Policy & Procedure	Financial Regulations
Policy Area	Finance
Version Number	19
Approving Committee	Board of Management
Date of Approval	October 2026
Date of Equality Impact Assessment	September 2025
Date of Next Review	September 2027
Responsible Senior Manager	Director of Finance and Estates

History of Amendments

Date	Version	Summary of Changes
September 2021	14	Updates to Procurement and Petty Cash sections; links updated; Seven Principles of Public Life updated to Nine.
September 2022	15	Contract thresholds, staff titles and links to documents updated.
September 2024	17	Job Title changes, Procurement updates.
August 2025	18	Senior Management Team (SMT) updated to Senior Leadership Team (SLT)
August 2025	18	14.3 Updated to include Budget Holder to delegated authority
August 2025	18	15.7 Limit up to £1,500 added
August 2025	18	European Union Funding removed
August 2025	18	Section 17 updated to include process under PECOS system
August 2025	18	17.11 and 18.1 updated to include the BACS intranet online process
September 2026	19	Updates throughout - Links to documents/ websites, Job Title (consistency), Organisational Development and HR updated to People
September 2026	19	Section 9 – Reference to the College's Code of Conduct added
September 2026	19	Section 23.2 – New insurance contract updated

Policy Statement

The current approved version of the College Financial Regulations is published on the West College Scotland staff intranet. Any revised version becomes effective as soon as it is published on the staff intranet.

Template documents and procedures associated with these Regulations can be accessed through the staff intranet.

Equality Statement

The College is committed to providing equal opportunities to ensure students, staff, customers, and visitors are treated equally regardless of gender reassignment, race, religion, or belief; disability; age; marriage and civil partnerships; pregnancy and maternity; sexual orientation; sex.

Please note this document is available in other formats, which can be requested by sending an email to the Director of Finance and Estates.

Contents

Introduction 6
Corporate Governance 8
Financial Responsibility of Staff 11
Risk Management 13
Whistleblowing 14
Code of Conduct 15
Financial Management and Control 17
Financial Planning 17
Financial Control 19
Accounting Arrangements 21
Audit Requirements 25
Cash Management 30
Income 30
Other Income-Generating Activity 34
Expenditure 36
Petty Cash, Floats and Project Advances 48
Checking Financial Transactions 49
Pay Expenditure 50
Assets 53
Funds Held on Trust 57
Other 57
Intellectual Property Rights and Patents 61
Appendix 1: The Nine Principles of Public Life 62
Appendix 2: Summary of Protocols for Proposed Projects 63
Equality Impact Assessment 64

Relevant Documents and Organisations

Noted below are several documents and organisations referred to throughout the Financial Regulations. The relevant weblink is also included to ensure the most up to date documents are available to the users of these Regulations.

Relevant Documents	
FM	**SFC Financial Memorandum with Fundable Bodies in the College Sector**
FReM	**Financial Reporting Manual**
SPFM	**Scottish Public Finance Manual**
Audit Code	**Audit Scotland Code of Audit Practice**
SORP	**Statement of Recommended Practice (SORP): Accounting for Further and Higher Educational Institutions**
Risk Management Policy	**College Risk Management Policy**
Public Interest Disclosure Policy	**Public Interest Disclosure Policy (Whistleblowing)**
Code of Conduct	**Employee Code of Conduct**
Procurement Journey	**Scottish Government Procurement Journey**
Procurement Thresholds	**Procurement Thresholds**
Relevant Organisations	
SFC	**Scottish Further and Higher Education Funding Council** http://www.sfc.ac.uk/
ONS	**UK Office of National Statistics** https://www.ons.gov.uk/
SG	**Scottish Government** https://www.gov.scot/
OSCR	**Office of Scottish Charity Regulator** https://www.oscr.org.uk/

Introduction

The College was created under the provisions of the Further and Higher Education Act (Scotland) 1992 and was designated a Regional College under the Post-16 Education (Scotland) Act 2013. The College structure of governance is laid down in the instrument and articles of government, which may only be amended by application to the First Minister for Scotland. The College is accountable through its Board of Management which has ultimate responsibility for the effectiveness of its management and administration.

The College is an exempt charity by virtue of the Charities and Trustees Investment (Scotland) Act 2005. The College charity number is SCO21185 as registered with the Office of the Scottish Charity Regulator (OSCR).

The Scottish Funding Council (SFC) is the national strategic body which is responsible for funding teaching and learning provision, research and other activities in Scotland's colleges, universities, and higher education institutions.

The Financial Memorandum between the SFC and the College sets out the terms and conditions under which grant funding is made available. The Board of Management is responsible for ensuring that SFC conditions of grant are met. As part of this process, the College must adhere to the SFC Financial Memorandum (FM); the Scottish Government's Scottish Public Finance Manual (SPFM) (except where any special actions or derogations have been agreed with Scottish Ministers) and the SFC's Audit Code of Practice, which requires sound systems of financial and management control. The Financial Regulations of the College form part of this overall system of accountability and control and more information on wider regulatory documents is contained in Section 2.7.Financial Regulations – Status and Context
To conduct business effectively, the College needs to ensure that it has sound financial management systems in place and that these systems are strictly adhered to. Part of this process is the establishment of Financial Regulations which set out the financial policies of the College.

The purpose of the Financial Regulations is to provide control over the totality of college resources and provide management with assurances that these are being properly applied in an accountable manner which:

- Maintains financial sustainability
- Achieves value for money
- Fulfils responsibility for the provision of effective financial controls over the use of public funds
- Ensure compliance with all relevant legislation
- Safeguards the assets of the College

The Financial Regulations of the College form part of the overall organisational system of accountability and are subordinate to the College's instruments and articles of government and to any restrictions contained within the SFC FM. The SFC's interpretation of the FM will be final.

Compliance with College Financial Regulations is compulsory for all College staff, members of the Board of Management and members of Board of Management Committees. Any non-compliance with the Financial Regulations may be subject to disciplinary action. The Board of Management will be notified of such breaches as required through the Audit and Risk Committee.

The Corporate Development Committee is responsible for reviewing the College Financial Regulations, through the Director of Finance and Estates, and for advising the Board of Management of any changes necessary.

In exceptional circumstances the Corporate Development Committee may authorise a departure from the detailed provisions herein. Such departure must be reported to the Board of Management at the earliest opportunity.

The Financial Regulations should be read in conjunction with relevant guidance on accountability and propriety issued by the following bodies:

- The SFC – Financial Memorandum; Regional Outcome Agreement and wider funding guidance
- Audit Scotland – Audit Code of Practice; Internal Audit Manual
- National Audit Office or the Scottish Parliament Public Audit and Post-legislative Scrutiny Committee
- The UK Government - Financial Reporting Manual
- SORP Board - Statement of Recommended Practice (SORP): Accounting for Further and Higher Educational Institutions
- Scottish Government – Scottish Public Finance Manual

Page 8 of this document provides links to the relevant guidance issued by these bodies.

Corporate Governance

The Board of Management

The Board of Management will meet the principles of good governance set out in the Good Governance Code for Scotland's Colleges, and the wider principles identified within these Financial Regulations.

The Board of Management is responsible for the management and administration of the College to ensure the provision of education that meets the needs of students, communities, and partners. College financial responsibilities are to ensure that:

- Public funds are used in accordance with relevant legislation, the requirements of the SFC Financial Memorandum and for the purpose(s) which they are intended. Strategic, capital, and other grant funding should only be used for the purposes for which it is provided by SFC.
- Subject to any legal requirement to observe confidentiality, the College will be open and transparent with the SFC and other stakeholders, and will give, or be prepared to give, a public justification of its decisions in relation to the use of public funds.
- The College strives to achieve best value and is economical, efficient, and effective in the use of public funding.
- There is effective planning and delivery of the institution's activities in accordance with its mission and its Regional Outcome Agreement agreed with SFC.
- The College plans and manages its activities to remain sustainable and financially viable. A College is being managed on a sustainable basis if, year on year, it generates enough income to cover its costs and allow for maintenance of and investment in its infrastructure (physical, human, and intellectual) at a level which enables it to maintain adaptive capacity necessary to meet future demands.
- The College has a sound system of internal management and control, including an Audit and Risk Committee, an effective internal audit service, and adequate procedures to prevent fraud or bribery.
- The College has an effective policy of risk management and risk management arrangements.
- The College has regular, timely, accurate and adequate information to monitor performance and account for the use of public funds. Such information will be made available to SFC on request, as necessary, for the exercise of its functions and to gain assurance.
- The College is engaged actively in continuously enhancing the quality of its activities and involves students and other stakeholders in these processes.

The Board of Management's financial responsibilities are also to:

- approve the College strategic plan and SFC Regional Outcome Agreement
- approve the annual audit report and financial statements
- appoint, grade, and determine the pay and conditions of service of the Principal
- approve the appointment of the internal audit service
- approve an annual budget, financial plans, and regulations
- approve the acquisition and disposal of property, subject the SFC approval.

The Principal and Chief Executive

The Principal is accountable directly to the Board of Management for the proper conduct of the College's affairs. The Principal is also accountable directly to the SFC's Accountable Officer for the College's proper use of funds deriving from Scottish Ministers and compliance with the requirements of the SFC's Financial Memorandum. The Principal may be required to justify any of the College's financial matters to the Scottish Parliament Public Audit and Post-Legislative Scrutiny Committee. In particular, the College Articles of Governance charge the Principal with responsibility:

- for ensuring the proper and effective operation of financial, planning and management controls, and for giving effect to the Board's policies for securing the efficient, economical, and effective management of all the College's income, assets, and expenditure.
- arranging for presentation to the Board for approval an Annual Budget of income and expenditure, and to give regular updates on income and expenditure account, balance sheet and cash flow statements.
- arranging for the preparation, audit and presentation to the Board the Accounts following the end of each financial year in compliance with the requirements of the Accounts Direction and encompassing Audit Scotland and the Scottish Funding Council direction.

The Principal shall demonstrate oversight of financial matters by signing the Statement of Corporate Governance, the College Annual Report and Financial Statements and the declaration pages of the Financial Forecast Return (FFR) and Financial Statement Return submitted to the SFC.

The Principal must inform the SFC's Accountable Officer without delay of any circumstance that is having, or is likely to have, a significant adverse effect on the ability of the College to deliver its education programmes, and other related activity, including delivery of the Regional Outcome Agreement with the SFC. The Principal must also notify SFC's Accountable Officer of any serious weakness, such as a significant and immediate threat to the institution's financial

position, significant fraud or major accounting breakdown or any material non- compliance with any requirement of the SFC's Financial Memorandum.

Committee Structure

The Board of Management has ultimate responsibility for college financial matters but has delegated specific powers and processes to College Committees as detailed below. These Committees are accountable to the Board of Management and are as follows:

- Audit and Risk Committee
- Corporate Development Committee
- Student Experience and Quality Enhancement Committee
- Nominations Committee
- Remuneration Committee

The College Articles of Governance outline the purpose and scope of these Committees.

A full listing of these Board Committees, their remits and respective delegated authority is available on the College intranet (https://www.westcollegescotland.ac.uk/college/about-us/board-of-management/) or from the Governance Manager who can be contacted at susan.mcdonald@wcs.ac.uk

Financial Responsibility of Staff

Executive Team

The Executive Team of the College – which incorporates the Principal and Vice Principals - is responsible for the operational and financial management of the areas and activities they manage and control. They are advised by the Director of Finance and Estates on financial matters. The Executive Team is ultimately responsible for establishing and maintaining clear lines of responsibility within the areas they manage for all operational and financial matters including the delegation of day-to-day budget control to other budget managers and team leaders. The Executive Team shall provide the Director of Finance and Estates with such information as may be required to enable:

- compilation of the College's financial statements
- implementation of financial planning and budgeting
- implementation of audit and financial reviews, projects, and value for money

Vice Principal Operations

The Vice Principal Operations is responsible for strategic financial management and direction and advice to the Board, Principal, and the Senior Leadership Team.

Director of Finance and Estates

Day-to-day financial administration is managed and controlled by the Director of Finance and Estates, who is responsible to the Vice Principal Operations for:

- preparing annual revenue and capital budgets and financial plans
- preparing monthly and/or quarterly accounts, management information, monitoring, and control of expenditure against budgets and all financial operations
- preparing the College's annual accounts and other financial statements which the College is required to submit to other authorities
- ensuring that the College maintains satisfactory financial systems
- providing professional advice on all matters relating to financial strategy and planning
- providing cash and resource returns to the SFC
- liaising with the internal and external auditors to implement audit strategies

The Director of Finance and Estates will be assisted in carrying out these duties by the Head of Finance and Student Funding.

Assistant Principals and Directors

Assistant Principals and Directors are responsible to the Vice Principals or Principal (depending on the reporting structure of their roles) for the financial management of the areas and activities they manage and control. They are advised by the Director of Finance and Estates to execute their financial duties. The Director of Finance and Estates will also supervise and approve the financial systems operating within their departments, including the form in which accounts and financial records are kept. Assistant Principals and Directors are responsible for establishing and maintaining clear lines of responsibility within their departments for all financial matters. Where resources are devolved to other budget holders, they are accountable to their Director or Manager for their own budget.

All Members of Staff

All members of staff should:

- be aware of and have a general responsibility for the security of College property, for avoiding loss and for due economy and best value in the use of resources
- ensure they are aware of the College's delegated authority limits, the value of purchases for which quotations and tenders are required and the associated procurement procedures
- make available any relevant records or information to the Director of Finance and Estates or their authorised representative in connection with the implementation of college financial policies, these Financial Regulations, and the system of financial control
- provide the Director of Finance and Estates and/or Vice Principal Operations with such financial and other information as they may deem necessary, from time to time, to carry out the requirements of the Board of Management
- immediately notify the Director of Finance and Estates whenever any matter arises which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the College. The Director of Finance and Estates shall take such steps as considered necessary by way of investigation and report

Risk Management

The delivery of College objectives is surrounded by uncertainty which poses both threats to success and offers opportunity for improved outcomes. Risk is defined as uncertainty of outcome, whether positive opportunity or negative threat of actions and events.

In considering risk, the College must recognise the environment within which it operates as a non-departmental public body. This environment includes compliance with the Scottish Public Finance Manual which requires that it is *"…important to develop a framework for assessing risks that evaluates both the likelihood of the risk being realised, and of the impact if the risk is realised. Risk assessment should be recorded in a way that demonstrates clearly the key stages of the process."*

The SFC Financial Memorandum requires that the Board of Management complies with the principles of good governance set out in the Code of Good Governance for Scotland's Colleges. The SFC also requires the governing body to ensure that:

- The College has an effective policy of risk management and risk management arrangements
- Internal audit must provide the governing body and senior management of the College with an objective assessment of adequacy and effectiveness of risk management, internal control, governance and value-for- money
- The College undertakes careful appraisal of risks before accepting any contingent liability

The College Risk Management Policy therefore takes account of the requirements of the SFC Financial Memorandum and SPFM and is subject to independent review by auditors.

A detailed College strategic risk register is maintained to record risks and how they may be mitigated. In line with the College Corporate Strategy, the Board of Management requires that the Risk Management Policy and supporting documentation 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 (risk appetite), together with tolerance levels expressed in terms of measurable outcomes
- a decision on the level of risk to be covered by insurance
- regular review at Teaching and Support Department level to identify

significant risks associated with the achievement of key objectives and other relevant areas
- development of risk management and mitigation 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 Board of Management of all identified risks
- an annual review of the implementation of risk management arrangements

Whistleblowing

Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice or potential malpractice in the workplace. An individual can raise matters about a crime, civil offences (including negligence and breach of contract), miscarriage of justice, danger to health and safety or the environment, breach of financial regulations and/or the cover-up of any of these matters. It does not matter whether the information is confidential, and the whistleblowing can extend to malpractice occurring in the United Kingdom and any other country or territory.

Normally, any concern about a workplace matter at the College should be raised by a member of staff with their line manager(s). However, the College recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult. If the member of staff does not wish to raise the matter in this way, it may be raised with a member of the SLT. If the concern relates to a member of the SLT the concern can be reported to the Principal. Any concerns that relate to the Principal can be raised with the Chair of the Board of Management via the Governance Manager who can be contacted via email at susan.mcdonald@wcs.ac.uk

Detailed guidance on this is provided by the Public Interest Disclosure Policy (Whistleblowing).

Code of Conduct

The College is committed to the highest standards of openness, integrity, and accountability. It seeks to conduct affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life adopted and advocated by the Scottish Government. All Governing Body members and members of staff are expected to observe these principles as set out at Appendix 1.

In addition, all staff and Board members are required to comply with the College's Code of Conduct, which sets out the standards of behaviour, integrity and professionalism expected when carrying out College business.

Board members are also charity trustees and as such are subject to obligations imposed by charity legislation and Office of Scottish Charity Regulator (OSCR).

Members of the Board of Management and all staff members are also required to disclose interests in the College Register of Interests maintained by the Governance Manager and the Director of Finance and Estates. It is the responsibility of individual Board of Management members and staff to ensure that entries in the register relating to them are kept up to date regularly and promptly as required.

No person shall participate in a College procurement or be a signatory to a College contract where they have an interest in the activities of the other party.

Receiving and Making of Gifts or Hospitality

A gift is something voluntarily given or donated without the expectation of receiving anything in return and generally without preconditions. In the context of this guidance gifts received can be defined as the donation of cash or other resources or invitations to events with a current market value.

It is an offence under the Prevention of Corruption Act 1906 and the Bribery Act 2010 for Board members, members of Board Committees and members of staff to accept any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity.

The guiding principles to be followed by Board members, members of Board Committees and all members of staff are:

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

Thus, Board of Management members, Board of Management Committee members and 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 gifts, rewards and/or hospitality. When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined, or advice sought from the Director of Finance and Estates.

All Board of Management members, Board of Management Committee members and staff in receipt of gifts or hospitality are obliged to promptly notify, by email, the Director of Finance and Estates where the value of any gift or hospitality is more than £25.

Before any gifts with a value over £25 are made by the College or members of College staff, prior written approval requires to be obtained from the Principal or a Vice Principal.

Financial Management and Control

Financial Planning

Responsibility
The Director of Finance and Estates is responsible for preparing annually a rolling medium term strategic financial forecast for approval by the Board of Management and for submitting a financial forecast return and cash forecast to the SFC. Financial plans should be consistent with the strategic plans approved by the Board of Management.

Budget Objectives
The Board of Management will from time to time, set budget objectives for the College. These will assist the Vice Principal Operations and the Director of Finance and Estates in preparing the financial plans for the College.

Resource Allocation
Resources are allocated annually by the Board of Management on the recommendation of the Corporate Development Committee and based on the above objectives (10.2). The Senior Leadership Team is responsible for the economic, effective, and efficient use of resources allocated to them.

Budget Process
The Director of Finance and Estates is responsible for preparing annually:

- a detailed budget for the forthcoming financial year, for approval by the Board of Management on the recommendation of the Corporate Development Committee
- a 12-month cash flow forecast, and balance sheet based on the annual SFC funding allocation and the 12-month budget
- a list of major assumptions used in arriving at the budget and forecast
- scenario plans to address potential material movements in the above assumptions and how the College would respond to these movements
- a Financial Forecast Return (FFR) for submission to the SFC
- a medium-term financial forecast

Financial plans should be consistent with the SFC Regional Outcome Agreement, the College Corporate Plan and any other relevant College strategy documents as approved by the Board of Management. Following approval by the Board of Management the budget will be communicated to budget holders as soon as possible.

Budget Review

During the year the Director of Finance and Estates is responsible for submitting a revised Statement of Comprehensive Income and Expenditure account forecast, cash flow forecast and projected year-end balance sheet to the Corporate Development Committee for consideration before submission to the Board of Management for approval as required.

Capital Expenditure

Capital expenditure includes all expenditure on land, buildings, equipment, furniture, and associated costs, whether they are funded from capital grants or capitalised for inclusion in the College's financial statements.

Where the College receives capital grant funding from the SFC, the Vice Principal Operations in conjunction with the Director of Finance and Estates will establish protocols with the College Executive for the inclusion of capital projects in a capital programme for approval by the Board of Management. These protocols will set out the information that is required for each proposed capital project as well as the financial criteria that they are required to meet.

The Vice Principal Operations will also establish procedures for the approval of any variations arising in relation to capital projects, including the notification of variations to the Scottish Funding Council, as laid down in Scottish Funding Council guidelines. The Vice Principal Operations is responsible for providing regular statements concerning all capital expenditure to the Board of Management through the Corporate Development Committee for monitoring purposes.

Following completion of any major capital project with a value more than £500,000, a post-project evaluation requires to be submitted to the Board of Management including the actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as any other issues affecting completion of the project.

Where a project has a value more than £3m, the SFC requires a formal post occupancy evaluation to be undertaken and submitted for review. Further guidance on the form and content of this type of review can be found at:

http://www.sfc.ac.uk/web/FILES/Guidance/Post-Occupancy-Evaluation-Guidance.pdf

Estate Development Programme

The estate development programme includes all expenditure on land, buildings, equipment, furniture, and associated costs normally funded by SFC maintenance grants or from College funds. Expenditure of this type is approved by the Senior Leadership Team normally at the start of each year.

The Vice Principal Operations will establish protocols with the College Executive for the creation of the estate development programme. 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 Operations is responsible for providing regular statements concerning all estate development expenditure to the Senior Leadership Team, for monitoring purposes.

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 of more than £500,000 must be presented for approval to the Corporate Development Committee. The College must have due regard to the relevant guidelines issued by the SFC.

The Director of Finance and Estates will establish protocols for any such major developments proposed, 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 which considers matters of ownership, accountability, and governance, as well as the financial criteria that requires to be met.

Financial Control

Budgetary Control

The control of income and expenditure within an agreed budget is the responsibility of the budget holder, who must ensure that monitoring is undertaken effectively. Budget holders are responsible to their Director/Assistant Principal for the income and expenditure appropriate to their budget. The Accountant allocated to the budget holder will ensure that they receive training in the use of the College finance system to allow them to actively monitor income and expenditure. Significant variances from agreed budgetary targets must be reported immediately to the Director of Finance and Estates by the budget holder concerned and, if necessary, corrective action taken.

A budget holder may delegate their overall budget or a proportion of it to delegated budget holders, subject to the approval of the main budget holder. In this situation the budget holder and the delegated budget holder are both responsible for ensuring they have awareness of the requirements of the Financial Regulations.

Financial Information

Budget holders are assisted in their duties by management information provided by the Finance Department. The Vice Principal Operations is responsible for supplying budgetary reports on all aspects of College finances to the Corporate Development Committee. These

reports are then presented to the Board of Management as required, which has overall responsibility for College finances.

Changes to the Approved Budget

Changes proposed to the approved overall College budget surplus / (deficit) will be first considered by the Corporate Development Committee, which will make proposals to the Board of Management as required.

Virement

The virement of budgets must not lead to any net change in the overall annual budget for the College. Virement between budgets is permitted as set out below:

Movement	Authority
Between staff and non-staff budgets	Director of Finance and Estates and / or Head of Finance and Student Funding.
Non-staff budgets under a budget holder	Accountant
Between non-staff budgets <£25,000	Principal Accountant
Between non-staff budgets >£25,000 to £100,000	Principal Accountant and Head of Finance and Student Funding
Between non-staff budgets >£100,001	Director of Finance and Estates and Head of Finance and Student Funding

Carry Forward of Budgets

The carry forward of balances of any budget from one year to another is not permitted.

Accounting Arrangements

Financial Year
The College financial year will run from 1 August until 31 July the following year.

Basis of Accounting
The annual consolidated College financial statements are prepared on the historical cost basis of accounting modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards, the SFC Annual Accounts Directions and the Scottish Government SPFM.

The Accounts Direction issued by the Scottish Ministers via the SFC require that the annual accounts for a financial year shall:

- comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM), as approved by the Financial Reporting Advisory Board, which is in force for the financial year for which the accounts are prepared
- give a true and fair view of the state of the affairs of the College as at the end of the financial year, and of the net resource outturn, resources applied to objectives, recognised gains and losses, and cash flow

Format of the Financial Statements
The financial statements are prepared in accordance with the current *Statement of Recommended Practice (SORP): Accounting for Further and Higher Education* and in accordance with applicable Accounting Standards, subject to any specific requirements of the SFC, and in accordance with the provisions of the Companies Act, as appropriate.

Capitalisation and Depreciation
Assets are recorded in the Balance Sheet at depreciated replacement cost for land and buildings and at historic cost less depreciation for equipment in accordance with the Financial Reporting Manual. Buildings will be depreciated in equal instalments over their estimated remaining useful life, but subject to periodic revaluation. Land will not be depreciated.

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, based on depreciated replacement value, is greater than the current book value.

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost including VAT per item is £5,000 or more.

'Grouped assets' are a collection of assets which individually may be valued at less than £5,000 but which together form a single collective asset with a group value more than £20,000 because the items fulfil all the following criteria:

- the items are functionally interdependent
- the items are acquired at about the same date within the same financial year and are planned for disposal around the same date
- each individual asset thus grouped has a value of over £250

Examples of such a grouping of assets are:

- Assets acquired during the initial setting up of a new building or on refurbishment may also to be treated as 'grouped' for capitalisation purposes
- Networked systems - Large collective networked system developments where individual items of computer hardware and/or software are purchased as part of a larger system, and which will be used as a part of that system for the duration of their asset life.

The rationale for permitting such a form of 'grouping' is that:

- smaller items of expenditure may be recognised as having a useful life over several years, and as a result should be capitalised rather than written off in the current year
- the College will from time to time receive specific capital grant funding from such bodies as the Scottish Funding Council which it is likely to expend on smaller items of equipment. To comply with such grant conditions and treat these items as capital for accounting purposes, the College must be able to group such items together.

To justify the adoption of this approach, the items should all be purchased within a reasonable time frame (no more than one financial year), and the total combined cost of the individual assets should be no less than £20,000.

Capitalised assets other than land and buildings will be depreciated in accordance with the College's accounting policy on capitalised assets and depreciation.

Certain tangible assets will be revalued, normally land and buildings. Where such a policy is adopted, it will be applied consistently to all tangible fixed assets of the same class, and the carrying amount should be the current asset value. A full valuation of land and buildings will take place at least every 5 years with an interim valuation in year 3.

Where an asset is found to have suffered impairment, the prospective impairment and background must be communicated to the SFC at the earliest opportunity. Valuation advice as to the amount of the prospective impairment must be obtained from a suitably qualified Valuer who has enough current local and national knowledge of the market and the skills and understanding to undertake the valuation competently. In all cases, the Valuer used must be a professional member of an appropriate body, such as the Royal Institution of Chartered Surveyors or the Institute of Revenues Rating and Valuation.

Depreciation periods will be set as follows:

Asset Class	**Depreciation Period**
Land	Nil
Buildings	5 to 50 Years
Leasehold Property	Length of Lease
Plant and Equipment	3 to 10 Years
Computers	3 Years
Motor Vehicles	3 Years

Accounting Records

The Director of Finance and Estates is responsible for the retention of financial records. These should be kept in a form that is acceptable to the relevant authorities. Guidance on the retention of financial records which may be required in connection with the preparation and audit of accounts is set out in the SPFM.

The College is required by law to retain certain key documents for six years plus the current year. This list is not exhaustive but includes:

- official purchase orders
- paid invoices /cheques
- accounts raised
- bank statements
- copies of receipts
- payroll records

The Director of Finance and Estates will make appropriate arrangements for the retention of electronic financial records. Staff should ensure that retention arrangements comply with any specific requirements of external funding organisations. For auditing and other purposes, all financial documents should be retained for at least three years.

Public Access

Under the terms of the Freedom of Information (Scotland) Act 2002, the Board of Management is required to supply any person with a copy of the College's most recent financial statements within twenty working days of a request after such date as which the financial statements have been laid before and approved by the Scottish Parliament. The College will also make available the Annual Report and Financial Statements on the College's website. An electronic copy will be available on request to the College. Previous annual financial statements are also available on the College website or by request to the Governance Manager who can be contacted via email at susan.mcdonald@wcs.ac.uk

European Structural Funds Funded Projects

The College will retain documentation relating to historic European Structural Fund (ESF) projects in accordance with applicable funding, audit and records management requirements. Records will be maintained for the prescribed retention period to ensure that a clear and transparent audit trail is available where required.

Taxation

The activities of government and public bodies can give rise to tax liabilities, either directly on their own account or through contracts with other bodies where the tax system influences the terms of contracts. In assessing cost effectiveness in activities where tax considerations might be important, it should be borne in mind that savings arising from tax mitigation may arise at the expense of other taxpayers, or other parts of the public sector.

All individuals who qualify as employees for tax purposes must be paid through the College payroll system with tax deducted at source. No payment arrangements should be put in place that could be perceived, reasonably, as seeking to minimise the tax liability of either the individual or the paying organisation concerned.

Proposals to put in place non-standard tax management arrangements must be approved in advance by the SFC. The Director of Finance and Estates is responsible for advising managers, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the College. Therefore, the Director of Finance and Estates will issue guidance and instructions to departments as required on compliance with statutory requirements, including those concerning VAT and other corporate taxes. The Director of People is responsible for guidance on PAYE and National Insurance.

The Director of Finance and Estates is responsible for maintaining College tax records, making all tax payments, receiving tax credits, and submitting tax returns by their due date as appropriate.

Audit Requirements

General
External auditors and internal auditors have authority to:

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

The Director of Finance and Estates is responsible for drawing up a timetable for the audit of the financial accounts and will advise the staff and the external auditors accordingly. A joint meeting of the Audit and Risk and Corporate Development Committees, chaired by the Chair of the Audit and Risk Committee, will review the College Financial Statements. On their recommendation, the College Financial Statements will be submitted to the Board of Management for approval.

Scottish Funding Council (SFC)
Where appropriate, the College must provide data returns requested by the SFC in accordance with the deadlines and standards specified.

External Audit
Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Auditor General for Scotland is responsible for the appointment of the external auditors for 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 auditor is entitled to receive all notices of and other communications relating to any meeting of the governing body which any member of the governing body is entitled to receive. They are also entitled to attend any such meeting and to be heard at any meeting which they attend, on any part of the business which concerns them as auditors.

The external auditor must also be entitled to attend the meeting of the governing body or other appropriate committee at which the College annual report and financial statements are presented. The College's appointed external auditor has the right of direct access to the

Principal, Chair of the Board of Management, and the Audit and Risk Committee.

The external auditor is expected to attend, as a minimum, any meetings of the Audit and Risk Committee where relevant matters are being considered, such as planned external audit coverage, the audit report on the financial statements and the audit management letter. It is the responsibility of the Governance Manager of Management to notify the external auditor of such meetings.

The external auditors, notwithstanding responsibilities to their clients, are expected to co-operate fully with any enquiries or routine monitoring that the SFC undertakes. The College must not in any way limit SFC's access to the College's external auditors.

Internal Audit

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

Internal audit provides an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. Internal audit provides an appraisal of the College's internal control system and takes the actions required to provide the Principal with a continuing assurance that College risk management, control and governance arrangements are adequate and effective. Internal audit assists the College accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The operation and conduct of the internal auditors require to comply with Public Sector Internal Audit standards.

The Principal is responsible for ensuring that appropriate internal control systems exist within the College, and for deciding whether to accept and implement internal audit findings and recommendations. The Principal has overall responsibility for ensuring that prompt and effective action is taken on audit recommendations, and that the risks resulting from any inaction are recognised and accepted. The College's appointed internal auditor has the right of direct access to the Principal, Chair of the Board of Management, and the Audit and Risk Committee.

Internal audit evaluates compliance with the College's internal control system - including relevant regulations, guidance, and procedures - as part of the review process. However, the primary responsibility for monitoring compliance rests with operational areas and their line management, up to and including the Principal.

Entities or individuals involved in the external audit of the College should undertake non-external audit related work for the College only in exceptional circumstances.

The College must have in place an effective internal audit service. The operation and conduct of the internal audit service must conform to the professional standards of the Chartered Institute of Internal Auditors. For incorporated colleges and Regional Boards, the operation and conduct of internal audit must comply with Public Sector Internal Audit Standards and, where relevant, the SPFM.

The College must inform the SFC when an internal auditor is appointed and must inform SFC immediately if the internal auditor is removed or departs before the end of their term of office.

The internal audit service must provide the governing body and senior management of the College with an objective assessment of adequacy and effectiveness of risk management, internal control, governance, and value-for- money.

The internal audit service must extend its review over all financial and other management control systems, identified by the audit needs assessment process. Internal audit must cover all activities in which the College has a financial interest, including those not funded by SFC. It must include review of controls that protect the College in dealings with organisations such as subsidiaries or associated companies, arms-length foundations, the Student Association, collaborative ventures and/or joint ventures with third parties.

The College appointed internal auditor will produce an annual report for the Board of Management governing body on its' activities during the year. The report must include an opinion on the adequacy and effectiveness of the College's risk management, internal control, and governance. The report must be presented to the College's Audit and Risk Committee and subsequently to the Board of Management, and a copy sent to the SFC.

The internal auditor is expected to attend, as a minimum, any meetings of the Audit and Risk Committee where relevant matters of internal reporting and control are being considered.

Other Audit Services

The College, subject to the prior approval of the Audit and Risk Committee, can procure other audit services as required to comply with external funding or other stakeholder audit requirements.

Fraud, Bribery and Corruption

The College has made a clear commitment to ethical standards in public life through its Anti-Fraud and Corruption Policy. A copy of these policies can be found on the College Website.

Fraud can be perpetrated by persons outside as well as inside an organisation and by collusion. The term fraud is commonly used to describe a wide variety of dishonest behaviour such as deception, forgery, false representation, and concealment of material facts. It is usually used

to describe the act of depriving a person of something by deceit, which may involve the misuse of funds or other resources, or the supply of false information. Computer fraud covers the use of information technology equipment to manipulate programs or data dishonestly – for example by altering, substituting, or destroying records, or creating spurious records - or where the use of an IT system was a material factor in the perpetration of a fraud. The fraudulent use of computer time and resources is included in this definition.

All staff have a responsibility in relation to the prevention and detection of fraud, but the prime responsibility for designing, operating, and reviewing control systems rests with the managers involved. Managers should consult the College finance function and internal audit where new control procedures are being set up or significant changes to existing procedures are being proposed.

Procedures set up to prevent and detect fraud must be carefully followed and monitored. Many frauds are due to failure to comply with existing control systems.

It is the duty of the Board of Management, Senior Management, and all members of staff to notify the Director of Finance and Estates immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption, or any other impropriety. Further details can be found in the Anti-Fraud, Bribery and Corruption Policy and the Public Interest Disclosure Policy (Whistleblowing).

The Director of Finance and Estates shall immediately invoke the fraud response plan, which incorporates the following key elements:

- the Principal and the Audit and Risk Committee (through its Chair) will be notified of the suspected irregularity and shall take such steps as considered necessary by way of investigation and report
- the Principal shall inform Police Scotland if a criminal offence is suspected of having been committed
- any significant cases of fraud or irregularity shall be reported to the Scottish Funding Council in accordance with their requirements as set out in the audit code of practice
- the Audit and Risk Committee shall commission any such investigation as may be necessary of the suspected irregularity, by the College, internal audit service or others, as appropriate
- 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 Principal, Vice Principal and / or the Director of Finance and Estates, the member of staff shall notify the Chair of the Audit and Risk Committee directly of their concerns regarding irregularities.

Under the terms of the SFC FM, the College is required to submit a report to SFC of each incidence of fraud loss that exceeds £5,000.

Value for Money

Value for Money provides a common framework for continuous improvement in public services in Scotland and is a key foundation of the Scottish Government's Public Service Reform agenda. The Principal has a specific responsibility to ensure that arrangements have been made to secure Value for Money. In addition, the Board of Management has a corporate responsibility for promoting the efficient and effective use of staff and other resources by the College in accordance with the principles of Value for Money. Under the terms of the Public Finance and Accountability (Scotland) Act 2000 the implementation of the Value for Money duty by relevant public service organisations is subject to scrutiny by the Auditor General for Scotland.

Guidance for Accountable Officers on Value for Money is available on the Scottish Government website. The guidance identifies the themes which an organisation needs to focus on to deliver the duty of Value for Money and provides detail on what organisations should be aiming for and points to related support and guidance material. Value for Money should be appropriate to, and proportionate to, an organisation's priorities, operating environments and scale/nature of business and should be implemented accordingly.

It is a requirement of the FM between the SFC and the College that the Board of Management is responsible for delivering value for money from public funds. The Board of Management should keep under review arrangements for managing all the resources under its control, considering guidance on good practice issued from time to time by the SFC or other relevant bodies. The College has a Value for Money Policy which sets out the arrangements in place.

The College, as part of its internal audit arrangements, must obtain a comprehensive appraisal of management arrangements for achieving value for money. This forms part of the Audit and Risk Committee annual report.

Other Auditors

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

Cash Management

Cash Management Policy
All bodies to which the SPFM is directly applicable are required to have their core bank accounts with the Government Banking Service (GBS).

The College should take appropriate steps to prevent bank account fraud. Banking operations are required to be annually reviewed by the Head of Finance and Student Funding.

Cash on site should be kept to minimum levels agreed by the Head of Finance and Student Funding. Cash reserves held during the year should be kept to the minimum level consistent with the efficient operation of the College and the level of funds required to meet any relevant liabilities at the year-end. Grant-in-aid shall not be paid into any restricted reserve held by the College. Transfers to arms-length-foundations are permitted and will require the agreement of the SFC.

Borrowing
All borrowing will require the approval of the Scottish Ministers. Requests to borrow must be submitted to the SFC for consideration in the first instance.

Banking Arrangements
The Director of Finance and Estates is responsible, on behalf of the Board of Management Corporate Development Committee, for liaising with the College's bankers in relation to bank accounts.

The following conditions will apply to the operation of the College banking arrangements:

- Only a combination of two from the Principal, Vice Principals and/or the Director of Finance and Estates may open or close a bank account for dealing with College funds. All bank accounts shall be in the name of the College
- All automated transfers on behalf of the College, such as BACS or CHAPS, must be authorised by two persons drawn from the Principal, Vice Principals, the Director of Finance and Estates, Head of Finance and Student Funding, Principal Accountant, Budget Holder and/or Accountant/System Accountant
- All BACS payment reports must be approved for payment by either the Head of Finance and Student Funding, Student Funding Manager and/or the Principal Accountant.
- Details of authorised persons and limits shall be provided for in the College's banking mandates, copies of which are available from the Finance

Department and will be reported annually to the Corporate Development Committee.

The Head of Finance and Student Funding is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

Investments
The College must not make any investments without the prior written approval of the SFC.

Income

General
The Director of Finance and Estates 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, tickets or other official documents in use and electronic collection systems must have the prior approval of the Director of Finance and Estates.
The Director of Finance and Estates is responsible for:

- the prompt collection, security and banking of all income received
- ensuring that all grants notified by funding bodies are received and appropriately recorded in the College accounts
- ensuring that all claims for funds are made by the due date

Repayment of SFC Grant
If the College fails to comply with the requirements of the SFC FM, or any other specific terms and conditions attached to the payment of grant from the SFC, it may be required to repay the SFC any sums received from it and to pay interest in respect of any period during which a sum due to the SFC remains unpaid.

If, in the reasonable opinion of the SFC, any provision set out in the FM is not observed by the College, the SFC will be entitled to take the following action:

- In the case of funding by way of SFC grant: to require immediate repayment of all grants or any part or parts of any grants at any time after the SFC becomes aware of such failure to observe (without prejudice to further demands until the whole of all sums made available by way of grant shall have been paid in full)
- In the case of funding by way of loan (notwithstanding the terms of any agreement attached to the same): to require immediate repayment of the

whole or part of each such loan at any time after SFC becomes aware of such failure to observe (without prejudice to further demands until the whole of all sums made available by way of loan shall have been repaid in full

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. This requires the prompt notification to the Finance Department of sums due so that collection can be initiated.

Tuition Fees

Except for those which are set by SFC or Student Awards Agency for Scotland (SAAS) the College must charge student tuition fees at the levels prescribed within the Fee Policy document. A copy of the Fee Policy can be found on the College internet.

Receipt of Cash and Cheques

All monies received within departments from whatever source must be recorded by the department daily together with the form in which they were received, for example cash, debit/credit cards, cheques, and other negotiable instruments.

All monies received must be paid into the College bank account promptly, and in accordance with any timetable stipulated by the Head of Finance and Student Funding. The custody and transit of all monies received must comply with the requirements of College insurers.

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

Receipts by Credit or Debit Card

The College can receive payments by debit or credit card in person, over the telephone using merchant terminals or through a hosted payment facility. The 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 Director of Finance and Estates is responsible for ensuring the College maintains PCI DSS compliance, which is monitored by the merchant services unit.

Collection of Debts

The Head of Finance and Student Funding should ensure that:

- debtor's invoices are raised promptly on official invoices, in respect of all income due to the College
- invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account.
- 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 debtor's account
- swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the financial procedures
- outstanding debts are monitored, and reports prepared for management
- correction of an error using a credit note requires Finance Officer or Head of Finance and Student Funding approval i.e., posting / text / coding / amount / VAT / withdrawal of student

The Director of Finance and Estates will implement procedures for the collection of debts including any instalment arrangements the periods in which different types of invoices must be paid.

A bad debt is a debt that is not collectable. A bad debt can also arise where the cost of pursuing the debtor is more than the amount that can be collected. Debt write off must be carried out in line with the authorisation levels stated below:

Value of Debt	**Authorising Official**
Up to £1,500	Finance Officer
£1,501 to £5,000	Head of Finance and Student Funding
£5,001 to £50,000	Director of Finance and Estates or Vice Principal
Over £50,000	Corporate Development Committee

Student Fees

The College Fee Policy must be approved annually by the Senior Leadership Team. The Director of Finance and Estates is delegated to ensure 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 may not receive the certificate for any degree, diploma or other qualification awarded by the College until all outstanding debts have been cleared. Such students may be prevented from re-enrolling at the College and from using any College facilities until appropriate arrangements have been made.

The College seeks to minimise any possibility of money laundering in accordance with the Money Laundering Regulations. For further advice and guidance see the Governments advice page at https://www.gov.uk/topic/business-tax/money-laundering-regulations. Where refunds are required, they should be made to the original payer and follow the method by which the money was received.

Other Income - Generating Activity

Private Consultancies and Other Paid Work

Unless otherwise stated in the contract of employment of a staff member:

- outside consultancies or other paid work may not be accepted without the consent of the Principal and Chief Executive
- outside consultancies must not conflict with the work of the College
- applications for permission to undertake work as a purely private activity must be submitted to the Principal, as appropriate, and include the following information:
    - the name of the member(s) of staff concerned
    - the title of the project and a brief description of the work involved
    - the proposed start date and duration of the work
    - any remuneration received for the outside consultancy or paid work
    - full details of any College resources required (for the calculation of the full economic cost)
    - an undertaking that the work will not interfere with the teaching and normal College duties of the member(s) of staff concerned
- any outside consultancy or other paid work may require to be listed in the College Register of Interest

Off-Site Collaborative Provision

If the off-site collaborative arrangement goes beyond the provision of premises, physical resources, and administrative support a formal partnership and course delivery agreement may be required. This is especially relevant for any arrangement whereby the College provides education to students away from College premises with the assistance of persons other than the College's own staff or with independent contractors/partner organisations. The following procedure must be followed:

- There shall be a signed contract in place setting out the responsibilities of each party to the agreement before any educational provision is delivered
- The impact of any collaborative contract shall be subject to scrutiny and considered by the appropriate College Committee. They shall consider the risk factors associated with the proposed partnership
- Where the partnership would represent a significant departure from the College strategic plan, the Board of Management shall approve the departure and the Principal shall inform the SFC and seek their view

Profitability and Recovery of Overheads

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

Other income-generating activities organised by members of staff must be costed and agreed with the relevant Assistant Principal / Director and the Director of Finance and Estates before any commitments are made. Provision must be made for charging both direct and indirect costs, for the recovery of overheads.

Donation of Surplus Funds to Arms-Length Foundations

The College may donate any surplus on its income and expenditure account as of 31 March each year to an arms-length foundation. The donation must take place in the fiscal year in which it arises and is subject to sufficient cash and resource cover being available.

Authorisation for any donation to a Foundation requires the approval of the Board of Management and the SFC.

Deficits

Any unplanned deficits incurred on other income-generating activities will be charged against the respective departmental budget.

Additional Payments to Staff

Any proposal which involves additional College payments to members of staff should be

supported by a schedule of names and values and must be approved by the appropriate Assistant Principal / Director / Vice Principal and the Director of People. Any payment to a Vice Principal or the Principal must be approved by the Chair of the Board of Management. The tax treatment of such proposals must be confirmed with the Finance Department in advance of the agreement being signed off.

Expenditure

General

The Director of Finance and Estates is responsible for making payments to suppliers for goods and services supplied to the College. External business and Management Consultancies greater than £100,000 and operating leases (non-property) greater than £250,000 require SFC approval.

Scheme of Delegation/Financial Authorities

Budget holders are responsible for purchases within their department. In exercising this delegated authority, budget holders are required to observe these Financial Regulations. The Director of Finance and Estates shall maintain a schedule of authorised budget holders and their delegates. Under procedures agreed by the Director of Finance and Estates, 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 Head of Finance and Student Funding immediately.

The Head of Finance and Student Funding is authorised to approve payments, with delegated authority to the Finance Officer regardless of value, in respect of:

- payroll and VAT returns, this includes payments to HMRC, pension funds and other outside bodies in respect of deductions made from employees' pay
- capital and interest repayments made to financial institutions in respect of loan agreements taken out by the College
- transfers between College bank accounts and investment accounts

The SPFM requires the College to seek prior approval from the SFC for:

- Any new voluntary severance scheme
- Any change to a previously approved voluntary severance scheme
- Any payment, forming part of any scheme, considered to be sensitive or high profile
- Any use of settlement agreements

- Any payment to an individual more than contractual entitlement out with an approved voluntary severance scheme.

Subject to the payments being made in relation to an approved voluntary severance scheme, the Director of People is authorised to approve severance payments made to employees, except for the Principal and Vice Principals. Any severance payment to the Principal or Vice Principals must be authorised by the Chair of the Board of Management and approved by the SFC. There is a delegated limit of up to £1,000 for special severance payments and any value above £1,000 requires prior SFC approval for special severance payments.

The Scottish Government have also stipulated that:

- where appropriate, it is expected that notice should be worked rather than a payment being made in lieu of notice
- a maximum payback period of 24 months will apply in all cases (i.e., the time taken to recover the compensation costs against normal salary costs). This will be applied at an individual rather than scheme level
- an individual leaving because of a voluntary severance resignation secured by a financial consideration may not return to employment within the same employer for a period of at least 12 months, including as a temporary agency worker or via a procurement route

Purchase Orders

College orders must be placed for the purchase of all goods or services. Only in exceptional circumstances should petty cash be used to purchase goods or services.

Purchase orders may not be split to lower the value per order with a view to reducing the authorisation level required.

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

Purchasing directly from online sites is not advised as the College has limited protection when purchasing from this source. Purchasing from eBay and Amazon is prohibited unless authorised in advance by either the Head of Finance and Student Funding or the Director of Finance and Estates.

The following purchase order approval limits for individual items of expenditure will be applied within PECOS:

Expenditure	Authoriser
£0 to £250	Budget Holder/delegated budget holder
£251 to £10,000	Principal Accountant
£10,001 to £100,000	Director of Finance and Estates/Head of Finance and Student Funding
➢ £100,001	Vice Principal / Principal

A request for a special payment is used to make payments to suppliers without the requirement to set up full supplier details on the finance system, and may only be used under the following conditions:

- For non-recurring purchases up to £1,000 (including VAT) where the supplier does not accept bank or credit card payments
- For payments to groups of individuals, who may only ever be paid once. This includes nursery or specific membership refunds

It is the responsibility of the Director of Finance and Estates to ensure that all purchase orders refer to the College's conditions of contract.

The College will not utilise on-line payment transaction systems, such as PayPal, for payment of on-line goods and services as there is limited recourse against the provider of the goods/services.

Credit Cards

Where appropriate, the Principal and the Vice Principal Operations may approve the issuing of College credit cards to senior staff. The operation and control of the College's credit cards is the responsibility of the Director of Finance and Estates. There will be appropriate oversight of the distribution of such cards and the associated card limits provided by the Vice Principal Operations.

Holders of credit 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 Director of Finance and Estates shall determine what information is required on purchases made with cards from

cardholders and deadlines for receipt in the Finance Department 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.

All items purchased on the College credit card must have an approved purchase order before the goods or services are procured. The Director of Finance and Estates/Head of Finance and Student Funding will approve and sign credit card reconciliations at least quarterly.

Procurement

The College requires all budget holders, irrespective of the source of funds, to obtain supplies, services and works at the most economically advantageous cost (MEAT). This should be consistent with quality, delivery requirements, sustainability and equalities legislation and in accordance with the College's Procurement Strategy (Procurement Strategy) considering procurement framework agreements as appropriate. Budget holders should engage with the College procurement function at the earliest possible opportunity.

The Director of Finance and Estates is responsible for:

- ensuring that the College procurement procedures and requirements are known and observed by all involved in purchasing for the College
- advising all stakeholders on matters of College procurement process and practice
- advising and assisting departments on specific departmental purchases
- developing appropriate standing supply arrangements on behalf of the College to assist budget holders in meeting their value for money obligations
- the drafting and negotiation of all large-scale purchase contracts undertaken by the College, in collaboration with procurement and the responsible department
- ensuring that the College complies with all relevant public procurement policies

Guidance on procurement matters is available on the procurement area of the College intranet. College procurement processes reflect the relevant guidance issued by Advanced Procurement for Universities and Colleges (APUC); and the requirements of the Procurement (Scotland) Regulations 2016, Procurement Reform (Scotland) Act 2015 and the Public Contracts (Scotland) Regulations. The Scottish Procurement Policy Handbook must also be followed and should be read in conjunction with the Procurement Journey (a toolkit providing practical guidance on procurement procedures). The Scottish Government's Construction Procurement Manual for managing or delivering construction / works projects is also mandatory.

Any proposal to award a contract without competition (non-competitive action) at a level above £25,000 must be approved in advance by SFC.

The procurement of supplies, services and works should firstly be sourced through APUC and Government framework agreements, prior to any alternative procurement route being taken.

Strategy Development and Authorisation

The procurement department will create a procurement strategy for all tendering activities above £50,000 total contract value in line with best practice. This procurement strategy will detail the methodologies applied when tendering a commodity or category including the suggested route to procurement and tendering approach.

Procurement strategies will be authorised by the following staff for estimated contract values of:

Estimated Contract Value	Authorised By
£50,001 to £100,000	SLT Member and Director of Finance and Estates
>£100,000	SLT Member and Vice Principal

Scottish Procurement Regulations

The Director of Finance and Estates is responsible for ensuring that the College complies with its legal obligations concerning Procurement Legislation.

The Director of Finance and Estates will advise the Senior Leadership Team on the financial thresholds that are currently in operation. Any breach of these Regulations could be liable to action by a supplier or potential supplier.

It is the responsibility of the Senior Leadership Team to ensure that their members of staff comply with the Scottish Procurement Regulations by notifying the Director of Finance and Estates of any purchase that is likely to exceed the thresholds. This will need to be done well in advance where tenders are of a higher value to permit advertisements in relevant procurement portals as required.

Quotations and Tenders

Delegated budget holders must comply with the College's procurement guidance contained within these Regulations and the Scottish Government Procurement Journey. Tendering procedures for the contract values noted below require to be followed:

Supplies and Services

Total Contact Value	Action	Responsibility / Notes	Contract Authorisation
<£5,000	At least 2 written quotations where no current contract / framework is in place.	Department A balanced approach being undertaken based on the nature and level of the transaction involved. Value for money must always be achieved. The relevant Framework/College's Terms and Conditions are to be in place and agreed by the supplier.	The Budget Holder
£5,001 to £25,000	Endeavour to obtain at a minimum 3 written quotations where no current contract / framework is in place.	Department The procurement must demonstrate best value, due diligence, and transparency in the selection process in line with corporate and statutory Regulations. The relevant Framework/College's Terms and Conditions are to be in place and agreed by the supplier.	A member of SLT and Head of Finance
£25,001 to £50,000	At a minimum 3 quotes via PCS 'quick quote' require to be obtained where no current contract / framework is in place.	Procurement Where a suitable procurement framework exists, a mini competition or direct award may be carried out. * The procurement must demonstrate best value, due diligence, and transparency in the selection process in line with corporate and statutory Regulations.	A member of SL T and Director of Finance and Estates and / or Head of Finance

£50,001 to £500,000	Open tender via PCS / PCS-T endeavouring to obtain at least 3 responses where no current contract / framework is in place.	Procurement Where a suitable procurement framework exists, a mini competition or direct award may be carried out. If no suitable framework is available, it will be necessary to carry out an open tender exercise.*. Open Tender Procurements falling into this category must be advertised as per the current relevant Procurement Regulations.	Two from Director of Finance and Estates / Vice Principal / Principal
>£500,000	As above	As above	Corporate Development Committee or Board of Management depending on timing of award

*** The exercises should also be carried out in a manner that will allow any resulting contract to be formed on the relevant Framework/Colleges' terms and conditions.**

The College is required to include a Community Benefits clause where the contract value is more than £4,000,000 as per the current procurement statutory Regulations. For all contracts above this limit the College will seek a Community Benefits clause were considered relevant and appropriate.

For Works

Works are defined as under Schedule 2 of the Public Contracts (Scotland) Regulations 2016.

Total Contact Value	**Action**	**Responsibility / Notes**	**Contract Authorisation**
<£100,000	Endeavour to obtain at least 3 written quotations where no current contract / framework is in place.	Department A balanced approach being undertaken based on the nature and level of the transaction involved. Value for money must always be achieved. The relevant Framework/College's Terms and Conditions are to be in place and agreed by the supplier.	Head of Campus Operations
£100,001 to £500,000	Open tender via PCS / PCS-T (endeavouring to obtain at least 3 responses) where no current contract / framework is in place.	Procurement Where a suitable procurement framework exists, a mini competition may be carried out where it is expected that a minimum of 5 suppliers will be invited to response and that a minimum of 3 bids will be assessed. If no suitable framework is available, it will be necessary to carry out an open tender exercise.* The procurement must demonstrate best value, due diligence, and transparency in the selection process in line with corporate and statutory Regulations.	Two from Director of Finance and Estates / Vice Principal / Principal
>£500,001	As above.	As above. Open Tender Procurements falling into this category, above £2,000,000 must be advertised as per the current relevant Procurement Regulations	Corporate Development Committee or Board of Management depending on timing of award

*** The exercises should also be carried out in a manner that will allow any resulting contract to be formed on the relevant Framework/Colleges' terms and conditions.**

The College is required to include a Community Benefits clause where the contract value is more than £4,000,000 as per the current procurement statutory Regulations. For all contracts above this limit the College will look to include a Community Benefits clause, where considered relevant and appropriate.

Building Contracts

Building contracts more than £500,000 are the approval responsibility of the Corporate Development Committee and can be approved by the Board of Management should the timing of the contract not allow consideration by the Corporate Development Committee, Advice on all contractual matters will be provided by the Vice Principal Operations, Head of Estates or Director of Finance and Estates and where necessary externally appointed professional advisors.

Proposals will be initiated because of required and planned capital developments. Managing consultants may be appointed if the project is of a scale or specialism that requires this. All such appointments shall be subject to tendering and other procurement procedures as appropriate.

Proposals for building contracts that require Board of Management approval shall be presented in the form of an options appraisal including relevant costings as appropriate, prepared by the Vice Principal Operations and Director of Finance and Estates. Option appraisals should comply with Scottish Funding Council guidance.

Following consideration, and approval by the Board of Management, option appraisals should be forwarded to the Scottish Funding Council where appropriate. If the required agreement is secured from the Scottish Funding Council, the relevant procedural rules should be followed. Scottish Funding Council guidance on best practice should be followed even when Scottish Funding Council approval is not required.
The achievement of value for money will be an objective in the awarding of all contracts even when Scottish Funding Council approval is not required.

Receipt of Goods and Services

All goods received 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 and services received shall be receipted within the PECOS system as soon as practicable after delivery. If 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.

Payment of Invoices

The procedures for making all payments shall be in a form specified by the Director of Finance and Estates.

Payments to UK suppliers will normally be made by BACS transfer and will only be varied after consulting with the Head of Finance and Student Funding.

Budget Holders are responsible for ensuring that expenditure within their departments does not exceed funds available.

Suppliers should be instructed by the budget holder to submit invoices for goods or services directly to the Finance Department by electronic means where possible.

Care must be taken by the budget holder to ensure that discounts receivable is obtained. Payments will only be made by the Finance Officer against invoices that have been certified by way of PO approval and goods receipting for payment by the appropriate budget holder and that can be matched to a receipted order.

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

- the goods have been received, examined, and approved for quality and quantity, or those 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
- an appropriate cost centre is quoted; this must be one of the cost centre codes included in the budget holder's area(s) of responsibility and must correspond with the types of goods or service described on the invoice.

Staff Reimbursement

The College's purchasing and payments procedures are in place to enable most non-pay supplies to be procured through the purchase ledger system without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement. Where such purchases by staff are planned, Senior

Leadership Team members may approve advances to staff that are going to incur expenditure on the College's behalf. Advances by bank transfer may be requested through the intranet online bacs request.

Upon completion of the travel or project to which the advance relates, a staff expenses claim must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid and returned to the Finance team. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to an individual is still outstanding.

For all other expense reimbursement, the College Travel and Subsistence Procedure applies, and this document is available on the Staff Intranet.

Late Payment Rules

The Late Payment of Commercial Debts (Interest) Act 1998 as amended by the Late Payment of Commercial Debts Regulations 2002 gives businesses the statutory right to claim interest on late payments from large organisations and public authorities, including the College. Key points in relation to this are:

- small businesses can charge interest on overdue invoices
- the rate of interest is currently 8% per annum above the official daily rate of the Bank of England
- late payment compensation of £40 per invoice

In view of the penalties in this Act, the Board of Management requires that invoices must be passed for payment when received, and payment made in accordance with the Prompt Payment Code (http://www.promptpaymentcode.org.uk/).

Losses and Special Payments

In principle, the College will always attempt to pursue the recovery of overpayments, irrespective of how they came to be made. In practice, however, there will be both practical and legal limits to how cases should be handled. Each case will therefore be dealt with on its individual merits.

The College will only take a decision not to seek recovery of an overpayment based on a cost benefit analysis of the options. A decision not to pursue recovery will be exceptional and will only be taken after a careful appraisal of the relevant facts. A Vice Principal or the Director of Finance and Estates must authorise the non-pursuance of an overpayment. The decision not to pursue an overpayment must consider the guidance in the section of the SPFM on Losses and Special Payments. Any decision not to pursue recovery, or not to pursue recovery in full, should be defensible in the public interest.

Losses should only be written off after careful appraisal of the facts. All reasonable action must have been taken to affect the recovery of losses. Where there is a request to write off a loss or make a special payment exceeding £250,000 this will require to be authorised by the SFC prior to instigating the write off or making the payment.

Losses and special payments have been grouped into several different categories and include the following:

- Cash and bookkeeping losses
- Losses of assets, stores, and equipment
- Extra-contractual payments

These are payments which, although not legally due under the original contract or subsequent amendments, appear to place an obligation on a public sector organisation which the courts might uphold. Such obligations will usually arise from administrative action or inaction in relation to the contract. A payment is regarded as extra-contractual even where there is doubt whether the organisation is liable to make it, for example, where the contract provided for arbitration, but a settlement is reached without recourse to arbitration. A payment made because of an arbitration award is contractual.

Compensation payments are ones made in respect of unfair dismissal or in respect of personal injuries, traffic accidents, and damage to property suffered by staff. Ex gratia payments are payments made where there is no legal obligation to pay.

There must always be good public policy grounds for making such payments. Within this category may fall out of court settlements, such as cases where the pursuer has no legal case, but the College wishes to stop the litigation because it may be costly in time and resources. Other examples of ex gratia payments would be payments as compensation for distress or loss arising from a perceived failure of the College, but where there was no legal obligation to pay, or awarding a dismissed office holder a gratuity, that goes beyond any legal entitlement by virtue of his/her employment.

Losses incurred by the College of more than £3,000 each year should be reported annually to the SFC. The report should detail the number of such losses and the total cost.

Bankruptcy / Liquidation / Receivership

When the College learns of a bankruptcy / liquidation or receivership, it will stop all payments pending confirmation of the individual / organisation status. Once the bankruptcy / liquidation or receivership has been confirmed it is essential for the College to ensure that any payment due by them is made only to the proper person, and that any claim by them is properly lodged. The College should also consider, in consultation with legal advisers as required, whether any

contract should be terminated. Any amounts to be written off because of bankruptcies will be subject to the SPFM guidance on Losses and Special Payments.

Petty Cash, Floats and Project Advances

Cash Requests

College purchasing and payment procedures are in place to enable most non-pay supplies to be procured through the finance system without staff having to incur personal expenses. The use of advances, petty cash and departmental float cash should only be used where cash expenditure may be unavoidable. An online BACS advance request form is available on the College intranet and must be used for requesting all cash transactions. The Director of Finance and Estates shall make available to departments a cash imprest float as considered necessary for the disbursements of incidental expenses. However, it is important for security purposes that imprest floats are kept to a minimum. All expenses must be supported by receipts and vouchers. Requisitions for reimbursements must be sent via the online form found on the staff intranet which has workflow in place for authorisation by Budget holder in the first instance. If the amount requested is above £250 authorisation is required by SLT. The authorised form will be received electronically by the Finance Department, together with appropriate receipts or vouchers for processing.

Reimbursements will be made via Bank transfer.

Floats

Floats are provided to departments for incidental expenses, which can be requested through the online BACS request form. A designated member of staff will be granted a float and is personally responsible for its' safe keeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of College insurers when not in use and will be subject to periodic checks by the Head of Finance and Student Funding or another person nominated.

College float reconciliation sheets are supplied by the Finance Department and must be used for recording all imprest accounts. Reimbursements of floats must be sent via the online form where staff must account for and provide all the receipts/supporting documents for the expensed items.

Interim annual audits will be undertaken by the Finance Department of floats and certificate of the balances held should be completed by the member of staff responsible for the float and counter-signed by the budget holder. At the end of the financial year all floats must be returned to Finance and requested again at the start of the new financial year.

Project Advances

The Head of Finance and Student Funding and the relevant budget holder may jointly approve project cash advances where projects are carried out away from the College. These specifically relate to situations where cash expenditure may be unavoidable, especially in relation to student day trips.

Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or a College credit card. College purchasing and payments procedures are in place to enable most non-pay supplies to be procured through the finance system without staff having to incur any personal expense.

Advances will not be issued to cover normal staff expenditure incurred in relation to travel and subsistence. Reimbursement for this will be sought in accordance with the College Travel and Subsistence Procedure with reimbursement through payroll.

Cash advances should be requested using the online bacs request form found on the staff intranet. Receipts or paid invoices will be retained for all sums expended in this way. Upon completion of the project to which the advance relates, within one month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to a project or individual is outstanding.

Where cash advances more than £250 are requested, then these require to be further approved by a member of SLT. If a member of SLT is making the request the approval should be sought from their line manager.

Checking Financial Transactions

The responsibility for the propriety, regularity and accuracy of financial transactions cannot be avoided by relying on the work of internal or external auditors. The College will carry out appropriate reviews at operational area level as/if required. This includes checking the arithmetical accuracy of invoices raised / received; claims or other vouchers; fulfilment of the terms of a contract; professional verification for validity; physical checking of goods invoiced; checking of invoices against orders; and application of VAT. Any reviews will be undertaken by finance staff who will have no direct involvement in entering commitments for related goods and services.

To ensure that the review/checking procedures are both effective and economical they must be monitored. At operational area level records should be analysed regularly to identify the underlying reasons for any errors - such as the need for improvements in form design or training - and to take remedial action as necessary. In addition, internal audit should report on

cases of excessive or ineffective financial checking and where appropriate checking procedures should be adjusted considering any findings.

Reviews will consider the extent of and the need for checks carried out in operational areas. Analysis of the results may suggest underlying inadequacies in the procedures or supporting systems which need to be addressed separately.

Pay Expenditure

Remuneration Policy
All College staff will be appointed to College salary scales in accordance with appropriate conditions of service. All letters of appointment must be issued by the People Team.

The salary and other benefits for the Principal and Vice Principals will be determined by the Remuneration Committee set up by the Board of Management but will have due regard to Public Sector Pay Policy. The salary and other benefits for Assistant Principals, Directors and Heads will be determined by the Principal but will have due regard to Public Sector Pay Policy.

Appointment of Staff
All contracts of service shall be concluded in accordance with College approved the People Team practices and procedures. All offers of employment with the College shall be made in writing by the Director of People. Budget holders shall ensure that the Director of Finance and Estates and the Head of People are provided promptly with all information they may require in connection with the appointment, resignation, or dismissal of employees.

All permanent posts/contracts require to be authorised by a Vice Principal and then by the Director of People prior to the position being advertised.

Salaries and Wages
The College must have regard to Public Sector Pay Strategy set by the Scottish Ministers. The Director of People is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners and visiting lecturers will be in a form prescribed or approved by the Director of People.

The Director of People will also be responsible for keeping the Director of Finance and Estates informed of all matters relating to personnel for budgeting and forecasting purposes. These include:

- 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 superannuation, income tax and national insurance.

The Director of People is responsible for the monthly BAC's payments to employees and non-employees (pay over of payroll deductions). The Director of People is responsible for informing the appropriate authorities of such payments.

All employees will be included on the College payroll.

The Director of People shall be responsible for keeping all records relating to payroll including those of a statutory nature. All payments must be made in accordance with the College's detailed payroll financial procedures and comply with HMRC regulations.

Pension Schemes

The Board of Management is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees. The College provides access to two defined benefit pension schemes. Support staff are eligible to join the Local Government Pension Scheme administered by the Strathclyde Pension Fund. Teaching staff are eligible to join the Scottish Teachers Superannuation Scheme administered by the Scottish Public Pensions Agency.

The Director of People is responsible for day-to-day superannuation matters, including:

- paying contributions to various authorised superannuation scheme
- preparing the annual return to various superannuation schemes
- administering the College's pension fund

The Director of People is responsible for administering eligibility to pension arrangements and for deciding when deductions should begin or cease for staff.

Travel, Subsistence and Other Allowances

All claims for payment of subsistence allowances, traveling and incidental expenses shall be completed and submitted electronically or in exceptional circumstances – for example a failure of the IT system - on the forms available on the HR system. These claims must be made in accordance with the requirements of the College Travel and Subsistence Procedure.

Non-Salary Rewards

The College may make non-salary rewards.

When making such awards care will be taken to avoid any criticism of unfair preference being given. The recipient of the reward will be given some choice or third-party suppliers will be used where, for example, voucher schemes are introduced.

In making the award the College will actively consider whether the non-salary reward schemes represent an appropriate use of public funds.

The College will be open and transparent in the way it deals with non-salary rewards. Should the College introduce such awards, a clear policy on disclosure of information about the awards which have been made and the procedures adopted for making those awards will be approved and widely disseminated.

Overseas Travel

All arrangements for overseas travel must be approved by a Vice Principal in advance of committing the College to those arrangements or confirmation of any travel bookings. Arrangements for overseas travel by Vice Principals will require to be approved by the Principal. Arrangements for overseas travel by the Principal or members of the Board of Management shall be approved by the Chair of the Board of Management. Arrangements for travel by the Chair of the Board of Management shall be approved by the Corporate Development Committee.

Where spouses, partners, or other persons unconnected with the College 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.

Travel and Expenses for Members of the Board of Management

Claims for members of the Board of Management will be authorised by the Governance Manager. Claims for the Chairperson will be authorised by the Chair of the Remuneration Committee. Only reasonable expenses can be reimbursed for attending meetings.

Severance and Other Non-Recurring Payments

In considering terms for severance, early retirement, or redundancy packages - whether compulsory or voluntary - public bodies to which the SPFM is directly applicable – including the College - should ensure that issues of legal and regulatory compliance, propriety and value for money are fully considered, alongside employee relations issues. Specifically:

- public funds must not be used wastefully or to underwrite inequitable or over- generous conditions of service, including severance
- notice of termination of appointments should not be delayed to generate compensation payments in lieu of notice

- where appropriate, ex-gratia severance or redundancy packages should be based on the arrangements set out within relevant extant terms and conditions of employment. Prior consideration should be given to the availability of pension and compensation benefits within these conditions
- any special payments should be transparent and negotiated in such a way as to avoid conflicts of interest
- offers of subsequent employment or consultancy work should be exceptional and only made where they represent value for money
- any undertakings about confidentiality should leave transactions open to proper public scrutiny

In line with the requirements of the SPFM, the College's severance scheme must be approved by SFC. The SFC issued 'Guidance on seeking approval for severance schemes and settlement agreements' (SFC/GD/01/2016) which incorporates the SPFM requirements. Provided a severance payment is within the parameters of a scheme, which has been approved by the SFC, there will be no need for the College to seek approval to the individual payment from SFC. Approval lasts for the duration of the scheme.

The College must follow the requirements of the SPFM and the SFC in determining settlement agreements, severance, early retirement and redundancy arrangements and payments.

Special severance payments more than £1,000 must be approved by SFC, except where provision for such payments has been included in a severance scheme approved by SFC.

Under the terms of the FM, the College is required to submit an annual report to SFC of any compensation payments that exceed £5,000 or ex- gratia payments that exceed £1,000. The report should describe the number of instances and total cost.

Assets

Overall Responsibility

The Board of Management has a duty to ensure that the assets for which they are responsible such as land, buildings, or other property - including stores and equipment - are properly and well managed. Robust systems should be put in place to ensure that the accuracy and integrity of information held on registers, databases and inventories is safeguarded and readily available for inspection.

Land, Buildings, Fixed Plant and Machinery

The purchase of land, buildings or fixed plant can only be undertaken with authority from the Board of Management and with reference to SFC requirements where exchequer- funded

assets or exchequer funds are involved. Lease or rental agreements with a total agreement value of £250,000 or more must be approved by the Corporate Development Committee. Lease or rental agreements with a total agreement value of £500,000 or more will require the approval of the Board of Management.

Expenditure should be incurred in a way which represents value for money, considering potential risks to regularity and propriety. Effective control over payments must be maintained at all stages. Expenditure should be authorised in the operational area which entered the commitment, with due consideration to separation of duties.

Fixed Asset Register

The Director of Finance and Estates is responsible for maintaining the College register of land, buildings, fixed plant, and machinery. Managers will provide the Director of Finance and Estates with any information required to maintain the register.

Under resource accounting and budgeting, asset registers are a key part of financial management systems and must be capable of delivering the accounting requirements of the Government Financial Reporting Manual. The registers should contain details of all assets (both current and non-current) owned, whose value or original purchase price is more than the College's capitalisation threshold. The College asset register is computerised, and the minimum detail held is:

- purchase price and date
- asset accounting code
- asset identification number
- a physical description of the asset (where appropriate) together with details of serial or registration number
- Locations
- evidence of physical verification of the asset's existence
- a depreciation profile

Inventories

Managers are responsible for maintaining inventories, in a form prescribed by the Director of Finance and Estates, for all plant, equipment, furniture and stores in their departments. The inventory must include items donated or held on trust and must be checked at least annually. The IT Department must maintain an inventory register of all ICT equipment.

When transferring equipment and plant between departments, a transfer record must be kept, and the inventories amended accordingly.

Stocks and Stores

Managers are responsible for establishing adequate arrangements for the custody and control of stocks within their departments. The systems used for stock accounting in departments must have the approval of the Director of Finance and Estates.

Managers 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.

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

Safeguarding Assets

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

High value assets owned by the College shall, so far as is practical, be effectively marked to identify them as College property.

Personal Use

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

Asset Disposal

Holdings of property, plant and equipment should be kept under constant review with a view to disposing of surplus assets as quickly as possible.

Disposal of equipment and furniture must be in accordance with procedures agreed by the Director of Finance and Estates. In disposing of plant and equipment assets which is surplus to requirements due consideration should be given to value for money. Payment should normally be required to be made before goods are released for collection or delivery. The law implies that any goods sold are of merchantable quality and fit for the purpose for which they are sold. If there is any reason to believe that goods are faulty or sub-standard, it should be made clear that they are sold as seen and without any implied warranties as to quality or fitness.

Disposal of land and buildings must only take place with the authorisation of the Board of Management. SFC consent may also be required if exchequer funds were involved in the acquisition of the asset. Holdings of land and buildings should be limited to the minimum

needed to meet present and planned future requirements.

Land and buildings identified for disposal should be valued professionally. The District Valuer or suitably qualified private sector valuers - and in some exceptional cases in- house valuers - may be used. Advice should also be sought on development potential where required.

In disposing of exchequer funded assets, the College must follow the guidance contained within the SPFM and the relevant procedure notes issued by the SFC website.

Impairments, Provisions and Write-Offs

Assets must be recorded in the Balance Sheet at Depreciated Replacement Cost for Land and Buildings and at Historic Cost less depreciation for Equipment in accordance with the Financial Reporting Manual (FReM). Where an asset, including investments, suffers impairment, it is important that the prospective impairment and background is communicated to the SFC at the earliest possible point in the financial year to determine the budget implications. Any significant movement in existing provisions or the creation of new provisions must be discussed with the SFC.

All Other Assets

Managers are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the College, whether tangible, such as stock, or intangible, such as intellectual property, including electronic data.

Funds Held on Trust

Gifts, Benefactions and Donations

The Director of Finance and Estates is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the College and initiating claims for recovery of tax where appropriate.

Student Support Funds

The Director of Finance and Estates will prescribe the format for recording the use of student support funds. Records of support funds will be maintained according to funding body requirements. The College must follow SFC's Student Support Guidance.

Other

Maladministration

The College has a set of clear standards and an accessible complaints procedure which can be found at Complaints - West College Scotland. If College services have been found to be deficient the College has a clearly defined procedure in place to ensure that, so far as reasonably practicable, the identified deficiencies are addressed to prevent recurrence.

Any payments of financial redress qualify as ex gratia payments and are therefore subject to the guidance on Losses and Special Payments. Any such payment will require to by authorised in advance by either the Principal or a Vice Principal. Payment on grounds other than actual financial loss or costs should only arise in exceptional circumstances.

Insurance

Insurance arrangements of all bodies to which the SPFM is applicable should be reviewed from time to time in the context of Risk Management. However, under the Scottish Ministerial policy of self-insurance constituent parts of the Scottish Administration and self-insuring SG sponsored bodies would be justified in taking out commercial insurance only in specified circumstances or if the cost of claims, including in-house and contracted-out administration costs, was calculated as likely to exceed the cost of insurance premiums. All the expected costs and benefits should be considered in establishing a value for money case for commercial insurance. Detailed guidance on conducting a cost-benefit analysis is provided in the Green Book. To show that commercial insurance provides value for money the cost-benefit analysis must show a positive net benefit.

Commercial insurance must be taken out by SG sponsored bodies where there is a legal requirement to do so. Following the completion of a competitive procurement exercise, the College entered into a new insurance contract with effect from 1 August 2026. The contract

provides appropriate cover for the College's principal risks and liabilities and supports the College's risk management framework. The College will continue to review its insurance arrangements periodically to ensure they remain fit for purpose, provide value for money and meet all relevant legislative and regulatory requirements.

The Director of Finance and Estates is responsible for College insurance arrangements, including the provision of advice on the types of cover available. As part of the overall Risk Management Policy, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide enough cover to meet any potential risk to all assets.

The Director of Finance and Estates is responsible for effecting insurance cover as determined by the Corporate Development Committee. He or she is therefore responsible for obtaining quotes, negotiating claims, and maintaining the necessary records. The Director of Finance and Estates will keep a register of all insurances effected by the College and the property and risks covered and will also liaise with College insurers and advisers about specific insurance matters.

Managers must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the College may be exposed. The Director of Finance and Estates advice should be sought to ensure that this is the case. Directors and Managers must give prompt notification to the Director of Finance and Estates of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. Managers must advise the Director of Finance and Estates immediately of any event that may give rise to an insurance claim. The Director of Finance and Estates will notify the College's insurers and, if appropriate, prepare a claim in conjunction with the head of department for transmission to the insurers.

The Director of Finance and Estates is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

All staff using their own vehicles on behalf of the College shall maintain appropriate insurance in accordance with the requirements of the College Travel and Subsistence Procedure.

Companies and Joint Ventures

In certain circumstances it may be advantageous to the College to establish a company or a joint venture to undertake services on behalf of the College. Any member of staff considering the use of a company or a joint venture should first seek the approval of the Director of Finance and Estates who will consult and seek approval from the Board of Management.

Approval from the SFC will also be required.

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

The directors of companies where the College is a shareholder must submit, via the Corporate Development Committee, an annual report to the Board of Management. They will also submit business plans or budgets as requested to enable the Committee to assess the risk to the College.

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

Security

Keys to safes or other similar containers are to be retained securely. The loss of such keys must be reported to the Director of Finance and Estates immediately.

The Vice Principal Operations shall be responsible for maintaining proper security and privacy of information held on the College's computer network. Appropriate levels of security will be provided, such as passwords for networked personal computers together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the relevant data protection legislation. A College Data Protection Officer shall be nominated to ensure compliance with relevant legislation and the safety of documents.

The Principal's Office is responsible for the safekeeping of official and legal documents relating to the College. The Principal's Office will make the necessary arrangements to ensure the safe keeping of such documents as copies of deeds, leases, agreements, and contracts. All such official and legal documents shall be held in an appropriately secure location.

Contingent Commitments

The College must seek SFC's prior written consent if it intends to lend or give a guarantee, indemnity, or letter of comfort. The value of the guarantee should be equal to the total contingent liability over the term of the guarantee. In all cases, the College must take steps to restrict the contingent liability to a minimum and should undertake a careful appraisal of the risks before accepting any contingent liability.

The College should also provide assurance that, in the event of the contingent liability arising, it can be met from College resources, or that appropriate insurance cover has been arranged.

SFC written consent is not required for such arrangements if the indemnity is of a standard type contained in contracts and agreements for day-to-day procurement of goods and services in the normal course of business.

Students' Association

The Students' Association is a separate legal entity from the College and is recognised as fulfilling a valuable role in supporting and representing the student community. Subject to any constraints imposed by the SFC, the Board of Management shall determine the level of grant to be paid annually to the Students' Association.

The Board of Management requires the Students' Association to provide for information including details of its' proposed budget to assist in determining the appropriate level of grant in accordance with an agreement between the College and the Students' Association. The College's internal / external auditor shall have access to records, assets, and personnel within the Students' Association in the same way as other areas of the College. At the year end the Students' Association financial statements will be independently examined by an appropriately qualified member of staff or firm of auditors and will be presented to the Board of Management for information.

The College will assist the Students' Association by maintaining its financial records and assisting in preparing its annual financial report to the Board of Management.

Provision of Indemnities

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

Intellectual Property Rights and Patents

General

Certain activities undertaken including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.

Patents

The Board of Management is responsible for establishing procedures to deal with any patents accruing from inventions and discoveries made by staff during their research.

Intellectual Property Rights

Intellectual Property is the product of thought, creativity, and intellectual effort. During their studies at the College, students may generate Intellectual Property which is of some commercial value. A variety of legal rights protect applications of ideas and information that may be of commercial value. Those most relevant to the College's activities include patents, registered designs, copyright and 'know how'. The law is clear that intellectual property created by staff 'in the course of their employment' belongs to the College.

Students are not normally employees of the College. Any assignment of student Intellectual Property must be done by a specific contract. Colleges must seek to strike a balance between a duty of care to the student and a duty not to exploit (e.g., sell, transfer, assign or license) Intellectual Property for the College's good, this balance being best achieved by selective assignment arising out of a specific contract in cases where the College's input in the creation of the Intellectual Property is very clear.

In the event of the College deciding to become involved in the commercial exploitation of inventions and research, guidance should be sought from the College legal advisors. The Director of Finance and Estates requires to authorise any agreement between the College and the students concerned.

Intellectual Property Rights by Students

Where a student generates Intellectual Property, the student has a duty to promptly inform the College of the Intellectual Property. The College will explain to the Student the matter of ownership in respect of all types of Intellectual Property through the development of appropriate documentation. When considering any Intellectual Property generated by one of its students, the College will seek to strike a balance between fulfilling its duty of care to the student and exploiting intellectual property for the good of the College. In each case the College will be mindful of protecting any third-party rights that may be relevant in the generation of the Intellectual Property.

Appendix 1: The Nine Principles of Public Life

Public Service
You have a duty to act in the interests of the public body of which you are a member and in accordance with the core tasks of that body.

Selflessness
You have a duty to take decisions solely in terms of public interest. You must not act in order to gain financial or other material benefit for yourself, family, or friends.

Integrity
You must not place yourself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties.

Objectivity
You must make decisions solely on merit when carrying out public business.

Accountability and Stewardship
You are accountable for your decisions and actions to the public. You have a duty to consider issues on their merits, taking account of the views of others and must ensure that the public body uses its resources prudently and in accordance with the law.

Openness
You have a duty to be as open as possible about your decisions and actions, giving reasons for your decisions and restricting information only when the wider public interest clearly demands.

Honesty
You have a duty to act honestly. You must declare any private interests relating to your public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership
You have a duty to promote and support these principles by leadership and example, to maintain and strengthen the public's trust and confidence in the integrity of the public body and its members in conducting public business.

Respect
You must respect fellow members of your public body and employees of the body and the role they play, treating them with courtesy at all times.

Appendix 2: Summary of Protocols for Proposed Projects

The proposal should be supported by a plan for a period relevant to the size of the project which sets out:

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

Equality Impact Assessment

Name of Policy / Procedure / Decision: Financial Regulations

Provide a Summary of the Aims of the Policy / Procedure / Decision and Main Activities:
The overall aim of this Policy is to ensure that West College Scotland has sound financial management systems in place and that these systems are strictly adhered to.
This should lead to effective 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, namely:

- financial viability
- achieving value for money
- fulfilling its responsibility for the provision of effective financial controls over the use of public funds
- ensuring that the College complies with all relevant legislation
- safeguarding the assets of the College

This stage establishes whether a policy, procedure or decision will have a differential impact from an equality perspective on people who share protected characteristics or whether it is "equality neutral" (i.e., have no effect either positive or negative).

The protected characteristics are age, disability, gender reassignment, pregnancy or maternity, race, religion or belief, sex, and sexual orientation.

1. Who will benefit from this (students/staff/stakeholders)? Is there likely to be a positive impact on people who share protected characteristics, and if so, how? Or is it clear at this stage that it will be equality "neutral"? i.e., will not have a differential impact on any equality group/s?

Ultimately all stakeholders – students, staff, partners, and the public will benefit from these Regulations given that they provide for good financial management and proper use of public funds. It is not anticipated that there will be any differential positive impact, that is, each group should benefit equally.

2. Is there likely to be an adverse impact on people who share protected characteristics? If so, who may be affected and why? Or is it clear at this stage that it will be equality "neutral"? There is little likelihood that this Policy will have an adverse impact on people who share protected characteristics. In fact, the policy itself could advance equality and prevent discrimination since it focuses on robust and transparent systems and processes. Such transparency and openness could reduce the risk of unfairness.

It is also noted that the policy refers to ethical standards which are synonymous with good practice in equality, diversity, and inclusion. Additionally, given that the nine Principles of Public Life include specific reference to integrity, objectivity, openness, and respect, and the fact that equal opportunity arrangements are a characteristic of Best Value, there is evidence that this Policy mainstreams good practice in equality.

Finally, this Policy sets out responsibility for ensuring that the College complies with legislation, which includes the Equality Act 2015 and the Specific Equality Duties. This should also reduce the risk of unfairness or discrimination taking place.

3. What action will you take to ensure that you are monitoring the impact of this policy? Any complaints about the implementation of this Policy will be monitored, and we will also review monitoring information relevant to each of the separate activities/areas referred to within this Policy.