

Teitl: Title:	Financial Regulations
Fersiwn: Version	2.0
I bwy mae'r Polisi hwn yn berthnasol? Who does this Policy Relate to?	Myfyrwyr / Staff / Myfyrwyr a Staff / Arall (rhowch fanylion) Students / Staff / Students and Staff / Other (please specify) Students / Staff / Governing Body

Cydraddoldeb ac Amrywiaeth / Equality & Diversity

Dolen at Gam 1 Asesu Effaith (ar Gydraddoldeb a'r Gymraeg): / Impact Assessment Stage 1 (Equality & Welsh) link:	Welsh & E&D EIA Stage 1
<i>Effaith ar yr Iaith Gymraeg</i> <i>Mae asesiad effaith wedi'i gynnal ar y polisi hwn i ystyried ei effaith ar yr Iaith Gymraeg yn unol â Safonau'r Gymraeg (94-104) a Mesur yr Iaith Gymraeg (Cymru) 2011.</i>	<i>Welsh Language Impact</i> An impact assessment has been carried out on this policy to consider its effect on the Welsh Language in accordance with the Welsh Language Standards (94-104) and the Welsh Language (Wales) Measure 2011.

Adolygu a Chymeradwyo / Review and Approval

Perchennog y Ddogfen: Document Owner:	Director of Finance		
Ymgynghoriad / Consultation:			
Dyddiad cymeradwyo / Date Approved	Cymeradwyaeth y Pwyllgor Mewnol e.e. Grŵp Diogelu / Internal Committee Approval e.g. Safeguarding Group		
	Pwyllgor Cyfathrebu a Diwylliant / Communications & Culture Committee:	08/03/2023	
	Pwyllgorau'r Bwrdd / Board Committees:	Pwyllgor Archwilio a Risg / Audit & Risk Committee:	-
		Pwyllgor Cwricwlwm a Safonau / Curriculum & Standards Committee	
	Pwyllgor Cyllid, Pobl a Diwylliant / Finance, People & Culture Committee:	25/05/2023	
	Corff Llywodraethu / Governing Body:	21/06/2023	
Dyddiad Adolygu: Review Date:	20/06/25		

Anfonwch y ddogfen wedi ei chymeradwyo i'w chyfieithu gan ddefnyddio'r [Ffurflen Cais Cyfieithu](#)
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1. INTRODUCTION

- 1.1. These Financial Regulations have been prepared to meet the requirements of the Further and Higher Education Act 1992 and the Welsh Government (WG).
- 1.2. The Regulations set out the rules, procedures and standards to be followed and are also intended to facilitate the efficient management of the College's financial affairs.
- 1.3. Compliance with the Financial Regulations is mandatory for all staff connected with the College. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the College's disciplinary policy. It is the responsibility of all managers to ensure that their staff are made aware of the existence and content of Financial Regulations available for reference on the Policies page on Happeo and circulated to all Budget Managers annually for acceptance.
- 1.4. The Financial Memorandum between WG and the College sets out the terms and conditions on which funding is made. The Governing Body is responsible for ensuring the conditions of the grant are met. As part of this process the College must adhere to WG's audit code of practice which requires it to have sound systems of financial and management control. The Financial Regulations of the College form part of this overall system of accountability.
- 1.5. The Chief Operating Officer & Deputy Chief Executive is responsible for disseminating and revising these Financial Regulations and for ensuring adherence to them.

1.5.1 The Chief Operating Officer & Deputy Chief Executive is responsible for devising and writing Financial Procedures and Controls for the College. They shall be approved by the Chief Executive and shall, together with the Financial Regulations, be the framework within which College staff operate and against which both Internal and External Auditors shall report on matters financial.

- 1.6. External Auditors and Internal Auditors have authority to:
 - Access College premises at reasonable times
 - Access all assets, records, documents and correspondence relating to any financial and other transactions of the College.
 - Require and receive such explanations as are necessary concerning any matter under examination.
 - Require any employee of the College to account for cash, stores, or any other College property under his/her control.

The Chief Operating Officer & Deputy Chief Executive is responsible for drawing up a timetable for annual financial accounts purposes and will advise staff and the External Auditors accordingly. The primary role of External Audit is to report on the College's financial statements. External Auditors carry out such examination of the statements, underlying records and control systems as are necessary to reach their opinion on the statements and to report on the

appropriate use of funds. Their duties will be in accordance with advice set out in the WG audit code of practice and the auditing practices board's auditing standards.

The College's Financial Memorandum with the WG requires that it has an effective Internal Audit function. The main responsibility of Internal Audit is to provide the Governing Body, the Chief Executive and senior management with assurances on the adequacy of the internal control system. The Internal Audit service remains independent in its planning and operation and has direct access to the Governing Body, Chief Executive and Chair of the Audit & Risk Committee. The Internal Auditor will also comply with the Auditing Practices Board's guidance for Internal Auditors.

The College may from time to time be subject to audit or investigation by external bodies such as the WG, National Audit Office, European Court of Auditors, HM Revenue and Customs and the Department for Work and Pensions. They have the same rights of access as External and Internal Auditors.

- 1.7. These regulations must be observed at all times. Where doubt arises employees are advised to contact the Finance Office for clarification.

2. FINANCIAL ADMINISTRATION

- 2.1. The Governing Body is responsible for controlling the finances of the College and through the Chief Executive ensures that these Financial Regulations are observed.
- 2.2. All Coleg Cambria activities, including activities of wholly owned subsidiary companies are conducted in accordance with the Financial Regulations of Coleg Cambria.
- 2.3. The Chief Executive as the College's Chief Accounting Officer under the Financial Memorandum between the College and WG is responsible for ensuring the College complies with all statutory financial matters.
- 2.4. Under the Scheme of Delegation the Chief Operating Officer & Deputy Chief Executive is responsible to the Chief Executive for the strategic and operational financial management of the College. The Chief Operating Officer & Deputy Chief Executive will exercise operational responsibilities through the Director of Finance.

3. FINANCIAL INFORMATION - DISCLOSURE AND STANDARDS

- 3.1. This section of the Financial Regulations covers restrictions on the distribution of information of a financial nature. The Chief Executive is responsible for maintaining proper security and privacy in respect of confidential information held

by the College and for ensuring that such information, where it is covered by the Data Protection Act 2018, is used solely for the purpose for which it was originally provided. A Data Protection Officer will be nominated to ensure compliance with the Act.

- 3.2.** Information about the College's financial affairs is confidential. Before any such information is published or made available to third parties, approval must be obtained from the Chief Executive or the Chief Operating Officer & Deputy Chief Executive.
- 3.3.** Information about the personal or financial affairs of individual members of staff, or other persons with whom the College has a relationship, is confidential and may not be disclosed to third parties without the written agreement of the individual, unless that information is required to be provided by Statute, (e.g. tax returns). This regulation does not exclude the use or disclosure, under appropriately agreed conditions of confidentiality and anonymity, of numerical/statistical data, which does not identify individuals.
- 3.4.** The Chief Operating Officer & Deputy Chief Executive is responsible for all the College's financial systems and accounting processes as well as reporting on historic, current and future financial matters. They may formally delegate authority to provide financial information as appropriate.

4. PREPARATION OF CAPITAL AND REVENUE BUDGETS

4.1. General

4.1.1 The form and timetable for the preparation of both the capital and revenue budgets are approved by the Governing Body and are, where applicable, in accordance with WG requirements.

4.1.2 The capital and revenue budgets are prepared under the direction of the Chief Operating Officer & Deputy Chief Executive in consultation with members of the Senior Management Team (SMT) and Budget Holders for subsequent submission to the Governing Body for consideration.

4.2. Capital Budgets

4.2.1 A programme of capital work is prepared annually after reflecting the priorities and schemes contained in the College's Estate Strategy. Each scheme is supported by a statement of need and where the cost of the scheme is anticipated to be in excess of £50,000, a financial appraisal identifying both capital costs and revenue consequences is undertaken.

4.2.2 This capital work recommended by the Chief Executive is consolidated into the College's Capital Budget for submission to the Governing Body for approval. Such Capital Budgets identify the method of financing the recommended schemes.

4.3. Revenue Budgets

4.3.1 This section of the Financial Regulations covers the setting and control of annual revenue budgets and of subsequent budget allocations during the course of a financial year.

4.3.2 A budget is an approved sum allocated for income or expenditure over a specific time span, normally one financial year. The budget is usually expressed as a financial value and, where the budgeted resource is related to staffing expenditure, it may also be expressed as an envelope of hours.

4.3.3 A Budget Holder is a person to whom the budget has been allocated and who is accountable for the income or expenditure against that budget. The Budget Holder must not overspend the allocated budget and is required to report any anticipated overspends to the Chief Operating Officer & Deputy Chief Executive.

4.3.4 The authority for the approval of the overall College budget rests with the Governing Body. The Chief Operating Officer & Deputy Chief Executive has delegated authority for allocation of resources and budgets within the overall College budget as approved by the Governing Body.

4.3.5 The Chief Operating Officer & Deputy Chief Executive prepares a report setting out the recommended expenditure approvals and the anticipated income for consideration and approval by the Governing Body.

4.3.6 The College operates a devolved budgetary system therefore it is the responsibility of the Budget Holders to submit their budget estimates, following the issue of guidelines from SMT, to the Chief Operating Officer & Deputy Chief Executive, in the approved form, within the approved timetable. The Chief Operating Officer & Deputy Chief Executive provides professional assistance to departments in the compilation of the estimates. All bids for growth must be supported by a statement of need.

5. BUDGETARY CONTROL

- 5.1.** The Chief Executive is accountable to the Governing Body for effective and efficient budgetary control of the College as a whole.
- 5.2.** The Chief Executive promptly informs the Governing Body of any matter which is liable to affect materially the finances of the College.
- 5.3.** Budget responsibility for revenue expenditure shall be delegated to Budget Holders.
- 5.4.** Budget Holders are clearly defined so that there is no doubt as to who is responsible for the control of all individual income and expenditure budgets.
- 5.5.** Budget Holders may delegate the supervision of budgets to secondary Budget Holders but they cannot delegate their budgetary responsibilities.

- 5.6.** No expenditure may be incurred by Budget Holders which is not matched by approved budget provision. With the exception of special circumstances where authorisation has been given prior to incurring expenditure by The Chief Operating Officer & Deputy Chief Executive.
- 5.7.** The Chief Operating Officer & Deputy Chief Executive is responsible to the Chief Executive for monitoring the budgetary performance of the whole College. The Chief Operating Officer & Deputy Chief Executive has the authority to ask for and receive explanations from Budget Holders of actual or potential expenditure overspending, and income under recoveries so that these can be reported to the Chief Executive and the Governing Body. The Chief Operating Officer & Deputy Chief Executive provides Budget Holders with accurate and timely information regarding budgetary performance.
- 5.7.1 The Chief Operating Officer & Deputy Chief Executive has the authority to allocate supplementary Revenue Budgets to enable overspending/under recoveries to take place.
- 5.8.** Any overspending/under recovery which is likely to result in a material change to the College's approved budgetary position is reported to the Governing Body.
- 5.9.** Budget holders will have the following responsibilities:
- Authorising expenditure against budget;
 - Monitoring expenditure commitments during the year with reference to the budget for that year;
 - Explaining any variations from budget;
 - Reporting as soon as possible to the Chief Operating Officer & Deputy Chief Executive if it is envisaged that the budget will be either under or overspent;
 - Forecasting income and expenditure.
- 5.10.** Budget Holders maintain adequate records to ensure proper management of their resources. These records may be examined by Internal or External Auditors.
- 5.11.** All financial transactions are correctly coded against income and expenditure codes and, where applicable, to balance sheet codes. The code structure and chart of accounts are established by the Chief Operating Officer & Deputy Chief Executive to classify income and expenditure by department and by type.
- 5.12.** Financial management reports compare actual and forecast income and expenditure against budgets, showing variances from budgets and reporting details of such variances as are significant.
- 5.13.** When a Budget Holder appears not to be taking necessary steps to avoid overspending, the Chief Operating Officer & Deputy Chief Executive may give notice to the Budget Holder not to incur or authorise further expenditure until adequate evidence is provided that appropriate action is being taken to protect the College's financial position.

- 5.14.** Budget Holders must make themselves aware of and must observe all conditions under which the College has received funding from different sources and must ensure that funds are only applied to the purposes for which they have been provided.

6. VIREMENT

- 6.1.** Budget Holders are empowered to exercise virement within each of the following main headings of expenditure subject to expenditure under each such heading not exceeding the amount of the approved budget:

- Staffing
- Non Pay Allocations

6.1.1 Virement between non-pay to staffing (and vice versa) is only permitted with the written authority of the Chief Operating Officer & Deputy Chief Executive. A statement of need must be provided by the Budget Holder.

- 6.2.** The Chief Operating Officer & Deputy Chief Executive is immediately informed by Budget Holders of all instances where they have exercised virement. Regular reports on virements are provided to SMT.

- 6.3.** Because it is implicit in Financial Regulations that income and expenditure is correctly coded, Budget Holders must not deliberately code income or expenditure to the wrong heading.

7. FINANCIAL REPORTING

This section of the Financial Regulations covers the standards of financial reporting.

7.1. Internal

7.1.1 The Chief Operating Officer & Deputy Chief Executive distributes financial reports to each budget holder at regular intervals, normally monthly. The reports cover income and expenditure pertaining to the relevant department and sub-departments, with details of transactions for the period of account, and the financial year to date. Income and expenditure is compared with budgets showing any variances.

7.1.2 Budget Holders report to the Chief Operating Officer & Deputy Chief Executive periodically, as determined by the Governing Body, their latest forecast of income and expenditure for the financial year, with commentary where appropriate.

7.1.3 The Chief Operating Officer & Deputy Chief Executive consolidates these reports, and presents them monthly to the SMT and Governing Body.

7.2. External

7.2.1 The Chief Operating Officer & Deputy Chief Executive is responsible for the production of all financial reports to external bodies such as, WG, the External and Internal Auditors, HM Revenue and Customs, Pensions Agencies etc. These reports will encompass items such as, financial accounts, management accounts, budgets, income & expenditure forecasts, cash-flow forecasts, VAT returns, PAYE and NI returns, Pensions returns etc.

8. ACCOUNTING

- 8.1.** This section of the Financial Regulations covers the responsibilities for the form and content of the College's accounting records.
- 8.2.** It is the responsibility of the Chief Operating Officer & Deputy Chief Executive to maintain proper records of the College's income and expenditure, receipts and payments, assets and liabilities.
- 8.3.** The accounting records must facilitate clear identification of:
- Monies paid and received
 - All sales and purchases of goods and services
 - Acquisition and disposal of assets, and the creation and removal of liabilities
 - Appropriate analysis and management control reports
 - A clear audit trail between accounts, records and basic prime documents
- 8.4.** The Chief Operating Officer & Deputy Chief Executive determines the financial systems to be used, the appropriate accounting conventions and the adoption of accounting procedures, routines and records under the authority of the Chief Executive.
- 8.5.** College staff in all departments provide the Chief Operating Officer & Deputy Chief Executive, or delegated finance staff, with all information that is necessary for the College's financial accounting and reporting.
- 8.6.** Directors and Heads of Services and their delegates ensure that, wherever possible, the circumstances of any financial transactions initiated within their department is known to and approved by more than one person. In particular that the same person is not both initiator and approver.
- 8.7.** The Chief Operating Officer & Deputy Chief Executive is responsible for the retention of financial documents. These are in a form acceptable to the relevant authorities.

The College is required by law to retain prime documents for 6 years. These include official orders, paid invoices, accounts raised, bank statements, copies of

receipts, part time lecturer contracts, and a complete record of transactions for each year from the computerised accounting system.

9. ACCOUNTING MATTERS AND EXPENDITURE AUTHORITY

9.1. General

9.1.1 The Chief Operating Officer & Deputy Chief Executive is responsible for preparing the College's annual accounts and is authorised to request from Budget Holders whatever information is necessary to complete this task.

9.1.2 The Chief Operating Officer & Deputy Chief Executive is responsible for arranging the audit of the accounts.

9.1.3 Audited accounts are presented by the Chief Operating Officer & Deputy Chief Executive to the Chief Executive who is responsible for presenting the audited accounts to the Governing Body.

9.2. Capital Expenditure

9.2.1 The term capital expenditure means all prescribed expenditure as defined by the WG Financial Memorandum and as defined by the accounting policies of the College.

9.2.2 The inclusion of a project in the approved Capital Budget does not automatically constitute the authority for incurring expenditure. Before any work is commenced or any commitment entered into the formal approval of all necessary Authorities must be obtained.

9.2.3 The approved cost, determined in accordance with the above, of each major element of a capital project shown separately in the capital budget (e.g. land, building, fees, furniture and equipment) is not to be exceeded without the consent of the Governing Body, except as provided in Regulation 9.2.4.

9.2.4 As soon as any potential overspend on an element of an approved capital project becomes forecast, this must be reported to the Chief Operating Officer & Deputy Chief Executive.

9.2.5 Cost variations in excess of 5% of each major element of the approved capital budget (e.g. land, building, fees, furniture and equipment) are reported to the Governing Body.

9.3. Recurrent Income and Expenditure

9.3.1 Recurrent income and expenditure is the term used to describe the annual running costs and income of the College.

9.3.2 It is the responsibility of all Budget Holders to ensure that expenditure and income is coded to the correct financial code.

9.4. Purchasing

9.4.1 Goods and services are purchased for all areas of the College on the most advantageous terms and conditions having regard to value for money and embracing quality, quantity, reliability, delivery and total cost to the College.

9.4.2 Where the College has put in place single source supply contracts or consortia arrangements these must be used as approved suppliers in the first instance.

9.4.3 All Budget Holders are responsible for all orders issued by their department. However, they may delegate the authority to place orders to members of staff within their department. Orders are only placed by persons authorised by the Budget Holder. The Chief Operating Officer & Deputy Chief Executive is notified of persons with delegated authority, and the limitations of such authority.

9.4.4 A list of authorised signatories is maintained by the Director of Finance. The Budget Holder notifies the Director of Finance of any changes to the list.

9.4.5 The Chief Operating Officer & Deputy Chief Executive reports purchasing matters on a regular basis to SMT.

9.5. Orders

9.5.1 With the exception of purchases made with procurement cards, all Budget Holders must ensure official orders are issued for all goods and/or services to be supplied to the College except for, supplies of public utility services, periodical payments such as rent or rates, petty cash purchases or other exceptions as the Chief Operating Officer & Deputy Chief Executive may approve. In order to ensure that purchases not covered by single source supply contracts or consortia arrangements are made at the most favourable rates, quotations must be obtained in line with values referred to in section 17.5.3. of these Regulations.

9.5.2 The person placing the order must ensure that the expenditure is a valid charge on the College and that adequate funds are available to meet the expenditure.

9.5.3 Where an invoice is received which does not have an order number it may be returned to the supplier with a request to quote an order number.

9.5.4 Occasionally, firms offer inducements to persons able to place orders. Under no circumstances may staff accept from any existing or potential supplier or contractor offers of cash, vouchers, holidays, home improvements or personal gifts. Nor should they accept on a personal basis, goods or services at less than commercial rates.

9.5.5 Budget Holders should be advised of hospitality or business marketing items which are offered to staff in their capacity as an employee of the College. (see item 20 Hospitality).

9.5.6 College orders must not be used for making private purchases.

9.5.7 Accounting Instructions set out the procedures to be followed for placing official orders.

9.6. Contracts Procedures

9.6.1 All Budget Holders must ensure that the College's procedures in respect of entering into contracts on behalf of the College are adhered to by all staff.

9.7. Coding, Certification and Authorisation of Invoices for Payment

9.7.1 All Budget Holders must ensure that payments of amounts due from the College are made under arrangements approved by the Chief Operating Officer & Deputy Chief Executive.

9.8. Payment of Fees and Expenses

9.8.1 All payments of fees and expenses due from the College are made by, or under arrangements approved by, the Chief Operating Officer & Deputy Chief Executive. All claims for payment are made on the forms provided for the purpose, and are authorised by the Budget Holder or authorised nominee.

9.8.2 No member of staff is allowed to authorise their own claim for the payment of fees and/or expenses. The expenses of all staff is authorised by their line manager.

9.8.3 The expenses of the Governing Body are authorised by the Governance Officer & Clerk to the Board.

9.9. Overseas Activities

9.9.1 All overseas activities must be approved by the Governing Body and must be consistent with the College's strategic objectives.

9.9.2 Such activities must have adequate operational planning and control systems in place.

9.9.3 All overseas activities are fully accounted for and reported on.

9.9.4 Projects that involve travel to overseas venues must be linked to specific College objectives. They must be fully costed and agreed before implementation. A fully completed submission form must be approved by the Chief Executive for all staff/student overseas travel as detailed in overseas travel procedures. The Chair of the Governing Body will approve overseas travel for the Chief Executive.

9.10. Salaries and Wages

9.10.1 The College only employs staff for whom financial provision has been made.

9.10.2 The Chief Operating Officer & Deputy Chief Executive is responsible for the maintenance of the personnel records and for the provision of relevant information to enable all salaries, wages, and other emoluments to be paid.

9.10.3 The payment of all salaries, wages and other emoluments to employees of the College are made by, or under arrangements approved by, the Chief Operating Officer & Deputy Chief Executive, who is responsible for the maintenance of the related records, including those of a statutory nature.

9.10.4 All pay documents are in a form agreed by the Chief Operating Officer & Deputy Chief Executive, and are certified by Budget Holders or their nominees.

9.11. Charitable Donation

9.11.1 Charitable donations and sponsorship gifts may only be made in accordance with the procedures agreed by the Governing Body and are reported annually to the Governing Body by the Chief Executive.

9.12. Credit and Purchasing Cards

9.12.1 The Chief Operating Officer & Deputy Chief Executive has responsibility for the opening and closing of all College credit and purchasing card accounts.

9.13.2 Credit and purchasing cards may be used by individuals as named on the card to purchase necessary goods or services whilst on College business.

9.13.3 The credit and purchasing cards may only be used by other College staff where prior consent has been given by the Chief Operating Officer & Deputy Chief Executive

9.13.4 Expenditure incurred via purchasing cards does not require an official order. The Spend Management Software provides the Card user with an up to date and accurate transaction log and a mandatory requirement to upload invoices/receipts for each individual transaction.

10. SALARIES, WAGES AND PENSIONS

10.1. Staffing numbers, and terms and conditions of service of all College employees, including levels of remuneration, are confirmed by the Governing Body on the advice of the Chief Executive, subject to being contained within a previously approved staffing budget, each year.

- 10.2.** The payment of all salaries, wages, pensions, compensations and other emoluments to all employees or former employees of the College are made by the Chief Executive, or under arrangements approved by them.
- 10.3.** The Chief Executive is responsible for the coordination of all matters affecting the payment of such emoluments and in particular:
- Appointments, resignations, dismissals, suspensions, secondments and transfers;
 - Absences from duty for sickness or other reasons apart from approved leave;
 - Changes in remuneration other than normal increments and pay awards and agreements of general application;
 - Compliance with all necessary legislation in respect of superannuation, income tax, national insurance and the like.
 - Completion of all statutory returns and provision of relevant information necessary under legislation for superannuation, income tax, national insurance and the like.
- 10.4.** Before certifying payment of emoluments, the Certifying Officer shall, to the extent, that the Chief Executive may otherwise determine, satisfy himself/herself that:
- All the staff concerned are within approved staffing levels;
 - The various forms used to initiate the payments are properly completed and certified;
 - The rates of pay used are properly calculated and applied;
 - Pay awards are implemented promptly and properly;
 - All payroll costs and deductions are recorded, charged and coded correctly;
 - Additional payments such as overtime, travelling etc., are properly authorised;
 - Exceptional payments such as pay advances etc., are properly authorised.
- 10.5.** All claims by College employees for payment of fees, car allowances, subsistence allowances, travelling and incidental expenses are submitted, duly certified in an approved form in line with published monthly time frames. The Risk Management Group will prepare a report of its review of the effectiveness of the Risk Management Policies and the performance of the Group for consideration by the Audit & Risk Committee who will then report to the Governing Body.
- 10.6.** The certification by or on behalf of the Chief Executive is taken to mean that the certifying officer is satisfied that:
- The journeys were authorised;
 - The expenses were properly and necessarily incurred;
 - The fees and allowances are properly payable by the College.
- 10.7.** Claims submitted more than three months after the expenses or fees were incurred or earned, must be accompanied by a letter of explanation for the delay and such claim is paid only with the express approval of the Director of Finance.

10.8. Engagement of Consultants and Self-employed Individuals

From time to time the College may engage individuals to undertake specific pieces of work on a self-employed basis. Such engagements must be approved in advance by the Director of Human Resources and the Director of Finance or their designates, in accordance with procedures issued by the Director of Finance.

It has become common practice for some individuals to use intermediary companies (typically a limited company which they own) to provide services on a personal basis. Engagements of such intermediary companies may fall within the IR35 legislation and require the College to deduct tax at source where the person, but for the intermediary, would have been classed as an employee or casual worker. Such arrangements should be avoided where possible and advice sought as to the status of the person being engaged prior to the commencement of the engagement.

Temporary or agency staff may be engaged to undertake short term temporary assignments but should not be used as an alternative to filling a full time post. All engagements of such staff must be made in accordance with Financial Procedures laid down by the Director of Finance.

11. PAYMENT OF ACCOUNTS

- 11.1.** This section of the Financial Regulations covers the payment of accounts.
- 11.2.** All payments of accounts are made by the Chief Operating Officer & Deputy Chief Executive or, where appropriate, under delegated authority through imprest accounts etc.
- 11.3.** No account is paid which has not been correctly certified.
- 11.4.** Unless otherwise approved by the Chief Operating Officer & Deputy Chief Executive, accounts will only be paid against an official (original) supplier's invoice received against an official College order form, subject to the exceptions referred to in paragraph 9.5.1.
- 11.5.** Invoices with Budget Holders must be returned to the Finance Office promptly and in time for discounts to be taken.
- 11.6.** Invoices received directly by the ordering department (e.g. together with the delivery of goods) must be forwarded promptly to the Finance department for processing and payment.
- 11.7.** Payments are made in a timely manner and in keeping with the terms of trade existing between the supplier and the College.
- 11.8.** Budget Holders are expected to avoid requesting urgent payments.

- 11.9.** All order forms, cheque requisition forms and cheques, together with their proper control, are subject to the approval of the Chief Operating Officer & Deputy Chief Executive.

12. ACCOUNTING AND CONTROL OF ASSETS

This section of the Financial Regulations covers the acquisition, control and disposal of College assets.

12.1. Land and Buildings

12.1.1 The Chief Executive through the Chief Operating Officer & Deputy Chief Executive and the Head of Estates and Facilities is responsible for maintaining the College's fixed assets.

12.1.2 The Chief Operating Officer & Deputy Chief Executive is responsible for the custody of all deeds of title.

12.1.3 The acquisition and disposal of any assets is in accordance with the policies of the Governing Body, and where necessary, the terms and conditions imposed by WG.

12.2. Acquisition and Control of Assets

12.2.1 The Chief Operating Officer & Deputy Chief Executive is responsible for making arrangements for the proper control and security of all buildings, furniture, equipment, plant, stores, cash and other items of value held by the College, ensuring that such items are recorded on an inventory or other suitable record. All capital assets are recorded on the College's Asset Register. Budget Holders and Line Managers are responsible for the safekeeping and security of College assets within their areas.

12.2.2 Purchases of assets are subject to normal purchasing regulations and all such purchases are placed on an official order form, correctly authorised.

12.2.3 Each Budget Holder is responsible for maintaining proper security of all furniture, equipment, plant, stores and all other assets of the College under their control and for the maintenance of records in the form approved by the Chief Operating Officer & Deputy Chief Executive.

12.2.4 The Chief Operating Officer & Deputy Chief Executive and, where necessary, Internal Audit services and the Head of Estates are consulted in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

12.2.5 All Budget Holders arrange periodical physical checks of assets against relevant records by persons other than those responsible for their custody and control.

12.3. Inventories

12.3.1 All Budget Holders are responsible for maintaining accurate inventories of all furniture, fittings, equipment, plant and machinery for which they are responsible in the form approved by the Chief Operating Officer & Deputy Chief Executive.

12.3.2 All items with a current value of £2,000 are included in the inventory. Other items which individually are below the value, but when grouped together exceed this value are included in the inventory. (e.g. one individual cup vs a set of matching cups and saucers). All inventory items are clearly identifiable against records.

12.3.3 The College's property must not be removed from the premises, or used, other than in the course of the College's purposes except with the approval of the appropriate Budget Holder. In all cases where property is temporarily removed from its normal location, appropriate entries are made in the inventory record and any insurance requirements followed. Any property removed from the premises is formally recorded in each relevant area.

12.3.4 All moveable property of the College is as far as possible marked as College property.

12.4. Write off and Disposal of Assets

12.4.1 The disposal of surplus materials, stores etc. are undertaken in a cost effective manner commensurate with their estimated value.

12.4.2 All disposals are notified in writing, prior to disposal, to the Chief Operating Officer & Deputy Chief Executive. The written notice of disposal must contain all relevant data pertaining to the asset e.g. accurate description, location, asset number where applicable, expected value, reason for disposal etc.

12.4.3 Land and buildings can only be disposed of with Governing body approval and WG where appropriate. A Welsh Language impact assessment should be carried out prior to any decision being made.

12.4.4 The write off and disposal of equipment and furniture is in accordance with the disposal procedures.

12.5. Stock

12.5.1 All Budget Holders are responsible for ensuring that goods delivered to stores are kept secure.

12.5.2 All goods issued from stores are supported by written records which show to whom items have been issued, returns, breakages, other losses and disposals or surplus stock.

12.5.3 All stores are subject to a physical check at least once per annum on the 31 July. This physical stock check must involve a person independent of the storekeeper.

12.5.4 The Chief Operating Officer & Deputy Chief Executive is advised of the value of stockholdings, items held and quantity.

13. VEHICLES

13.1. Acquisition

13.1.1 The Chief Operating Officer & Deputy Chief Executive co-ordinates the acquisition of all vehicles on the most advantageous terms and conditions having full regard to the College's purchasing policy within the Financial Regulations.

13.1.2 The Governing Body is responsible for defining the criteria for acquiring vehicles and amendments to the existing policy of acquiring vehicles:

- Were it is economically effective to do so.
- As part of an approved employee benefit package.

13.1.3 Vehicles are financed in one of the following ways:

- Outright purchase.
- Finance Plan, i.e., lease, contract hire, hire purchase.

Vehicles are registered in the name of the College and entered on the College Asset Register. All relevant documentation is retained by the Estates Office.

13.2. Vehicle Usage

13.2.1 The Chief Operating Officer & Deputy Chief Executive arranges all insurance considered necessary to cover the risks to which the College is exposed. This insurance will be taken out in the College's name.

13.2.2 Members of staff who intend to use College vehicles must sign and adhere to the instructions for use of College vehicles.

13.2.3 The Chief Operating Officer & Deputy Chief Executive arranges for recovery service and regular maintenance of all College vehicles, ensuring manufacturers recommended services are maintained as a minimum.

13.3. Disposal

13.3.1 The Chief Operating Officer & Deputy Chief Executive co-ordinates the disposal of all vehicles ensuring that the College benefits in the most cost effective manner appropriate and in accordance with Financial Regulations.

13.3.2 Recipients of vehicles disposed of are required to sign a disclaimer to protect the College from future liability.

13.3.3 The College Asset Register is amended to reflect items disposed of.

14. INCOME

14.1. Collection and Accounting for Income

14.1.1 This section of the Financial Regulations covers the rules for the collection of and the accounting for income.

14.1.2 The collection of all monies due to the College and all banking arrangements is in accordance with the arrangements approved by the Chief Operating Officer & Deputy Chief Executive.

14.1.3 The Chief Operating Officer & Deputy Chief Executive is responsible for maintaining systems to ensure the security and prompt banking of monies received.

14.1.4 In offices that are likely to receive regular income, then all mail is opened in accordance with the arrangements approved by the Chief Operating Officer & Deputy Chief Executive.

14.1.5 It is the responsibility of all Managers, whose staff provide goods or services or who operate income gathering schemes for which an invoice or claim must be submitted, to ensure that the Finance department is notified promptly in order to account for income as soon as it is due.

14.1.6 All receipts issued for cash or cheques must be official College receipts and must only be issued by staff authorised to do so in accordance with established and approved procedures.

14.2. Collection of Fees, Tariffs and Charges

14.2.1 Scales of student fees are determined by the Chief Executive within the policy framework defined by the Governing Body.

14.2.2 The collection of all fees, tariffs and charges are in accordance with the arrangements approved by the Chief Operating Officer & Deputy Chief Executive.

14.2.3 The Chief Executive is empowered to waive tuition and other such fees within the policies laid down by the Governing Body and the financial implications

shall be reported to the Governing Board by the Chief Operating Officer & Deputy Chief Executive.

14.3. Bad Debts

14.3.1 Debts known to be irrecoverable are written-off when the necessary approval has been given by the Chief Operating Officer & Deputy Chief Executive.

14.3.2 All write-offs exceeding £5,000 are reported to the Governing Body by the Chief Operating Officer & Deputy Chief Executive.

14.3.3 All reasonable steps must be taken to recover the outstanding amount, and documentary evidence must be retained.

15. BANKING ARRANGEMENTS

15.1. College Bank Accounts

15.1.1 This section of the Financial Regulations covers the setting-up and control of College bank accounts.

15.1.2 The Chief Operating Officer & Deputy Chief Executive has responsibility for all College banking arrangements.

15.1.3 The Chief Operating Officer & Deputy Chief Executive is responsible for the opening and closing of all bank accounts. All bank accounts are held in the name of the College or one of its subsidiary undertakings.

15.1.4 All College bank accounts incorporate the words "Coleg Cambria" in the account name. Non College accounts (e.g., informal clubs, societies etc) do not incorporate the words "Coleg Cambria" in the account name.

15.1.5 Bank mandates for opening College accounts and for authorising signatories are completed by the Chief Operating Officer & Deputy Chief Executive. The initial mandate for opening accounts is signed by the Chair of the Governing Body and under authority delegated by the Governing Body, the Chief Executive signs subsequent mandates for additions and changes to authorised signatories as necessary.

15.1.6 No cheque signatories sign cheques made payable to themselves.

15.1.7 The Chief Operating Officer & Deputy Chief Executive is responsible for the setting-up and control of Imprest Accounts (both cash and bank) within the limits set by the Governing Body.

15.2. Treasury Management

15.2.1 The Governing Body is responsible for approving the treasury management policy statement setting out a strategy and policies for cash management, long

term investments and borrowings. The Governing Body has a responsibility to ensure implementation, monitoring and review of such policies.

15.2.2 All executive decisions concerning borrowing, investment or financing (within policy parameters) are delegated to the Chief Operating Officer & Deputy Chief Executive and an appropriate reporting system is set up. All necessary borrowing is undertaken in the name of the College and conforms to WG requirements.

15.2.3 The Chief Operating Officer & Deputy Chief Executive reports to the Governing Body on the activities of the treasury management operation.

16. INSURANCE

- 16.1.** This section of the Financial Regulations covers College requirements regarding insurance matters.
- 16.2.** The Chief Operating Officer & Deputy Chief Executive arranges all insurance which is taken out in the College's name. The Chief Operating Officer & Deputy Chief Executive effects such insurances as are from time to time considered necessary to cover the risks to which the College, the Governing Body and staff are exposed, and negotiates and recovers claims.
- 16.3.** The Chief Operating Officer & Deputy Chief Executive must be promptly notified of all new risks, additions and alterations affecting existing insurances.
- 16.4.** The Chief Operating Officer & Deputy Chief Executive is promptly notified in writing of any loss, liability or damage or any event likely to lead to a claim and takes such action as may be necessary to satisfy any insurance policy conditions.
- 16.5.** Members of the Governing Body and staff of the College must disclose all information that is necessary for the insurers to enter into contracts of insurance with the College and not undertake any act which could be detrimental to the College and to its insured interests.
- 16.6.** Members of the Governing Body and staff must not admit liability to third parties when the College's insurance liability is involved.
- 16.7.** Members of staff who intend to use their own vehicles on College business must ensure that they have business use cover on their own insurance policy.

17. CAPITAL EXPENDITURE AND CONTRACT ARRANGEMENTS

- 17.1.** Revenue expenditure consists of the day to day costs of running the College including expenditure incurred in repairing, maintaining and overhauling capital

assets. It is normally charged to the revenue account in the financial year in which it is incurred and is subject to any arrangements for provisions.

17.2. Capitalised expenditure includes those items which have a long term benefit to the College beyond the year of account.

17.3. If there is any doubt as to whether an item is charged to revenue or capital then the advice and guidance of the Chief Operating Officer & Deputy Chief Executive is sought.

17.4. Project Appraisal and Monitoring

17.4.1 The Chief Operating Officer & Deputy Chief Executive shall prepare proposals, to include the following details, for approval by the Governing Body.

- A description of the capital project together with a summary of the reason and the need for the project;
- Estimates of the total capital cost, the source of funds and a profile of expenditure;
- The estimated benefits of the project.

17.4.2 The Chief Operating Officer & Deputy Chief Executive furnishes the Governing Body as appropriate, with details of the progress of the scheme, including any potential changes in the scheme design and/or cost.

17.5. Contracting and Tendering Arrangements

17.5.1 All contracts comply with European procurement legislation. EU procurement regulations apply to written contracts for all forms of procurement or hire (whether or not hire purchase) with a total value exceeding the threshold value. These thresholds may be liable to change. The Chief Operating Officer & Deputy Chief Executive is responsible for ensuring all EU procurement requirements (e.g. advertising in official journals) are satisfied.

17.5.2 Except as required by UK legislation and relevant EU directives, these Financial Regulations are followed every time the College enters into a contract in relation to building works or the maintenance and servicing of buildings/equipment.

17.5.3 If the expected purchase cost of goods or services is likely to exceed set limits, procedures must be followed as detailed below:

Total Purchase or Contract Value for the Total Contract Period	Stage 1	Stage 2
	Process to be followed to ensure Value for Money is achieved	Contract or order approved by (excluding Land & Building Transactions ¹)
Up to £10,000	Assessed by Appropriate Budget Holder	Appropriate Budget Holder
£10,001 to £50,000	Three written quotations sought	AND Director of Finance

£50,0001 to £100,000	Three written quotations sought - framework agreements should be used where possible, with a further 'mini-competition' required if the top-ranked supplier is not preferred	AND Chief Operating Officer
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¹ Land & Buildings transactions are not subject to the thresholds set out for ensuring VfM, but approval must be sought from the Governing Body.

£100,001 to £150,000	Competitive Tender Process carried out by Procurement team	AND Chief Operating Officer
£150,001 to £884,720 (previously £150,001 to £1,000,000)	UK Public Contracts Regulations Compliant Competitive Tender Process carried out by Procurement Team	AND Chief Executive Officer
Over £884,720 (previously over £1,000,000)	UK Public Contracts Regulations Compliant Competitive Tender Process carried out by Procurement Team	AND Chair of Governing Body

17.5.4 The Chief Executive may vary regulation 17.5.3 if it is considered that:

- Benefit would be derived from using an alternative method of selection
- Where purchases are of a specialist nature
- The prices of goods or materials are controlled by trade organisations and no reasonable alternative is available.
- The goods or materials are proprietary articles or are sold at a fixed price and no reasonable alternative is available.
- It appears that timescales make it unreasonable to invite any other offers
- For other reasons, there is no genuine competition.

In such circumstances, any order exceeding £50,000 will be countersigned by the Chair of the Governing Body.

17.5.5 Variations under £50,000 to contracts that have previously been awarded may be authorised by the Chief Executive. Variations over £50,000 must be approved by the Governing Body.

17.5.6 A report will be presented to the Governing Body as appropriate, with details of actual expenditure against planned budgets and details of any variances, for all capital projects. In line with Welsh Language Standards 80-84, the full tendering process including invitation and interviews will be available through the medium of Welsh

17.6. Declaration of Interest

17.6.1 Any Members of the Governing Body, the Chief Executive, all budget holders or other members of staff who personally have a potential or actual interest in any contract with the College is required to declare that interest to the Governing Body.

18. IRREGULARITIES

- 18.1.** This section of the Financial Regulations describes action to be taken in the event of irregularities being suspected or discovered. The College Anti-bribery policy must be applied.
- 18.2.** The Chief Executive, Chief Operating Officer & Deputy Chief Executive and the Internal Audit service are immediately informed by any member of staff of any matter arising which involves, or is thought to involve, financial or accounting irregularities or of any circumstances which involves or suggests the possibility of irregularities including those affecting cash, stores, property, remuneration or allowances of the College or any suspected misdemeanour in the exercise of the functions of the College.
- 18.3.** Irregularity means any act or omission which is illegal or is otherwise to the financial detriment of the College.
- 18.4.** When the Chief Executive, Chief Operating Officer & Deputy Chief Executive and the Internal Audit service receive information regarding possible irregularities, they take such steps as are considered necessary to investigate and report on any such matter.
- 18.5.** The Chief Executive or his nominee are provided with all such information as is necessary concerning any possible irregularity.
- 18.6.** Any decision to call the police to the College to investigate an irregularity, which has financial implications, is only taken by the Chief Executive or his nominee.

19. GOVERNING BODY SEAL

- 19.1.** The Seal is kept in a safe location to be held by Clerk to the Governing Body.
- 19.2.** The application of the Seal of the Governing Body is authenticated by the signature of the Chair of the Governing Body, some other Member of the Governing Body authorised either generally or specially by the Governing Body to act for that purpose, or the Chief Executive or in their absence, a Senior Post Holder.
- 19.3.** Every document issued as an instrument, by or on behalf of the Governing Body, and to be duly executed under the Seal of the Governing Body, or to be signed or executed by a person authorised by the Governing Body to act in that behalf, is treated without further proof, as being so made or issued unless the contrary is shown.
- 19.4.** An entry of the sealing of every deed and other document to which the Seal has been affixed is recorded in a separate book provided for the purpose.

- 19.5.** The Seal shall be applied to any one contract exceeding £100,000 and all other instances as required by the law.

20. HOSPITALITY AND INDUCEMENTS

20.1. Hospitality

20.1.1 The College may provide hospitality in connection with its normal business affairs. This hospitality may be provided, at the discretion of the Chief Executive or his/her nominee, to the following:

- Members of the Governing Body;
- College staff;
- Representatives from educational institutions, firms or companies visiting the College on business;
- Any other visitors connected with the business of the College.

20.1.2 Hospitality provided away from the College premises requires the authorisation of the relevant Line Manager.

20.1.3 The budget for hospitality is subject to annual review in accordance with the budget setting process of the College.

20.1.4 Where hospitality in various forms is offered to Members of the Governing Body, the Chief Executive or employees as representatives of the College, it may be accepted where it appears reasonable in the circumstances to do so.

20.1.5 It is often a matter of judgement, but the following types of hospitality are considered acceptable:

- A working meal provided to allow parties to continue to discuss business;
- An invitation to a Society, dinner or function;
- An invitation to take part in company or organisation celebration;
- An invitation to trade fairs or similar events;
- An invitation to cultural or sporting occasion.

20.1.6 The following are not considered acceptable where offered on a personal basis:

- An offer of a holiday at company or organisation expense;
- The use of company flat or hotel suite;
- The use of luxury car, or expensive equipment;
- Any other significant benefit made individually.

20.1.7 These lists are not exhaustive. In general terms, it is considered to be more acceptable to accept hospitality offered to a group.

20.1.8 When a person, company or organisation has a matter currently in issue with the College, hospitality should be declined.

20.1.9 Further detailed guidance can be found in the **Gifts and Hospitality Policy**.

20.2. Inducements

20.2.1 Gifts other than those of low intrinsic value such as business diaries, calendars, etc., are not accepted.

20.2.2 In situations where staff are uncertain as to whether it would be appropriate to accept an offer of a gift or hospitality, the offer should be declined or advice sought from the Chief Executive.

20.2.3 There are two considerations where gifts are concerned:

- The nature of the gift in terms of value;
- The motivation of the giver.

20.2.4 Acceptance of gifts by staff may be construed by the HM Revenue and Customs as a taxable benefit.

20.2.5 Further detailed guidance can be found in the **Gifts and Hospitality Policy**.

20.3. Reporting

20.3.1 A register of gifts, hospitality and declaration of interests for Members of the Governing Body will be maintained by the Clerk to the Governing Body.

20.3.2 A register of gifts, hospitality and declaration of interests for employees can be reviewed and updated via the 'Values, Strategies & Policies' page on Happeo.

20.3.3 Further detailed guidance can be found in the **Gifts and Hospitality Policy** and the **Declaration of Interest Policy** accessible via the 'Values, Strategies & Policies' page on Happeo.

21. SEGREGATION OF DUTIES

21.1. The segregation of duties is a core internal control. When duties are properly segregated the potential for loss or inappropriate use of College assets is minimised.

21.2. The segregation of duties is the distribution of tasks performed by individuals to ensure that no one person can:

- Initiate a transaction
- Approve a transaction
- Approve supplier selection and set up
- Record transaction

- Reconcile balances
- Handle assets
- Review reports

21.3. Appendix 1 details how the College Finance Team manages segregation of duties.

APPENDIX 1

SEGREGATION OF DUTIES

Purchase Ledger (PL):

Purchase orders are raised and approved by different staff within the college. Invoices are processed by the PL team, and must be matched to a valid purchase order.

Payment runs are created by the PL Team and sent to the Finance Manager to approve. The payment details are imported into APT (Bacs Processing System) by the PL team and are approved by the Management Accounts Team.

New supplier requests, once raised, are checked by the Procurement Officer prior to any accounts being created.

Sales Ledger (SL):

Sales invoices and credit notes are raised in eBis by College departments and approved by Finance.

Cash is banked by the departments via eBis.

Bank reconciliations are completed by the Finance Officer (Budgets) in the Management Accounts Team on a weekly/monthly basis.

Bank Reconciliation:

Completed on a monthly basis by the Finance Officer (Budgets) in the Management Accounts Team. The reconciliation is then checked and approved by the Assistant Accountant and Finance Manager.

Online banking:

All users have access to either input or approve a payment, controls are in place to ensure that staff can't approve a transaction they have input. Amounts over £5k require 2 approvers.

All users have a personal banking card, with PIN, which must be used to log into the system and to make any approvals.

The Management Accounts Team, Finance Manager and Finance Director are the system administrators and approvers for the College bank account.

General Ledger/Management Accounts:

All journals are processed through eBis, and must be approved by another member of the management accounts team.

Management Accounts are prepared by the Finance Manager and reviewed by the FD prior to sending out reports to budget holders.

Month end close down:

Completed on a monthly basis, usually the Wednesday after the last Friday of the month. All reconciliations and close down reports are saved in a month end folder, reviewed and approved by the Assistant Accountant and Finance Manager.

System access:

Access to the Finance system is limited to Finance staff and a small number of ESF staff who have read only access. The system access document is updated and reviewed on a quarterly basis. System admin is limited to the Management Accounts Team, Finance Manager and Finance Director.

Banking – system access is limited to the Management Accounts Team, Finance Manager and Finance Director. Approval is required for any changes made in the system.