



FINANCIAL REGULATIONS

YEAR 2022 - 2023

FINANCIAL REGULATIONS

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1 INTRODUCTION

- 1.1 Activate Learning is a further education corporation created under the provisions of the Further and Higher Education Act 1992 as amended by the Education Act 2011. Its structure of governance is laid down in the Instrument and Articles of Government. It is accountable through its Corporation, which has ultimate responsibility for the effectiveness of its management and administration.
- 1.2 Activate Learning is an exempt charity by virtue of the Charities Act 2011.
- 1.3 The financial memorandum between the Education & Skills Funding Agency (ESFA) and Activate Learning sets out the terms and conditions on which grant is made. The Corporation is responsible for ensuring that conditions of grant are met. As part of this process, Activate Learning must adhere to the ESFA's audit code of practice, which requires it to have sound systems of financial and management control. The Financial Regulations of Activate Learning form part of this overall system of accountability.
- 1.4 The purpose of these Financial Regulations is to provide control over the totality of Activate Learning's resources and provide management with assurances that the resources are being properly applied for the achievement of Activate Learning's strategic plan and business objectives:
- Financial viability
 - Achieving value for money
 - Fulfilling its responsibility for the provision of effective financial controls over the use of public funds
 - Ensuring that Activate Learning complies with all relevant legislation
 - Safeguarding the assets of Activate Learning
- 1.5 This document sets out the Financial Regulations, which have been approved by the Corporation. They are designed not only to establish acceptable practices to the ESFA but also to provide protection for the staff concerned and therefore it is essential that they are observed.
- 1.6 Compliance with the Financial Regulations is compulsory for all staff. Failure to comply with any terms of these Financial Regulations may result in disciplinary action being instigated against the relevant staff.
- 1.7 These Financial Regulations have been made by the Corporation in accordance with the Articles of Government of Activate Learning. The regulations complement the Financial Memorandum between the Corporation and the ESFA. Nothing in these regulations shall supersede any provision contained within the Financial Memorandum or Articles of Government.
- 1.8 The Audit & Risk Committee shall review the Financial Regulations each year. Any changes to the Financial Regulations will be subject to the approval of the Corporation.
- 1.9 In exceptional circumstances, the Audit & Risk Committee may authorise a departure from the detailed provisions herein, such departure to be reported to the Corporation at the earliest opportunity.
- 1.10 The Chief Financial Officer in consultation with the Chief Executive will support these Financial Regulations by the issue of more detailed instructions from time to time.

- 1.11 All employees shall be responsible for ensuring that all Financial Regulations, and any other financial instructions which the Chief Financial Officer or their delegated officers may issue from time to time, are complied with.

2 FINANCIAL RESPONSIBILITIES

2.1 The Corporation

The Corporation is responsible for the management and administration of Activate Learning. Its responsibilities are to:

- the determination and periodic review of the educational character and mission of the institution and the oversight of its activities.
- approving the quality strategy of the institution.
- the effective and efficient use of resources, the solvency of the institution and the Corporation and safeguarding their assets.
- approving annual estimates of income and expenditure.
- the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of senior post holders and the Director of Governance.

2.2 Committee Structure

The Corporation has ultimate responsibility for Activate Learning's finances, but delegates this to the committees detailed below. These committees are accountable to the Corporation.

2.2.1 Audit & Risk Committee

Activate Learning is required by its financial memorandum with the ESFA and by the ESFA audit code of practice to appoint an Audit Committee. The committee is independent, advisory and reports to the Corporation. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The committee terms of reference are to advise the corporation on the setting of a policy for audit and the adequacy and effectiveness of Activate Learning's audit arrangements, framework of governance, risk management and control and processes for securing economy, efficiency and effectiveness (value for money).

2.3 Group CEO

The Chief Executive is Activate Learning's designated accounting officer.

The Corporation shall require the accounting officer to take personal responsibility, which shall not be delegated, to assure them that there is compliance with the Financial Memorandum and all other terms and conditions of funding. The accounting officer may be required to appear before the Parliamentary Committee of Public Accounts on matters relating to the Corporation's use of Funds.

The accounting officer shall be responsible for advising the Corporation in writing if at any time, in his or her opinion, any action or policy under consideration by the Corporation is incompatible with the Financial Memorandum. If the Corporation resolves to continue with the course of action or policy that the accounting officer considers

to be in breach of the Financial Memorandum, the accounting officer shall inform in writing the Chief Executive of the ESFA.

The Chief Executive shall demonstrate oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements, and the financial plan forecasts submitted to the funding body.

2.4 The Chief Financial Officer

The Chief Financial Officer is responsible for the strategic direction and leadership to ensure the college achieves financial stability and offers value for money. He/she will also provide professional advice to the Chief Executive and the Corporation on all matters relating to financial policies and procedures.

2.5 Group Director of Finance

Day to day financial administration is controlled by the Group Director of Finance who is responsible to the Chief Financial Officer for:

- Preparing annual capital and revenue budgets and financial plans.
- Preparing accounts, management information, monitoring, and control of expenditure against budgets and all financial operation.
- Preparing the Group's annual accounts and other financial statements.
- Ensuring that Activate Learning maintains robust financial systems.

The Group Director of Finance will delegate certain responsibilities to the Group Financial Controller, Finance Business Partners, or Procurement Manager as practically appropriate.

2.6 Budget Holders

Budget Holders are responsible to the Chief Executive for financial management in their own areas. They are advised by the Group Director of Finance in executing their financial duties. The Group Director of Finance will also supervise and approve the financial systems operating within their curriculum or service areas including the form in which financial records are kept.

Budget Holders are responsible for establishing and maintaining clear lines of responsibility within their curriculum or service areas for all financial matters.

3 BUDGETING

3.1 Chief Financial Officer in consultation with the Group Director of Finance is responsible to the Corporation for preparing the annual income and expenditure and capital expenditure budget. The annual budget shall be considered in detail by the Group Executive Team, before consideration and formal approval by the Corporation before 31 July each year for the following financial year.

3.2 The Corporation shall not delegate the approval of the annual budget and will approve the budget by resolution.

3.3 The Group CEO is empowered to designate members of staff as Budget Holders. Budget Holders shall be accountable for the control and monitoring of expenditure within the budgets allocated to them.

- 3.4 Chief Financial Officer shall be accountable to the Corporation for effective budgetary control within the approved revenue and capital budgets.
- 3.5 Budget Holders shall submit such information to the Group Director of Finance as is necessary to enable annual profiled estimates of revenue income and expenditure and capital expenditure to be submitted by the Chief Financial Officer to the Corporation for their approval.
- 3.6 All capital projects over £100,000 must be detailed separately in the capital budget. The Group may have the opportunity to commission an unbudgeted grant funded capital project. In this instance any partial match funding must be allocated to the project and cashflow projections agreed before the appropriate authorisations are obtained.
- 3.7 The control of income and expenditure within an agreed budget is the responsibility of the designated Budget Holder who must ensure that day to day monitoring is undertaken effectively. The Budget Holder will be assisted in this duty by management information provided by the Group Director of Finance.
- 3.8 Any potential departures from agreed budgetary targets must be reported immediately to the Group Director of Finance by the Budget Holders concerned and, if necessary, corrective action taken.
- 3.9 The Chief Financial Officer may authorise virement between all budget heads and capital projects provided that:
- the overall approved estimates will not be overspent during the then current financial year, and
 - there will be no continuing financial commitment, as a result, in subsequent financial years.
 - virement of capital projects will be authorised up to £150,000 without the need for the approval of the Corporation.

Budgets are allocated for the financial year. At year-end, Budget Holders, as a principle, cannot carry forward a balance on their budget to the following year. There may be specific requirements relating to Sponsorship or charity-related activities that means there are some exceptions.

4 FINANCIAL REPORTING

- 4.1 All accounting and financial systems operated by Activate Learning shall be under the control of the Group Director of Finance who shall also be responsible for the production of financial management information.
- 4.2 The Group Director of Finance will prepare monthly management accounts and submit the most recent monthly management accounts to each meeting of the Corporation outlining actual income/expenditure and capital expenditure in comparison to budget and to highlight and explain significant variances. Monthly Management Accounts will also be received by the Group Executive Team.
- 4.3 Finance will prepare monthly Latest Views after the first quarter period. These will be available to the Corporation for review when required.
- 4.4 At the end of the financial year, Budget Holders shall submit such information to the Group Director of Finance as is necessary to enable him/her to close Activate Learning's accounts promptly.

- 4.5 The annual accounts shall be prepared and submitted to audit by the Group Director of Finance in the form prescribed and within the timescale specified by the ESFA. The accounts shall be accompanied with such other information as may be specified.
- 4.6 The Chief Financial Officer in, consultation with the Group Director of Finance, shall present the draft annual report and financial statement to the Audit & Risk Committee. The Committee will be asked to recommend the draft annual report and financial statement to the Corporation for approval and signing by the Chair and the accounting officer. The annual report and financial statement, with the audit opinion, shall be submitted to the ESFA in compliance with their requirements.

5 ACCOUNTING RECORDS

5.1 Retention of records

The Group Director of Finance is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.

Activate Learning is required by law to retain prime documents for six years. These include:

- Official purchase orders
- Paid invoices
- Accounts raised
- Bank Statements
- Copies of receipts
- Paid Cheques
- Payroll records

The Group Director of Finance will make appropriate arrangements for the retention of electronic records.

Members of staff should ensure that retention arrangements comply with the Retention Schedule, as approved by the Group Director of Finance and Data Protection Officer, which shall ensure compliance with the requirements of relevant data protection legislation, the Activate Learning Data Protection Policy & funding organisations such as regional development agencies.

Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder.

5.2 Public access

As an exempt charity, Activate Learning will comply with the Charity Commission requirement to promptly publish its most recent financial statements on its website.

Also, under the terms of the financial memorandum, the Corporation is required to supply any person with a copy of Activate Learning's most recent financial statements. This will be done within one month of a request. Charities legislation enables the Corporation to levy a reasonable fee, and this will be charged at the discretion of the Group Director of Finance.

6 INCOME

- 6.1 The Group Director of Finance is responsible for ensuring that appropriate procedures are in operation to enable Activate Learning to receive all income to which it is entitled. All invoice templates or other official finance documents in use must have the approval of the Group Director of Finance.
- 6.2 Budget Holders shall furnish such particulars of charges for work done, goods supplied, or services rendered on behalf of Activate Learning and all amounts accruing to the Finance Team, to ensure the prompt recording of all sums receivable by Activate Learning. Invoices shall be raised in the form prescribed by the Group Director of Finance.
- 6.3 All Income will be invoiced to customers by the Finance Department. There may be exceptions where invoicing is not required. These must be approved by the Group Finance Controller. Other members of staff are not permitted to deal directly with this matter unless agreed by the Group Financial Controller.
- 6.4 All payments by debit or credit card need to be compliant with PCI regulations.
- 6.5 Appropriate debt recovery procedures shall be determined by the Group Financial Controller. The authorisation levels of any write-off of bad debts will follow the same levels as contract authorisation as set out in Section 7.11 but with the additional sign off by the Group Financial Controller.
- 6.6 All Staff handling cash shall be responsible for the security and prompt banking of all monies received, considering value, size, and Business Opening hours.
- 6.7 All sums of money greater than £5 from Learners will receive an official receipt from Advice & Admissions. Where the Finance Department follows up unpaid fees, receipts will be offered and provided if requested.
- 6.8 Activate Learning seeks to minimise its exposure to money laundering in accordance with the Money Laundering Regulations 2007. Any monies requiring refunding, will be compliant with the Activate Learning Fees Policy.
- 6.9 There will be a Fees committee which will comprise the Group Finance Director, Director of Institutional Effectiveness and appropriate representatives from Faculty and direct operations. The committee will review all fees, charges, rents, and lettings annually.
- 6.10 The Director of Governance is responsible for the safekeeping of official and legal documents relating to the core Legal status of Activate Learning & its subsidiaries and Associates. This will include signed copies of deeds, leases, agreements and contracts between Activate Learning Companies.
- 6.11 Major Contracts (defined as strategically significant and/or greater £100,000) made in the course of business will be held on the company's contract database, which is maintained by the Procurement team.
- 6.12 All commercial sales and funded project contracts shall be reviewed by a Finance Business Partner before sign-off at the levels set out below. The sales value is based on total lifetime contract value.

Course fees are set in line with Government Funding bodies guidelines and are exempt from this requirement.

Sales Contract Approval Levels

Value of purchase	Authorisation requirement
Up to £25,000	Budget Area Director Approval
Up to 100,000	Group Director of Finance
Up to £200,000	Chief Financial Officer
Over £200,000	Group CEO

Sales Invoices raised to claim capital funding from awarding bodies are exempt from the Sales Contract Approval Levels as the Capital Project and subsequent transactions is approved by The Corporation at the point of contract award.

7 EXPENDITURE

Activate Learning has a legal obligation to comply with Public Sector procurement regulations which are designed to encourage free and open competition and achieve value for money (see [The Public Contracts Regulations 2015](#)).

These regulations mean that:

- There should be open competition when tendering for higher value procurements
- Specifications must be well defined and non-discriminatory
- Minimum time limits apply during the tender procedure (dependent on value)
- Procurement thresholds apply to the aggregate (total) value for the purchase/lease/hire or rental of goods/services of 'the same type' (see Appendix A)
- Above-threshold contract opportunities must be published on Find a Tender Service (FTS) and on the government Contracts Finder website.
- The tender process must be transparent including informing participants of the evaluation criteria to be used and its relative importance/weighting
- Contract awards \geq £25,000 must be published (see Appendix A)

7.1 Achieving Value for Money

Goods and services purchased by Activate Learning should be obtained expeditiously and economically. Budget Holders need to achieve value for money which is defined as "the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought". All costs associated with the purchase should be considered when comparing supplier proposals (such as delivery, installation, commissioning, training, operating and support costs and disposal/ termination costs)

Framework Agreements and existing Corporate Contracts

Purchasing Consortia such as the Crescent Purchasing Consortium provide multiple framework agreements which have already been compliantly tendered. Activate Learning can utilise these frameworks without needing to re-advertise the tendering process, thus reducing time and costs. Further competition can be run with suppliers signed up to a particular framework agreement, so that value for money can be demonstrated. (See

Appendix A or speak with Procurement for further details).

Corporate contracts may already be in place for items such as stationery, branded sportswear, books or journals etc. To use these contracts, please contact Procurement.

CONTRACTS FOR THE PURCHASE OF GOODS, SERVICES OR WORKS

A written contract should be entered into when the contract value \geq £25k. Other factors for consideration are:

- the transaction/works are complex (e.g., involving design & build or subcontracting)
- the duration of the relationship is over one year
- the purchase requires ongoing support and maintenance
- the performance of the service needs to be measured and monitored

Both Procurement and the relevant Finance Business Partner (FBP) should be consulted prior to market engagement. The FBP will assess budget provision, financial projections and any cashflow or tax implications.

Procurement will advise on sourcing the market to ensure compliance with Public Sector procurement regulations and assist with any formal tendering procedures (see Appendix A).

- Any contract that contains elements that relate to core Group Service disciplines (i.e. Property and Environment, IT Services, HR, Marketing) must have sign-off from the relevant Group Director.
- The appropriate competitive quotation or tendering processes must be followed (see Appendix A)
- A contract becomes legally binding once it has been signed by both buyer and seller. Any contract variations or extensions must also be agreed and signed by both parties.
- All contracts must have a clear “owner” (usually the Budget Holder) who will be responsible for ensuring compliance and monitoring performance.
- All contracts for the purchase, lease, rental of goods, services or works must be fully approved and signed in accordance with the threshold for purchase ordering (see table below).
- All contracts must be registered in the central contracts database and a copy of the signed contract (including contract variations or extensions) should be sent to Procurement.

Purchase Contract Approval Levels

Value of purchase	Authorisation requirement
Up to £10,000	Budget Holder
Up to £25,000	Budget Holder’s line manager
Up to 50,000	Group Director of Finance
Up to £100,000	Chief Financial Officer
Up to £200,000	Group CEO

Over £200,000	The Corporation (Chair or Vice Chair)
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Terms and Conditions

A template with standard contract terms and conditions is available on the Procurement SharePoint page. The template should be adapted to suit each individual requirement. In cases where the supplier terms and conditions are to be used, these must be reviewed by Procurement prior to any approvals.

Contracts for the employment of senior posts (i.e. Group CEO & Director of Governance) will be authorised by the Corporation Remuneration Committee and signed by the Chair of the Corporation or his/her nominee.

Contracts for the acquisition, disposal or leasing of land and property will be authorised as follows:

Value	Authorisation requirement
Up to £100,000	Group CFO
Up to £200,000	Group CEO
Over £200,000	The Corporation (Chair or Vice chair)

Contracts or any other documents to be authorised under seal will be signed by the Chair of the Corporation plus one other Governor. The seal used will be that approved and adopted by the Corporation. Any use of the seal must be agreed with the Director of Governance and will be approved retrospectively by the Corporation.

Regarding Sales contracts, where Activate Learning is providing consultancy, research or similar services, there should normally be a letter of engagement setting out the scope and limitation of liability. The engagement letter will be authorised by the Chief Financial Officer.

PURCHASE ORDERS

- 7.1 A purchase order becomes a legally binding contract once it has been accepted by the supplier. Terms and conditions for purchase orders can be found on the Procurement SharePoint page.
- 7.2 Purchase orders under the normal course of business must be raised and approved for all goods, services and works except for:
 - recurring charges for public utilities, cleaning, exams or catering supplies
 - Credit or Debit Card purchases
 - petty cash purchases

Any exceptions to this, which should only relate to unforeseen emergency costs, must be approved by the relevant Finance Business Partner & Budget Holder

- 7.3 Purchase orders shall not be raised for any personal or private purchases, nor shall personal or private use be made of Activate Learning contracts.

- 7.4 All orders are raised by administrators and must be authorised by the appropriate Budget Holder. Further approval will be required by Finance Business Partners on purchase orders above £5,000 and by procurement on purchase orders over £25,000 (in line with tender rules set out in 7.10).
- 7.5 All orders for repairs to, and maintenance of, Activate Learning premises shall be placed through the Group Director of Property & Environment or delegated officer unless the Group Director of Finance specifically approves alternative arrangements.
- 7.6 All purchases of computer equipment, software or IT-related services shall be approved by the Group Director of IT or delegated officer prior to an order being raised, unless the Group Director of Finance specifically approves alternative arrangements.
- 7.7 The Group Director of Finance will be responsible for ensuring that the funds for capital projects or items are in place before commitment is made.

Each order must clearly indicate the nature and quantity of the supplies or services required, the agreed price including VAT, any agreed discounts, warranties, delivery costs and when using a purchase consortium framework agreement, this should also be noted on the order along with any reference numbers applicable.

- 7.8 Purchase orders for goods, services or works related to Capital or Revenue Expenditure raised on behalf of Activate Learning must be authorised as below.

Faculty, College or Apprenticeship Business related spend

Value of order	Authorisation requirement
Up to £5,000	Budget Holder
Up to £10,000	Budget Holder's line manager
Up to £50,000	Group Director of Finance
Up to £100,000	Chief Financial Officer
Up to £200,000	Group CEO
Over £200,000	The Corporation (Chair or Vice Chair)

Group Services related spend

Value of order	Authorisation requirement
Up to £10,000	Budget Holder
Up to £25,000	Budget Holder's line manager
Up to 50,000	Group Director of Finance
Up to £100,000	Chief Financial Officer
Up to £200,000	Group CEO

Over £200,000	The Corporation (Chair or Vice Chair)
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When applying the above limits, the "value of order" for those orders that relate to the continuous supply of goods or services over the contract period should be taken as the total commitment for the contract. Any combination of items, which form a scheme or project, must be treated as an individual contract or order for authorisation purposes. Where there is any doubt as to whether any combination of items constitutes a scheme or project, then the direction of the Group Director of Finance or the Chief Financial Officer must be sought.

Where a contract has been approved for a period longer than a year, subsequent Purchase Orders do not need to go to Corporation again. Where this is the case, the Director of Governance may approve on direction from the Group Financial Controller.

Prior to issuing a Purchase Order to a supplier the Finance Department is responsible for:

- (a) Ensuring that the request has been authorised by the Budget Holder or other authorised signatory.
- (b) Confirming that there are sufficient budget funds available or that overspend is approved to cover the order.

7.9 Procurement is responsible to the Chief Financial Officer (or delegated officer) for:

- (a) Training budget holders and other individuals involved in the purchase of goods/services or works on procurement procedures.
- (b) Advising and assisting budget holders on specific departmental purchases.
- (c) Developing appropriate reliable supply arrangements to assist budget holders in meeting their value for money obligations.
- (d) Challenging and negotiating supplier contracts in terms of price and discounts to obtain the best value for money.
- (e) Vetting, credit checking & approving all new suppliers set up requests, prior to an agreed purchase.
- (f) Monitoring cost savings and producing reports identifying procurement savings as required.
- (g) Producing and delivering the procurement strategy.

7.10 Thresholds for obtaining quotes/tenders shall be as follows:

Value of procurement	Procurement requirement
Purchases below £5,000	Reasonable efforts to secure value for money.
Purchases between £5,000 - £49,999	Minimum of three written quotations should be sought or a mini-competition run using a purchasing consortium framework
Purchases between £50,000 - £99,999	Minimum of five written quotations should be sought or Activate Learning's tendering procedures will be applied. See Appendix A.
Purchases between £100,000 - £189,999	Activate Learning's tendering procedures will be applied. See Appendix A.
Purchases above £190,000	A fully FTS compliant tender process applies to purchases that exceed the threshold of £178k for goods and services and £4,447k for works

7.11 There may be exceptional situations where single-tender action or single-quote action is required (e.g. where there is only one supplier of a good or service, where budget holder considers it necessary that the repairs or parts are procured from the original supplier) or where fewer than three invitation to tender are issued. These should be considered for approval by the Group Director of Finance or delegated officer after the budget holder has consulted with Procurement.

7.12 A breach of these Public Sector Regulations could result in a legal challenge from a supplier or potential supplier.

7.13 Standard Payment terms within contracts with third party suppliers must be 30 days from date of valid invoice. Variation from this needs to be approved via the contract approval stage set out in 7.8.

7.14 The administrator is responsible for receipting the purchase order on the finance system. The Administrator is receipting to confirm the following:

- (i) that the goods or services have been received/carried out.
- (ii) that the goods are of acceptable quality

INVOICES

7.15 The Group Financial Controller is responsible for the accurate processing and payment of all invoices. Payments will not be made against documents other than invoices and pro-forma invoices. Payment will only be made when the following have been satisfied:

- a) Invoices matched to a valid PO have been receipted by the Administrator,
- b) All invoices which are processed without a PO shall be authorised by the relevant Budget Holder.

- 7.16 There may be instances where we receive funds from funding bodies to forward on to third parties or need to reimburse volunteers for expenses incurred. Payments will be made on receipt of a signed contract and appropriate Budget Holder sign off.
- 7.17 The operation and control of any credit cards is the responsibility of the Group Finance Director. There will be appropriate oversight by the Financial Controller of the distribution, & use of such cards in line with the approved Credit Card Policy.

8 SALARIES, WAGES AND STAFF EXPENSES

- 8.1 The Group CEO shall be responsible for the appointment of all staff other than Senior Post-Holders who will be appointed by the Corporation
- 8.2 The Group Director of People & Change shall be responsible for the maintenance of all personnel records and for the provision of relevant information to enable all salaries, wages, pensions, and other emoluments to be paid. This includes all contractors working inside and outside of IR35 Regulations.
- 8.3 The preparation of payrolls and the payment of salaries, wages and other emoluments to employees of Activate Learning shall be the responsibility of the Group Director of People & Change. All remuneration payments must be made through Activate Learning payroll.
- 8.4 All salary advances & salary sacrifice schemes will be authorised by the Group Director of People or Change or delegated authority who will agree the deductions from the employee's pay. Written consent for these deductions will be obtained from the employee before payment of any advance.
- 8.5 The Group Director of People & Change is responsible for day-to-day superannuation matters including:
- (a) paying of contributions to authorised superannuation schemes
 - (b) submitting the annual return to superannuation scheme
- 8.6 Time records or other pay documents shall be in a form agreed by the Group Director of People & Change and shall be certified by the appropriate line manager and Budget Holder.
- 8.7 Activate Learning employees shall predominantly be paid according to the salary scales approved by the Corporation. Where market conditions require salaries on 'spot rates', the amount is approved by the Group Director of People & Change and the relevant Group Executive Director.
- 8.8 All letters of appointment or variations in conditions of service must be issued by the Group CEO or his/her nominee. The Group Director of People & Change will ensure that there are satisfactory arrangements in place to notify the Group Director of Finance of all commencements, variations and terminations for budgeting purposes.
- 8.9 Claims for travel expenses incurred by staff and Governors in carrying out official duties shall be paid at rates as per Activate Learning Expenses Policy.
- 8.10 Expense claims will be submitted in line with the Expenses Policy. No employee may authorise his/her own expenses. This certification shall be taken to mean that:
- (a) the journeys were authorised;
 - (b) the expenses properly and necessarily incurred;

- (c) the allowances are properly payable by the institution; and
- (d) consideration has been given to value for money in choosing the mode of transport.

- 8.11 All Staff expenses will be paid through the payroll. Expense claims will be paid the month after it was fully approved. Employees must submit monthly claims on a timely basis and avoid submitting claims for more than one month at a time.
- 8.12 The expenses of the Group CEO will be approved by the Chair of the Corporation. The expenses of the Governors will be approved by the Director of Governance.

9 BANKING AND PETTY CASH

- 9.1 The Corporation is responsible for the appointment of Activate Learning's bankers on the recommendation of the Chief Financial Officer. The Chief Financial Officer will keep this appointment under review to ensure value for money, and report to the Corporation at least every five years.
- 9.2 All arrangements with Activate Learning's bankers concerning the banking accounts and the control and issue of cheques, shall be made by the Group Director of Finance. No other Activate Learning bank accounts shall be permitted.
- 9.3 PayPal accounts or similar online accounts created specifically to receive payments will not be used for any other purpose i.e., not for purchasing.
- 9.4 For funds to be drawn down from the Bank account, two approved signatories will be required. All funds drawn from PayPal or similar accounts will be banked into the Activate Learning bank account.
- 9.5 Cheques drawn on behalf of Activate Learning will only be issued in exceptional circumstances where bank transfer is not possible and shall be signed in accordance with the bank mandate.
- 9.6 All cheques require two authorised signatures.
- 9.7 All electronic payments to third party suppliers which has followed the appropriate purchase authorisations as set out in section 7 will be approved for payment by a minimum of 2 individuals within the finance team, one of which must be the Group Financial Controller or delegated authority. All those individuals will have to be pre-approved by the Group Finance Director to be able to carry out this function within the payment system.
- 9.8 All payments to staff must be authorised on a basis consistent with the bank mandate before payment is made. This mandate requires 2 approved signatures, one of which must be either the Chief Financial Officer or Group Director of Finance.
- 9.9 Petty cash floats shall be operated in accordance with the Petty Cash procedures
- 9.10 The Group Director of Finance is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

Any transfer of amounts between these accounts will be the responsibility of the Group Director of Finance.

10 LOANS, LEASING, HIRE PURCHASE AND INVESTMENTS

- 10.1 All overdraft facilities shall be approved by the Corporation having regard to the terms of the Financial Memorandum with the ESFA. The Group Director of Finance may draw against the facility as required, for revenue or capital expenditure within the agreed budget limits.
- 10.2 All loans will be approved by the Corporation for specific purposes having regard to the terms of the Financial Memorandum with the ESFA. Funds may be drawn against the loan only for the approved purpose.
- 10.3 All loans and advances to group companies will be authorised as according to these thresholds:

Value	Authorisation
Up to £100,000	Group CFO
Up to £200,000	Group CEO
Over £200,000	The Corporation (Chair or Vice chair)

- 10.4 Authorised borrowing or re-borrowing of monies and all other matters in connection with the raising or repayment of authorised loans shall be subject to the supervision and control of the Group Director of Finance who shall periodically report to the Chief Financial Officer.
- 10.5 Purchases involving finance lease, or hire purchase agreements shall be authorised:

Equivalent Purchase Price	Authorisation
Up to £50,000	Group Director of Finance
Up to £100,000	Chief Financial Officer
Up to £200,000	Group CEO
Over £200,000	The Corporation (Chair or Vice chair)

- 10.6 Any other surplus monies shall be invested in line with the Corporation's strategic objectives. Amounts will be invested in the name of Activate Learning with institutions approved by the Treasury Management Policy and in the light of the creditworthiness of those institutions. Investments shall be confirmed in writing by the institution with which the deposit is made.

The Group Director of Finance shall be responsible for maintaining a register of all deposits/investments.

11 ASSETS AND PROPERTY

- 11.1 Budget Holders shall be responsible for the care and custody of all Activate Learning assets within their curriculum or service area.

- 11.2 The disposal of fixed assets or surplus materials shall be authorised as specified below. The procedure for the disposal of surplus assets and materials shall be as specified in the procedure within the Appendix.

Value of disposal NBV	Authorisation
Up to £50,000	Group Director of Finance
Up to £100,000	Chief Financial Officer
Up to £200,000	Group CEO
Over £200,000	The Corporation (Chair or Vice chair)

- 11.3 Budget Holders shall maintain procedures for the receipt, safe custody, issue, and disposals of all goods.
- 11.4 Assets purchased by Activate Learning shall, so far as practicable, be effectively marked to identify them as Activate Learning property
- 11.5 Lessees and/or other prospective occupiers of Activate Learning land or property shall not be allowed to take possession or enter the land or property until a lease or agreement, in a form approved by Activate Learning solicitors, has been approved.
- 11.6 The Director of Group Facilities Operations is responsible for ensuring the proper security of all buildings and other assets.
- 11.7 No Activate Learning assets shall be subject to personal use by an employee unless an approval form has been duly completed and authorised.
- 11.8 The Group Financial Controller shall be responsible for maintaining a Fixed Asset Register.
- 11.9 Verification of fixed asset register items and those items of high risk or portable nature (not on the fixed asset register) shall be carried out on an annual basis, so far as practicable, in accordance with procedures issued by the Group Director of Finance.
- 11.10 The Corporation will approve the depreciation rates and capitalisation limits to be applied.
- 11.11 No capital expenditure may be committed unless a Capital Expenditure Proposal has been duly authorised.
- 11.12 There may be instances when the group will be allocated grant funding for capital projects. The budget for these projects must be signed off in accordance with the above levels of authority and identified separately in the capital reporting process by use of project codes. Any grant funding which is received and any matched funding commitment from the business must be identified and authorised with the appropriate business case.
- 11.13 Budget Holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their areas. The systems used for stores accounting in departments must have the approval of the Group Director of Finance. Budget Holders are responsible for ensuring that regular inspections and stock checks are carried out.
- 11.14 Those Budget Holders whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Group

Director of Finance and that instructions are issued to appropriate staff within their Curriculum or Service areas.

12 INSURANCE

- 12.1 The Group Director of Finance in consultation with Chief Financial Officer shall be responsible for effecting such insurance cover in the name of Activate Learning as may be necessary to safeguard Activate Learning Group against loss and shall keep a register of all insurances effected by Activate Learning Group and the property and risks covered thereby.
- 12.2 The Chief Financial Officer shall notify any major claim, likely to impact either the Reputation of the Corporation or its Insurance Premiums, to the Audit & Risk Committee.
- 12.3 The Audit & Risk Committee shall review the appointment of insurance brokers or underwriters at regular intervals.
- 12.4 Budget Holders shall inform the Group Director of Governance or his/her nominee promptly of any event which may involve Activate Learning in a claim, or an intended activity or acquisition of an asset in their curriculum or service which may involve Activate Learning in a risk not already covered by insurance, or necessitate an extension of the value of the insurance cover.
- 12.5 The Group Director of Governance or his/her nominee (including the duly appointed insurance broker or insurance company) shall negotiate all claims made against or by Activate Learning and shall consult Activate Learning Solicitors where necessary.
- 12.6 All staff using their own vehicles for Activate Learning businesses shall maintain appropriate insurance cover for business use.

13 TAXATION

- 13.1 The Group Director of Finance is responsible for advising heads of departments, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the institution. Instructions will be issued to departments on compliance with statutory requirements including those concerning VAT, PAYE, National Insurance and corporation tax.
- 13.2 The Group Director of Finance is responsible for maintaining Activate Learning's tax records, making all tax payments and submitting tax returns by their due date as appropriate.

14 AUDIT

- 14.1 The Corporation will consider the role for an internal audit service as part of a wider assurance framework. The Audit & Risk Committee will advise the Corporation on the appointment of internal auditors.
- 14.2 An internal auditor would be appointed by the Corporation on the recommendation of the Audit & Risk Committee. An internal audit service remains independent in its planning and operation but has direct access to the Corporation, Group CEO and Chair of the Audit & Risk Committee. The main responsibility of internal audit is to provide the Corporation and the accounting officer assurance on the adequacy of the internal control system.

- 14.3 Internal audit, if appointed, will have regard to value for money in its program of work. This will be used to enable the Audit & Risk Committee to refer to value for money in its annual report.
- 14.4 The internal auditor will comply with relevant professional standards.
- 14.5 The appointment or reappointment of external auditors will take place after a maximum period of five years and is the responsibility of the Corporation. The Audit & Risk Committee will advise the Corporation.
- 14.6 The primary role of the external audit is to report on Activate Learning'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. Their duties will be in accordance with advice set out in the ESFA's audit code of practice and the Auditing Practices Board's auditing standards.

15 FRAUD

- 15.1 All members of staff are required to adhere to the Group Anti-Bribery & Corruption and Fraud statements within the Corporate Ethics policy.

16 STUDENT RECORDS

- 16.1 The Group Director of Institutional Effectiveness (MIS) is responsible for ensuring that appropriate procedures are in place to record student enrolment, attendance, and achievement. All relevant staff will be responsible for the operation of the procedures that are summarised below.
- 16.2 An enrolment form shall be completed for every student commencing a programme of study with Activate Learning.
- 16.3 Every student shall have a learning agreement that is documented & agreed by both the student and Activate Learning.
- 16.4 Registers of attendance shall be maintained for all ESFA funded classes.
- 16.5 Registers will be checked regularly against the student record system to ensure that all attending students have enrolled.
- 16.6 Student withdrawal or transfer shall be notified immediately to Institutional Effectiveness Department using the designated form.
- 16.7 The student record database (REMS) captures all non-funded learning income. Staff members who adjust the student records have a responsibility to ensure that the accuracy of the income on each student record. Any adjustments to student record income must align to the Fees Policy. No student should be enrolled unless there is a contract or agreement with the student or their employer.
- 16.8 All externally validated examinations and courses shall be administered by the Examinations Section

17 RISK MANAGEMENT

- 17.1 Activate Learning acknowledges the risks inherent in its business and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable will be set out in the Risk Management policy.
- 17.2 The Corporation has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the college through the development, implementation and embedding within the organisation of a formal, structured risk management process.

In line with this policy, the Corporation requires that the risk management strategy and supporting procedures include:

- the adoption of common terminology in relation to the definition of risk and risk management
- the establishment of organisation wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis
- a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes
- a decision on the level of risk to be covered by insurance
- detailed regular review at curriculum or support area level to identify significant risks associated with the achievement of key objectives and other relevant areas
- development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question
- regular reporting to the Corporation of all risks above established tolerance levels
- an annual review of the implementation of risk management arrangements

- 17.3 The strategy and procedures must be capable of independent verification.

18 GIFTS & HOSPITALITY

- 18.1 All members of Staff are required to adhere to the Group Gifts & Hospitality guidelines found within the Corporate Ethics Policy

19 FINANCIAL PROCEDURES

- 19.1 Activate Learning's detailed financial systems and procedures set out how these regulations will be implemented and are available through Activate Learning Online (ALO) on the intranet.
- 19.2 The Financial Controller shall maintain and update the financial systems and procedures which shall be available to staff to ensure the efficient and effective financial management of Activate Learning.

20 WHISTLEBLOWING

- 20.1 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc.), miscarriage of justice, danger to health and safety or the environment and the cover-up

of any of these. It does not matter whether the information is confidential, and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

- 20.2 Normally, any concern about a workplace matter at Activate Learning should be raised with the relevant member of staff's immediate line manager or head of department. However, Activate Learning 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 or impossible.
- 20.3 A member of staff may, therefore, make the disclosure to the Director of Governance as set out in Activate Learning's Whistleblowing Procedure which is available on the SharePoint Procedures Page.

21 COLLEGE COMPANIES AND JOINT VENTURES

- 21.1 In certain circumstances it may be advantageous to Activate Learning to establish a company or a joint venture to undertake services on behalf of Activate Learning. Any member of staff considering the use of a company, or a joint venture should first seek the advice of the Chief Financial Officer, who should have due regard to guidance issued by the ESFA.
- 21.2 The Corporation is responsible for ensuring that the required procedures are followed. The process involved in forming a company or a joint venture and arrangements for monitoring and reporting on the activities of these undertakings are documented in Activate Learning's financial procedures.
- 21.3 It is the responsibility of the Corporation to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by Activate Learning. These and other arrangements will be set out in a memorandum of understanding.
- 21.4 The directors of companies where Activate Learning is the majority shareholder shall submit, via the Corporation, appropriate reports to the Corporation. They will also submit business plans or budgets as requested to enable the Corporation to assess the risk to Activate Learning. Activate Learning's auditors shall also be appointed to such companies.

APPENDIX A – TENDERING PROCEDURES

Tenders should be conducted when the value of the purchase \geq £25k

All tenders **must** be conducted using an e-tendering system. Please contact Procurement for advise and assistance with tendering procedures. Please see Appendix A for guidance on thresholds.

APPENDIX A – TENDERING PROCEDURES – Note: all tenders must be conducted using an e-tendering system. Please speak with Procurement for further details.

CHECK WITH PROCUREMENT FOR EXISTING CORPORATE CONTRACTS OR CONSORTIUM FRAMEWORKS WHICH MAY BE SUITABLE TO USE							
Value	Goods & Services ≤ £4,999	Goods & Services £5,000 - £49,999	Goods & Services £50,000 – £99,999	Goods & Services £100,000 – c£178,000	Goods & Services Above c£178,000	Works/works related services ≤ £58,981	Works and works related services above c£4,447,000
Legal requirement to publish		All contract awards ≥25k must be published on the government 'Contracts Finder' website	The opportunity can be advertised on the government 'Contracts finder' website and the award must be published on this website.	The opportunity can be advertised on the government 'Contracts finder' website and the award must be published on this website.	Must be advertised on Contracts finder and FTS simultaneously. Tender must be conducted using an e-tendering system.	Opportunity can be advertised. All contract awards must be ≥£25k in value must be published on the government 'Contracts Finder' website.	Must be advertised on Contracts finder and FTS simultaneously. Tender must be conducted using an e-tendering system.
Procurement process to be followed	Ideally 3 quotes in writing. Select the lowest price or the most suitable.	Minimum of 3 written quotes required. Send a brief specification electronically, outlining timeframes and evaluation criteria (cost/quality considerations). Use a scoring sheet to evaluate offers objectively. Notifying unsuccessful supplier & provide feedback to them.	Minimum of 5 written quotes required. Send out a detailed specification electronically, outlining timeframes and evaluation criteria (cost/quality considerations). Use a scoring sheet to evaluate offers objectively. Notifying unsuccessful supplier & provide feedback to them. A formal tender process should be used if the goods/services are deemed higher risk.	Formal tender process applies. Draw up tender documents, including evaluation criteria with relative weightings and timetable. Use weighted scoring sheet to evaluate offers. Select highest scoring proposal. Present tender results to relevant approver see Financial Regulations. Notify winning tenderer & give feedback to unsuccessful suppliers. Apply 10 day standstill before awarding the contract.	Open/restricted tender processes apply which involve strict minimum timelines. Draw up tender documents, including evaluation criteria & relative weightings and timetable for the tender. Use weighted scoring sheet to evaluate offers. Select highest scoring proposal. Present tender results to relevant approver in accordance with Financial Regulations. Notify & provide feedback to winning tenderer & to those who were unsuccessful. Apply 10 day standstill before awarding the contract.	Minimum of 3 written quotes required. Send a brief specification electronically, outlining timeframes and evaluation criteria (cost/quality considerations). Use a scoring sheet to evaluate offers objectively. Notifying unsuccessful supplier & provide feedback to them.	Open/restricted tender processes apply which involve strict minimum timelines. Sourcing and expenditure approval for all Capital projects must be given on spend over c£4,447,000)
Minimum timeline	Reasonable time to respond	Sufficient time to respond with a suitable proposal	Recommend a minimum of 30 days response/evaluation with 10 days standstill	Recommend a minimum of 30 days response/evaluation with 10 days standstill	Recommend a minimum of 3 months to run a complex tender.	Recommend a min of 30 days response evaluation with 10 days standstill	Recommend between 3-6 months for high value works tenders

If over a 4 year period there are a series of smaller orders for goods or services 'of the same type' and their cumulative value exceeds the published threshold (≥£178k); then the individual order (and any subsequent ones) that breaks the threshold should be advertised in FTS even though by itself, it falls below that threshold (see table).

Calculating the value of a contract over the term of the contract

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| <ul style="list-style-type: none">• If the contract is for a 'one-off' purchase, estimate the total value including all component parts, transport costs, install, commissioning, operating, maintenance & end of life costs• Where goods/services are required but the period of time is unknown i.e. contract is over an indefinite period, the monthly value should be used & multiplied by 48. If that value exceeds the threshold, then the FTS rules will apply (see Procurement for further details)• Where a service contract does not indicate a total price, the amount should be an estimate of what is expected to be paid (e.g. budget) over the contract period or over 4 years if the contract period is indefinite or exceeds 4 years. | <ul style="list-style-type: none">• The estimated contract value should be valid at the time of the procedure commencing and should be calculated excluding VAT• When estimating contract value close to EU threshold levels, allow 10% contingency• It is not permissible to sub-divide projects in order to keep under FTS threshold levels.• The value of the contract throughout its duration, including any optional extensions, needs to be included when estimating the total contract value. |
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APPENDIX B: DISPOSAL OF ASSETS PROCEDURE

1. As part of the periodic physical checks (see para 11.2 of these regulations), assets that are no longer in use will be identified.
2. Consideration must be given to the ESFA's guideline governing the disposal of land and buildings as set out in the Financial Memorandum.
3. The purchase price of the assets, the date of purchase and the current net book value will also be established and recorded.
4. The Budget Holder will confirm by signing that the asset is no longer required.
5. The procedure for obtaining the best possible price for any surplus assets will be as follows:
 - For assets with a book value up to £5,000 the Budget Holder shall determine the market value (online or using trade journals) and ensure sales proceeds are not more than 10% below such value
 - For assets valued at up to £50,000 three written offers are required unless otherwise agreed by the Group CEO.
 - For assets valued at over £100,000 Activate Learning will seek at least three competitive tenders by advertising in an appropriate publication (e.g. local press, trade magazine), or an alternative procedure as approved by the Group CEO.
6. Should Activate Learning decide to donate the asset to another organisation, approval will be sought in advance from the Group CEO.
7. Approval for the disposal of all assets will be as specified in these Regulations.
8. The assets register will be updated, as appropriate, for every asset disposal.