



FINANCIAL REGULATIONS & SCHEME OF DELEGATION **2018-2020**

Signed:

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Date:

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PART A

Scheme of Delegation

General:-

1. The scheme of delegation shall be operated within the Academies Financial Handbook.
2. The Principal does not have authority to deal with financial matters otherwise than in accordance with the Scheme of Delegation. Also the Principal does not have authority to take any action which would contravene, or be likely to cause governors to contravene, the Academies Financial Handbook.
3. The Principal may delegate to his Business director the authority for the Business director to make appropriate financial decisions in his absence but only within the limits allowed for the Principal.
4. The Principal shall seek the advice of the governors if he has any doubt about the respective responsibility and authority of either party in relation to this scheme of delegation and/or financial administration or management.
5. Where action is urgently required in circumstances when the Principal, or the Business director in the absence of the Principal, does not have delegated responsibility to act, then the Principal or his Business director must obtain specific authorisation from the Chair of Governors. (See Part B - Schedule of Financial Limits). Each such authorisation must be reported to the next meeting of the Governing Body.
6. The Principal shall have authority to expend resources from within the budget duly approved by the governors provided that such expenditure does not:-
 - involve a change in or extension to the governors' existing policies and/or service objectives;
 - involve a net increase in expenditure in future years;
 - conflict with any limits/controls over income and expenditure specified by the governors;
 - involve a commitment which cannot reasonably be expected to be sustained from future budgets.

Economy, Efficiency & Effectiveness/Value for Money:-

7. The Principal shall have due regard for the achievement of economy, efficiency and effectiveness and Value for Money (VFM) in the operation of financial management and administration and shall ensure that the need for this is suitably notified to all staff.

Budgets:-

8. The Principal shall submit for determination by the chair of governors a draft budget in accordance with the policies and timetable approved by the governors and as determined by the ESFA. The budget approval must be ratified by Full Governors in accordance with the Academies Financial Handbook.
9. The draft budget shall be in a form which will both meet the information requirements of the governors and enable the information to be easily passed to the ESFA.

Forward Planning:-

10. To assist governors to plan reasonably for short and medium-term developments the Principal shall submit a draft budget for the consideration of governors detailing the broad financial implications of foreseeable developments. This information is to be linked to the College Development Plan.

Virement:-

11. The Principal may authorise the virement of funds within the approved budget provided that:-
 - each virement is within limits specified by the governors and
 - is for the purpose which are consistent with the governors' policies and
 - virements over £10,000 shall be reported to the next meeting of the governors.
12. The Principal shall not utilise any portion of any credit balances brought forward from one financial year to another or of any contingency provision within the budget without:-
 - the prior authorisation of the Chair of Governors.
 - in circumstances of urgency, the approval of the Chair of Governors and Chair of Finance and that such approval is reported back to the next full governors meeting.

Budget Monitoring & Reporting:-

13. The Principal with the support of the Business Director shall reconcile, monitor and report to the governors the progress of expenditure and income in relation to the approved college budget. The Full governors shall meet at least once per term (quorum as determined by the Academy Articles of Association).
14. The Principal/Business Director shall provide the governors with such explanations as they may require in connection with expenditure and income from the budget.
15. The Principal shall inform the Chair of Governors immediately if it becomes apparent that the budget is likely to incur a deficit at the end of the financial year.
16. The Principal shall make appropriate arrangements for any likely overspending against the budget to be treated as a first charge when the governors consider the following year's budget.
17. The Principal, on behalf of the Governors, shall be entitled to carry forward any portion of their budget unexpended at the end of a financial year for use in the following financial year subject to compliance with the approved accounting procedures and the Academies Financial Handbook.

Commitments – legality of:-

18. The Principal shall have proper regard to the legality of commitments entered into in the exercise of the financial accountability and if there is any doubt about legality the Principal shall consult with the Business Director and External Adviser (External Auditor/Legal Services).

Capital Expenditure:-

19. The Principal may place before governors proposals for expenditure which is deemed to be capital expenditure as determined by the Academies Financial Handbook and Accounting Policies.

Capital Receipts:-

20. The Principal may place before governors proposals for the sale or other disposal of capital items, but no proposal may proceed except in accordance with the Funding Agreement.

Borrowing:-

21. The Principal may present proposals to governors if he wishes to enter into any form of borrowing or credit or other financial arrangement other than routine or short-term trade credit but no proposal may proceed except in accordance with the Academies Financial Handbook and the Funding agreement.

Training:-

22. The Principal shall make adequate arrangements for the training of staff involved in financial management and administration.

Banking:-

23. The Principal shall, on behalf of the governors, operate the college's bank accounts in which official monies are held, in accordance with arrangements set out in the Academies Financial Handbook.

Financial Information:-

24. The Principal shall arrange for the production of information relating to the budget which the governors are required to supply to the ESFA.

Payments:-

25. The Principal has authority, subject to the provisions of this scheme of delegation, to make payments on behalf of the governors from the budget. In the exercise of this authority the Principal shall ensure that arrangements for the making of payments comply with the schedule of financial limits (see Part B).

Contracts:-

26. The Principal shall make suitable arrangements to ensure compliance with any code of practice for the letting of contracts adopted by the governors and contained within the Academies Financial Handbook.

Petty Cash:-

27. The Principal shall make arrangements for any advance of petty cash to be operated in accordance with; the Schedule of Financial Limits (see Part B) and the Standards for Financial Management & Administration (see Part C).

Income:-

28. The Principal shall annually prepare for consideration by the governors proposals for revising the charges which may be levied in connection with letting all or part of the college premises.
29. The Principal shall have authority to administer the college's income subject to the provisions of this scheme of delegation and Schedule of Financial Limits (see Part B).

Taxation & Other Statutory Adjustments:-

30. The Principal shall ensure that the college's financial system produces adequate information to account properly for taxation and other statutory adjustments and that the requirements of the appropriate Government departments or agencies are satisfied in a timely fashion.

Internal Audit:-

31. The Principal shall make appropriate arrangements to facilitate the internal audit by the Responsible Officer of the college and shall, on behalf of the governors, ensure that RO reports are dealt with promptly. The RO reports should be presented to governors in accordance with the Financial Handbook.

Irregularities:-

32. The Principal shall, on behalf of governors, ensure that if a matter arises which may involve financial irregularity in any form, the Chair of Governors and Chair of Finance. The governors should be informed as soon as practical of any irregularities and in due course decide on the necessary action, subject to professional advice from the responsible Officer/External Auditor rectify any findings.

Investments:-

33. The Principal should ensure the appropriate investment of college funds in accordance with the Academies Financial Handbook. This to be in the top four high street banks (needs agreeing by governors)

Nat West
HSBC
Barclays
Lloyds TSB

Register of Business and Pecuniary Interest:-

34. On behalf of the governors the Principal shall maintain a register of business and pecuniary interest relating to both staff and governors (see Appendix 2). This register should be available for review for all governors/staff involved in financial decisions. It should be updated and reviewed annually.

Other Financial Matters:-

35. The Principal shall be accountable to the governors for ensuring the satisfactory management and administration of the college's financial affairs for the purposes of the following financial regulations:-

- Arrangements for Financial Administration
- Financial Systems
- Documentation of Systems & Procedures
- Insurances
- Assets
- Use of College Premises
- Other College Funds

Precise details of these regulations can be read in Part C - Standards for Financial Management & Administration.

Staff:-

36. The Principal, where authorised by the Governors, shall have authority to:
- appoint staff
 - determine the pay and conditions of staff
 - vary staff pay and conditions
 - admit staff to payroll records
 - certify payments to staff and variations in payments to staff.

PART B

Schedule of Financial Limits

NB A copy of the Schedule of Financial Limits should be held by all college staff and Governors involved in the college finances.

1. Authorisation of Orders

The Principal, Business director, Business Director or other senior member of staff as approved by the governors, may authorise orders up to a maximum of £30,000 per single item subject to authorities detailed in Procurement Arrangements and Contract Renewals below, and as detailed in the Scheme of Delegation.

Any single item of an urgent nature over £30,000 must be approved by the Chair of Governors or Vice Chair of Governors

Details of urgent orders authorised by the Chair of Governors or Vice Chair of Governors must be reported back to the next meeting of the Full governors.

2. Procurement arrangements and Contract Renewals

The Principal, Business director, Business Director, or other senior member of staff as approved by the governors, may authorise procurements/contracts and contract renewals within the following limits subject to the requirement that details must be reported back to the next meeting of the Governing Body : The Scheme of Delegation details individual authorisation limits.

For contracts under £10,000, Governors may wish to apply their own suitable limits which reflect business requirements and experience of staff subject to the maximum limits detailed below

Type of Procurement	Total Value of Contract	Minimum number of quotations or Tenders required	Acceptance Procedures
Low Value Procurement (A)	Below £5,000	Written quotations are not required, however, consideration should be given to obtaining price comparisons from up to three suppliers, and a record made accordingly.	Principal must accept the most economically advantageous verbal quotation to secure probity and Best Value
Low Value Procurement (B)	£5,000 to £9,999	Three written quotations	Principal must accept the most economically advantageous quotation to secure probity and Best Value
Intermediate Value Procurement	£10,000 to £50,000 (£20,000 to £100,000 for building or civil engineering works)	Tenders shall be invited from at least three	Principal must make best efforts to secure probity and Best Value
High Value Procurement	£50,000 (or £100,000 for building or civil engineering works) up to EU thresholds	Tenders shall be invited from at least three	For all high value procurements, the Principal must consider whether there would be a benefit in inviting more than three suppliers to secure probity and Best Value.

Where the estimated value of a Contract exceeds the current EU procurement threshold, then the Contract shall be tendered in accordance with the appropriate Regulations.

For information, current (August 2007) OJEU thresholds are £144,371 for services and supplies and £3,611,319 for works and relate to the total value of the contract, rather than the annual value. For example, a five year contract at £30,000 per annum (£150,000 in total) would be subject to EU tendering rules.

3. **Cheque Signatory Limits**

The use of cheques is to be reduced and BACS will be the primary payment method. The control for authorisation for payment will be the invoice value. These limits are as follows:-

Invoice Value	
£1 to £999	Budget Holder, Head of Department, Principal, Business Director
£1,000 to £19,999	Principal or Business Director
£20,000 plus	Principal or Business Director plus Chair/Vice Chair of Governors

Cheque signatories
Business director
Vice Principal

BACS authorisers
Business director
Vice Principal

4. **Cheque Stationery**

- cheques to be securely stored in a locked receptacle.
- cheque signatories are not to have access to blank cheque stationery
- the Finance Manager is responsible for maintaining the stock of cheques

5. **Petty Cash Limits**

Cheques for petty cash may be drawn from the college's local bank account up to a maximum of £500.

The maximum petty cash float held at any moment in time should not exceed £1,000.

6. **Budget Virement**

The governors has delegated responsibility to vire funds between budget headings, up to a maximum of £10,000. However, should the purpose of the virement be necessary to allow the purchase of a single item in excess of £10,000, or the virement required is in excess of £10,000 permission is to be granted retrospectively at the next meeting of the Full governors.

7. **Official funds held as Cash**

The college may hold up to £10,000 cash and £40,000 in cheques within a safe which is secured to the floor or wall, in order to satisfy the insurance arrangements.

Up to £1,000 in cash may be kept in a locked secure receptacle. (Limit on cheques as above).

Cash in transit may not exceed £3,000.

Cash taken home for "safekeeping" may not exceed £300.

The insurance restrictions above relate to any cash/cheques that the college is responsible for.

The cheques limit applies in all cases.

8. **Capital Expenditure limits**

Individual items above the value of £5,000 will be capitalised (except for computer equipment which is grouped) and accounted for under Fixed Assets within the Balance Sheet. All other items (less than £5,000 will be written off to the income and expenditure account in the year of acquisition.

9. **Asset Write Off**

The Principal has authority to write off any single asset up to a maximum value of £2,000.

Items in excess of £2,000 may only be written off with the authority of the Full governors.

PART C

Standards for Financial Management & Administration

General

1. Authority to deal with financial management and administration should be clearly defined and effectively communicated to those who are directly involved with them.
2. Arrangements for financial management and administration should ensure that they are fully integrated into the overall management framework of the college.
3. All systems of financial management and administration should, so far as is reasonably possible, incorporate adequate controls designed to promote the orderly, secure and efficient processing of financial activities. In particular systems should, where possible, incorporate the principle of "internal check" or separation of duties; this means that duties should be structured in such a way that the work of one person automatically acts as a check on the work of another.
4. Arrangements for the management and administration of a college's finances should ensure that adequate provision is made to maintain a satisfactory level of cover for the absence of key staff.

Preparation of Budgets

5. Budgets should be prepared :-
 - (a) in accordance with the requirements of Best Value i.e. Compare, Consult, Compete and Challenge.
 - (b) to reflect the priorities and needs identified within the College Development Plan;
 - (c) in accordance with the provisions of the Academies Financial Handbook;
 - (d) within the limit of the approved overall budget;
 - (e) in accordance with properly approved and clearly stated plans and policies for the college's activities;
 - (f) in a format which will meet managerial needs and be readily intelligible to users;
 - (g) in accordance with sound accounting principles, these imply that financial estimates should :-
 - be based on the most up-to-date and reliable information available;
 - include provision for all approved activities;
 - include provision for contingencies;
 - be arithmetically correct;
 - be consistent with recognised accounting practice;
 - meet requisite time limits;
 - in such a way as to facilitate the subsequent monitoring and control of actual expenditure;
 - in such a way that they can be related meaningfully to relevant non-financial information.

Control of Budgets

- 6.1 Arrangements for the control of budgets should seek to ensure that:-
- (a) expenditure is maintained within approved budgetary provision;
 - (b) funds are expended for approved purposes only.
- 6.2 Such arrangements should include adequate procedures for:-
- (a) the safe comparison and monitoring of the progress of actual expenditure in relation to estimated expenditure - it is emphasised that reports of actual expenditure should be based on complete, accurate and up-to-date financial records which are properly reconciled to the bank account;
 - (b) the investigation of differences (variances) between actual and estimated expenditure;
 - (c) appropriate action to correct differences (variances);
 - (d) the approval of changes to the budget;
 - (e) the prevention of unauthorised expenditure.
- 6.3 The administration of such procedures implies the existence and proper operation of an accounting system which is capable of producing, for every level of budgetary control, accurate, up-to-date, timely and appropriate financial information which facilitates the comparison and monitoring of actual and estimated expenditure.

Review of Budgets

7. Arrangements for financial management and administration should incorporate adequate provision for the review of budgets to establish whether the college's budget is being deployed in the most effective manner for the purpose of achieving managerial objectives.

Documentation of Systems and Procedures

8. Up-to-date records of how systems and procedures ought to be operated should always be maintained and such documentation should:-
- (a) specify system objectives;
 - (b) describe clearly how the system, including any related procedures, works;
 - (c) indicate who has authority to operate the system or any part of it;
 - (d) include specimen system documents;
 - (e) specify arrangements for dealing with system problems or failure;
 - (f) enable any reasonably competent person to understand the system.

Training

9. Training, whether on-or off-the-job, should enable staff to discharge their duties efficiently and effectively through time.

Computing Arrangements

10. Where computing facilities are used for financial management and administration arrangements for their use should:-
- (a) conform to the requirements of Data Protection legislation from time to time in force;
 - (b) secure the accuracy and integrity of all financial data relating to the college.
 - (c) Comply with copyright, designs and patents legislation and in particular,
 - i) only software legally acquired and installed is used
 - ii) in developing systems due regard is given to the issue of intellectual property rights.

In particular, such arrangements should make proper provision for:-

- the physical security of computer equipment and software;
 - the restriction of access to the means of processing or reading data to authorised personnel only;
- procedures for the control of input and output;
 - procedures for the reliable reconstruction of records in the event of system failure (system back-up);
- three separate back-ups to be kept in rotation – one to be stored away from the college building;
- procedures for the processing of data by alternative means in the event of other than temporary breakdown.

Financial Stationery

- 11.1 Financial stationery should be designed to be suitable for the purposes for which it is to be used and to incorporate adequate control features where appropriate (e.g. serial numbering, inclusion of key data such as VAT number).
- 11.2 Safe and efficient arrangements should be made for the delivery, receipt, storage, issue and return of financial stationery.
- 11.3 In particular proper records should be maintained in respect of the location and movement of serially numbered stationery.

Financial Records - General Requirements

12. All financial records, including computer records, should be:-
- (a) in a form which is consistent with standards of good operating practice for the systems to which they relate;
 - (b) subject to proper security at all times while they are in the care or custody of the college;
 - (c) retained for periods specified by the relevant authorities such as ESFA and HMRC as necessary for the protection of the College's interest;
 - (d) available for inspection, at reasonable times, by those who are duly authorised to inspect them.

Financial Records - Retention Of

13. The College is required by statute to retain documents and records for varying degrees of time. The statutory requirements are those as laid down by the Inland Revenue, Customs and Excise and the Limitations Act 1980.

Financial records, including computer records, should be retained in suitably protective containers as follows:-

(a) **Income Records**

These include items such as receipt books, income analysis sheets and bank paying-in books. All income records should be retained for a minimum period of the current financial year plus the preceding SIX financial years.

(b) **Expenditure Records**

These include items such as cash books, contracts, annual accounts, copy orders, cheque books, bank statements and paid invoices. Such records should be retained for a minimum period of the current financial year plus the preceding SIX financial years. It is also recommended that files of key documents relating to major financial matters should be retained for not less than this minimum period.

(c) **Year-end Record**

At year-end the following records should be produced from the financial system:

- Bank history
- Trial Balance
- Full VAT reports

Such records should be retained for a minimum of six years

(d) **Salaries and Wages Records**

All records should be retained for a minimum period of the current financial year plus the preceding ten financial years.

(e) **Trust Funds**

These should be kept indefinitely.

(f) **Grants**

Invoices in respect of EC Grant funded projects must be retained for 3 years after the end of the programme; in practice this could mean retention in excess of 10 years.

(g) **Non-Financial Records – Retention of**

Refer to Part E

Operation of College Bank Account

- 14.1 The College bank accounts should be held in the name of Bodmin College - accounts should not be opened in the name of any individual.
- 14.2 Authority to order, sign, or countermand cheques should be restricted or in the absence of such persons an approved signatory (see approved signatory list)
- 14.3 In respect of transactions other than remuneration of staff, all cheques, or other withdrawals, above £1000 should be authorised by two approved signatories and the bank should be notified accordingly.
- 14.4 No authorised signatory should sign a cheque payable to himself/herself. Each cheque payable to an authorised signatory should be signed independently of the payee. (This may need to be varied in emergency circumstances.)
- 14.5 Instructions to the bank concerning the account should be conveyed in writing and authority to give instructions should be restricted to the approved manager (Principal) or, in her/his absence, the Business director.

- 14.6 No cash withdrawal should exceed £500 and the bank should be instructed accordingly.
- 14.7 The amount of the college's official funds held as petty cash should not exceed £1000; additionally the balance of all official funds not held as cash should be held in the college's bank account.
- 14.8 The balance of money per the bank's official statement should be reconciled with the college's cash book records at least monthly; the results of each reconciliation should be recorded and reported promptly to the Business Director.
- 14.9 Official monies should not be withheld for the private use of any person and personal cheques should not be encashed from official monies.

Payments - General

- 15. Systems for making payments should incorporate suitable controls designed to ensure in respect of all payments that:-
 - (a) commitment to them is made in accordance with approved procedures and within approved budgetary provision;
 - (b) adequate supporting records are completed at all stages and are retained safely after payment for periods specified by the ESFA/HMRC;
 - (c) they are properly payable;
 - (d) they are correct in all respects;
 - (e) they are passed for payment in a timely fashion and in accordance with approved authorisation and processing procedures;
 - (f) they are paid only once;
 - (g) all statutory requirements are met;
 - (h) they are promptly and accurately recorded in the college's financial information system.

Contracts (including Contract Renewals) and Procurement Arrangements

16. Contracts:

Governors are recommended to adopt a code of practice to be followed by any persons involved in making arrangements on behalf of governors for the letting of contracts. Any code of practice should make adequate provision to promote value for money, secure propriety and minimise the risk of corruption.

Procurement Arrangements:

For the purpose of these guidelines, Governors are reminded that all procurement should ensure that arrangements are entered into on the most economically advantageous terms to secure Best Value for the college. The term procurement will include services contracts including any agreement for the supply and disposal of goods, materials, services (which includes agency staff and consultants) and the execution of works.

For contracts under £10,000, Governors may wish to apply their own suitable limits which reflect business requirements and experience of staff subject to the maximum limits detailed below

Type of Procurement	Total Value of Contract	Minimum number of quotations or Tenders required	Acceptance Procedures
Low Value Procurement (A)	Below £5,000	Written quotations are not required, however, consideration should be given to obtaining price comparisons from up to three suppliers, and a record made accordingly.	Principal must accept the most economically advantageous verbal quotation to secure probity and Best Value
Low Value Procurement (B)	£5,000 to £9,999	Three written quotations	Principal must accept the most economically advantageous quotation to secure probity and Best Value
Intermediate Value Procurement	£10,000 to £50,000 (£20,000 to £100,000 for building or civil engineering works)	Tenders shall be invited from at least three Suppliers	Principal must make best efforts to secure probity and Best Value
High Value Procurement	£50,000 (or £100,000 for building or civil engineering works) up to EU thresholds	Tenders shall be invited from at least three Suppliers	For all high value procurements, the Principal must consider whether there would be a benefit in inviting more than three suppliers to secure probity and Best Value.

Where the estimated value of a Contract exceeds the current EU procurement threshold, then the Contract shall be tendered in accordance with the appropriate Regulations. For information, current (August 2007) OJEU thresholds are £144,371 for services and supplies and £3,611,319 for works and relate to the total value of the contract, rather than the annual value. For example, a five year contract at £30,000 per annum (£150,000 in total) would be subject to EU tendering rules.

Petty Cash

17. Payments from petty cash should meet the general requirements for all payments set out in para15 above. Additionally:-
- (a) petty cash records plus cash balances in hand should be reconciled regularly to the balance of petty cash on FMS (the college finance system); This reconciliation should take place at least monthly.
 - (b) petty cash should generally be used only for small, incidental purchases for which routine credit is not available;
 - (c) remuneration of employees should not be disbursed from petty cash.

Income

18. Arrangements for dealing with income should incorporate suitable controls designed to ensure in respect of income that:-
- (a) adequate records are maintained to substantiate all income transactions;
 - (b) receipts are issued for all cash income received;
 - (c) procedures for debt recovery must be in place and annually reviewed;
 - (d) prudent terms for credit are approved and communicated to debtors and satisfactory procedures (including, where necessary, withdrawal of credit facilities) are adopted for dealing with breaches of terms;

- (e) invoices are raised in respect of all credit income and all such income is collected in accordance with approved instructions;
- (f) all income received at the college's premises is held securely and banked promptly and intact;
- (g) amounts due are calculated in accordance with approved charging policies which include provision for annual review of charges;
- (h) where special conditions apply to the use or receipt of income, such conditions are adhered to;
- (i) income is not withheld for any purpose, including personal use;
- (j) every person paying money into a bank account shall enter on the paying-in slip and on the counterfoil or duplicate thereof, particulars of such payment including, in the case of each cheque, particulars which will connect each cheque to the transaction to which it relates;
- (k) all income transactions are recorded promptly and accurately in the college's financial information system;
- (l) income due is not written off unless the write-off is properly authorised in accordance with approved policies.
- (m) the College policy on Money Laundering, as set out in its Anti Money Laundering Policy is:

Under no circumstances should an amount in cash in excess of £5,000 (five thousand pounds) be received by anyone on behalf of the College in payment for any goods or services supplied or provided to any customer of the college since such acceptance would have serious implications under the legislation governing criminal activity of money laundering, including the need to register the College as a High Value Dealer, as defined by legislation.

Insurances

19. Insurances, however arranged, should be managed so as to comply with the Academies Financial Handbook:-
- (a) provide adequate cover for the risks insured;
 - (b) maintain cover up-to-date at all times;
 - (c) ensure compliance with the insurers' requirement;
 - (d) enable incident reports and claims to be processed promptly and effectively;
 - (e) enable claim proceeds to be reimbursed and banked promptly;
 - (f) ensure regular review of the need to insure risks, the cost and suitability of the policies maintained and the adequacy of the cover selected.

Assets

- 20.1 Proper security should be maintained for all buildings, vehicles, plant, stocks, stores, furniture, equipment, money and other valuables.
- 20.2 Maximum limits for cash holdings should be approved by the governors and should not be exceeded without their approval.
- 20.3 Safe and efficient arrangements should be made for the reception, storage, issue and return of assets. Such arrangements should include the maintenance of appropriate records and inventories and periodic checks of equipment and stores against the relevant records and inventories.

20.4 Assets coming into the ownership of the college, by purchase or otherwise, should, so far as is reasonably practicable be effectively marked to identify them as College property. They should not be removed from the college premises otherwise than in the ordinary course of official business except in accordance with a policy approved by the governors.

20.5 Where assets become obsolete or are damaged so as to render further use, for any reason, inappropriate they should be written off, provided they have no net resale value, in accordance with a policy approved by the governors. Adequate arrangements should be made for the recording and reporting of write-offs (which should be certified by two authorised persons) and governors are recommended to:-

- limit authority to write off items to either the Governing Body or the Principal or the Business director;
- limit the authority of the Principal (or Business director) to items with an original cost or likely sale value within a specified range;
- require write-offs over £2000 to be reported to the Governing Body.

(Refer also to para. 6 of Appendix C of the Financial Regulations for Schools).

20.6 Safe and efficient arrangements should be made for the disposal of surplus goods, materials, vehicles and equipment which have a net resale value. Adequate provision should be made for the recording and reporting of all such disposals. The precise arrangements for disposal will depend on the nature and value of the assets involved, the state of demand for them and the cost of their disposal. However, arrangements for the disposal of any asset should meet the following requirements :-

- they should be legal and in conformity with any Government requirements from time to time in force;
- they should be in accordance with governors' policy;
- they should promote scope for competition among potential purchasers;
- they should ensure that appropriate steps are taken to establish properly the value of the items to be disposed of;
- if the goods/materials were VAT able on purchase then the income for the sale of these items must show VAT;
- they should be demonstrably fair and open and should avoid creating an unfair advantage for any interested party;
- they should be appropriate having regard to the nature, value and current state of demand for the item(s) involved;
- no asset which originally cost more than £5000 or which is likely to have a sale value in excess of £1000 should be disposed of without reference to the Business Director as such a transaction may have capital implications.

20.7 Safe and efficient arrangements should be made for the reception recording, storage and return or disposal of found property.

Other School Funds

21.1 Voluntary or private school funds are accounted for separately from official College monies together with separate banking arrangements.

21.2 Money belonging to a private fund should be deposited in a bank or similar account and should not be used for purposes other than fund purposes. In particular money received on behalf of the fund should be banked at the earliest opportunity and no money should be withheld from the bank for private purposes.

21.3 One person should have overall responsibility for each fund.

- 21.4 Final accounts should be produced for each fund at the end of each annual period of account or on the closure of a fund where the fund operates for less than a whole year.
- 21.5 All final accounts should be audited and the audited accounts should be reported to governors within a specified time after the end of the annual period of account or the closure of the fund if that precedes the end of the period of account.
- 21.6 Adequate insurance cover should be arranged for such funds.
- 21.7 Two signatures should be required for each cheque over £1000 drawn on the fund bank account.

Intellectual Property

22. In respect of Intellectual Property, governors should ensure that:
- controls are in place to ensure that staff do not carry out private work in College time and
 - that their staff are aware of an employers' rights with regard to intellectual property.

Commercial Activities

23. **(1) General**
- (a) The Principal on behalf of Governors shall be responsible for protecting the interests of the College in relation to any activities having a commercial content which they undertake.
 - (b) In connection with any activity having a commercial content, the Principal, on behalf of Governors shall not enter into any arrangement which involves the College in the creation of a company or a partnership or a joint venture or other joint arrangements for the operation of commercial activities, without the agreement of the Governing Body.

Investments

24. All arrangements concerning the investment of funds shall be made in accordance with the Academies Financial Handbook.

External Arrangements – Partnerships

25. **The** Principal, on behalf of Governors, shall be responsible for:
- (a) compliance with any relevant Codes of Practice or Partnership Protocols and to obtain advice on the legal and taxation consequences **before** setting up any partnership/joint venture arrangements with outside bodies.
 - (b) ensuring that all agreements and arrangements are properly documented.
 - (c) providing appropriate information to the Business Director to enable a note to be entered into the statement of accounts concerning material items.

PART D

Procedure Notes

1. Organisation of Responsibility and Accountability

Once the annual budget has been set (see Budgets) the control of order processing and financial limits of purchases are as set out in the terms of reference agreed and minuted by the full governing body.. The terms of reference, which are complementary to Parts A to C of this document, are as follows:

- 1.1 The Full governors will meet at least once a term and must have a quorum as determined by the Articles of Association.
- 1.2 The committee will draw up the college's annual budget for submission to the full governing body at the Summer Term meeting.
- 1.3 The Business Director and the Principal will meet each month to review the monthly financial budget statements. These statements are produced from the Financial System.
- 1.4 The committee will receive copies of the financial budget statements and the Principal / Business Director will present to the committee a summary of current expenditure at their meetings as a means of reviewing the budget. The minutes of the committee's meetings will be circulated to all governors.

The Principal shall have the authority to vire within the set budget but must seek retrospective approval from Governors at next Finance Meeting for amounts over £10,000.
- 1.5 The committee will have the authority delegated to them to move finances from the Restricted and Unrestricted Funds as appropriate.
- 1.6 The Principal has delegated authority to manage the set budget within the parameters agreed by the governing body and to work within a purchase limit of **£30,000 per single item**, including minor repair and maintenance works relating to the fabric of the college site. Any single transaction of an urgent nature over £30,000 must be approved by the Chairman of the Governors and the Chairman of the Full governors up to a limit of £30,000.
- 1.7 The committee has delegated authority from the full governing body to review and formulate, on an annual basis and prior to the summer holiday period, a set of hiring charges for college lettings and nursery fees.
- 1.8 In the absence of the Principal these terms apply to the Business director.

When major purchases or building work or civil engineering is to be undertaken the Principal is required to follow the relevant accounting rules and procedural legislation for large contracts if applicable and in any event ensure that Contract Procedure Rules are followed.

In all cases should any governor or staff member having a business or pecuniary interest in such matters this must be declared to the governing body and Principal and such notifications recorded in a register.

The Principal has delegated responsibility to oversee the daily organisation and control of budgetary matters. This includes the following:-

- To ensure sources of finance dealt with by the college are accounted for in an overt manner with the necessary book-keeping.
- To ensure procedures involving ordering, receiving and the payment of goods are within approved budgetary provision.
- To ensure payments are correct and paid only once.
- To ensure statutory requirements are met, for example regulation relating to HM Revenue & Customs (the rules relating to employers).

- To ensure all processes, and particularly payments, are updated to the college's financial information system accurately and promptly.
- To report back initially to the Chairman of Governors about any matters of concern and inform the Full governors, in particular, of any new initiatives from the DFE or ESFA that affect the budget..
- Following the auditor's visit, upon receipt of the subsequent written findings, a copy of the report is seen initially by the Chairman of Governors and the Full governors. The report is then presented to the full governing body so that all governors are made aware of the current practice and are given the opportunity to debate and formulate an action plan if appropriate.
- In all cases the above responsibility applies to the Business director at times when the Principal is unavailable.

2. Budgets

When preparing its annual budget the governors work within the following aims and objectives:-

- 2.1 To ensure that spending priorities match educational priorities and that both reflect the college's aims. These include maintaining teaching and non-teaching staff levels incorporating the remedial teaching allocation; supporting the charging policy; updating and replacing resources to support new initiatives and curriculum development.
- 2.2 To manage financial resources so that priorities in the college development plan can be effectively accomplished within a framework that will meet the professional needs of staff through in service training and purposeful appraisal.
- 2.3 To ensure that Health and Safety requirements are met.
- 2.4 To maintain and create a pleasing working environment including a good state of decor and repair, adequate heating and lighting.
- 2.5 To support effective management and administrative needs.
- 2.6 To have due regard for the achievement of economy, efficiency and effectiveness with the finances of the college in order to maximise value for money.
- 2.7 To ensure that the budget stays within the financial allocation.

Budget Planning

The budget is complementary to the College Development Plan in the short and long term, and this is crucial in the planning and preparation stages of the budget in the Summer Term.

In consultation with staff, and especially curriculum co-ordinators, the Principal, prepares and submits a draft college budget for discussion with the Full governors at the beginning of the Summer term. This includes an analysis and review of staffing needs, both teaching and non-teaching and its costings.

Upon receipt of the various contributors, the Full governors then formulate a draft budget for submission to the full governing body for consideration and discussion at the next termly meeting (ideally the termly meeting should sit before the mid June in order that the budget can be finalised for submittal to the ESFA and before commencement of the financial year in September).

When the governing body has set a budget for the next financial year, a copy is sent to the LEA for their information and attention.

The approved college budget and other funds shall be continually monitored by the Principal and Business Director. In addition the Business Director with assistance from the Finance Manager will reconcile and analyse the monthly financial statement produced directly from the accounting system. This will be normally undertaken once the payroll data for the corresponding month has been reconciled. All background papers are retained on a month by month basis in case of future reference.

The budget statement as produced by the Business Director is circulated to Full governors members prior to presentation at meetings of the Sub-Committee.
The latest financial review is always the focus of the governors' meetings held each term.

3. Ordering Goods and Services (Purchasing)

For the purpose of these guidelines, college Governors are reminded that all procurement should ensure that arrangements are entered into on the most economically advantageous terms to secure Best Value for the college i.e. tenders are sought and catalogues compared. The term procurement will include services contracts including any agreement for the supply and disposal of goods, materials, services (which includes agency staff and consultants) and the execution of works.

3.1 Procurement Arrangements and Contract Renewals:

For contracts under £10,000, Governors may wish to apply their own suitable limits which reflect business requirements and experience of staff subject to the maximum limits detailed below

Type of Procurement	Total Value of Contract	Minimum number of quotations or Tenders required	Acceptance Procedures
Low Value Procurement (A)	Below £5,000	Written quotations are not required, however, consideration should be given to obtaining price comparisons from up to three suppliers, and a record made accordingly.	Principal must accept the most economically advantageous verbal quotation to secure probity and Best Value
Low Value Procurement (B)	£5,000 to £9,999	Three written quotations	Principal must accept the most economically advantageous quotation to secure probity and Best Value
Intermediate Value Procurement	£10,000 to £50,000 (£20,000 to £100,000 for building or civil engineering works)	Tenders shall be invited from at least three Suppliers	Principal must make best efforts to secure probity and Best Value
High Value Procurement	£50,000 (or £100,000 for building or civil engineering works) up to EU thresholds	Tenders shall be invited from at least three Suppliers	For all high value procurements, the Principal must consider whether there would be a benefit in inviting more than three suppliers to secure probity and Best Value.

Where the estimated value of a Contract exceeds the current EU procurement threshold, then the Contract shall be tendered in accordance with the appropriate Regulations. For information, current (August 2007) OJEU thresholds are £144,371 for services and supplies and £3,611,319 for works and relate to the total value of the contract, rather than the annual value. For example, a five year contract at £30,000 per annum (£150,000 in total) would be subject to EU tendering rules.

- 3.2 Official written, pre-numbered orders are used for all goods and services except utilities, rates etc. and a file is kept of all copy orders.
- 3.3 Goods received as a non-order invoice are annotated on the computer system and invoices processed and filed as routine.
- 3.4 Cost Centre budget holders are the only members of staff authorised to raise an order.

- 3.5 Individuals are not allowed to purchase any items for personal use through the college and governors have delegated to the Principal and Business director Business Director only, the authority to oversee and certify all orders.
- 3.6 Monitoring of the current commitments and expenditure for the budget is built into the FMS system and automatically reviewed when placing and invoicing orders.

4. Receipt of Goods and Services (Internal financial control)

- 4.1 When the budget is set, funds are allocated to clearly defined departments in order to monitor expenditure.
- 4.2 Upon delivery of general purchases, the member of staff who has placed the order (originator) checks the items off against the delivery note which is retained to be checked against the official payment invoice. If this is correct it is authorised and passed to the Finance Manager for payment.

5. Processing Invoices for Payment

- 5.1 The official invoice is processed for payment by the Finance Manager and authorised by the appropriate budget holder, it being established that whoever signed the official order cannot undertake this process.
- 5.2 Invoices are verified against the original order/delivery note, where applicable, stamped with a payment certification stamp (and annotated as necessary) and processed on the FMS system.
- 5.3 Where a copy invoice is passed for payment, the Finance Manager is to check that it has not been previously paid and must endorse the invoice to that effect.

6. Cheque Production

- 6.1 Cheques are to be kept in a locked receptacle when not in use.
- 6.2 After the cheque for payment is printed, the details are entered on the invoice certification stamp and checked/countersigned in accordance with the schedule of financial limits.
- 6.3 Cheques are signed in by the authorised signatory and then sent to suppliers.
- 6.4 The invoice, and order copy if applicable, is attached to the cheque stub and numerically filed for a retention period of six years plus the current year.
- 6.5 After cheques have been presented for payment, reconciliation of the weekly bank statements is then undertaken by the Finance Manager and checked by the Business Director. the FMS system is updated within a few days of receipt and at intervals of at least monthly.
- 6.6 Copies of statements and the current budgetary balance are then filed numerically.

7. Petty cash

- 7.1 The governors have agreed a limit of £1,000 to be held for petty cash.
- A cheque for cash is raised through the accounting system which is then cashed at the bank by the Finance Manager. This cash is then kept secure in a cash tin located in the college safe. Cash may also be withdrawn from the bank using a cash card issued in the name of the Finance Manager.
- 7.2 Access to petty cash is authorised by the Principal/Business director and is limited to the Finance Manager.
- 7.3 The Principal/Business Director oversees that all transactions relating to petty cash are entered into the college's computerised accounting system. A manual record of petty cash transactions is also retained in the finance office.

- 7.4 Regular checks are made to ensure that the petty cash balance recorded on the manual records, accounting system and physical cash agree.

8. Income

- 8.1 Letting tariffs are set by the governing body and reviewed annually; they must have due regard for VAT legislation, Health and Safety and the need to cover the full cost of the letting (e.g. energy, caretaking/cleaning and maintenance costs). Free and concessionary lettings should be approved by Governors, and documented as with all lettings.
- 8.2 The Principal has been delegated the authority to approve lettings. Invoices are raised by the lettings secretary and official, receipts of fees received are issued by the computerised income system.
- 8.3 The secretary records all sources of income in writing, daily or upon receipt, as appropriate. These are entered onto the relevant income forms/books and lettings register which are kept in the office. (New computerised system to be in place in autumn term 2012)
- 8.4 A register is kept of all lettings and receipts issued which is subsequently used for reconciliation purposes on the computer system. Income transactions are entered onto the computer and the Finance Manager banks the fees upon receipt.
- 8.5 All monies received are 'bagged' in separate, labelled containers (for immediate accountability/access) and secured in the college safe prior to banking (Key holders: Principal's PA and Finance Manager only)
- 8.6 Income collections are not used for encashment of personal cheques.
- 8.7 Debt Recovery Procedures are laid out in Section 17.

9. Banking arrangements

- 9.1 All cheques drawn on the College Account are crossed "account payee only" and signed in accordance with the schedule of financial limits.
- 9.2 For security purposes no cheques will be pre-signed and blank cheques will be kept in a locked receptacle.
- 9.3 Bank statements are obtained weekly and reconciled against the accounting system (FMS) by the Finance Manager. All statements must be reconciled within a few days of receipt and at intervals of not more than monthly.
- 9.4 The college's private fund is kept separate and a record is maintained by the Finance Manager in a ledger retained in the office together with all other records and papers relating to private funds.
- 9.5 Security of cash is covered under section 13 - Security of Stocks and Other Property.

10. Personnel records and Payroll Reconciliation

The governors have purchased the payroll services of Cornwall Council through the Service Level Agreement Scheme, whereby the administration of the college's payroll are undertaken by the Payroll Section of the HR Department.

To ensure that payments are made only to those employed by the college the following procedures are established:

- 10.1 Under the direction of the Principal and in accordance with the pro-forma variation sheets provided by the Payroll Section, the Principal's PA administers all aspects of appointment and termination of teaching and non-teaching staff posts. Forms are checked and signed by the Principal before posting.

- 10.2 Teachers contractual details are amended on the Personnel module of the SIMS computer by the Principal's PA, under the direction of the Principal. Details of salary are entered after approval by the full governing body of the Personnel (Pay) Committee's recommendations and cross referenced to the Payroll printouts supplied by the Payroll Section.
- 10.3 The day to day administration relating to the lunchtime supervisors has been delegated to one of the Vice Principals with all paperwork being overseen by the Principal.
- 10.4 The college receives a detailed file of all payments to be made to staff by the middle of the month prior to payment. This is for checking (Finance Manager) and authorisation (Business Director). When the payroll has been processed a file is received to import into the college financial system. Full procedure notes on this exercise are held at the college.
- 10.5 The payments over are made as a result of information supplied by the Payroll Provider. Payments are processed by the Finance Manager and authorised by the Business Director.

11. Insurance

The governors annually review the risks to which the college is exposed. The college is insured to cover all risks as set out in the academies Financial Handbook. Insurance has been arranged through Cornwall Council Insurance and Risk Management Section. The policy is with Zurich Municipal Insurance.

Claims -

In the event of a claim arising the Insurance Officer should be notified without delay. Under the General Conditions of its insurance policies the College is obliged to inform its insurers immediately of any such claims and any delays can hinder the company in their handling of the particular matter in question.

If a claim is made by a third party, no admission of liability should be made and the claimant should be advised that the matter is being investigated and dealt with by the appropriate officer.

The College's insurers are entitled to receive all information or assistance they may require to enable them to deal with a claim and when requested this should be provided as quickly as possible.

Although the College has a comprehensive package of insurances there is nevertheless an obligation on the part of every employee and governor to take all reasonable precautions to prevent accident, loss, damage or injury. To this end a member of the Finance, Premises and Staffing sub-committee and the Health and Safety Governor tour the site on a regular basis (several times per term) to note any factors that might constitute a hazard and take action as appropriate.

12. Computer systems

- 12.1 The college uses the computer to process and record financial and other management data including pupil and staff records. These records are registered under the Data Protection Act 1984.
- 12.2 Security of the computer is controlled through access being limited to those staff authorised by the Principal such as the Network Manager, Business Director and lettings secretary; with varying degrees of access being authorised by the Principal, and by strict observation to password security and frequent changes of passwords. Access to sensitive data should be restricted to those staff requiring access to perform their duties.
- 12.3 For additional security, at the end of each working day, or as appropriate, a back-up disk is taken of all transactions, dated and the disc kept secure in the college safe.
- 12.4 Only authorised software, may be loaded in order to minimise the risk of computer viruses entering and corrupting the system.

13. Security of stocks and other property

- 13.1 Governors allocate a specific amount of money for consumable items to each budget holder as appropriate to their needs at the beginning of the financial year
- 13.2 Details of expensive items of equipment (over £100) are recorded upon delivery in the Equipment Register section of FMS. Stock-taking of these items is carried out each April.
- 13.3 All write-offs or disposal of surplus equipment is recorded and certified in the Equipment Register. The authorisation of the Principal is required and also that of the Chair of Governors for items valued in excess of £2,000.
- 13.4 During term time alarm systems are activated overnight and steps taken by staff to prevent computer equipment etc being on display.
- 13.5 College property may only be taken off the college site by permission of the Principal.
- 13.6 The Principal, Site Manager, Site Supervisor, Caretakers and ICT Network Manager are the only members of staff who act as key holders and in the unforeseen event of keys being mislaid, the Principal is informed immediately.
- 13.7 The Cash Policy Insurance Scheme covers the college under the following conditions :
- In the event of loss of money from the College's premises, and whilst in transit in the custody of the Insured's employees. There is also a certain amount of cover for college private funds.
 - The maximum amount of liability in respect of any one loss from a locked receptacle (other than safes and strong-rooms) is £1,000 If money is lost from a safe or strong-room the limit is higher and depends on the type and location of the safe in question.
 - As far as college private funds are concerned the current limits under the policy are as follows -
 - Money in any college premises in wall safes, locked cupboards, or similar locked receptacles, - £1,000
 - In floor safes or other free standing safes, - £10,000.
 - Money in transit in the custody under the control of the Insured's employees - £3,000,

14. College Voluntary & Private Funds

- 14.1 The Finance Manager acts as the treasurer of the college's private fund and maintains full records. The account is audited annually by an independent auditor. All receipts, bank statements and appropriate documentation are provided for the audit.
- 14.2 The Auditor's report is presented to the governors at the next Meeting.
- 14.3 The cheque signatories for the college's private funds are the Principal and Business director. One signature is required for cheques up to £1000, and 2 signatures for cheques of £1001 and over.
- 14.4 The current balance is reconciled with the monthly statement and checked by the Business Director/Principal.
- 14.5 All transactions must be accompanied by official receipts or in the case of "local" purchases "proof of purchase" which must be seen by the Principal/Business Director and the college receipt must be countersigned accordingly.
- 14.6 All monies collected and goods purchased are distinctly separated from the College Budget and documented accordingly.
- 14.7 The college currently maintains 3 separate private fund accounts. These are:-

- Current Account
- Deposit Account
- High Interest Bond

15. **Removal & Interview Expenses**

Removal expenses to new members of the college staff are not paid.

Interview expenses are paid at the discretion of the interview panel and will only be settled on the production of valid invoices or receipts. Travel expenses, if approved, will be calculated at public transport rates and/or appropriate fuel prices bearing in mind the distance travelled.

16. **Debt Recovery Procedures**

Debt recovery becomes necessary when the customer fails to pay to the agreed terms set out in the original contract.

1st reminder letter – 1 month after the statement date (sample attached at Appendix 4)

2nd reminder letter – 2 months after the statement date (sample attached at Appendix 4)

3rd reminder letter – 7 days after 2nd letter (sample attached at Appendix 4)

Depending on the trading relationship with the customer a phone call may be more appropriate than reminder letters as any issues can be resolved on a more personal basis. **To assist with recovery action it is important to keep copies of all correspondence and a record of all telephone calls relating to the debt.**

If payment has still not been secured after the above actions the college will need to make a decision on whether they wish to pursue the debt further. This decision is likely to be taken in relation to the value of the debt and will need to be made on a case to case basis. In some cases if the debt is a very low value it is uneconomical to continue with the recovery action. The Principal may authorise the write-off of debts up to £100; amounts over £100 are to be authorised by the Chair of Governors at a meeting of the Finance Committee

If the debt is still outstanding and it is considered recovery action should be taken the Business Director will write to the debtor requesting payment. If payment is not received on this first demand there are 3 options open:

1) Write off

2) Instigate legal proceedings

3) Referral to 3rd Party Collection Agents

The course of action will depend on the specific nature of the case and the decision should be made in consultation with the Principal.

Appendix 1

NON-FINANCIAL RECORDS – RETENTION OF

The table below summarises the type of record and the period for which they need to be retained

Record	Retention Period (years)
Absence Records	6
Accident Books	Pupil records until age 26; 3 years for the rest
Admission Registers	3 (then to Archivist)
Attendance Records	3
Child Protection Issues	To be held centrally
Circulars to Parents	3 years
Complaints – Parental/Pupil/Employees	Until 26 years old (Pupils/Parents) Until 75 years old (Employees)
DfES returns and supporting paperwork	6 + 1
Employment Application Forms	Successful applicants – see Personnel Records Unsuccessful applicants – 6 months
Exam Results	6
Free School Meals	6 + 1
Form 4/Form 7 returns	6 + 1
Governors' Meetings minutes	6 (then to Archivist)
Home Tuition	Until 26 years old
HSW5	Until 26 years old for pupil records, 3 + 1 for all others
Log Books	To Archivist upon completion
Personnel records	Generally 5 years after employee has left, but records of anyone leaving under unusual circumstances to be kept indefinitely
Prospectus	Keep until youngest child that year is 26 years old
Punishment Books	3 (then to Archivist)
Pupil records	6 + 1
Payroll & Travel records	10 + 1
School Meals	3 (as long as needed for Admin purposes) registers returned to Internal Audit at end of each term.
SEN records	75 years
Staff Meetings minutes	To Archivist after use
Statistical Returns	6 + 1 (held centrally)
Student Services Student Record Card	5 + 1
Supply Cover Insurance	6 + 1 (Shred)
Syllabus	Keep between Ofsted Inspections
Teachers' Files	Generally 5 years after employee has left, but records of anyone leaving under unusual circumstances to be kept indefinitely
Theft & Vandalism Scheme	6 + 1 (Shred)
Timetables	Keep between Ofsted inspections

Appendix 2

Declaration of Business and Pecuniary Interests

** As a Governor of Bodmin College, I need to declare the following pecuniary/business interests:

.....
.....
.....
.....
.....

** As a Governor of Bodmin College, I would like to confirm that I currently do not have any pecuniary/business interests to declare.

** **Delete as appropriate**

I undertake to notify the Governing Body of any changes in these circumstances.

Signed
Name (in capitals)
Date

Note:

Business Interests: The governing body of each school is required to establish a register which lists for each member of the governing body, the principal and any other members of staff who are engaged in contractual or purchasing decisions on behalf of the college, any business interests they or any member of their immediate family have; to keep the register up to date and available for inspection by auditors, governors, staff and parents.
Pecuniary Interests: Similarly, a register of pecuniary interests whether direct or indirect should be maintained. For clarity, where no interest exists then a nil declaration should be made.

LETTER 2 – TO BE SENT WHEN A DEBT IS MORE THAN 2 MONTHS OLD

Address & Date

Dear Sir or Madam

Invoice Number:

Invoice Date:

Amount Outstanding:

Despite previous correspondence, this invoice (copy attached) remains overdue for payment.

If this sum is not paid in full within 7 days from the date of this letter, we shall commence legal action to recover this debt. This will result in the addition of Court Costs, Solicitors' Fees and Statutory interest to the existing debt.

Your remittance should be made payable to Bodmin College and sent to the above address. Please return this letter with your payment and quote the invoice number in all correspondence.

It is our sincere intention to avoid taking legal action wherever possible. Consequently, if you have any outstanding dispute or query regarding this invoice, or have already made payment to us, please notify us immediately. If you have difficulty in paying this invoice please contact the College immediately and speak to the Business Director.

Thank you for your co-operation.

Yours faithfully

LETTER 3 – TO BE SENT 7 DAYS AFTER LETTER 2

FINAL NOTICE

Address & Date

Dear Sir or Madam

Invoice Number:

Invoice Date:

Amount Outstanding:

I am writing with regard to your debt of £ which despite previous correspondence is considerably overdue for payment. A copy of the invoice is enclosed for your information.

Immediate settlement of this account is now required.

Please forward your payment of £ within the next 7 days. If payment is not received the debt will be referred to the legal department of Cornwall Council without further reference to you. This will result in the addition of Court Costs, Solicitors' Fees and Statutory interest to the existing debt.

Your remittance should be made payable to Bodmin College and sent to the above address. Please ensure the invoice number is quoted in all correspondence.

If you have a dispute or query regarding this invoice or have already sent your payment to us, please notify us immediately with the details.

Thank you for your co-operation.

Yours faithfully

Appendix 5

Delegation of tasks

Prepare initial budget estimates	Business Director/Principal
Approve Budgets	Governors
Authorise expenditure:	
-within budget	Principal
-variation up to approved limit	Principal
-variation over approved limit	Governors
Prepare budget monitoring report	Business Director
Reconcile monthly accounts	Business Director
Review reconciliation	Principal
Sign order requests	Budget holders
Order goods	Principal/Business Director
Check invoices	Budget holder/Business director
Authorise payment of invoices	Budget holder
Collect cash from pupils	Lettings secretary
Bank payments	Finance Manager
Maintain pupil records	Secretary
Complete DFE pupil data returns	College Administrator
Handle admissions administration	Secretary
Receive visitors	Secretaries
Arrange minor repairs	Site manager
Order cleaning materials	Site supervisor
Supervise contractors	Site manager
Manage support staff	Business Director (Admin and Exams)