paid work may not be accepted without the consent of the Principal (and in the case of the Principal, the Chair of the Governing Body).
- 20.2 Applications for permission to undertake work as a purely private activity must be submitted to the Principal, and include the following information:
- a) the name of the member(s) of staff concerned
 - b) title of the project and a brief description of the work involved

- c) the proposed start date and duration of the work
- d) full details of any institution resources required (for the calculation of the full economic cost)
- e) an undertaking that the work will not interfere with the teaching and normal institution duties of the member(s) of staff concerned.

APPENDIX 1 - Code of Tendering in Dealing with Suppliers and Contractors

Introduction

Good contract management is essential for ensuring value for money is being achieved by the College. Contracts should be awarded following a robust tender process which considers:

- The cost of the contract
- The supplier's ability to deliver the contract
- References from colleagues within the sector (where possible)
- Appropriate insurance is in place
- Appropriate accreditation is in place

Relationships between the College and its suppliers must be able to withstand public scrutiny to ensure it can demonstrate appropriate use of public funds. It is important any offers of gifts and hospitality are carefully considered before they are accepted and are in line with the recommendations outlined within the Financial Regulations.

All contract documentation should be stored centrally to ensure it can be accessed regardless of staff absence. The central file location is S:\Contracts.

The guidance below should be read in conjunction with the College's Financial Regulations, Anti-Bribery Policy, Anti-Fraud and Corruption Policy, Anti-Fraud and Corruption Response Plan and the Whistleblowing Policy. See also Appendix 3 for guidance on novel, contentious or repercussive transactions.

Tender Process

The College may enter into contracts which do not exceed £10,000 without the need to seek either multiple written quotations or tenders provided the Principal is satisfied that value for money is being achieved.

The College may enter into contracts above £10,000 (excluding energy contracts which are sourced via the procurement process undertaken by the local authority), provided that three written competitive quotations have been received. Evidence of quotations should be stored on the central contract file share. Details of these contracts shall be reported to the Finance and General Purposes Committee at its next meeting together with the value of each competitive quotation received. If it is impossible or disadvantageous to obtain three written quotations, the reason for this shall be recorded and reported to the Audit Committee. Good examples of when it might be appropriate not to obtain quotations include:

- Urgent repair needed that would likely result in even higher costs if not dealt with immediately
- Low value contract where the supplier has extensive knowledge of the College and its operations
- Quotations obtained in previous 24 months and there has been no increase (or a minor increase) in the cost of the contract

Where the contract value is in excess of £25,000, the College will undertake a formal tender exercise.

For contracts exceeding the current procurement thresholds, the College must comply with the requirements set out in The Procurement Regulations 2024.

The current procurement thresholds are set out in the [Policy Procurement Note](#) and are as follows:

- goods – £214,904
- works – £5,372,609
- most services – £214,904

Some services for education, health and care are covered by the 'light touch regime'. The threshold for these is £663,540.

Should the College wish to enter into a contract which is above the thresholds then they must follow a tender process to advertise for the contract via Find a Tender Service (the UK service to publish/search for high value opportunities which replaced the OJEU following the UK's exit from the EU), unless there is a recommended framework which can be used to contract for work/services.

Where appropriate tenders will be sought for major contracts. Details of these contracts shall be reported to the Finance and General Purposes Committee at its next meeting together with the value of each competitive quotation received. If it is impossible or disadvantageous to obtain written tenders, the reason for this shall be recorded.

Governors and members of staff shall disclose to any meeting of the Governing Body or committee or sub-committee of the Governing Body that he/she has a pecuniary interest directly or indirectly in any contract, proposed contract or other matter under consideration and shall be excluded from that meeting while the contract or other matter is being considered and voted upon.

Orders shall be placed with the contractor quoting the lowest price unless there are good reasons to do otherwise, in which case a record of those reasons shall be made when the order is placed.

Where the Finance and General Purposes Committee has established an approved list of suppliers or contractors, any order shall be placed with an appropriate supplier or contractor on that list.

Building maintenance orders shall only be placed with contractors who have adequate insurance and can comply with Health & Safety requirements.

All quotations/tenders should be retained for a period of 6 years.

Supplier spend will be monitored on a rolling basis to ensure compliance with procurement regulations, as set out in the College's Procurement Policy.

Delegated Authority

The Board of Governors has delegated authority for the signing of contracts on behalf of the College as follows:

- Principal – No Limit (College Wide)
- Deputy Principal – No Limit (College Wide)
- Vice Principal (Planning & Resources) - £250,000 (College Wide)
- Financial Controller - £10,000
- Head of Information Systems - £10,000 (CCIT / CIS / Developers)
- Director of Administration - £10,000 (Admin areas)
- Network Manager - £10,000 (CCIT)
- Facilities Manager - £10,000 (Facilities)
- Head of HR - £10,000 (Human Resources)

No other employee should enter in to a contract on behalf of the College.

The above limits relate to the total contract value therefore if a five-year contract is entered in to with an annual fee of £3,000, the total contract value would be £15,000.

Contract Register

The Contract Lead (usually the budget holder for which the contract is charged to) has responsibility to:

- Ensure the contract details are completed in the Contract Register
- Ensure contracts are signed within the delegated authority limits outlined within this document and the Financial Regulations
- Ensure contract documentation is stored on the central contracts folder (and expired contract documentation is moved to the archive folder)
- Serve notice to suppliers to ensure contracts are not automatically renewed
- Renegotiate contracts when renewal is due
- Obtain quotations when necessary
- Ensure gifts or hospitality offered by suppliers are reported to the Financial Controller to be added to the register of gifts

Contract Review

It is important that once a contract is awarded, it is carefully managed to ensure any issues arising from the contract (such as poor performance) are carefully documented and communicated to the supplier as soon as the issue arises. This provides the supplier with the opportunity to rectify the situation but also begins a trail of evidence should the College needs to pursue a breach of contract for the early termination of a contract.

APPENDIX 2 – Code of General Purchasing

The Principal shall be responsible for the arrangement of all official orders issued for goods and services required by the College. The Full Governing Body will approve the Annual Budget for the College which covers all significant expenditure contracts including capital projects, leasing, franchising and other major contracts. Monitoring will be undertaken by the Finance and General Purposes Committee during the year and any significant amendments or additions will be reported to Full Governing Body and approved as necessary. See also Appendix 3 for guidance on novel, contentious or repercussive transactions.

For all purchases required an order shall be placed on the College Finance System (Sage Intacct) by the Finance team upon receipt of a request from the relevant Budget area and approved by the relevant person or persons as indicated by the Authorisation Limits Schedule outlined below:

Authorisation	
Budget Holder	Up to £5,000
Resource Budget Manager (Head of MIS, Director of Admin, Network Mgr, Facilities Mgr, Financial Controller)	Up to £10,000
Vice Principal (Planning & Resources)	£5,001-£30,000
Principal or nominated Deputy to the Principal	£30,001-£50,000
Finance and General Purposes Committee	£50,001-£200,000
Full Governing Body	Over £200,000

In exceptional circumstances, for example where emergency repairs are urgently required, authorisation may be given by Chair's Action. The Clerk to the Governing Body shall keep a record of all such exceptions which will be reported at the next meeting.

Electronic orders must only be placed onto the system by persons authorised to do so by the Budget Holder and these orders will follow the prescribed authorisation route. Budget Holders will be required to verify permitted users and authorisers for the ordering system on an annual basis. Any amendments required due to staffing changes must be notified as soon as possible.

Where an approved supplier has been selected and notified to staff following a competitive procurement exercise/tender, these suppliers must be used exclusively for the term of the agreement. Any variation from this must be approved by the College's Financial Controller.

On no account may verbal orders be placed.

All official orders shall include such information concerning prices and costs as the Vice Principal (Planning & Resources) requires and identifies discounts where appropriate. Each order shall also clearly indicate the nature and quantity of the supplies and services required and VAT where payable.

On no account may official orders be used to obtain goods and services for private use by members of staff of the College except that educational equipment and material may be purchased by the College for re-sale to students under conditions authorised by the Principal or the Vice Principal (Planning & Resources).

APPENDIX 3 – Managing Public Money

In November 2022, the statutory FE sector in England was reclassified into the central government sector, meaning that colleges must now meet the overall requirements in HM Treasury’s document, ‘[Managing Public Money](#)’, and some other related obligations. The impact of these changes is summarised below.

A number of ‘bite-sized guides have been produced to assist colleges in navigating the new requirements:

<https://www.gov.uk/government/publications/bite-size-guides-to-aid-colleges-in-meeting-new-requirements-following-reclassification>

Summary

1. HR/Payroll controls

Senior pay controls

From 1 May 2023, the college will be subject to additional regulations with regard to senior pay controls, as set out in the guidance document ‘[Senior pay controls for colleges](#)’. The college will monitor all such payments to ensure compliance with these regulations.

Special payments, severance and ex gratia payments.

Any such payments will be reviewed to ensure that fall within the delegated limits, as set out in the guidance document ‘[College requirements for special payments, including severance, compensation and ex gratia payments](#)’. Beyond these limits, approval will be sought from the Department for Education.

2. Other general financial controls

Financing or Borrowing

Any new financing or borrowing will require approval from the Department for Education.

Write offs and losses

The Financial Controller will maintain a register of all written off debts or losses. Any write-offs or losses which exceed the delegated limits detailed in the guidance document ‘[College requirements for write-offs and losses](#)’ will be referred to the Department for Education for approval in advance. Regardless of value the college will consult the Department for Education if any loss/write off occurs for the following reasons:

- They involve important questions of principle
- They raise doubts about the effectiveness of existing systems
- They contain lessons which may be of wider interest
- They are novel, contentious or repercussive
- They might create a precedent for colleges in similar circumstances
- They arise because of obscure or ambiguous instructions issued centrally

Indemnities, guarantees and letters of comfort

The college will review and record any indemnities/guarantees it is required to give which fall outside the normal course of business commercial contracts, as detailed in the guidance document ‘[College requirements for indemnities, guarantees and letters of comfort](#)’. This will be monitored and reported on at SLT, Finance & General Purposes and Audit Committee meetings.

Novel, contentious or repercussive transactions

The college will monitor all novel, contentious or repercussive transactions as part of the preparation of management accounts and the routine checking of orders. This will be reported on at SLT, Finance & General Purposes and Audit Committee meetings. Further guidance is provided in the guidance '[NCR transactions in colleges and academy trusts](#)'.

Novel transactions are defined as are those of which the college has no experience or are outside its range of normal business. Contentious transactions are those that might cause criticism of the college by Parliament, the public or media. Repercussive transactions are those that may have wider financial implications for the sector or which appear to create a precedent. Examples include sale or leaseback arrangements, disposal of sites considered to be a community amenity, disposals to a related party or gifts or disposals below market value.

Asset Disposals

Approval for the disposal of assets is not required unless is considered novel, contentious or repercussive. There are however restrictions on the use of the proceeds from asset disposals, depending of type of asset:

Moveable fixed assets:

Where moveable fixed assets have been purchased with a grant/donation which places conditions on disposal, the college must consider the impact on the provision/replacement if required. Subject to this, the college can apply any proceeds of disposal at its discretion.

Land and Buildings:

The proceeds of disposal of land and buildings must be used for capital reinvestment, repayment of loans (DfE or bank), repayment of overpayments due to DfE or to satisfy grant conditions. Exceptionally, proceeds may provide working capital to avoid risk of insolvency, but this must be approved first by DfE.

Further guidance can be found in the document '[College requirements regarding asset disposals](#)'.