

FINANCE & RESOURCES COMMITTEE

NOTICE

There will be a meeting of the Finance & Resources Committee on Wednesday 02 June 2021 at 1230 hours through the use of Microsoft Office Teams.

AGENDA

Agenda Item		Paper
01-21	Apologies for Absence	
02-21	Declaration of any Potential Conflicts of Interest in relation to any Agenda Items	
03-21	Minute of Previous Meeting – 03 March 2021	X
04-21	Matters Arising from the Previous Meeting	X
	Matters for Decision	
05-21	Finance Strategy	X
06-21	IT Strategy	X
07-21	Financial Regulations	X
	Matters for Discussion	
08-21	Analysis of Final SFC Funding Allocation 2021-22 (late paper)	X
09-21	Date of Next Meeting	
	Reserved Items of Business	
	Matters for Discussion	
10-21	Management Accounts (late paper)	X
11-21	Draft Budget 2021-22 (late paper)	X
12-21	Any Other Business	

FINANCE & RESOURCES COMMITTEE

Draft Minutes of the meeting of the Finance & Resources Committee held on Wednesday 03 March 2021 at 1000 hours via Microsoft Teams.

Agenda Item	
	<p>Present: Neil Cowie Martin Dear Abdul Elghedafi Susan Elston John Henderson – Chair Neil McLennan Ken Milroy Sheena Ross - Vice Chair Sasha Brydon</p> <p>In attendance: Peter Smith, Vice Principal Finance & Resources Jim Kirkwood, Financial Controller (Business Management) Pauline May, Secretary to the Board Susan Lawrence, Minute Secretary</p>
01-21	<p>Apologies: None</p>
02-21	<p>Declaration of any Potential Conflicts of Interest in relation to any Agenda Items N McLennan declared a potential conflict of interest by virtue of his role at the University of Aberdeen.</p>
03-21	<p>Minutes of Previous Meeting – 02 December 2020 The minutes were approved as a true and accurate record, subject to a required correction to present Members.</p>
04-21	<p>Matters Arising from the Previous Meeting Members noted the Matters Arising Report. No further matters were raised.</p>
	<p>Matters for Discussion</p>
05-21	<p>Environmental & Sustainability Annual Report The Committee noted the College's Environmental & Sustainability Annual Report, with P Smith highlighting work to refresh the College's Environmental & Social Sustainability Strategy, and Carbon Management Plan.</p> <p>The need to consider the College's net zero ambitions was noted. Members were also advised of work to further embed sustainability into College development plans.</p> <p>Current considerations relating to the benefits of the College seeking to retain of the BSI 50:001 Standard were noted by P Smith. It was noted that if the College decided not to maintain the Standard that environmental systems would however remain in place.</p>

	<p>Members were advised that the sector was currently discussing how colleges can be represented at COP26 in November 2021. P Smith noted that the College had submitted proposals for potential inclusion on the College's hydrogen vehicles, and the College's contributions to the Moray East Offshore Wind Farm development.</p> <p>The College's role in regional partnership working in relation to sustainability was also highlighted. N Cowie highlighted the recent budget announcement regarding £27 million of funding to the North East of Scotland in support of the development of the Aberdeen Energy Transition Zone.</p> <p>K Milroy noted recent correspondence from the Cabinet Secretary for the Environment, Climate Change & Land Reform regarding public sector leadership on the global climate emergency.</p>
	Matter for Information
06-21	<p>Draft Scottish Budget 2021/22 – Overview It was agreed that this Agenda Item would be considered in conjunction with the Reserved Items of Business.</p>
07-21	<p>Summation of Business and Date of next Meeting The Secretary gave a summation of the business conducted. The next meeting of the Finance & Resources Committee is scheduled to take place on Wednesday 02 June 2021 at 1000 hours.</p>
	Reserved Items of Business
08-21	Management Accounts

09-21	Budget Review
10-21	Any Other Business The Chair acknowledged that this was the last attendance at a meeting of the Committee for M Dear and P May. Both were thanked for their service to the Committee.
11-21	Summation of Reserved Items of Business The Secretary gave a summation of the reserved business conducted.
	Meeting ended 1105 hours

Agenda Item	Actions from Finance & Resources Committee 03/03/21	Responsibility	Deadline
08-21			
08-21			

FINANCE & RESOURCES COMMITTEE

An update on matters arising from the meeting of the Finance & Resources Committee held on Wednesday 03 March 2021.

Agenda Item	
	Actions:
08-21	Update:
	Action:
08-21	Update:

FINANCE & RESOURCES COMMITTEE Meeting of 02 June 2021	
Title: Finance Strategy 2021-2023	
Author: Peter D Smith, Vice Principal – Finance & Resources	Contributor(s): Jim Kirkwood, Financial Controller(Business Management), Muir Wilson – Financial Controller (External Affairs)
Type of Agenda Item:	
For Decision	<input checked="" type="checkbox"/>
For Discussion	<input type="checkbox"/>
For Information	<input type="checkbox"/>
Reserved Item of Business	<input type="checkbox"/>
Purpose: To enable the Committee to approve the College's Finance Strategy 2021-2023.	
Linked to Strategic Goal:	
5. Optimise the use of our available resources to deliver financial and environmental sustainability.	
Linked to Annual Priority:	
18. Deliver a financial plan that reduces reliance on SFC funding and ASET gift-aid and increases capacity for in-year resourcing flexibility.	
Executive Summary:	
<p>The Finance Strategy, attached as Appendix 1, aims to support the delivery of the College's Strategic Plan through four key themes: -</p> <ul style="list-style-type: none"> • Financial Sustainability • Resource Deployment • Liquidity • Innovation and Flexibility <p>Within the constraints of public sector financial regulation, the Strategy sets out clear priorities and ambitions for the College's use of the financial resources available to it.</p>	

Recommendation: I recommend that the Committee approve the Finance Strategy 2021-2023.
Previous Committee Recommendation/Approval (if applicable):
Equality Impact Assessment: Positive Impact <input type="checkbox"/> Negative Impact <input type="checkbox"/> No Impact <input type="checkbox"/> Evidence:

1. Aim

- 1.1 The aim of the Finance Strategy is to ensure that the College will maintain its financial sustainability while providing the capacity to develop its curriculum and business support functions in order to afford high quality service provision for customers and provide security for staff. It will ensure the College complies with all applicable regulatory obligations.

2. Introduction and Context

- 2.1 In its Strategic Plan 2021-23 the College has identified five Strategic Themes:
- 2.1.1 Strategic Theme 1: Being Agile and Responsive
 - 2.1.2 Strategic Theme 2: Empowering People
 - 2.1.3 Strategic Theme 3: Advancing Partnership Working
 - 2.1.4 Strategic Theme 4: Delivering Excellence and Innovation
 - 2.1.5 Strategic Theme 5: Leading Sustainability.
- 2.2 A number of Strategic Objectives have been identified in relation to each Strategic Theme which detail how they will be achieved. This supporting Strategy aims to ensure progress against the following Strategic Objectives:
- Strategic Theme 5, Objectives 5.1, 5.2, 5.3, 5.4 and 5.5.
- 2.3 The Strategy is written within the context of the College as a public body and therefore takes cognisance of the requirements of the Scottish Public Finance Manual (SPFM), the College's Financial Memorandum with the Scottish Further and Higher Education Funding Council (SFC), and any other conditions which may be attached to funding streams. These conditions include but are not limited to:
- The College may not draw cash from the SFC in advance of need;
 - The College may not generate and retain cash surpluses or reserves;
 - The College must operate to a balanced financial position, utilising all resources allocated to it in the financial year in which they are allocated, including the "cash budget for priorities" (CBP), a Scottish Government requirement to release cash balances created when accounting for net depreciation; and
 - The College must always ensure it adheres to the principles of best value in its use of public funding.
- 2.4 At the time of writing, the College remains in the emergency period resulting from the COVID-19 pandemic. The College recognises that this may cause significant changes in the operating environment as government policy is modified to cope. While the Strategy and its objectives are intended to be flexible enough to deal with emerging issues, they will be kept under review so as to remain fit for purpose.

3. Strategy Themes and Objectives

- 3.1 The College has identified four key themes that will be crucial in ensuring that its strategic ambitions relating to Finance are achieved:
- 3.1.1 Key Theme 1: **Financial Sustainability**

3.1.2 Key Theme 2: **Resource Deployment**

3.1.3 Key Theme 3: **Liquidity**

3.1.4 Key Theme 4: **Innovation and Flexibility.**

3.1.1 With regard to **Financial Sustainability**, the College will strive to:

- Prioritise ongoing Outcome Agreement negotiations with the SFC to ensure the needs of North East Scotland are recognised and that the College receives a resource allocation to meet demand and deliver on national and local priority areas;
- Manage its financial resources to allow it to fund the maintenance of its estate and IT infrastructure, together with future identified estates developments; and
- Ensure all costs are identified, accounted and planned for over a five-year planning period.

3.1.2 With regard to **Resource Deployment**, the College will strive to:

- Allocate resources through a budgeting cycle which considers external economic influence and utilises scenario planning techniques;
- Fully utilise its allocation from SFC on both an academic and financial year basis;
- Ensure that strategic priorities, including estates, IT and curriculum planning are fully integrated into the budget cycle; and
- Ensure workforce planning and future curriculum delivery are considered when budgeting for staff costs and that close monitoring and control is deployed to ensure efficient delivery.

3.1.3 With regard to **Liquidity**, the College will ensure that it uses the facilities available to it to:

- Maximise returns against agreed risk profiles and within the constraints of the public sector regulatory framework;
- Retain adequate cash reserves, at a level of not less than 10 days trading activity, while meeting Scottish Government cash flow requirements; and
- Balance cash released through net depreciation and the Cash Budget for Priorities over a five-year planning period.

3.1.4 With regard to **Innovation and Flexibility**, the College will seek to:

- Optimise the use of SFC income to support innovation in learning and teaching while continuing to deliver against our core performance indicators; and
- Exploit income opportunities from sources other than the SFC, seeking to increase such funding year-on-year.

4. Responsibilities

- 4.1 The Regional Board's Finance & Resources Committee will be responsible for approving the Strategy.
- 4.2 The Vice Principal – Finance & Resources will monitor the Strategy's implementation and review the Strategy to ensure it continues to meet the College's needs.
- 4.3 The Financial Controller – Business Management will liaise with members of the Leadership Team to ensure that the Strategy is implemented across all faculties and support departments.
- 4.4 The Finance Team will support the implementation of the Strategy.

5. Monitoring and Review

- 5.1 The Finance & Resources Committee will review progress in relation to the implementation of the Strategy by considering performance reports in accordance with its meeting cycle.
- 5.2 Progress will be monitored through regular updates to the Executive Team.
- 5.3 Updates will be shared with the Leadership Team to encourage collaborative working and consultation in support of the Strategy as appropriate.
- 5.4 The Vice Principal – Finance & Resources will evaluate the Strategy's implementation to identify required actions in response to any emerging issues or priorities.

6. Related Documents

- 6.1 Strategic Plan and Supporting Strategies
- 6.2 Outcome Agreement and Financial Memorandum with SFC
- 6.3 Scottish Public Finance Manual
- 6.4 College Financial Regulations and suite of Finance Policies & Procedures
- 6.5 Finance Enhancement Plan.

Status: Draft for consideration by Finance & Resources Committee at its meeting of 02 June 2021

Approved by: Finance & Resources Committee

Date of Version: March 2021

Date of EIA: May 2021

Responsible for Strategy: Vice Principal – Finance & Resources

Responsible for Implementation of Strategy: Finance Team

Date of Review: March 2023

Equality Impact Assessment (EIA) Form

Part 1. Background Information. (Please enter relevant information as specified.)

Title of Policy or Procedure. Details of Relevant Practice:	Finance Strategy 2021-23
Person(s) Responsible.	Vice Principal Finance and Resources
Date of Assessment:	May 2021
What are the aims of the policy, procedure or practice being considered?	As stated in the Strategy.
Who will this policy, procedure or practice impact upon?	The Strategy has little direct impact on people, although its outcomes will enable positive impacts via other strategies.

Part 2. Public Sector Equality Duty comparison (Consider the proposed action against each element of the PSED and describe potential impact, which may be positive, neutral or negative. Provide details of evidence.)

Need	Impact	Evidence
• Eliminating unlawful discrimination, harassment and victimisation.	Neutral	
• Advancing Equality of Opportunity	Neutral	
• Promoting Good relations	Neutral	

Part 3. Action & Outcome (Following initial assessment, describe any action that will be taken to address impact detected)

None required

Sign-off, authorisation and publishing *

Name:	Pete Smith
Position:	Vice Principal Finance and Resources
Date of original EIA:	30 January 2019
Date EIA last reviewed:	26 May 2021

**Please note that an electronic sign-off is sufficient*

FINANCE & RESOURCES COMMITTEE	
Meeting of 02 June 2021	
Title: IT Strategy 2021-2023	
Author: Peter D Smith, Vice Principal – Finance & Resources	Contributor(s): Scott Matthew, Director of ITTS, Paul Smith, Programme Manager
Type of Agenda Item:	
For Decision	<input checked="" type="checkbox"/>
For Discussion	<input type="checkbox"/>
For Information	<input type="checkbox"/>
Reserved Item of Business	<input type="checkbox"/>
Purpose: To enable the Committee to approve the College's IT Strategy 2021-2023.	
Linked to Strategic Goal:	
5. Optimise the use of our available resources to deliver financial and environmental sustainability.	
Linked to Annual Priority:	
19. Devise a medium-term IT resourcing plan that supports business and curriculum priorities.	
Executive Summary:	
<p>The IT Strategy, attached as Appendix 1, aims to support the delivery of the College's Strategic Plan through four key themes: -</p> <ul style="list-style-type: none"> • Engage • Provide • Support • Develop <p>Within the context of the Strategic Plan and, as we emerge from the immediate effects of the COVID-19 pandemic, the Strategy sets out clear priorities and ambitions for the College's use of the IT resources available to it.</p>	
Recommendation: It is recommended that the Committee approve the IT Strategy 2021-2023.	

Previous Committee Recommendation/Approval (if applicable): n/a

Equality Impact Assessment:

Positive Impact

Negative Impact

No Impact

Evidence:

1. Aim

- 1.1 The Information Technology Strategy presents the vision and direction required to deliver proactive IT support services that positively contribute toward learner success. IT is a great enabler of change with solutions that can reduce barriers, improve access and inclusion, enhance collaboration and communication, foster innovation and deliver business efficiencies.

The Strategy allows the College's services to be flexible and adaptable to meet the challenge presented by the global pandemic as we progress through these emergency years and beyond.

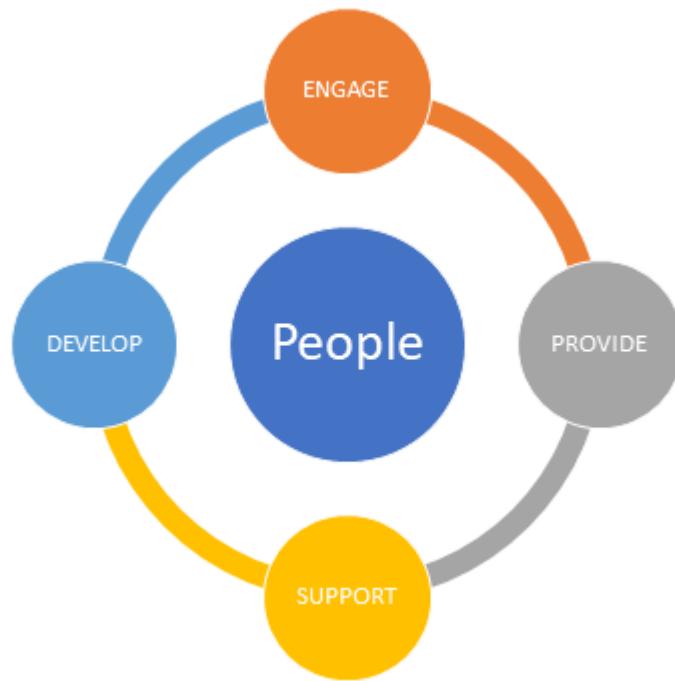
Our goal is to position IT services to work in partnership with people (learners, staff and other stakeholders), to promote and share innovative ideas and practice, while ensuring IT is never a barrier to opportunity, progress and ambition.

To do this we have developed a strategy with **four Key Themes**, to realise our vision to create a people centric IT service, engaged to provide, develop and support the intentions and aspirations of the College as set out in its Strategic Plan.

- 1.2

Vision

'Providing, developing and supporting IT services through effective customer engagement and partnerships':



2. Introduction and Context

- 2.1 In its Strategic Plan 2021-23 the College has identified five Strategic Themes:

- 2.1.1 Strategic Theme 1: Being Agile and Responsive
- 2.1.2 Strategic Theme 2: Empowering People
- 2.1.3 Strategic Theme 3: Advancing Partnership Working

- 2.1.4 Strategic Theme 4: Delivering Excellence and Innovation
- 2.1.5 Strategic Theme 5: Leading Sustainability.
- 2.2 A number of Strategic Objectives have been identified in relation to each Strategic Theme and its Goal which detail how they will be achieved. This supporting Strategy aims to ensure progress against the following Strategic Objectives:
- Strategic Theme 1: Objectives 1.1
 - Strategic Theme 2: Objectives 2.3
 - Strategic Theme 3: Objectives 3.1, 3.8
 - Strategic Theme 4: Objectives 4.4, 4.5, 4.6, 4.7, 4.8
 - Strategic Theme 5: Objectives 5.3, 5.4, 5.6.

3. Strategy Themes and Objectives

- 3.1 The College has identified four key themes that will be crucial in ensuring that its strategic ambitions relating to IT are achieved:
- 3.1.1 Key Theme 1: **Engage**
- 3.1.2 Key Theme 2: **Provide**
- 3.1.3 Key Theme 3: **Support**
- 3.1.4 Key Theme 4: **Develop**
- 3.1.1 In order to address Key Theme 1: **Engage**, the College will:
- i. Create an IT and Technical Services Team that will regularly and consistently communicate and collaborate with the learner, staff and other stakeholders, ensuring their needs are understood and positive relationships are built and maintained.
 - ii. Encourage face to face interactions, personal messages and clear and non-technical communications.
 - iii. Actively advance and promote team services, utilising digital channels where possible, to inform and strengthen customer engagement.
 - iv. Effectively engage with external partners, to stay 'in tune' with the sector to maintain relevance and awareness of opportunity.
- 3.1.2 In order to address Key Theme 2: **Provide**, the College will:
- i. Optimise IT connectivity for all users, build on existing infrastructure to deliver an accessible, reliable and secure customer experience.
 - ii. Consolidate our existing IT resources to ensure we maintain a contemporary offering of devices, software, tools and technologies.
 - iii. Provide the IT services that are relevant to the learner, staff and other stakeholders, endeavour to meet user expectations and proactively support their activities.

- iv. Provide devices, connectivity, access to resources, and training to ensure digital poverty is not a barrier to learning.

3.1.3 In order to address Key Theme 3: **Support**, the College will:

- i. Maintain a successful IT service model, with the ambition of delivering continuous service improvement, a flexible and responsive IT and Technical Services Team and an exceptional customer experience.
- ii. Align the support function with the needs of the customer, cultivate a 'can do' attitude amongst the IT and Technical Services Team, and understand the impact that IT has on people and their priorities.
- iii. Provide seamless support for our Digital Strategy by delivering services that enable strong digital growth, capacity and resilience in our learners and staff.
- iv. Build on our IT self-service portal, as a result empowering the customer to request services, find information, and log and resolve their own issues.
- v. Ensure that the IT service model will support students and assist them in achieving enhanced outcomes and experiences at College with a particular focus on supporting a blended learning approach Platforms and tools we use will be optimised for a blended learning approach ensuring we can offer choice to our students.

3.1.4 In order to address Key Theme 4: **Develop**, the College will:

- i. Deliver a cost-effective programme of projects and developments by strong, consistent governance, supportive processes and innovative solutions.
- ii. Embed business analysis techniques in our development process to support future organisational growth by ensuring solutions have a sound business case and meet an organisation need.
- iii. Build on and enhance our data analytics capabilities to enable us to provide decision makers with the information they need at both a strategic and operational level.
- iv. Develop the cyber resilience posture of the College in line with the Scottish Government Public Sector Cyber Resilience Framework, providing a safe and secure environment, supported by knowledgeable partners, informed staff, effective policies & procedures and compliant solutions.
- v. Design our IT infrastructure to ensure it provides a scalable, resilient, robust and secure platform for our IT solutions.
- vi. Foster an innovative mind-set throughout the IT and Technical Services Team, strive to shine a light on the possible and ensure these opportunities are shared with others.

4. Responsibilities

- 4.1 The Regional Board's Finance & Resources Committee will be responsible for approving the Strategy.
- 4.2 The Vice Principal Finance & Resources will monitor the Strategy's implementation and review the Strategy to ensure it continues to meet the College's needs.
- 4.3 The Director of Information Technology will lead the implementation of the Strategy.
- 4.4 The IT and Technical Services Team will progress actions to deliver the Strategy.

5. Monitoring and Review

- 5.1 The IT Action Team (ITAT), will oversee the implementation of the Strategy.
- 5.2 Progress will be monitored through IT and Technical Services Team meetings and the ITAT.
- 5.3 Reports/updates will be submitted to the ITAT and Leadership Team as appropriate, and in response to requests received from the Regional Board's Finance & Resources Committee.

6. Related Documents

- 6.1 Strategic Plan and Supporting Strategies
- 6.2 Outcome Agreement
- 6.3 Annual Priorities
- 6.4 ITTS Enhancement Plan
- 6.5 ITTS Project Programme
- 6.6 Access & Inclusion Plan.

Status: Draft for consideration by Finance & Resources Committee at its meeting of 02 June 2021

Approved by: Finance & Resources Committee

Date of Version: March 2021

Date of EIA: May 2021

Responsible for Strategy: Vice Principal Finance & Resources

Responsible for Implementation of Strategy: Director of Information Technology

Date of Review: March 2023

Equality Impact Assessment (EIA) Form

Part 1. Background Information. (Please enter relevant information as specified.)

Title of Policy or Procedure. Details of Relevant Practice:	IT Strategy 2021-23
Person(s) Responsible.	Vice Principal Finance and Resources
Date of Assessment:	May 2021
What are the aims of the policy, procedure or practice being considered?	As stated in the Strategy.
Who will this policy, procedure or practice impact upon?	The Strategy will impact College staff, students and other stakeholders

Part 2. Public Sector Equality Duty comparison (Consider the proposed action against each element of the PSED and describe potential impact, which may be positive, neutral or negative. Provide details of evidence.)

Need	Impact	Evidence
• Eliminating unlawful discrimination, harassment and victimisation.	Neutral	
• Advancing Equality of Opportunity	Positive - The strategy will provide digital equality by delivering accessible, flexible and reliable IT provision for our user community in a range of diverse settings.	BYOD; Software such as - Blackboard; Office 365: SplashTop; 4G dongles provided to staff and students to enable internet access.
• Promoting Good relations	Neutral	

Part 3. Action & Outcome (Following initial assessment, describe any action that will be taken to address impact detected)

None required

Sign-off, authorisation and publishing *

Name:	Pete Smith
Position:	Vice Principal Finance and Resources
Date of original EIA:	6 th Sept 2018
Date EIA last reviewed:	26 May 2021

**Please note that an electronic sign-off is sufficient*

FINANCE & RESOURCES COMMITTEE	
Meeting of 02 June 2021	
Title: Financial Regulations	
Author: Peter D Smith, Vice Principal – Finance & Resources	Contributor(s): Jim Kirkwood, Financial Controller(Business Management), Muir Wilson, Financial Controller (External Affairs), Colin Brodie, Purchasing Manager
Type of Agenda Item:	
For Decision	<input checked="" type="checkbox"/>
For Discussion	<input type="checkbox"/>
For Information	<input type="checkbox"/>
Reserved Item of Business	<input type="checkbox"/>
Purpose: To enable the Committee to approve updates to the College's Financial Regulations.	
Linked to Strategic Goal:	
5. Optimise the use of our available resources to deliver financial and environmental sustainability.	
Linked to Annual Priority:	
Choose an item.	
Executive Summary:	
The College's Financial Regulations are based on the Chartered Institute of Public Finance and Accountancy (CIPFA) "A Model Set of Financial Regulations for Academies, Colleges and Universities", published in 2013. The Committee last reviewed the Financial Regulations in January 2019. The attached version has been updated to reflect changes to procurement regulations and grant funding due to the UK's withdrawal from the EU, some minor procedural references, and changes to job titles.	
Recommendation: I recommend that the Committee approve the updated Financial Regulations.	

Previous Committee Recommendation/Approval (if applicable): January 2018, January 2019

Equality Impact Assessment:

Positive Impact

Negative Impact

No Impact

Evidence:

FA3.2

North East Scotland College Financial Regulations

History of Changes

Version	Description of Change	Authored by	Date
2.0	New version created, based on CIPFA Model Financial Regulations	P Smith	January 2019
2.1	Updated terminology and to reflect Exit from EU	P Smith	April 2021

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Section A – General Provisions

1 Background

- 1.1** North East Scotland College is a further education corporation created under the provisions of the Further and Higher Education (Scotland) Act 1992, as amended by the Further and Higher Education (Scotland) Act 2005 and the Post-16 Education (Scotland) Act 2013. Its structure of governance is laid down in the instrument and articles of governance. The College is accountable through its Regional Board, which has ultimate responsibility for the effectiveness of its management and administration.
- 1.2** The College is a charity, number SC021174, registered with the Office of the Scottish Charity Regulator (OSCR).
- 1.3** The financial memorandum between the Scottish Further and Higher Education Funding Council (SFC) and the College sets out the terms and conditions on which grant is made. The Regional Board is responsible for ensuring that conditions of grant are met, including the requirement for the College to have sound systems of financial and management control. The financial regulations of the College form part of this overall system of accountability.

2 Status of Financial Regulations

- 2.1** This document sets out North East Scotland College's financial regulations. It translates into practical guidance the College's broad policies relating to financial control. This document was approved by the Finance and Resources Committee on 02 June 2021. It applies to the College and all its subsidiary undertakings.
- 2.2** These financial regulations are subordinate to the College's instruments and articles of governance and to any restrictions contained within the College's financial memorandum with the SFC.
- 2.3** The purpose of these financial regulations is to provide control over the totality of the College's resources and provide management with assurances that the resources are being properly applied for the achievement of the College's strategic plan and business objectives on a sustainable basis, including: -
 - Maintaining financial sustainability;
 - Achieving value for money;
 - Fulfilling its responsibility for the provision of effective financial controls over the use of public funds;
 - Ensuring that the institution complies with all relevant legislation; and
 - Safeguarding the assets of the institution.

- 2.4** Compliance with the financial regulations is compulsory for all staff of the College or its subsidiaries. Any member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the College's disciplinary policy. Any such breach may be notified to the Regional Board through the Audit and Risk Committee. It is the responsibility of all managers to ensure that their staff members are made aware of the existence and content of the College's financial regulations.
- 2.5** The Finance and Resources Committee is responsible for maintaining a continuous review of the Financial Regulations, through the Vice Principal – Finance and Resources, and for advising the Regional Board of any additions or changes necessary.
- 2.6** In exceptional circumstances, this Committee may authorise a departure from the detailed provisions herein, such departure to be reported to the governing body at the earliest opportunity.
- 2.7** The College's detailed financial procedures set out precisely how these regulations will be implemented and are contained in a separate manual.
- 2.8** The Financial Regulations should be read in conjunction with relevant guidance on accountability or propriety issued by: -
- The SFC;
 - Audit Scotland;
 - National Audit Office or the Scottish Parliament Public Audit and Post-legislative Scrutiny Committee;
 - Government Financial Reporting Manual;
 - Government Internal Audit Manual;
 - National Fraud Initiative;
 - International GAAP & SORP: Accounting for Further and Higher Educational Institutions; and
 - Scottish Public Finance Manual.

Section B – Corporate Governance

3 The Regional Board

- 3.1** The Regional Board is responsible for the oversight of the management and administration of the College. Its financial responsibilities are: -
- Administering and managing the College, its property, rights, liabilities and obligations with the funds available from all sources;
 - Appointing, grading, suspending, dismissing and determining the pay and conditions of service of the Principal and other senior postholders;
 - Determining tuition fees where these are not set centrally and deciding on which individual courses should be offered;
 - Agreeing development plans for all College activities (including business plans for commercial activities);
 - Allocating finance and other resources to these planned activities;
 - Monitoring, reviewing and reporting on the general performance of the College and ensuring that its plans are being achieved;
 - Ensuring that the College has in place effective internal control systems to safeguard the assets of the College and to prevent and detect fraud;
 - Approving the appointment of an internal audit service;
 - Planning and conducting its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure; and
 - Approving the College's strategic plans.
- 3.2** To assist the Regional Board in meeting these responsibilities, the Board will maintain an Audit and Risk Committee in accordance with the best practice principles of corporate governance. The Board will also maintain a Finance and Resources Committee, Remuneration Committee and other committees as appropriate. The responsibility of the Chairs of the Committees will be set out in the Board's Standing Orders.
- 3.3** The Regional Board shall be responsible for ensuring that funds from the SFC are used only in accordance with the Acts, The Financial Memorandum and any other conditions as prescribed by the SFC from time to time. It is also responsible for ensuring that the financial and other management controls applied by the College are sufficient to safeguard funds received from the SFC.
- 3.4** The Board shall, for the purposes stated above, require the Principal to exercise responsibility for the control of resources, for seeking economy, efficiency and effectiveness in the use of all the College's resources, and for ensuring that financial considerations are taken into account at all stages in framing and reaching decisions and in their implementations.
- 3.5** The Vice Principals shall be nominated representatives of the Principal when the latter

is absent for any reason and shall be deemed to have the same authority for the purposes of these regulations in such eventualities.

4 Accountable Officer

- 4.1** The College Principal is responsible for the detailed administration of the College and will act as the Chief Executive of the College and the Board's Chief Educational Adviser.
- 4.2** As Accountable Officer of the College, the Principal is responsible for satisfying the Regional Board that funds provided to the College are used only in accordance with the Act, the Financial Memorandum issued by the SFC and other SFC conditions. The Principal may be required to justify any of the institution's financial matters to the Public Audit and Post-legislative Scrutiny Committee of the Scottish Parliament.
- 4.3** The Principal is ultimately responsible to the Board for the control of resources, for seeking economy, efficiency and effectiveness in the use of the College's resources and for ensuring that financial considerations are taken into account at all stages of decision making.
- 4.4** In particular, the Principal shall: -
 - Sign the accounts and ensure satisfactory and adequate records are retained in a form acceptable for presentation to the Scottish Government;
 - Advise the Regional Board on the proper discharge of their financial duties;
 - Satisfy the Board that there is compliance with all such terms and conditions to which reference is made in the Financial Memorandum and advise the Board if, at any time, in his/her opinion, any action or policy under consideration of the Board is incompatible with the terms and conditions of the Memorandum;
 - Notify the Board and the Chief Executive of the SFC, without delay, of any matters of serious concern, including irregularities and fraud, regarding the College's financial affairs;
 - Ensure that the requirements of Government Accounting are met; and
 - Be authorised to write-off losses and instruct special payments (subject to limitations made by the SFC).
- 4.5** The Principal may be assisted in the exercise of these functions by employees of the College, but shall not assign absolutely to any person the responsibility set out in this section.

5 Committee Structure

5.1 The Regional Board has ultimate responsibility for the College's finances, but delegates specific powers and processes to the committees detailed below. These committees are accountable to the Regional Board. Details of the College's Committee Structure and the terms of reference of those committees are published on the College's intranet and external website. The key committees with regard to these Financial Regulations are identified below.

5.2 Finance and Resources Committee

Monitoring of the College's financial position and financial control systems is undertaken by the Finance and Resources Committee. The Committee will examine annual estimates and accounts (including the accounting policies upon which they are based) and recommend their approval to the Regional Board. It will ensure that short-term budgets are in line with agreed longer-term plans and that they are followed. It will consider any other matters relevant to the duties of the Board and make recommendations accordingly. The Committee will also ensure that the Board has adequate information to enable it to discharge its financial responsibilities.

5.3 Audit and Risk Committee

Colleges are required by their financial memorandum with the SFC to appoint an Audit Committee. The Audit and Risk Committee is independent and advisory and reports to the Regional Board. It has the right of access to obtain all information it considers necessary and to consult directly with the internal and external auditors. The Committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. It has a role in reviewing the College's systems of internal control and risk managements.

5.4 Remuneration Committee

Consideration of the pay and conditions of the Principal and certain other senior postholders is the responsibility of the Remuneration Committee. It has the power to make recommendations to the Regional Board on their remuneration, including pay and other benefits, as well as contractual arrangements.

5.5 Subsidiary companies will operate their own committee structures for budget approval and management; however the group position will be considered as part of the College's overall committee structure.

6 Chief Financial Officer

- 6.1** The Vice Principal – Finance and Resources is the College’s designated Chief Financial Officer. The Vice Principal – Finance and Resources is responsible for the administration of the financial affairs of the College, including: -
- Developing and implementing the College’s Financial Strategy;
 - Preparing annual capital and revenue budgets and financial plans;
 - Preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
 - Preparing the College’s annual accounts and other financial statements and accounts which the College is required to submit to the SFC and other authorities;
 - Ensuring that the College maintains satisfactory financial systems;
 - Providing professional advice on all matters relating to financial policies and procedures; and
 - Day-to-day liaison with internal and external auditors in order to create efficient processes.

The implementation of operational financial management may be delegated to the College’s Financial Controllers.

The structure of the Finance Department, with individual roles and responsibilities, is published on the College’s intranet.

7 Other College Management and Staff

7.1 College Leadership Team

All members of the College’s Leadership Team and other budget holders are responsible to the Principal for financial management for the areas or activities they control. They are advised by the Vice Principal – Finance and Resources in executing their financial duties. The Vice Principal – Finance and Resources will also supervise and approve the financial systems operating within their departments including the form in which accounts and financial records are kept. Leadership Team members are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters.

Where resources are devolved to budget holders, they are accountable to their managing Leadership Team member for their own budget and for complying with approved financial procedures.

Leadership Team members shall timeously provide the Vice Principal – Finance and Resources with such information as may be required to enable:

- Compilation of the College’s financial statements;
- Implementation of financial planning; and

- Implementation of audit and financial reviews, projects and value for money studies.

7.2 All Members of Staff

All members of staff should be aware of and have a general responsibility for the security of the College's property, for avoiding loss and for due economy in the use of resources.

They should ensure that they are aware of and comply with the College's financial authority limits and the value of purchases for which quotations and tenders are required (see **Appendix A**).

They shall make available any relevant records or information to the Vice Principal – Finance and Resources or his or her authorised representative in connection with the implementation of the College's financial policies, these Financial Regulations and the system of internal control.

They shall provide the Vice Principal – Finance and Resources with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the Regional Board.

They shall immediately notify the Vice Principal – Finance and Resources whenever any matter arises which involves, or is thought to involve, irregularities concerning, inter alia, cash or property of the College. The Vice Principal – Finance and Resources shall take such action as he or she deems necessary by way of investigation and report.

8 Risk Management

- 8.1** Risk management can be defined as '*coordinated activities to direct and control an organisation with regards to risk.*' The institution acknowledges the risks inherent in its business, and is committed to managing those risks which pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable or unacceptable by the institution will be set out in a separate risk management strategy.
- 8.2** The Regional Board has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the College through the development, implementation and embedding within the organisation of a formal, structured risk management process.

- 8.3** In line with this policy, the Regional Board requires that the risk management strategy and supporting procedures include: -
- the adoption of common terminology in relation to the definition of risk and risk management;
 - the establishment of College-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis;
 - a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measureable outcomes (see above);
 - a decision on the level of risk to be covered by insurance (see 23.1);
 - detailed regular review of faculty or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas;
 - development of risk management and contingency plans for all significant risks, to include a designated ‘risk owner’ who will be responsible and accountable for managing the risk in question;
 - regular reporting to the governing body of all risks above established tolerance levels;
 - an annual review of the implementation of risk management arrangements; and
 - the capability for independent verification.

9 Whistleblowing

- 9.1** Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party, see **Appendix B**) about malpractice in the workplace. A whistle-blower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc.), miscarriage of justice, danger to health and safety or the environment **or breach of the financial regulations** and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.
- 9.2** Normally, any concern about a workplace matter at the institution should be raised with the relevant member of staff’s immediate line manager or head of department. However, the institution recognises that because of the seriousness or sensitivity of some issues, together with the knowledge of whom the member of staff thinks may be involved, may make this difficult or impossible.
- 9.3** A member of staff may, therefore, make the disclosure to one of the staff designated for this purpose. If the member of staff does not wish to raise the matter with the designated member of staff, or the matter concerns the Principal, it may be raised with the Secretary to the Board who will inform the Chair of the Regional Board. If the matter concerns the Chair of the Regional Board, it may be raised with the Secretary to the Board who will inform the Senior Independent Member.

- 9.4** The full procedure for whistleblowing is set out in the College's separate whistleblowing policy, which is available through the Human Resources department. Further details of the Public Interest Disclosure Act are set out at **Appendix B**.

10 Code of Conduct

- 10.1** The College is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee) which governing body members and members of staff at all levels are expected to observe. These principles are set out at **Appendix C**. In addition, the College expects that staff at all levels will observe its code of conduct, contained in its detailed financial procedures, which covers: -
- probity and propriety;
 - selflessness, objectivity and honesty; and
 - relationships.

Regional Board members are also charity trustees and as such are subject to obligations imposed by charity law. Their dual role may introduce potential conflicts of interest which they will need to manage appropriately.

- 10.2** Additionally, members of the Regional Board and senior management are required to disclose interests in the College's register of interests maintained by the Secretary to the Regional Board. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the financial procedures.

- 10.3** In particular, no person shall be a signatory to an institution contract where he or she also has an interest in the activities of the other party.

10.4 Receiving Gifts or Hospitality

The Bribery Act 2010 came into force on 1 July 2011. The Act introduced new offences for acts of bribery by individuals, or persons associated with relevant organisations. The penalties are severe for any employee convicted under the Act, which could mean a criminal record with ten years' imprisonment and unlimited fines. The College maintains an Anti-Bribery and Corruption Policy, which is published on the intranet.

The guiding principles to be followed by all members of staff must be: -

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

Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the institution would be likely to provide in return.

When it is not easy to decide between what is and is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the Vice Principal – Finance and Resources, or the Principal. Guidance on acceptable hospitality is contained in the detailed financial procedures. For the protection of those involved, the Principal's office will maintain a register of gifts and hospitality received where the value is in excess of £10.00. Members of staff in receipt of such gifts or hospitality are obliged to notify the Secretary to the Regional Board.

Section C – Financial Management and Control

11 Financial Planning

11.1 Budgeting Period

The Vice Principal – Finance and Resources is responsible for preparing annually a rolling five-year financial plan for approval by the Regional Board on the recommendation of the Finance and Resources Committee and for preparing financial forecasts for submission to the SFC. Financial plans should be consistent with the strategic plans and estates strategy approved by the Regional Board.

11.2 Budget Objectives

The Regional Board will, from time to time, set budget objectives for the institution. These will help the Vice Principal – Finance and Resources in preparing his or her more detailed financial plan for the institution.

11.3 Resource Allocation

Resources are allocated annually by the Regional Board on the recommendation of the Finance and Resources Committee, and on the basis of the above objectives. Budget holders are responsible for the economic, effective and efficient use of resources allocated to them.

11.4 Budget Preparation

The Vice Principal – Finance and Resources is responsible for preparing each year an annual revenue budget and capital programme for consideration by the Finance and Resources Committee before submission to the Regional Board. The budget should also include monthly cash flow forecasts for the year and a projected year-end balance sheet. The Vice Principal – Finance and Resources will ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to budget holders as soon as possible following their approval by the Board.

During the year, the Vice Principal – Finance and Resources is responsible for submitting revised budgets to the Finance and Resources Committee for consideration.

11.5 Capital and Revenue Maintenance Programme

The capital and revenue maintenance programme includes all expenditure on land, buildings, equipment, furniture and associated costs whether or not they are funded from capital grants or capitalised for inclusion in the College's financial statements. Expenditure of this type can only be considered as part of the capital programme approved by the Regional Board.

The Vice Principal – Finance and Resources will establish protocols for the inclusion of capital projects in the programme for approval by the Regional Board. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet.

The Vice Principal – Finance and Resources will also establish procedures for the approval of variations, including the notification of large variations to the funding body, as laid down in funding body guidelines.

The Vice Principal – Finance and Resources is responsible for providing regular statements concerning all capital expenditure to the Finance and Resources Committee for monitoring purposes.

Following completion of a capital project, a post-project evaluation or final report should be submitted to the Finance and Resources Committee including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Post-project evaluations may also need to be sent to the relevant funding body, as laid down in SFC guidelines.

11.6 Other Major Developments Including Overseas Activity

Any new aspect of business, or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time of more than £100,000 must be presented for approval to the Finance and Resources Committee. The College must have due regard to the relevant guidelines issued by the SFC.

The Vice Principal – Finance and Resources will establish protocols for these major developments to enable them to be considered for approval. These will set out the information that is required for each proposed development including a business plan, using a risk-based approach and covering risk and accountability issues, as well as the financial criteria they are required to meet.

12 Financial Control

12.1 Budgetary Control

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively.

Significant departures from agreed budgetary targets must be reported immediately to the Vice Principal – Finance and Resources and, if necessary, corrective action taken.

12.2 Financial Information

Budget holders are assisted in their duties by management information provided by the Vice Principal – Finance and Resources. The type of management information available is described in the detailed financial procedures, together with the timing at which they can be expected.

The Vice Principal – Finance and Resources is responsible for supplying budgetary reports on all aspects of the College’s finances to the Finance and Resources Committee on a basis determined by the Committee but subject to any specific requirements of the SFC.

12.3 Changes to the Proposed Budget

Changes proposed to the approved budget will be first considered by the Finance and Resources Committee, which will make proposals to the Regional Board as appropriate.

13 Accounting Arrangements

13.1 Financial Year

The College’s financial year will run from 1 August until 31 July the following year.

13.2 Basis of Accounting

The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

13.3 Format of the Financial Statements

The financial statements are prepared in accordance with Statement of Recommended Practice Accounting for Further and Higher Education, subject to any specific requirements of the SFC.

13.4 Capitalisation and Depreciation

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

13.5 Accounting Records

The Vice Principal – Finance and Resources is responsible for the retention of financial documents. These will be kept in a form that is acceptable to the relevant authorities. These include: -

- Official purchase orders;
- Paid invoices;
- Accounts raised;
- Bank statements;
- Copies of receipts; and
- Payroll records.

The Vice Principal – Finance and Resources will make appropriate arrangements for the retention of electronic records.

The College is required by law to retain prime documents for the previous six years. Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder. Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations.

13.6 Public Access

Under the terms of the Charities Act 1993, the Regional Board is required to supply any person with a copy of the College's most recent financial statements within two months of a request. The College will also allow members of the public to inspect the statement of accounts during normal working hours and publish them on its website.

13.7 Taxation

The Vice Principal – Finance and Resources is responsible for advising the College Leadership Team on all taxation issues, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies to the institution. The Vice Principal – Finance and Resources will issue instructions on compliance with statutory requirements including those concerning VAT, PAYE, National Insurance, corporation tax and import duty.

The Vice Principal – Finance and Resources is responsible for maintaining the College's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

14 Audit Requirements

14.1 General

External auditors and internal auditors shall 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 institution to account for cash, stores or any other institution property under his or her control; and
- access records belonging to third parties, such as contractors when required.

The Vice Principal – Finance and Resources is responsible for drawing up a timetable for final accounts purposes and will advise staff and external auditors accordingly.

The financial statements will be reviewed by the Audit and Risk Committee and the Finance and Resources Committee. On the recommendation of the Finance and Resources Committee and Audit and Risk Committee they will be submitted to the Regional Board for approval.

14.2 External Audit

Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Auditor General is responsible for the appointment of the external auditors of the College.

The primary role of external audit is to report on the institution's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. The external auditors address their report and opinion jointly to the Auditor General for Scotland and the members of the Regional Board. Their duties will be in accordance with advice set out in the SFC's Code of Audit Practice and the Auditing Practices Board's Statement of Auditing Standards.

14.3 Internal Audit

The internal auditor is appointed by the Regional Board on the recommendation of the Audit and Risk Committee.

The College's Financial Memorandum with the SFC requires that it has an effective internal audit function and that the duties and responsibilities of that function are in accordance with advice set out in the SFC's Code of Audit Practice. The main responsibility of internal audit is to provide the Regional Board, the Principal and senior management with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation but has direct access to the Regional Board, the Principal and the Chair of the Audit and Risk Committee.

14.4 Fraud and Corruption

It is the duty of all members of staff, management and the Regional Board to notify the Vice Principal – Finance and Resources immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety. The College's Policy and Response Plan is published on the intranet.

The Vice Principal – Finance and Resources shall immediately invoke the fraud response plan, which incorporates the following key elements: -

- He or she will notify the Principal and the Audit and Risk Committee (through its Chair) of the suspected fraud or irregularity and shall take such steps as he or she considers necessary by way of investigation and report;
- The Principal shall involve the police if a criminal offence is suspected of having been committed;
- Any significant case of fraud shall be reported to the SFC in accordance with its requirements;
- The Audit and Risk Committee shall commission such investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate; and
- The internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the Audit and Risk Committee on the suspected irregularity. Such report shall include advice on preventative measures.

If the suspected fraud is thought to involve the Vice Principal – Finance and Resources and/or the Principal, the member of staff shall notify the Secretary to the Regional Board who will inform the Chair of the Audit and Risk Committee.

14.5 Value for Money

It is a requirement of the Financial Memorandum that the Regional Board of the College is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the SFC, the Audit Scotland, the Public Accounts Committee or other relevant bodies.

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

14.6 Other Auditors

The College may, from time to time, be subject to audit or investigation by external bodies such as the SFC, Audit Scotland, the European Court of Auditors, HM Revenue and Customs. They have the same rights of access as external and internal auditors.

15 Treasury Management

15.1 Treasury Management Policy

Under terms of the financial memorandum, the College is not permitted to retain cash reserves nor make commercial investments. As such, it does not have a separate Treasury Management Policy; rather any treasury management activity must comply with principles of the Scottish Public Finance Manual, including: -

- The College must minimise cash balances held, drawing down cash from the SFC monthly to match anticipated monthly cash outflows;

- Commercial borrowing is not permitted, except in exceptional circumstances and with the prior approval of SFC and Scottish Government; and
- Long-term investment is not normally permitted.

15.2 Appointment of Bankers and Other Professional Advisers

Wherever possible, the College is expected to utilise the Scottish Government Banking Services facilities. Any additional appointment of bankers and other professional advisers will be made by the Regional Board on the recommendation of the Finance and Resources Committee, having due regard to competitive tendering requirements.

15.3 Banking Arrangements

The Vice Principal – Finance and Resources is responsible, on behalf of the Finance and Resources Committee, for liaising with the College’s bankers in relation to the College’s bank accounts.

On approval of the Finance and Resources Committee, only the Vice Principal – Finance and Resources may open and close a bank account for dealing with the College’s funds. All bank accounts will be in the name of the College or its subsidiaries and instructions on the account will require two signatories.

All automated transfers on behalf of the College, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Finance and Resources Committee. Details of authorised persons and limits shall be provided for in the College’s detailed financial procedures.

The Vice Principal – Finance and Resources is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

16 Income

16.1 General

The Vice Principal – Finance and Resources is responsible for ensuring that appropriate procedures are in operation to enable the College to receive all income to which it is entitled. All receipt forms, invoices or other official documents in use and electronic collection systems must have the prior approval of the Vice Principal – Finance and Resources.

Levels of charges for commercial contracts, services rendered, goods supplied and rents and lettings are determined by procedures approved by the Finance and Resources Committee.

The Vice Principal – Finance and Resources is responsible for the prompt collection, security and banking of all income received.

The Vice Principal – Finance and Resources is responsible for ensuring that all grants notified by the SFC and other bodies are received and appropriately recorded in the College’s accounts.

The Vice Principal – Finance and Resources is responsible for ensuring that all claims for funds are made by the due date.

16.2 Maximisation of Income

It is the responsibility of all staff to ensure that revenue to the College is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to the Vice Principal – Finance and Resources of sums due so that collection can be initiated.

16.3 Receipts of Cash, Cheques and Other Negotiable Instruments

All monies received within departments or faculties from whatever source must be recorded on a daily basis together with the form in which they were received, for example cash, cheque and other negotiable instruments.

All monies received must be paid to the Finance Department promptly, and in accordance with the timetable laid out by the Vice Principal – Finance and Resources. The custody and transit of all monies received must comply with the requirements of the College’s insurers.

All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous expenses or paid into a petty cash float. Personal or other cheques must not be cashed out of money received on behalf of the College.

16.4 Receipts by Credit or Debit Card

The College can receive payments by debit or credit card in person or over the telephone using merchant terminals provided by the College’s payment services provider. These terminals support primary account number (PAN) truncation where the card number is partially obscured on the customer receipt. A copy of the receipt should be retained to support evidence of payment.

In operating this facility, the College is bound by the Payment card Industry Data Security Standard (PCI DSS), which is designed to ensure cardholder information is stored, processed and transmitted securely.

The Vice Principal – Finance and Resources is responsible for ensuring the College maintains PCI DSS compliance, which is monitored by the bank’s merchant services unit.

16.5 Collection of Debts

The Vice Principal – Finance and Resources will ensure that: -

- debtor invoices are raised promptly on official invoices, in respect of all income due to the College;
- invoices are prepared and recorded completely and accurately, showing the correct amount due and are credited to the appropriate income code;
- any credits granted are valid, properly authorised and completely recorded;
- VAT is correctly charged where appropriate, and accounted for;
- monies received are posted to the correct debtors account;
- swift and effective action is taken in collecting overdue debts, in accordance with the financial procedures; and
- outstanding debts are monitored and reports prepared for management.

Only the Vice Principal – Finance and Resources can implement credit arrangements and indicate the periods in which different types of invoice must be paid.

Requests to write off individual debts in excess of £3,000 must be referred in writing to the Vice Principal – Finance and Resources for submission to the Finance and Resources Committee for consideration. Debts below this level may be written off with the permission of the Vice Principal – Finance and Resources.

In accordance with the Financial Memorandum, the College must also report annually detailing all debts written off at a value in excess of £3,000 (£6,000 in the case of overseas student fees)

16.6 Student Fees

The procedures for collecting tuition fees must be approved by the Vice Principal – Finance and Resources. He or she is responsible for ensuring that all student fees due to the College are received.

Any student who has not paid an account for fees or any other item owing to the College shall be prevented from re-enrolling at the College and from using any of the College's facilities unless appropriate arrangements have been made.

16.7 Refunds

The College seeks to minimise the opportunities for money laundering in accordance with the Money Laundering Regulations 2007. Where refunds are required, they should be made to the original payer and follow the method by which the money was received.

16.8 Student Emergency/Hardship Loans

The College's scheme for emergency/hardship loans must be approved by the Regional Board. This will include the maximum assistance that can be given in any individual

case. Under no circumstances should payments be made other than in accordance with the approved scheme.

The Vice Principal – Finance and Resources is responsible for ensuring the adequacy of the systems in place for: -

- approving loans in accordance with the scheme;
- paying loans that have been approved; and
- recovering loans that have been paid.

17 Commercial Contracts and Other Income-Generating Activity

17.1 Private Consultancies and Other Paid Work

Unless otherwise stated in a member of staff's contract: -

- Outside consultancies or other paid work may not be accepted without the consent of Principal;
- Outside consultancies must not conflict with the work of the College; and
- Applications for permission to undertake work as a purely private activity must be submitted to the Principal, and include the following information: -
 - the name of the member(s) of staff concerned;
 - title of the project and a brief description of the work involved;
 - the proposed start date and duration of the work;
 - full details of any institution resources required (for the calculation of the full economic cost); and
 - an undertaking that the work will not interfere with the teaching and normal institutional duties of the member(s) of staff concerned.

17.2 Short Courses

In this context a short course is any course that does not form part of the planned award-bearing teaching load of the Faculty and may, instead, be a source of commercial income.

Any staff wishing to run a short course must have the permission of his or her Faculty and have the financial implications confirmed by the Finance Department. The course organiser will be responsible to the Faculty for day-to-day management of the course.

17.3 Collaborative Provision Including Franchising

Any contract or arrangement whereby the institution provides education to students away from institution's premises, or with the assistance of persons other than the institution's own staff or with independent contractors (partner organisations), must be subject to the following procedure: -

- There shall be a contract signed by the Principal or Vice Principal – Finance and Resources and on behalf of any partner organisation that shall comply with the funding body model contract (as amended from time to time) in place before any provision is made. Contracts for significant changes in franchising activity shall be approved in advance by the governing body;
- The form of the contract shall be scrutinised in advance of its operation by the Audit and Risk Committee and approved by the Finance and Resources Committee or Regional Board;
- The impact of the contract(s) shall be subject to scrutiny by Finance and Resources Committee or Regional Board. The format for regular reports shall be as stated in funding body guidance. They shall consider the risk factors associated with the proposed partnership and agree an appropriate entry in the institution's financial forecast; and
- Where the partnership would represent a significant departure from the institution's strategic plan, the Regional Board shall approve the departure, and the Principal shall seek the views of and inform the funding body.

17.4 'Match Funding' Projects

Any such project requires the approval of the Vice Principal – Finance and Resources prior to any commitment being entered into. Such approval shall be dependent upon the relevant manager being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of the institution's costing and pricing policy.

If the institution sub-contracts such work to external providers, the relevant manager shall ensure that: -

- this is on the basis of a written contract which allows for full audit access to detailed records;
- appropriate monitoring procedures are in place to ensure that the outputs are achieved and the provision is of suitable quality; and
- payments are only made against detailed invoices.

17.5 Profitability and Recovery of Overheads

All other income-generating activities must be self-financing or surplus generating unless it is intended that a new course be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the relevant manager and Vice Principal – Finance and Resources.

Other income-generating activities organised by members of staff must be costed and agreed with Vice Principal – Finance and Resources before any commitments are made. Provision must be made for charging both direct and indirect costs in

accordance with the College's costing and pricing policy, in particular for the recovery of overheads.

17.6 Deficits

Where a planned surplus was intended to supplement academic or support departmental budgets, any unplanned deficits incurred on other income-generating activities will be a charge to academic or support departmental budgets.

17.7 Additional Contributions to Departments

Distribution of surpluses on other income-generating activity between central funds of the College and individual academic or support departments will be agreed by the Vice Principal – Finance and Resources.

17.8 Additional Payments to Staff

Any proposal which involves additional payments to members of staff should be supported by a schedule of names and values and must be approved by the Vice Principal – Curriculum and Quality or, in the case of the Vice Principal – Curriculum and Quality, the Principal. The tax treatment of such proposals must be confirmed with the Finance Department in advance of the agreement being signed off.

18 Intellectual Property Rights and Patents

18.1 General

Certain activities undertaken within the College may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.

18.2 Patents

The Finance and Resources Committee is responsible for establishing procedures to deal with any patents accruing to the institution from inventions and discoveries made by staff in the course of their work. This may involve the outsourcing of such advice and work as the Committee deems necessary.

18.3 Intellectual Property Rights

In the event of the institution deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property procedures issued by the institution and contained in the institution's detailed financial procedures.

19 Expenditure

19.1 General

The Vice Principal – Finance and Resources is responsible for making payments to

suppliers of goods and services to the institution.

19.2 Scheme of Delegation/Financial Authorities

Budget holders are responsible for purchases within their faculty or department. In exercising this delegated authority, budget holders are required to observe the purchasing policies and financial procedures.

The Vice Principal – Finance and Resources shall maintain a register of authorised signatories. Under procedures agreed by the Vice Principal – Finance and Resources, central control shall be exercised over the creation of requisitioners and authorisers and their respective limits (for electronic systems).

Any changes to the authorities to commit expenditure must be notified to the Vice Principal – Finance and Resources immediately.

Budget holders are not authorised to commit the institution to expenditure without first reserving sufficient funds to meet the purchase cost.

Approval limits for items of expenditure are shown at **Appendix A**.

19.3 Procurement

The College requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability and equalities legislation, and in accordance with the College's Procurement Strategy and Policy, taking into account framework agreements as appropriate.

The procurement function is the responsibility of the Vice Principal – Finance and Resources. It will: -

- Ensure that the Procurement Policy is known and observed by all involved in procurement for the College;
- Provide advice on matters of College procurement policy and practice;
- Provide advice to and assist academic and support departments where required on specific purchases;
- Develop appropriate standing supply arrangements on behalf of the College to assist budget holders in meeting their value for money obligations;
- Draft and negotiate all large-scale purchase contracts undertaken by the College, in collaboration with the responsible academic or support department; and
- Ensure that the College complies with Scottish, UK and international regulations on public procurement.

19.4 Purchase Orders

The ordering of goods and services shall be in accordance with the College's detailed

financial procedures/purchasing policies. Official institution orders must be placed for the purchase of all goods and services, except those made using purchasing cards, corporate credit cards or petty cash.

It is the responsibility of the Vice Principal – Finance and Resources (through the College’s Purchasing Manager) to ensure that all purchase orders refer to the College’s conditions of contract.

19.5 Purchasing Cards, Credit and Debit Cards

The operation and control of the College’s purchasing cards, credit and debit cards are responsibility of the Vice Principal – Finance and Resources. There will be appropriate oversight of the distribution of such cards and the associated card limits.

Holders of cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Such cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. Cards must not be loaned to another person, nor should they be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs. The Vice Principal – Finance and Resources shall determine what information is required on purchases made with cards from cardholders and deadlines for receipt in the finance section to enable financial control to be maintained. There should be appropriate segregation of duties, with those reviewing and reconciling cards not holding and using those cards.

Details of the operation of the scheme are set out in financial procedures.

19.6 Tenders and Quotations

Heads of Department and delegated budget holders must comply with the College's tendering procedures.

19.7 Post-Tender Negotiations

Post-tender negotiations are not permitted. Where a post-tender clarification is necessary, this must be carried out under the advice of the Purchasing Manager.

19.8 Contracts

Building contracts are awarded on the recommendation of the Finance and Resources Committee and are administered by the Vice Principal – Finance and Resources. Progress will be monitored by the Committee.

Proposals will normally be initiated by the Vice Principal – Finance and Resources in respect of planned replacements, general improvement schemes, or space planning, or in response to requests from academic and support departments.

Consultants may be appointed if the project, as determined by the Finance and Resources Committee, is too large or too specialised for Facilities Department resources. Appointments shall be subject to tendering and other procedures where appropriate.

Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the Financial Controller (Business Management) as appropriate for Committee consideration. Investment appraisals should comply with appropriate funding body guidance.

Following consideration by the Finance and Resources Committee, and approval by the Regional Board, submissions should be forwarded to the funding body where appropriate. If required agreement is secured from the funding body, funding body procedural rules should be followed. Funding body guidance on best practice should be followed even when funding body approval is not required.

The achievement of value for money will be an objective in the letting of all contracts.

Conditions of contract for the purchase of goods will be followed as described in the institution's detailed financial procedures.

19.9 UK and Scottish Procurement Regulations

The Purchasing Manager is responsible for ensuring the institution complies with its legal obligations concerning procurement legislation. Procurement regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value.

The Purchasing Manager will advise Heads of Department on the thresholds that are currently in operation. A breach of these regulations is actionable by a supplier or potential supplier.

It is the responsibility of Heads of Department to ensure that their members of staff comply with regulations by notifying the Purchasing Manager of any purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements in the Public Contracts Scotland portal.

19.10 Receipt of Goods

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

All goods received shall be entered onto an appropriate goods received document or electronic receipting system on the day of receipt. If the goods are deemed to be unsatisfactory the record shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery the record should be marked accordingly and the supplier immediately notified.

19.11 Payment of Invoices

The procedures for making all payments shall be in a form specified by the Vice Principal – Finance and Resources.

The Vice Principal – Finance and Resources is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by BACS transfer fortnightly. In exceptional circumstances payments by cheque may be authorised.

Budget holders are responsible for ensuring that expenditure within their area does not exceed funds available.

Suppliers should be instructed by the budget holder to submit invoices for goods or services to the Finance Department.

Care must be taken to ensure that discounts receivable are obtained.

Payments will only be made by the Vice Principal – Finance and Resources against invoices that can be matched to a received order or have been certified for payment by the appropriate head of department or budget holder.

Certification of an invoice or receipting of an electronic order will ensure that: -

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

19.12 Staff Reimbursement

The institution'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 occasions, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement (see 20.5).

Where such purchases by staff are planned, the Vice Principal – Finance and Resources and the relevant Head of Department may jointly approve cash advances to staff that are going to incur expenditure on the institution's behalf. Upon completion of the travel or project to which the advance relates, within one week a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to an individual is still outstanding.

19.13 Petty Cash Imprests

The Vice Principal – Finance and Resources shall make available to Departments such imprests as he or she considers necessary for the disbursements of petty cash expenses. However, it is important for security purposes that petty cash imprest floats are kept to a minimum.

Requisitions for reimbursements must be sent to the Vice Principal – Finance and Resources, together with appropriate receipts or vouchers, before the total amount held has been expended in order to retain a working balance pending receipt of the amount claimed.

The member of staff granted a float is personally responsible for its safekeeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the College's insurers when not in use and will be subject to periodic checks by the Head of Department or another person nominated by him or her.

A standard form for the reimbursement of petty cash is supplied by the Vice Principal – Finance and Resources and must be used for recording all imprest accounts.

19.14 Other Payments

Payments for maintenance and other items to students on behalf of sponsoring organisations shall be made on the authority of the Vice Principal – Finance and Resources, supported by detailed claims approved as appropriate.

Individual payments under 'outward collaborative provision' contracts shall be authorised by the Vice Principal – Finance and Resources. This authority shall be on the basis that the payment represents a bona fide element of the contract which has been approved.

19.15 Late Payment Rules

The Late Payment of Debts (Interest) Act 1998 was introduced to give small businesses

the right to charge interest on late payments from large organisations and public authorities. Key points are: -

- small businesses can charge interest on overdue invoices;
- interest is chargeable on sales made after 1 November 1998;
- the rate of interest is currently 8% per annum above the official daily rate of the Bank of England;
- the Act also applies to overseas organisations; and
- the institution can be sued for non-payment.

In view of the penalties in this Act, the Regional Board requires that invoices must be passed for payment as soon as they are received.

19.16 Project Advances

The Vice Principal – Finance and Resources may approve cash advances for projects carried out away from the institution where cash expenditure may be unavoidable. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or an institution credit card.

Receipts or paid invoices will be retained for all sums expended in this way. Upon completion of the project to which the advance relates, within one month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to a project or individual is still outstanding.

19.17 Giving Hospitality

Wherever possible, staff entertaining guests from outside bodies should use the College's catering facilities. Where this is not the case, reasons must be stated when submitting a claim for reimbursement.

Further details on the policy for giving hospitality are included in the College's Expenses Policy, published on the intranet.

It is an offence under section 7 of the Bribery Act 2010 for commercial organisations to fail to prevent persons associated with them from bribing another person on their behalf. The College's Anti-Bribery Policy is published on the intranet.

19.18 Telecoms

The institution may reimburse staff for the cost of necessary business calls made from a private home phone or personal mobile in performance of employment duties, where this is agreed in advance by the Vice Principal – Finance and Resources.

The institution does not reimburse the cost of private line rental or broadband

connections.

The institution provides mobile phones to a limited number of employees where there is a genuine business requirement to enable performance of employment duties and will seek to recover any costs incurred for personal use.

19.19 Provision of Clothing

Where clothing is provided to employees whose duties require them to wear a uniform, that clothing must bear an institution logo. The logo must be permanent and clearly identify the wearer as a member of staff.

20 Pay Expenditure

20.1 Remuneration Policy

All institution staff will be appointed to the salary scales approved by the Regional Board and in accordance with appropriate conditions of service. All letters of appointment must be issued by the People Services Department.

The Regional Board will determine what other benefits, such as cars, medical and life insurance, are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available.

Salaries and other benefits for senior management will be determined by the Remuneration Committee set up by the Regional Board.

20.2 Appointment of Staff

All contracts of service shall be concluded in accordance with the institution's approved human resources practices and procedures and all offers of employment with the institution shall be made in writing by the Principal.

Budget holders shall ensure that the Vice Principal – Finance and Resources and the Director of People Services are provided promptly with all the information they may require in connection with the appointment, resignation or dismissal of employees.

20.3 Salaries and Wages

The Vice Principal – Finance and Resources is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All time sheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Vice Principal – Finance and Resources.

The Director of People Services will be responsible for keeping Vice Principal – Finance and Resources informed of all matters relating to human resources for payroll

purposes, including: -

- appointments, resignations , dismissals, supervisions, secondments and transfers;
- absences from duty for sickness or other reason, apart from approved leave;
- changes in remuneration other than normal increments and pay awards;
- information necessary to maintain records of service for pension, income tax, and national insurance; and
- visa checks where relevant in accordance with legislative requirements.

The Vice Principal – Finance and Resources is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.

All payments must be made in accordance with the College's detailed payroll and financial procedures and comply with H M Revenue & Customs regulations. Staff should be aware that the institution could incur penalties for non-compliance with such regulations.

20.4 Pension Schemes

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

The Vice Principal – Finance and Resources is responsible for day-to-day pension matters including: -

- paying contributions to various authorised pension schemes;
- preparing the annual return to various pension schemes; and
- administering eligibility to pension arrangements.

20.5 Expenses and Allowances

The institution has dispensation from H M Revenue & Customs to make payments to employees for certain specified items without deduction of income tax.

Reimbursement by the institution of expenditure not included in the dispensation is subject to the deduction of income tax before payment.

All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Vice Principal – Finance and Resources. Reimbursement shall be made via payroll.

Claims by members of staff must be authorised by their Head of Department, or Senior Manager (or Principal in the case of Senior Management). Claims by the Principal shall be authorised by the Chair of the Regional Board. Claims by the Chair of the Regional Board shall be authorised by the Chair of the Finance and Resources Committee. The certification shall be taken to mean that: -

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

20.6 Overseas Travel

All arrangements for overseas travel must be approved by the Principal or, in the case of a subsidiary company, the Chief Executive of that subsidiary, in advance of committing the institution to those arrangements or confirmation of any travel bookings. Arrangements for overseas travel by the Principal or members of the Regional Board shall be approved by the Chair of the Board. Arrangements for travel by the Chair shall be approved by the Board. Arrangements for travel by a subsidiary Chief Executive will be at the discretion of the Board of that subsidiary.

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

Where the institution's equipment is taken overseas, appropriate arrangements for its security and insurance must be in place.

20.7 Allowances for Members of the Governing Body

Travel claims for members of the Regional Board will be authorised by the Chair of the Regional Board. Claims for meeting attendance will be based on out-of-pocket expenses, and only reasonable expenses can be reimbursed.

20.8 Severance and Other Non-Recurring Payments

Severance payments shall only be made in accordance with relevant legislation and funding body guidance and under a scheme approved by the Human Resources Committee. Professional advice should be obtained where necessary. No amounts shall be expended which exceed the budget allocated for the purpose. All such payments shall be authorised by the Principal. Any individual amounts which do not fall within the parameters above or are in excess of £50,000 require approval by the Remuneration Committee. Any individual amounts in excess of £100,000 require approval by the Regional Board. Amounts paid should be declared in the financial statements.

All matters referred to an industrial tribunal shall be notified to the HR and Finance and Resources Committees at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

21 Assets

21.1 Land, Buildings, Fixed Plant and Machinery

The purchase, lease or rent of land or building or fixed plant can only be undertaken with authority from the Regional Board and with reference to funding body requirements where exchequer-funded assets or exchequer funds are involved.

21.2 Fixed Asset Register

The Vice Principal – Finance and Resources is responsible for maintaining the institution's register of land, buildings, fixed plant, machinery, vehicles and computer equipment. Heads of Departments will provide the Vice Principal – Finance and Resources with any information he or she may need to maintain the register.

21.3 Inventories

Heads of Departments are responsible for maintaining inventories, in a form prescribed by the Vice Principal – Finance and Resources, for all plant, equipment, furniture and stores in their Department. The inventory must include items donated or held on trust.

Inventories must be checked at least annually as described in the institution's detailed financial procedures.

21.4 Stocks and Stores

Heads of Departments are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their areas. The systems used for stores accounting in departments must have the approval of the Vice Principal – Finance and Resources.

Heads of Departments are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks and Health and Safety policies and procedures.

Those Departments whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Vice Principal – Finance and Resources and that instructions to appropriate staff within their Departments are issued in accordance with advice contained in the College's detailed financial procedures.

21.5 Safeguarding Assets

Heads of Departments are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc. under their control. They will consult the Vice Principal – Finance and Resources in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Assets owned by the institution shall, so far as is practical, be effectively marked to

identify them as institution property.

21.6 Personal Use

Assets owned or leased by the institution shall not be subject to personal use without proper authorisation.

21.7 Asset Disposal

Disposal of equipment and furniture must be in accordance with procedures agreed by Vice Principal – Finance and Resources and contained in the institution's detailed financial procedures.

Disposal of land and buildings must only take place with the authorisation of the Regional Board. Funding body consent may also be required if exchequer funds were involved in the acquisition of the asset.

21.8 All Other Assets

Heads of Departments are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the institution, whether tangible (such as stock - see above) or intangible (such as intellectual property - see Paragraph 18), including electronic data.

22 Funds Held on Trust

22.1 General

The Vice Principal – Finance and Resources is responsible for ensuring that incoming funds are properly classified and designated as appropriate.

22.2 Gifts, Benefactions and Donations

The Vice Principal – Finance and Resources is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the institution and initiating claims for recovery of tax where appropriate.

22.3 Student Welfare and Access Funds

The Vice Principal – Finance and Resources will prescribe the format for recording the use of student welfare funds.

Records of welfare funds will be maintained according to funding body requirements.

22.4 Trust Funds

The Vice Principal – Finance and Resources is responsible for maintaining a record of the requirements for each trust fund and for advising the Board on the control and investment of fund balances.

Finance and Resources Committee is responsible for ensuring that all the institution's

trust funds are operated within any relevant legislation and the specific requirements for each trust, including where disbursements may be delegated to another Committee or individual. They will also be responsible for investment of fund balances.

22.5 Voluntary Funds

The Vice Principal – Finance and Resources shall be informed of any fund, not being an official fund of the College, which is controlled wholly or in part by a member of staff in relation to their function in the institution.

The accounts of any such fund shall be audited by an independent external person and shall be submitted with a certificate of audit to the appropriate body. The Vice Principal – Finance and Resources shall be entitled to verify that this has been done.

22.6 Student Fundraising

Students are regularly involved in fundraising activities as part of their coursework. Students need the prior approval of their lecturer before embarking on a fundraising event and should use the Event form, available on the College intranet.

If the activity or event is to support a charitable donation, once approved, details of that charity (which would include name and address as a minimum) need to be passed to the Finance Department.

Funds collected by the students need to be collated with a 'Business Office Pay in Request Form', which needs to be fully completed for the amount of cash being banked, as well as information on the benefiting Charity - which includes bank details.

Funds should be paid over to the charity as soon as possible after they have been collected, and by BACS transfer wherever possible.

23 Other

23.1 Insurance

The Vice Principal – Finance and Resources shall make all appropriate insurance arrangements for all aspects of the College's activities. He/she shall also arrange the negotiation of all insurance claims by the College in consultation with the senior manager concerned.

Notification of Risks

Managers shall notify the Vice Principal – Finance and Resources, promptly, of all new or increased risks, properties or vehicles which should be covered or any deletions affecting their departments.

Notification of Claims

Managers shall notify the Vice Principal – Finance and Resources immediately in writing of any loss, liability or damage or any event likely to lead to a claim. Thereafter, the Vice Principal – Finance and Resources shall be responsible, where applicable, for advising the insurance company concerned.

Review of Cover

The Vice Principal – Finance and Resources shall review periodically all insurance in consultation with senior managers.

23.2 Companies, Joint Ventures and Consortium Arrangements

In certain circumstances it may be advantageous to the College to establish a company or a joint venture or consortium arrangement to undertake services on behalf of the institution. Any member of staff considering the use of such arrangements should first seek the advice of the Vice Principal – Finance and Resources, who should have due regard to guidance issued by the funding body.

The Regional Board is responsible for ensuring that the required procedures are followed. The process involved in forming a company, joint venture or consortium and arrangements for monitoring and reporting on the activities of these undertakings are documented in the institution's financial procedures.

It is the responsibility of the Regional Board to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the institution. These and other arrangements will be set out in a memorandum of understanding.

Where the College is the majority shareholder in a company, the funding body requires that the company's financial year must be consistent with that of the institution.

23.3 Security

Keys to safes or other similar containers must be kept securely at all times. The loss of such keys must be reported to the Vice Principal – Finance and Resources immediately.

An officer shall be responsible for maintaining proper security and privacy of information held on the institution's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs, together with restricted physical access to network servers. Information relating to individuals held on computer will be subject to the provisions of the General Data Protection Regulation (GDPR). A data protection officer shall be nominated to ensure compliance with the GDPR and the safety of documents.

The Vice Principal – Finance and Resources is responsible for the safekeeping of official

and legal documents relating to the institution. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Vice Principal – Finance and Resources. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

23.4 Students' Association

The Students' Association fulfils a valuable role in relation to the institution's students. It operates as a department of the College and its funds are managed as such.

Subject to any constraints imposed by the funding body, the Regional Board shall determine the level of budget allocated annually to the Students' Association. The Regional Board requires the Association to provide details of its proposed budget to assist in determining the appropriate level of allocation.

The Students' Association is responsible for ensuring its own budget is managed properly and expenditure is appropriate to its functions. The College provides support to the Students Association in exercising its responsibilities.

23.5 Provision of Indemnities

Any member of staff asked to give an indemnity, for whatever purpose, should consult the Vice Principal – Finance and Resources before any such indemnity is given.

Status Approved by Finance and Resources Committee

Date of version: June 2021

Responsibility for the policy: Finance and Resources Committee

Responsibility for implementation: Principal

Responsibility for review: Finance and Resources Committee

Date of Equality Impact Assessment: April 2021

Date of Review: September 2024

Procurement Thresholds

Route	Value	Method	Authorisation	Notes
Route 1A	<£4000	Single contracted supplier. Value for money must still be demonstrated.	<£2,000 Requisition authorised by Budget Holder £2,000 - £3,999 Requisition authorised by Budget Holder and countersigned by SMT. Order authorised by Financial Controllers.	If no contracted supplier exists, contact Purchasing Officer before sourcing.
Route 1B	£4,000 - £24,999	Minimum of 3 written quotations from contracted or non-contracted suppliers. Quotes may be supplied by email.	Requisition authorised by Budget Holder and countersigned by SMT. Order authorised by Vice Principal – Finance and Resources.	
Route 2A	£25,000 - £49,999 (all spend)	Tender via PCS Quick Quote. Consult Purchasing Manager	Requisition authorised by Budget Holder and countersigned by SMT. Order authorised by Principal.	
Route 2B	£50,000 - £189,330 (Goods and Services) £50,000 £50,000 - £4,733,252 (Works)	Open tender process advertised via Public Contracts Scotland website. Consult Purchasing Manager	<£100,000 Principal £100,000 - £249,999 Finance and Resources Committee >£250,000 Regional Board	Above Scottish Government Procurement Threshold but below OJEU threshold. Note that thresholds cover a 4 year period i.e. £12,500 per annum
Route 3	>£189,330 (Goods and Services) >£4,733,252 (Works)	Open tender process advertised via Public Contracts Scotland website. Consult Purchasing Manager	£100,000 - £249,999 Finance and Resources Committee >£250,000 Regional Board	Additionally, for contracts above £4M, community benefits must be considered. Contact Purchasing Manager

Main Features of the Public Interest Disclosure Act

Summary

The Act came into force on 02 July 1999. It encourages people to blow the whistle about malpractice in the workplace and is designed to ensure that organisations respond by acting on the message rather than against the messenger. The Act applies to employees blowing the whistle about crime, civil offences (including negligence, breach of contract etc.), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It applies whether or not the information is confidential and extends to malpractice occurring in the UK and any other country or territory. In addition to employees, it covers trainees, agency staff, contractors and home workers. Employment law restrictions on minimum length of service and age do not apply. At present, the Act does not cover the genuinely self-employed, volunteers, the army, intelligence services or police officers. The Act has been described as “the most far-reaching whistleblower protection in the world”.

Internal Disclosures

A disclosure in good faith to a manager or the employer will be protected if the whistleblower has a reasonable suspicion that the malpractice has occurred, is occurring or is likely to occur.

Regulatory Disclosures

The Act protects disclosures made in good faith to prescribed bodies such as the Health and Safety Executive, the Financial Conduct Authority and HM Revenue and Customs, where the whistleblower has a reasonable belief that the information and their allegation(s) are substantially true.

Wider Disclosures

Wider disclosures (e.g. to the police, the media, MPs, and non-prescribed regulators) are protected if, in addition to the tests for regulatory disclosures, they are reasonable in all the circumstances and they meet one of the three pre-conditions. Provided they are not made for personal gain, these preconditions are that the whistleblower:

- reasonably believed he or she would be victimised if they raised the matter internally or with a designated regulator;
- reasonably believed a cover-up was likely and there was no regulator; or
- had already raised the matter internally or with a prescribed regulator.

An employee who makes a wide public disclosure is more likely to be protected if there was no internal procedure set up.

Full Protection

Where the whistleblower is victimised in breach of the Act he or she can bring a claim to an employment tribunal for compensation. Awards are uncapped and based on the losses suffered. Additionally, where an employee is sacked, he or she may apply for an interim order to keep their job. Not all disclosures made by an employee are protected under the Act. Those that are include criminal acts, health and safety violations, breaches of legislation, and miscarriages of justice; however, such acts are only protected as long as the disclosure is made in good faith to the employer, or any other person authorised under a procedure set up by the employer for this purpose. Disclosures can also be made to appropriate regulatory bodies, such as the Health and Safety Executive. Where an employee reasonably suspects malpractice (and this includes any crime), he or she will be protected from victimisation where they raise the matter in good faith with a person who is legally responsible for whistleblowing.

Qualifying Areas

The qualifying areas for whistleblowing are information which the employee reasonably believes tend to show one or more of the following matters is either happening now, took place in the past, or is likely to happen in the future:

- a criminal offence;
- the breach of a legal obligation;
- a miscarriage of justice;
- a danger to the health or safety of any individual;
- damage to the environment; or
- deliberate covering up of information tending to show any of the above five matters.

The Seven Principles of Public Life

Selflessness

Holders of public office should take decisions solely in terms of public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holder of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

Equality Impact Assessment (EIA) Form

Part 1. Background Information. (Please enter relevant information as specified.)

Title of Policy or Procedure. Details of Relevant Practice:	FA 3.2 Financial Regulations
Person(s) Responsible.	Vice Principal Finance and Resources
Date of Assessment:	April 2021
What are the aims of the policy, procedure or practice being considered?	As stated in the Policy.
Who will this policy, procedure or practice impact upon?	College students, their sponsors and other customers. Suppliers of goods and services to the College.

Part 2. Public Sector Equality Duty comparison (Consider the proposed action against each element of the PSED and describe potential impact, which may be positive, neutral or negative. Provide details of evidence.)

Need	Impact	Evidence
• Eliminating unlawful discrimination, harassment and victimisation.	No impact	
• Advancing Equality of Opportunity	All persons covered by this policy are treated the same way – there is no need for any differentiation	Policy document
• Promoting Good relations	All persons covered by this policy are treated similarly with no groups or individuals identified separately	Policy document

Part 3. Action & Outcome (Following initial assessment, describe any action that will be taken to address impact detected)

None required

Sign-off, authorisation and publishing *

Name:	Pete Smith
Position:	Vice Principal Finance and Resources
Date of original EIA:	17 May 2016
Date EIA last reviewed:	08 April 2021

**Please note that an electronic sign-off is sufficient*

FINANCE & RESOURCES COMMITTEE	
Meeting of 02 June 2021	
Title: Final SFC Funding Allocations 2021-22 Analysis	
Author: Peter D Smith, Vice Principal – Finance & Resources	Contributor(s): Jim Kirkwood, Financial Controller – Business Management
Type of Agenda Item:	
For Decision	<input type="checkbox"/>
For Discussion	<input type="checkbox"/>
For Information	<input checked="" type="checkbox"/>
Reserved Item of Business	<input type="checkbox"/>
Purpose: To enable the Committee to consider the Final Funding allocations for Academic Year August 2021 to July 2022.	
Linked to Strategic Goal:	
5. Optimise the use of our available resources to deliver financial and environmental sustainability.	
Linked to Annual Priority:	
18. Deliver a financial plan that reduces reliance on SFC funding and ASET gift-aid and increases capacity for in-year resourcing flexibility.	
Executive Summary:	
On 27 May 2021, the Scottish Funding Council (SFC) published SFC/AN/19/2021 "Announcement of college final funding allocations for Academic Year (AY) 2021-22", available here: -	
http://www.sfc.ac.uk/publications-statistics/announcements/2021/SFCAN192021.aspx	
The attached schedule details changes to the College's funding as noted in the announcement, and also shows the comparison to indicative allocations announced in March, as advised to the Regional Board. Overall, there is an increased Credit target and an increase to revenue funding. Capital funding has decreased. Further narrative on each element is provided below.	
Core Teaching Funding	

Following representations by the college sector, SFC has revisited the switch between Core and ESF Credit allocations announced in March. The Core Target has now only reduced by 490 Credits, significantly less than the reduction of 1,686 Credits announced in the indicative allocation. This takes the Core Credit target to 129,280 Credits. With the application of an inflationary increase of 2.4% (£809,005), Core Teaching Funding has increased to £34,305,362.

ESF Credit Activity

ESF-Funded Credit activity has increased by 400 Credits to 2,635 Credits, with a funding increase of £128,856 to £747,032. This represents a change from the indicative allocation which saw an increase of 1,596 Credits.

Deferred Students

SFC has allocated Credits and funding to allow for students who will have completion deferred from 2020-21 to 2021-22. This totals 2,413 Credits and £699,247. This differs from the approach taken in 2020-21 when deferred students counted towards the already-agreed Credit target for the year. In a clarification from the indicative allocation, SFC have stated this funding is ring-fenced and remains indicative, with a final allocation based on actual delivery to be made in September. We must therefore be cautious in our assumptions around this element of funding.

Foundation Apprenticeships

Foundation Apprenticeships, historically funded via Skills Development Scotland (SDS) are being transitioned to SFC Credit funding. The 1,662 Credits and £474,904 allocated to the College to fund 172 starts.

Digital Learning

We have been allocated £380,732 to support digital learning. While there has been no further formal detail on this fund, I understand that it is allocated from revenue as opposed to the capital grant awarded in 2020-21, and will be eligible to be used more flexibly.

Mental Health / Funding for Counsellors

We have been allocated £335,044 to support mental health for staff and students. There is currently no further clarity available on how this is to be used or accounted for, although it now appears to simply be an increase to the £188,000 previously made available to support counselling services.

Flexible Workforce Development Fund (FWDF)

SFC state that this will continue on a similar basis to previous years, although are not confirming at present.

Skills-Based Courses

SFC have stated that £10M has been set aside for "short skills-based courses", with the expectation that this be distributed in a similar way to the additional National Transition Training Fund and Young Persons' Guarantee funding in 2020-21. Like a

number of other colleges, we were unable to utilise this funding in 2020-21 due to a lack of demand. We will consider whether demand can be evidenced in 2021-22 and plan accordingly.

Access to Free Sanitary Provision

SFC state they expect this funding to be continued in 2021-22, although are unable to confirm at present.

Student Support Funds

Our allocation for Student Support Funds has increased by 1.9% to £9,517,435. We expect this to be sufficient to meet demand.

Capital

This has decreased by 2.5% to £3,357,000. The allocation continues to recognise our significant maintenance backlog. While not enabling us to make significant inroads to this, it will allow us to continue with the planned refurbishment programme.

The funding allocations detailed above have been included in our working budget assumptions.

Recommendation: It is recommended that the Committee note the contents of the Report

Previous Committee Recommendation/Approval (if applicable): n/a

Equality Impact Assessment:

Positive Impact

Negative Impact

No Impact

Evidence:

Agenda Item 08-21

Appendix 1