



FINANCIAL REGULATIONS

B CORPORATE GOVERNANCE

3. The Governing Body

3.1 The Governing Body is responsible for the effectiveness of the College's management and administration. It is responsible for:

- the solvency of the College and the safeguarding of the College's assets
- appointing, grading, reviewing the performance of, suspending, dismissing and determining the pay and conditions of service of the Principal and other senior post-holders
- setting a framework for pay and conditions of service of all other staff
- the financial, planning and other management controls, including controls against fraud and theft, applied by the College to safeguard public funds
- approving the appointment of external auditors and an internal audit service
- securing the efficient, economical and effective management of all the College's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in the College is not put at risk
- taking into account appropriate financial considerations at all stages in reaching decisions and in their execution
- planning and conducting its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure
- approving an annual budget before the start of each financial year
- determining tuition fees
- complying with the funding body's Audit Code of Practice
- approving the College's Strategic Plan

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- approving the College’s annual Financial Statements

4. Designated Officer

4.1 The Principal is the College’s designated officer and is responsible for ensuring the financial administration of the College’s affairs in accordance with the financial memorandum with the funding body. As the designated officer, the Principal may be required to justify any of the College’s financial matters to the Public Accounts Committee at the House of Commons.

4.2 In particular, the Articles of Government charge the Principal with responsibility:

“...for preparing annual estimates of income and expenditure, for consideration and approval by the Governing Body, and for the management of budget and resources, within the estimates approved by the Governing Body.”

4.3 The Principal shall demonstrate his or her oversight of financial matters by signing the Balance Sheet and the “Statement of Corporate Governance and Internal Control” within the annual Financial Statements, and the relevant form within the three-year financial forecasts submitted to the funding body.

5. Committee Structure

5.1 The Governing Body has ultimate responsibility for the College’s finances and strategy, but delegates specific powers and processes to the committees detailed below. These committees are accountable to the Governing Body.

Finance, Planning and Resources Committee

5.2 Is responsible for monitoring the College’s financial position and financial control systems. The committee will examine annual estimates and accounts (including the accounting policies upon which they are based) and recommend their approval to the Governing Body. It will ensure that short-term budgets are in line with agreed longer-term plans and that they are followed. It will consider any other matters relevant to the financial duties of the Governing Body and make recommendations accordingly. The committee will also ensure that the Governing Body has adequate information to enable it to discharge its financial responsibilities. The Committee will consider and recommend to the Governing Body a

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medium and long-term strategy for the College estate advising on the acquisition, maintenance and disposal of the estate. It will also monitor and report on major capital projects. The Committee will advise the Governing Body on risk management matters.

Audit Committee

5.3 Colleges are required by their Financial Memorandum with the funding body and by the funding body's Audit Code of Practice to appoint an Audit Committee. The committee is independent, advisory and reports to the Governing Body. 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 is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. The committee must also ensure that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. The audit requirements of the College are set out in the funding body's Audit Code of Practice.

Quality, Learning and Standards Committee

5.4 Is responsible for consideration of the College's quality standards and their ongoing improvement. It approves the annual quality improvement plan. The committee must ensure that all the financial implications of such plans are taken into account before they are submitted to the Governing Body for approval.

Remuneration Committee

5.5 Consideration of senior post-holders' pay and conditions is the responsibility of the Remuneration Committee. It has the power to make recommendations to the Governing Body on their remuneration, including pay and other benefits, as well as contractual arrangements.

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6. Other Senior Managers with Financial Responsibility

The Vice-Principal Corporate Services

6.1 The responsibilities of the Vice-Principal Corporate Services include the following financial activities:

- developing, implementing and monitoring strategic and operational plans that will enable the College to adequately resource the effective and efficient delivery of the curriculum
- ensuring that the administrative divisions of the College contribute effectively to a coherent planning cycle that delivers the objectives of the College's Development Plan.
- extending the range of College partnerships and alliances to ensure that the institution responds to opportunities and developments in a cost-effective and professional manner.
- preparing a capital programme for consideration by the Finance, Planning and Resources Committee before submission to the Governing Body.
- managing and controlling the College's Risk Management Strategy
- assessing the financial and risk implications of 3rd party contracts

Director of Finance

6.2 The Director of Finance is responsible for day-to-day financial administration:

- preparing annual capital and revenue budgets and financial plans
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations
- preparing the College's annual accounts and other Financial Statements and accounts which the College is required to submit to other authorities
- ensuring that the College maintains satisfactory financial systems
- providing professional advice on all matters relating to financial policies and procedures
- liaising with external auditors in order to meet audit requirements
- liaising with internal auditors in order to achieve efficient processes

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Director of Human Resources

6.3 The responsibilities of the Director of Human Resources include the following financial activities:

- managing the payroll
- administering Emergency/Hardship Loans for staff
- providing the Director of Finance with the information required to prepare annual revenue budgets relating to pay expenses and to monitor expenditure against these budgets.

Director of Planning and Development

6.4 The responsibilities of the Director of Planning and Development include the following financial activities:

- ensuring the accuracy and completeness of student data submitted to funding bodies
- providing the Director of Finance with the information required to prepare annual revenue budgets relating to funding body and full cost income and to monitor income against these budgets.

Director of Student Services

6.5 The responsibilities of the Director of Student Services include the following financial activities:

- managing the allocation of Learner Support Funds
- managing the allocation of Welfare Support Funds
- managing student invoicing and credit control
- managing the college's marketing budget effectively and efficiently

Director of Facilities

6.6 The responsibilities of the Director of Facilities include the following financial activities

- managing and maintaining the College's insurance cover
- being responsible for annual budgets for Estates and Facilities and efficient resource management within the Division, paying particular attention to procedures that reduce the risk of fraud
- ensuring that all major capital schemes are planned and delivered on time and within

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budget

- overseeing the procurement of goods and services in line with best practice
- reporting deviations in actual performance compared with approved plans to the Vice-Principal Corporate Services and Director of Finance

Legal Advisor

6.7 The responsibilities of the Legal Advisor include the following financial activities:

- advising Senior Management Team members on legal matters including reviewing any agreements negotiated with external bodies
- highlighting any legal matters which may affect the college and ensure the college adequately addresses any legal liabilities to which it may be exposed

Senior Management Team

6.8 Senior Management Team members are responsible for financial management within the areas or activities they control. They are advised by the Director of Finance in executing their financial duties. The Director of Finance will also supervise and approve the financial systems operating within their areas, including the form in which accounts and financial records are kept. Senior Management Team members are responsible for establishing and maintaining clear lines of responsibility within their areas for all financial matters. Where resources are devolved to budget holders, they are accountable to their Senior Management Team member for their own budget.

6.9 Senior Management Team members shall:

- work with the Director of Finance and the Director of Planning & Development to set and meet annual budgets, enrolment and income targets and in particular to ensure the financial viability of programmes (where applicable)
- inform the Director of Finance of anything that may affect the financial affairs of the College including any legislation, notification, consent, approval, or circular received from a government department or other external source.
- report deviations in actual performance compared with approved plans to the Vice-Principal Corporate Services and the Director of Finance
- ensure the effective and efficient management of resources including space, materials and staffing establishments

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- oversee the production of their area's business plans, budgets and development requirements
- facilitate and lead the development and achievement of full cost and employer related delivery against income targets for non grant funding (where applicable).

Heads of School

6.10 Heads of School are responsible for

- budgets and efficient resource management within their School
- controlling income and expenditure within an agreed budget
- ensuring day to day monitoring is undertaken effectively
- meeting enrolment and income targets in line with College expectations and immediately reporting potentially significant departures from agreed budgetary targets to their Director and taking corrective action
- ensuring that activities are cost effective and monitoring efficiency, wastage and control measures
- applying commercial and business approaches to increasing the Faculty's income from employer and other full cost income opportunities

All members of staff

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

6.12 They should ensure that they are aware of the College's financial authority limits and the values of purchases for which quotations and tenders are required (see Financial procedures).

6.13 They shall make available any relevant records or information to the Director of Finance in connection with the implementation of the College's financial policies, these financial regulations and the system of financial control.

6.14 They shall provide the Director of Finance with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the Governing Body.

6.15 They shall immediately notify the Director of Finance whenever any matter arises which

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involves, or is thought to involve, irregularities concerning, inter alia, cash or property of the College. The Director of Finance, shall take such steps as are considered necessary by way of investigation and report.

7. Risk Management

- 7.1 The Corporation is responsible for overseeing risk management within the institution whilst the Principal and Senior Management Team implement policy. All senior staff are responsible for encouraging good risk management practice within their area of responsibility.
- 7.2 The Risk Management Policy sets out full details of the College's approach to risk management.

8. Whistle blowing

- 8.1 Whistle blowing in the context of the Public Interest Disclosure Act is the disclosure by an employee or worker about malpractice in the workplace. A whistle blower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistle blowing can extend to malpractice occurring in the UK and any other country or territory.
- 8.2 The full procedure for whistle blowing is set out in the College's Whistle Blowing Policy, which is available on KC online.

9. Code of Conduct

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

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- selflessness, objectivity and honesty
- relationships.

9.2 Additionally, members of the Governing Body, senior management or those involved in procurement are required to disclose interests in the College’s register of interests maintained by the Clerk to the Governors. They are also responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the Financial procedures.

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

Receiving gifts or hospitality

9.4 It is an offence under the Bribery Act 2010 for members of staff to

- request, agree to receive or accept a financial or other advantage intending that, in consequence, a relevant function or activity should be performed improperly (whether by themselves or another person).
- request, agree to receive or accept a financial or other advantage as a reward for the improper performance (whether by themselves or another person) of a relevant function or activity.

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

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

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

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provide in return.

- 9.7 When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the relevant Senior Management Team member or the Director of Finance. Guidance on acceptable hospitality is contained in the detailed financial procedures. For the protection of those involved, the Director of Finance will maintain a register of gifts and hospitality received where the value is in excess of £50. Members of staff in receipt of such gifts or hospitality are obliged to notify the Director of Finance promptly.

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