



MidKent College



MKC Training Services Limited

Group Financial Regulations

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Approved By	Finance and General Purposes Committee	March 2021
	Next Review	March 2022

Regulations:

Background

Financial regulations provide an essential framework to ensure the interests of both the College and the individual are protected. They set out the rules for the proper administration of the College's financial affairs and are supported by detailed Financial Procedures.

The Financial Memorandum between the College and the Education and Skills Funding Agency (ESFA), sets out the terms and condition on which the grant is made. The Governing Body is responsible for ensuring the terms and conditions of grant are met. As part of this process, the College must adhere to the Audit Code of Practice¹, which requires the College to have sound systems of financial and management control. The Financial Regulations of the College form part of this overall system of accountability.

MidKent College is an exempt charity under the Part 3 of the Charities Act 2011 and from 1st September 2013, is regulated by the Secretary of State for Business, Innovation and Skills as Principal Regulator for all FE Corporations in England. The members of the Governing Body, who are trustees of the charity

MKC Training Services Limited is a wholly owned subsidiary of MidKent College and has a successful track record for supporting employers, training providers and awarding organisations.

The principal activity of MKC Training Services Limited is to deliver training and asset management services to the Royal School of Military Engineering. As experts in the design and delivery of innovative teaching, learning, assessment and training design, they provide a stimulating environment to help individuals and organisations achieve their goals. They have deep subject specialism and knowledge across construction, engineering and the associated professional skills.

Status of Financial Regulations

This document translates into practical guidance the Group's broad policies relating to financial control.

Compliance with the Financial Regulations is compulsory for all staff connected with the Group. Any member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the College's Disciplinary Policy. It is the responsibility of all managers to ensure that staff are made aware of the existence and content of the

¹ Originally published by the Learning and Skills Council but adopted by the SFA and subsequently the ESFA

College's Financial Regulations and Procedures and that adequate copies are available for reference in their departments.

The Finance and General Purposes Committee will approve the Finance Regulations and together with the Executive Director of Finance and Estates (or deputy) will advise the Governing Body of any changes or additions where necessary.

The Groups detailed Financial Procedures set out in detail how the Financial Regulations must be implemented. Queries relating to the Financial Regulations or Financial Procedures should be directed to the Executive Director of Finance and Estates or the Finance and Procurement Manager.

Financial Control and Responsibility

The Governing Body

The Governing Body is responsible for the management and administration of the Group. Its financial responsibilities are:

Ensure the solvency of the Group

Safeguard the Group's assets

Ensure the effective and efficient use of the Group's resources

Ensure that the funds provided by the ESFA and other relevant funding bodies, are used in accordance with the terms and conditions specified in the College's Financial Memorandum with the ESFA

Ensure that financial control systems are in place and working effectively

Ensure that Group complies with the Audit Code of Practice

Approve the College's Strategic Plan

Approve annual budgets of income and expenditure and annual financial statements for the Group

Appoint the College's internal and Group external auditors

Finance and General Purposes Committee

The Finance and General Purposes Committee shall advise the Governing Body, as appropriate, in all aspects of its finances, financial policies and controls. The Committee will oversee and monitor the

progress of the College's Strategic Plan in relation to Finance, Estates and Facilities, HR and ICT.

Full terms of reference for the Finance and General Purposes Committee are approved annually.

Audit and Risk Committee

Colleges are required by their Financial Memorandum with the ESFA and by the Audit Code of Practice to appoint an Audit and Risk 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 both of internal and external auditors. The committee is responsible for identifying and approving appropriate measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

Full terms of reference for the Audit and Risk Committee are approved annually.

The Principal

The Principal is the College's designated accounting officer and is responsible for the financial administration of the Groups affairs. 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.

The Principal shall:

On behalf of the Governing Body, be responsible for ensuring economy and efficiency in the use of the resources of the College and will set up appropriate mechanisms to monitor other members of staff in this respect

After taking into account advice and guidance given by the Executive Director of Finance and Estates (or deputy), be responsible for ensuring the implementation of the College's financial operations

Have responsibility for the submission to the Governing Body of such budgets and estimates of income and expenditure as the Governing Body may, from time to time, require

Be the final arbiter in the interpretation of the College's Financial Regulations and shall receive the written advice of the Executive Director of Finance and Estates (or deputy)

The Executive Director of Finance and Estates (or deputy)

The Executive Director of Finance and Estates (or deputy) shall control the Groups day to day financial administration

The Executive Director of Finance and Estates (or deputy) is responsible for:

The administration of the financial affairs of the Group

Preparing comprehensive annual budgets for income, expenditure, cash flow and financial health

Preparing financial plans, accounts management information, monitoring and control of income and expenditure budgets and targets and all financial operations

Preparing the Group's annual accounts and other financial statements and accounts which the College is required to submit to other authorities

Ensuring the Group maintains satisfactory financial systems

Providing professional advice on all matters relating to Group Financial policies and procedures

The Executive Group

Members of the Executive Group are responsible to the Principal for financial management in their own areas. They shall be advised by the Executive Director of Finance and Estates (or deputy) in the execution of their financial duties. The Executive Director of Finance and Estates (or deputy) will also supervise and approve the financial systems operating within their departments, including the form in which accounts and financial records are kept.

Members of the Executive Group are responsible for establishing and maintaining clear lines of responsibility, within their department, for all financial matters.

Where resources are devolved to Managers, they become accountable to their respective Senior Manager for that budget.

MKC Training Services Limited Board of Directors

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

All Members of the Group Staff or agents of the College or MKCTS

All members of the Group Staff shall:

Have a general responsibility to protect the Group's assets, for avoiding loss and for due economy in the use of resources. Assets include information and goodwill as well as property. They must comply with the systems of financial control as laid down by the Executive Director of Finance and Estates (or deputy) and with any reasonable directions made by the Principal in relation to his control of budgets and the keeping of records

Make available any relevant records or information to the Executive Director of Finance and Estates (or deputy) or authorised representative in connection with the carrying out of their duties of implementation of the College's financial policies and systems of financial control

Provide the Executive Director of Finance and Estates (or deputy) with such financial and other information as may be deemed necessary to carry out the requirements of the Governing Body. Where information is required in connection with an insurance claim against the Group, it is essential that the information is provided promptly

Financial Planning

The Executive Director of Finance and Estates (or deputy) is responsible for preparing, annually a rolling financial plan for approval by the Governing Body and for preparing financial forecasts for submission to the ESFA. Financial plans should be consistent with the strategic plans and estates strategy approved by the Governing Body.

Budgetary Control

The control of expenditure within an agreed budget is the responsibility of the designated budget holder who must ensure that there is effective monitoring and control within their jurisdiction.

The Principal and MKCTS Managing Director are responsible for the designation of all Budget Holders.

Monthly management reports will be provided by the Executive Director of Finance and Estates (or deputy), in a format approved by the Principal.

Budget allocations may not be exceeded without prior discussion with, and with the approval of, the Executive Director of Finance and Estates (or deputy).

A review of actual expenditure compared to budget will be carried out by the Executive Director of Finance and Estates (or deputy) with Budget Holders on a regular basis, where appropriate corrective action will be taken if necessary.

The Executive Group will consider the management accounts and student data on a regular basis and take any necessary action.

The Executive Director of Finance and Estates (or deputy) will distribute the monthly management accounts to members of the Finance and General Purposes Committee.

Accounting Issues

Accounting Policies

Any change of accounting policies must be approved by the Governing Body on the advice of the Audit and Risk Committee.

The Executive Director of Finance and Estates (or deputy) is responsible for preparing and consolidating financial returns and other periodic financial reports to the ESFA and other agencies, as required. The Executive Director of Finance and Estates (or deputy) is also responsible for ensuring that all grants notified by the ESFA and other bodies are received.

All such returns and reports must be signed by the Principal or Executive Director of Finance and Estates (or deputy).

Accounting Records

The Executive Director of Finance and Estates (or deputy) is responsible for the retention of financial documents. These must be kept in a form acceptable to the relevant authorities.

Income

General

The Executive Director of Finance and Estates (or deputy) is responsible for ensuring that appropriate procedures are in place in order that the Group is able to maximise its income.

Appointment of Bankers

The Governing Body is responsible for the appointment of the Group's bankers on the recommendation of the Finance and General Purposes Committee.

Expenditure

General

The Executive Director of Finance and Estates (or deputy) is responsible for making payment to suppliers of goods and services to the Group in a timely fashion. All accounts for payment must be certified by the manager responsible in accordance with financial procedures.

Tenders and Quotations

All purchases of goods and services are subject to the Group's financial procedures.

Building Works Contracts

The Head of Facilities is responsible for the administration of all contracts relating to the works on the College's sites and buildings.

All contracts are subject to approval in accordance with Financial Procedures.

The contract negotiations should ensure best value for money.

EU Regulations

The Executive Director of Finance and Estates (or deputy) is responsible for ensuring that the Group complies with the legal obligations, which are in place at the time, on all procurement matters which are subject to EU regulations.

Personnel and Payroll

Appointment of staff

The Principal is responsible for all appointments to the College on the advice of the Director of HR & Payroll. However, Senior Post holders are subject to appointment by the Governing Body.

Salary Payments

Salary rates and non-pay benefits for Senior Post holders will be determined by the Remuneration Committee, whose recommendations must be approved by the Governing Body.

Salary rates and non-pay benefits for other staff will be recommended by the Principal and approved by the Governing Body.

Assets

Land, buildings and other fixed assets

The Executive Director of Finance and Estates (or deputy) is responsible for maintaining the Group's register of all its fixed assets.

The purchase of land, buildings and other fixed assets can only be undertaken in line with financial procedures and with reference to ESFA requirements.

Inventories

In addition to the asset register, managers are responsible for maintaining an inventory of stock items for non-capital items valued in excess of £100.

Inventory records will be maintained in accordance with financial procedures.

Disposal of Assets

Assets may only be disposed of in accordance with financial procedures and with reference to ESFA requirements.

Write-off of Assets

Managers are responsible for the security and safekeeping of assets which are under their control.

Assets with an original purchase price of less than £25,000 may only be written-off with the approval of the Executive Director of Finance and Estates. Assets with an original purchase price in excess of £100,000 must have the approval of the Finance and General Purposes Committee. The Governing Body need to approve any disposal of Land and Buildings.

Assets lost as a result of theft or damage may be subject to an insurance claim. Such items must be reported to the Executive Director of Finance and Estates (or deputy) by the manager responsible in order that appropriate action may be taken.

Fraud

The Governing Body is absolutely committed to maintaining an honest, open and well intentioned atmosphere within the Group. It is therefore equally committed to the elimination of any fraud within, or attempted against, the Group and to rigorously investigate any such cases.

Any member of staff who has reasonably held suspicions of fraud has a responsibility for reporting them to the Executive Director of Finance and

Estates (or deputy). It is Groups policy, rigorously enforced, that no employee will suffer in any way as a result of reporting (or whistle blowing) such suspicions. This is in accordance with the College Public Interest and Disclosure Procedure.

The Executive Director of Finance and Estates (or deputy) is responsible for the implementation of policies to eliminate fraud and to instigate investigations of any allegations which may arise. The Anti-Fraud Policy is detailed in this document and is published on Sharepoint and should be followed where a suspicion of fraud is raised. To this end, the internal audit service or others may be called upon to carry out the investigations.

The Audit and Risk Committee is responsible for investigating any allegation of fraud against the Principal or Executive Director of Finance and Estates (or deputy) and for commissioning any special investigation by the internal audit service or others. In the event of the Audit and Risk Committee being unable to meet, the Chairman has the authority to implement any such action.

The Executive Director of Finance and Estates (or deputy) will inform the Audit and Risk Committee and the internal audit service of any alleged fraud at the earliest opportunity.

If requested, the Director of HR & Payroll will advise those involved in any investigations in matters of employment law and in other related procedural matters such as the disciplinary and complaints procedures.

Receiving gifts or hospitality

It is an offence under the Bribery Act 2010 for members of staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all members of staff must be:

- the conduct of individuals must not create suspicion of any conflict between their official duty and their private interest
- the action of individuals acting in an official capacity must not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation. Thus, members of staff must 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 must not be significantly greater than the Group would be likely to provide in return.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer must be declined or advice sought from the Executive Director of Finance and Estates (or deputy). For the protection of those involved, the Clerk to the Governing Body 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 must notify the Clerk to the Governing Body promptly.

Audit Requirements

General

External auditors and internal auditors have authority to:

Access College premises at reasonable times.

Access all assets, records, documents and correspondence relating to any financial and other transactions of the Group.

Require and receive such explanations as are necessary to concerning any matters under examination.

Require any employee of the Group to account for cash, stores or any other Group property under their control.

Access records belonging to third parties, such as contractors, when necessary.

The Executive Director of Finance and Estates (or deputy) is responsible for drawing up a timetable for final accounts and will advise staff and external auditors accordingly.

External Audit

The appointment of external auditors will take place annually and is the responsibility of the Governing Body, who will be advised by the Audit and Risk Committee.

Internal Audit

The internal auditors are appointed for a period of three years and the appointment is the responsibility of the Governing Body, who will be advised by the Audit and Risk Committee.

Other Audits

From time to time the Group may be subject to audit or investigation by external bodies such as the ESFA, National Audit Office, HM Revenue

and Customs, etc. They have the same rights of access as external and internal auditors.

Other

Security of Documents

The Executive Director of Finance and Estates (or deputy) is responsible for the safekeeping of official and legal documents relating to the Group. Signed copies of deeds, leases, agreements and contracts must be sent to the Executive Director of Finance and Estates (or deputy). All such documents must be held in an appropriately secure, fireproof location.

Private Consultancies and Other Paid Work

Unless otherwise stated in a contract of employment:

Outside consultancies or other paid work may not be allowed without the prior consent of the Executive Director of Finance and Estates or, in the case of management, the Principal.

College Companies

The Governing Body is responsible for the approving the establishment of college companies.

Risk Management and Insurance

The Executive Director of Finance and Estates (or deputy) is responsible for the development and maintenance of a risk management strategy, in order to identify the risks facing the Group and the levels of protection required both to cover and minimise those risks. The strategy should meet all and any potential risks to Group assets.

The Executive Director of Finance and Estates (or deputy) is responsible for effecting sufficient insurance cover of Group's assets as determined by the Governing Body. The Executive Director of Finance and Estates (or deputy) is also responsible for obtaining quotes for premiums, negotiating claims and maintaining the necessary records. From time to time, it may be necessary for the Executive Director of Finance and Estates (or deputy) to seek advice from the Group's insurers, or others, on specific insurance matters.

It is the duty of all managers to give prompt notification to the Executive Director of Finance and Estates (or deputy) of any potential new risks.

It is the duty of all managers to immediately notify the Executive Director of Finance and Estates (or deputy) of any event which may give rise to a claim against the Group. The Executive Director of Finance and Estates (or deputy) will notify the Groups's insurers, and legal advisers if appropriate, and supply them with any necessary information. If required,

members of staff are required to provide assistance promptly in order to respond to claimants within the time limits set out under the pre-action protocol.

The Executive Director of Finance and Estates (or deputy) is responsible for maintaining a register of all insurances effected by the Group and property and risks covered thereby.

The Head of Facilities is responsible for maintaining suitable records of assets which are subject to inspection and/ or certification by or on behalf of the insurers. Such inspections and/or certifications must be carried out within the prescribed times.

Value for Money

Value for money is economic, efficient and effective use of funds.

The governing body has a formal duty within the College's instruments and Articles to determine how the College assets are used and to review the College performance.

The terms of reference for each committee of the Governing Body establish their responsibility with regards to securing value for money.

The prime responsibility for achieving value for money lies with management. These responsibilities are set out in managers' job descriptions.

Taxation

The Executive Director of Finance and Estates (or deputy) is responsible for maintaining the Groups tax records, making all tax payments receiving tax credits and submitting tax returns by their due dates as appropriate.

Security

Managers are responsible for maintaining proper security at all times for all buildings, stock, stores, furniture and cash, etc. under his their control. They will consult the Executive Director of Finance and Estates (or deputy) in any case where security is thought to be defective or where it is considered that special measures may be needed.

Keys for safes or other similar security containers are to be carried with the person responsible at all times. The loss of such keys must be reported to the Executive Director of Finance and Estates (or deputy) immediately.

The Executive Director of Finance and Estates (or deputy) is responsible for maintaining computer-held information in a secure and private manner. This must comply with the provisions of the Data Protection Act.

Trust Funds

The Executive Director of Finance and Estates (or deputy) is responsible for maintaining a record of the requirements for each and every trust fund and for advising the Finance and General Purposes Committee on the control and investment of fund balances.

Code of Conduct

Members of the Governing Body and staff with significant financial responsibilities are required to disclose interests in the Group's register of interests.

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Section 1 – Revenue expenditure

Procedure no 1a

Sub Heading – 1a Purchases (College Support Departments and MKTCS)

Definition: Any group expenditure, services or goods (excluding IT)

Procedure:

- 1 An official College or MKCTS Purchase order is required for all group purchases, with the exception of utilities, Rates, Bank charges, Payroll Creditors, Google Advertising and Exams. All orders must be raised prior to the purchase.
- 2 Orders may only be placed for legitimate group business or activity. It is forbidden to use official orders for personal use and such action may be deemed to be gross misconduct.
- 3 All purchase orders can then be e-mailed to the supplier or complete the order over the telephone but always state the purchase order number.
- 4 Orders via the Internet may only be placed with suppliers with whom credit accounts already exist and where a purchase order has been raised.
- 5 All orders must clearly show the following
 - a) Supplier's name, address and post code.
 - b) Description of goods and/or services, quantity and price.
 - c) Date of order and delivery point.
 - d) Correct accounts coding.
 - e) Correct project code, if applicable.
- 6 All orders must be authorised electronically by the signatory in accordance with the authorised levels in use at the time. Current authorisation levels may be checked with Finance.
- 7 All goods delivery notes must be checked, signed and held within the department. The authorisation of the invoice must now be completed within the Financials system. Any discrepancies must be notified to the supplier immediately.
- 8 All paperwork must bear the order number.
- 9 All supplier invoices received must be sent to Finance immediately.
- 10 All queries must be directed to the Finance team.

Section 1 – Revenue expenditure

Procedure no 1b

Sub Heading – 1b Central Purchases (College Curriculum only)

Definition: Any Curriculum College expenditure, services or goods (excluding IT)

Procedure:

1. An electronic purchase requisition is completed within the Curriculum department and must be approved in line with the College authorisation levels as state in section 1d.
2. An official College purchase order is required for all College purchases, with the exception of utilities, Rates, Bank charges, Google Advertising and Exams. All orders must be raised prior to the purchase.
3. An official College purchase order will be raised by the Central Purchasing team.
4. Orders may only be placed for legitimate College business or activity. It is forbidden to use official orders for personal use and such action may be deemed to be gross misconduct.
5. All purchase orders can then be e-mailed to the supplier or complete the order over the telephone but always state the purchase order number.
6. Orders via the Internet may only be placed with suppliers with whom credit accounts already exist and where a purchase order has been raised.
7. All orders must clearly show the following
 - a) Supplier's name, address and post code.
 - b) Description of goods and/or services, quantity and price.
 - c) Date of order and delivery point.
 - d) Correct accounts coding.
8. All Central Purchasing orders must be authorised electronically by the Purchasing Supervisor or other senior Finance team members.
9. All goods delivery notes must be checked, signed and forwarded to the Central Purchasing department. The authorisation of the invoice must now be completed within the Financials system. Any discrepancies must be notified to the supplier immediately.
10. All paperwork must bear the order number.
11. All supplier invoices received must be sent to Finance immediately.
12. All queries should be directed to the Finance team

Sub Heading – 1b Purchases of software and ICT equipment.

Definition: Purchases of Software and ICT equipment.

Procedure:

1. All software will be purchased by ICT and also to ensure it is compatible with group equipment and supportable in house.
2. An official purchase order is required for all group purchases of software.
3. Orders may only be placed for legitimate group business or activity. It is forbidden to use official orders for personal use and such action may be deemed to be gross misconduct.
4. All purchase orders can then be e-mailed to the supplier or complete the order over the telephone but always state the purchase order number.
5. Orders via the Internet may only be placed with suppliers with whom credit accounts already exist and where a purchase order has been raised. A GPC card payment can be made for Internet purchases.
6. All orders must clearly show the following:
 - a) Supplier's name, address and post code.
 - b) Description of goods and/or services, quantity and price.
 - c) Date of order and delivery point.
7. All orders must be placed by the ICT department and authorised by the ICT Budget Holder. Orders must be authorised in accordance with levels in use at the time.
8. All goods delivery notes must be checked, signed and held within the department. The authorisation of the invoice must now be completed within the Financials system. Any discrepancies must be notified to the supplier immediately.
9. Any suppliers invoices received must be sent to Finance immediately.
10. All queries should be directed to the Finance team.

Section 1 – Revenue expenditure

Procedure no 1d

Sub Heading – 1d Authorisation levels

Definition: Expenditure requires authorisation. Authorisation levels are granted to post holders and not named individuals. Approval levels and policy are set within the finance department in consultation with the Principal. Cost areas have been given devolved budgets and authority for their own expenditure. With this authority comes responsibility and budget holders are accountable to operate within their budgets.

Order and financial commitment Procedure

1. Authorisation levels are approved by the Executive Director of Finance and are submitted to the Finance & General Purposes Committee annually, in conjunction with the annual budget.

MidKent College

Post	Authorisation Limit
Head/Director of Department	£1,000
Director of Curriculum	£2,000
Head of Facilities	£5,000
Executive Director	£10,000
Principal	£30,000
Principal & Executive Director of Finance and Estates	£100,000
Chair of F&GP	£150,000
Chair of Governing Body	£250,000
Full Governing Body	£250,000 +

MKC Training Services Ltd

Post	Authorisation Limit
Faculty Manager/MIS & Commercial Manager/Operations Manager	£1,000
Divisional Manager / Director of Operations	£5,000
Managing Director of Executive Director of Finance (MKC)	£10,000
Managing Director & Executive Director of Finance	£50,000
MKCTS Board	£50,000 +

- From time to time, signatories may be temporarily permitted authorisation rights in excess of their usual limits in order to accommodate exceptional circumstances, as recorded in the register.

Payment Authorisation Procedure

- In instances where no purchase order is required to be raised, the payment requires the following approval:

Director of HR & Payroll	Payroll & payroll creditors (unlimited) but in line with budget approved by the Board
Head of Facilities	Utilities up to £10k
Registry Manager	Examination fees up to £20k (in total up to the budget limit, if in excess needs approval by Exec Director of Finance)
Finance Manager/Finance Controller	Trade creditors, lease payments, Pension, balance sheet and intercompany
Executive Director of Finance and Estates	Delegated approval to cover sick leave or annual leave authorisations cover £100k

- All approval delegations must be approved prior to cover any annual leave/sickness and notified to Finance.
- In respect of contracts, the full contract value should be used to refer to the authorisation limits for approval and not the annual costs.

6. The Finance department maintains a register of specimen signatures, cost centres and authorisation levels.

Section 1 – Revenue expenditure
Sub Heading – 1e Petty Cash

Procedure no 1e

Definition: Claiming and payment of Petty Cash.

Procedure:

1. Petty Cash reimbursements can only be made in respect of authorised expenditure on official group business or activities.
2. Petty Cash reimbursements are limited to a maximum of £50.00 (Fifty pounds) each.
3. All claims for Petty Cash reimbursements must be made on a group petty cash form.
4. All claims for Petty Cash reimbursements must be signed by the claimant and authorised by the Budget Holder before submission for payment.
5. Petty Cash claims **MUST** be supported by itemised receipts.
6. In exceptional circumstances, it may be necessary to draw cash in advance. In such cases, a Cash Advance Form must be completed and authorised by the Finance and Procurement Manager or the Executive Director of Finance. A Petty Cash Claim in respect of the advanced expenses must be submitted by the next possible working day. Any such advances are limited to £50.00 (Fifty Pounds) each.
7. All queries should be directed to the Finance team.

Section 1 – Revenue Expenditure

Procedure no 1f

Sub Heading – 1f Expenses Claim Form

Definition: To administer and pay travel and expenses claims.

Procedure:

1. Expenses claims will only be reimbursed in respect of legitimate and authorised travel and expenditure for and on behalf of official group business. Please refer to the latest 'Mileage and Subsistence Allowances' policy
2. All claims must be made on the Expenses Claim Form. The latest form can be found on SharePoint.
3. All Expenses Claim Forms must be completed by the claimant and authorised by the claimant's manager before submission for payment.
4. Claims **MUST** be supported by receipts or the claim will be rejected.
5. When completed and authorised for payment by the appropriate manager, all Expenses Claim Forms must be sent to Finance at the Medway Campus for processing by the 5th working day of the month.
6. No claims older than 3 months or the claim will be rejected.
7. All queries should be directed to the Finance team.

Section 1 – Revenue Expenditure

Procedure no 1g

Sub Heading – 1g Credit Card Procedures

Definition: To administer the purchasing of low value purchases below £250 with the use of a college credit card.

Procedure:

1. GPC Barclaycards are for college use only and under no circumstances should they be used for personal purchases. Personal usage would be considered to be a breach of the Financial Regulations and will be reported to the Executive Director of Finance and Estates.
2. All new card applications will be approved by the 2 of the following approvers:- Executive Director of Finance and Estates, Finance and Procurement Manager and Financial Controller. No credit cards will be issued to contractors or temporary staff.
3. GPCs Barclaycards should be used to make high volume, low value purchases. GPCs can also be used to make occasional "one-off" purchases where a supplier is not already held on the system.
4. GPC Barclaycards are not replacing the existing "normal" method of purchasing via official purchase orders over the value of £250.
5. All credit card purchases must be approved by the Budget Holder before the transaction has been processed.
6. Under no circumstances should alcohol or petrol be purchased via a credit card, unless this has been pre-approved hospitality by the Principal or Managing Director of MKCTS.
7. On receipt of the monthly statement all cardholders must reconcile their statement and provide itemised receipts for all transactions with an explanation to what the purchase is for. All reconciled and authorised statements must be provided to Finance by the 5th working day on the month following.
8. All must be coded with a cost centre & expense code to allow the financial posting of the transaction into the group finance system.
9. All monthly statements must be authorised by the card holder and line manager.
10. The Finance Manager has the ability to deactivate cards and credit limits in the event of late statements being submitted or if insufficient funds within the card holders budget.

11. The Executive Director of Finance and Estates has the right to withdraw any credit cards at any time.
12. Under no circumstances can a purchase over the credit limit can be split down into lower individual transactions and these will be reported to the Executive Director of Finance and Estates.
13. In the event of a card being lost please inform the Finance and Procurement Manager Immediately.
14. In the event of any fraudulent transactions on your card please inform the Finance and Procurement Manager immediately.

Credit Card Authorisation limits

Standard Transaction Limit	£250
Standard Monthly Limit	£2,500

Exceptions – Single Transaction Limit/Monthly Limit

Executive Director of Finance and Estates	£5,000/£15,000
Principal	£5,000/£15,000
Executive Director of Employer Engagement	£1,000/£5,000
Finance Manager	£1,500/£5,000
Financial Controller	£1,500/£5,000
Central Purchasing Team	£1,000/£5,000
Head of Facilities	£1,000/£5,000
Facilities Manager	£1,000/£5,000

Sub Heading – 1h

Definition: Setting up new suppliers and supplier modifications

1. All new suppliers' requests are completed by the purchasing individual and are requested via the eBIS system.
2. All requests must include the following information:
 - Supplier name
 - Supplier address
 - Contact details
 - Bank Details
 - Company Reg Number
 - Remittance email address
3. All supplier requests must have the suppliers bank details on letter headed paper attached to the request. Failure to complete this will mean the new supplier will be rejected.
4. If the supplier doesn't have a company registration number, both the purchasing department and potential new supplier must complete an Employment Status Form, to allow a HMRC IR35 check to be completed by Finance.
5. Finance will check Companies House and call the registered phone number to complete a bank details check.
6. Finance will approve or reject all new supplier request on eBIS.

Supplier Modifications

1. All supplier modifications will be submitted via eBIS
2. A letter headed document must be attached to the request to show the changes required.
3. Finance will contact the supplier via the registered number to confirm the changes.
4. Finance will approve or reject the supplier modification.

Section 1 – Hospitality

Procedure no 11

Sub Heading – 11

Definition: The use of group funds for hospitality purchases for external visitors only

Procedure:

1. MKC Hospitality cards will be provided to all governors, budget holders or delegated signatories.
2. MKC Hospitality cards requests must be sent to the Finance Manager by the budget holder.
3. MKC Hospitality cards can only be used on college premises at the campus refectories, Costa outlets, McLeods or Oaks.
4. Hospitality purchases are for external visitor business meetings only.
5. Alcohol must not be purchased with a hospitality card or GPC card.
6. For any large hospitality orders directly placed with our catering contractors, an order form must be completed with the budget holder's authorisation prior to the order being placed.
7. All off site hospitality must be pre-approved by an exec member before the event takes place and no alcohol can be claimed back unless pre-approved by a Group Exec Member.
8. All hospitality claims via an expenses claim form or GPC card must have a full itemised receipt as a proof of purchase and also the Budget Holders approval.
9. Any misuse of the college hospitality cards will result in the staff member being reported to the Executive Director of Finance and Estates.
10. In the event of losing your college hospitality card, please report this to the Finance Manager ASAP.

Section 2 – Contracts and leases

Procedure no 2a

Sub Heading – 2a Contracts and leases

Definition: Contracts and leases relate to any agreement that the group enters into which commits the group to any on-going and recurrent expenditure. This includes any lease, rental, hire purchase or similar contract.

Procedure:

1. All contracts, leases or similar agreements must be signed by the Principal or the Executive Director of Finance and Estates Funding (or deputy). The appropriate Manager may be delegated by the aforementioned to sign specific agreements for and on behalf of the College. N.B for the purposes of this procedure, “agreement(s)” will cover all contracts, etc.
2. All agreements must be ordered in accordance with procedure 1a. However, all purchase orders relating to these must be authorised and countersigned as per (1) above.
3. All queries should be directed to the Finance team.

Section 3 – Value Added Tax

Procedure no 3a

Sub Heading – 3a Invoicing

Definition: The college is registered for Value Added Tax with HM Revenue and Customs, however its status is such that generally, the college cannot recover Input Tax.

MKC Training Services Ltd can recover Input Tax via the VAT Return Process.

Invoicing and Value Added Tax

Procedure:

1. Although the College's registration is such that, as a general rule, it cannot recover input tax, it is obliged to account for and pay over value added tax on taxable outputs.
As such, invoice requests are checked in order to establish whether or not there are taxable outputs to charge and account for.
2. Sales invoices will show output tax at the appropriate rate.
3. At the end of each VAT quarter the Finance Manager will complete the VAT returns for both MKC & MKC Training Services Ltd.
4. On completion of the VAT returns the Financial Controller will complete a final review and sign off.
5. Both VAT returns will be submitted to HMRC by the VAT Deadline and paid via a manual payment.
6. All VAT queries should be directed to the Finance team.

Section 3 – Value Added Tax

Procedure no 3b

Sub Heading – 3b Returns

Definition: Value Added Tax Returns

Procedure:

1. The group accounts for and pays over net Value Added Tax payable on a quarterly basis.
2. There are two separate calculations to be made in order to complete the quarterly return.
3. The Output Tax payable is the total Value Added Tax which arises on taxable outputs, such as sales invoices and cash sales.
4. Because the college cannot recover Input Tax from most purchases, it has agreed special dispensations with HMRC. They take the form of agreed formulae with which to determine notional input tax against known outputs.
5. At the end of each VAT quarter the Finance Manager will complete the VAT returns for both MKC & MKC Training Services Ltd.
6. On completion of the VAT returns the Financial Controller will complete a final review and sign off.
7. Both VAT returns will be submitted to HMRC by the VAT Deadline and paid via a manual payment.

Section 4 – Insurance

Procedure no 4a

Sub Heading – 4a Insurance – General

Definition: The general principles and policy regarding college insurance matters are that the college has a duty to adequately insure its staff, students, property and the public whilst attending its properties or on official Group business. Group motor vehicles are to be covered for all risks at any time.

Procedure:

- 1 On behalf of the Group, each year the Executive Director of Finance and Estates (or deputy) & Finance and Procurement Manager undertakes a review of the college's portfolio with underwriters.
- 2 All insurance certificates are available on Sharepoint and the Public Liability insurance certificate must be displayed in the main public areas of all sites.
- 3 All queries relating to the Group insurance cover, contact the Finance and Procurement Manager.

Section 4 – Insurance

Procedure no 4b

Sub Heading – 4b Insurance – Claims

Definition: Making insurance claims on the Group policy.

Procedure:

1. All potential claims must be alerted to the Insurers. This is irrespective of there being any subsequent claim.
2. The Finance and Procurement Manager is responsible for dealing with claims, however, some sensitive matters are dealt with at director level.
3. All queries relating to the Group insurance cover, contact the Finance and Procurement Manager.

Sub Heading – 4c Insurance – Students off-site

Definition: The Group has a duty of care towards its student cohort and as such, it insures them on the Group travel policy for any occasion that students are on official Group business.

Procedure:

1. Before any student goes off site on official College business, an off-site proposal form must be completed on the Visit Approval System.
2. Depending on the nature of the trip (or work placement) full details must be declared on the VAS before the trip goes ahead. The number of student days off site is declared annually to the insurers, whose Travel Policy premium is adjusted accordingly.
3. Please see the Health & Safety Policy for further details which can be located on the Health & Safety Sharepoint page.
4. All queries relating to the Group insurance cover, contact the Finance and Procurement Manager.

Sub Heading – 5a Financial Reporting – Variance Analysis

Definition: The limits requiring formal response to variances against budget

Procedure:

General

1. Summary Management Accounts are produced on a monthly basis and are reported on at SLT and Finance & General Purposes Committee (F&GP) meetings, according to the month end timetable. These accounts identify variances for groups of income and for expenditure by salaries, sessional pay and non-pay.
2. Budget holders can access their live budget reports via the eBIS system at any point throughout the year and then drill down into the individual transactions online.
3. Non-pay budgets are profiled based on prior year expenditure, whilst pay budgets are profiled to take account of the cost of living increase in February. The sessional budget is profiled based on the pattern of expenditure in the previous year.
4. The Executive Director of Finance and Estates has a monthly meeting with the Principal at which key variances are discussed and follow up actions agreed. This is fed back into the following month's report, particularly where the variance is more than 10% of the YTD budget.
5. All variances on the summary Management Accounts exceeding 10% of the year-to-date budget will be supported by an explanatory note from the budget holder and/or the Finance Director and Estates (or deputy). Where necessary, a revised forecast will be provided.

Special Projects and Capital Expenditure

1. All individual items over £10,000 are itemised in the budget and assigned a project code. Smaller items are grouped by division or area and assigned a project code for the group.
2. The reporting of these projects is included on the monthly financial reports that are issued to budget holders and in summary form as a schedule to the Summary Management Accounts.
3. Where actual or forecast expenditure on a particular project is at least 10% or £10,000 (the lower shall apply) more than the approved amount, the budget holder must provide justification for this and it will be reported to SLT and the F&GP Committee.

Section 6 – Bank Accounts

Procedure no 6a

Sub Heading – 6a Bank Accounts – General

Definition: General information regarding college Bank Accounts

Procedure:

1. The Group's bankers are Lloyds Bank. Investments maybe made with other banks and investment cash management companies in accordance with the Operating Cash Management Policy.
2. Any changes to the Group's bankers would have to be in line with college regulations.
3. All bank instruments have to be signed in accordance with the Bank Mandate in operation at that time.

Sub Heading – 6b Bank Accounts – Mandates

Definition: Information regarding Bank Mandates for Group's Bank Accounts

Procedure:

1. All bank mandates have to be agreed and authorised by two of the following: Executive Director of Finance and Estates (or deputy), Principal, CEO and / or the Finance and Procurement Manager and then reviewed by the Audit committee.
2. Each bank mandate should require at least 2 authorised signatories for every payment, no matter what value.

Section 6 – Bank Accounts Operation

Procedure no 6c

Sub Heading – 6c Bank Accounts Operation – Reconciliation

Definition: Reconciliation between the Groups Bank Accounts and Cash Ledger

Procedure:

1. Bank accounts must be reconciled to the cash ledger via the Open Accounts Bank Reconciliation module at the end of every calendar month or, additionally, at any other time, as directed by the Executive Director of Finance and Estates (or deputy).
2. The bank reconciliations are completed by the Accounts Payable team and reviewed by the Finance and Procurement Manager and authorised by the Financial Controller.
3. The bank reconciliations are kept in the Finance department.

Sub Heading – 6d Bank Accounts Operation Receipts

Definition: Treatment of Groups income receipts

Procedure:

Payment of Invoices

1. Credit Control receives payment with remittance advice.
2. An income Cash book Journal is prepared, using the remittance advice as the prime document.

Till Receipts

1. The cashier processes all cash, cheques and card receipts.
2. All documentation is attached to the Z reading (Till listing) and passed to Credit Control for further processing.
3. The takings in the till are agreed with the Z reading and then passed to Credit Control for paying in.

Paying In and Posting

1. Paying in slips are prepared and agreed with the daily banking forms. The payments are collected and paid in by a cash transit security company.
2. All documentation is cross referenced with the paying in slip number and then posted to the General Ledger.

Sub Heading - 6e Bank payments – General

Definition: Payments are processed either by BACS payment Runs, Manual BACS, Faster payments, CHAPS payments or by GPC Barclaycards. The College does not process any cheque payments but does have access to cheque books if required.

BACS:

1. Guidance notes on how to prepare & process BACS payments are available within the Finance Findirectorate folders.
2. All payments require 2 authorisers to approve and submit a payment online.

Cheques:

1. Manual cheque books are kept securely in a locked safe room.
2. No cheque books are permitted to be taken out of the custody of the Finance office.
3. The completion of all cheques is restricted to Finance staff only.
4. Group Policy – No Cheques used and are only held for random requests.

Sales Invoice Forms

1. All sales invoicing is completed by Credit Control within Finance. All Sales invoices are system generated on the receipt of a Sales Invoice Request form.

Sub Heading – 8a General ledger – Chart of Accounts

Definition: Chart of accounts

Procedure:

1. The structure of the Chart of Accounts will be determined by the Executive Director of Finance and Estates (or deputy).
2. Accounts codes, cost codes and project codes will only be opened (or closed) with the authority of the Executive Director of Finance and Estates, Finance & Procurement Manager or Financial Controller.
3. Should any queries arise, whatsoever, regarding accounts codes, contact the Executive Director of Finance and Estates or Financial Controller.

Sub Heading – 8b General ledger – Postings

Definition: Accounts postings

Procedure:

Trade creditors

1. The accounts payable system generates postings to the nominal ledger and the purchase ledger control accounts.

Journal transfers

1. Any general ledger postings not generated from the creditors and debtors systems require a journal transfer posting. Thus, the journal transfer is the prime document.
2. All journal transfers must be authorised by one of the Executive Director of Finance and Estates (or deputy), Finance and Procurement Manager or Financial Controller.
3. A log of journal transfers is maintained by the Finance team.

Payroll

1. Payroll postings are posted as a journal, from data provided by the payroll system once fully authorised in accordance with the procedure 1d.
2. Should any queries arise, whatsoever, regarding accounts postings, contact the Management Accountant or Financial Controller.

Sub Heading – 9 Cash Handling

Definition: Treatment of cash and Charities

Procedure:

Cash Payments

1. All student payments must be dealt with directly by the Student Finance team or the Corporate Finance Team only. No other staff member is permitted to handle cash unless approved by the Finance Manager.
2. All Students to be directed to Student Finance desk to make payment for Trips, uniform, Equipment, bus tickets and course fees.
3. All payments are processed through the college till while the student is present and a receipt provided as proof of purchase.

Charity Collections

1. Charity collections must be stored within the Student Finance safe when not being used and signed out each day by a member of staff.
2. All cash must be held in a lockable cash tin and secure at all times.
3. All charity collections must be paid into the College via the Student Finance till and the Finance Manager will make payment to the charity online.
4. Charity Collections must for an approved registered charity only, please contact the Finance Manager with any queries.
5. The Finance department will provide a presentation cheque for a Marketing photo with the students and charity.

Sub Heading – 10 Fixed Assets

Definition: Treatment of Fixed Assets

Procedure:

Tangible fixed assets:

Land and buildings

Land and buildings inherited from the Local Education Authority (LEA) are stated in the balance sheet at valuation based on open market value for existing use as at 1 April 1993. Land and buildings acquired subsequently are included in the balance sheet at cost. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Buildings are depreciated over the expected useful economic life to the Group of 50 years with elements of the buildings depreciated at fewer years in order to comply with component accounting requirements as under:

Windows, roofs -	25 years
Lifts	15 years
Flooring, partitioning -	10 years
Cabling, fire alarms, CCTV, blinds -	5 years

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy taking into account the requirements of component accounting in FRS 102.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS 15 “Tangible fixed assets”, the Group followed the transitional provision to retain the book value of land and buildings, which were revalued in 1993, but not to adopt a policy of revaluations of these properties in future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 102.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the Statement of Comprehensive Income in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved
- Asset capacity increases
- Substantial improvement in the quality of output or reduction in operating costs
- Significant extension of the asset's life beyond that conferred by repairs and maintenance

Equipment

Equipment costing less than £1,000 per individual item is written off to the Statement of Comprehensive Income in the period of acquisition. All other equipment is capitalised at cost.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. All equipment is depreciated on a straight-line basis over its estimated useful economic life as follows:

Equipment	10 - 25% pa
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Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the Statement of Comprehensive Income over the expected useful economic life of the related equipment.

Capitalisation of interest costs

All loan interest incurred on relevant borrowings is capitalised up to the date of practical completion. Following which, interest is charged to Statement of Comprehensive Income.

GROUP ANTI-FRAUD POLICY AND RESPONSE PLAN

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MIDKENT COLLEGE GROUP – ANTI-FRAUD POLICY AND RESPONSE PLAN

1. INTRODUCTION

One of the basic principles of public sector organisations is the proper use of public funds. It is therefore important that all those who work in the public sector are aware of the risk of and means of enforcing the rules against fraud and other illegal acts involving dishonesty. For simplicity all such offences are hereafter referred to as "fraud" except where the context indicates otherwise. This document sets out the Group's policy and response plan for detected or suspected fraud.

The Corporation already has procedures in place that reduce the likelihood of fraud occurring. These include Financial Regulations, documented procedures and a system of internal control. In addition the Corporation tries to ensure that a risk awareness culture exists in the Group.

This document is intended to provide direction and help to managers and staff who find themselves having to deal with suspected cases of theft, fraud or corruption. It gives a framework for a response and advice and information on various aspects and implications of an investigation.

2. DEFINITIONS

2.1. The Fraud Act 2006, came into force on the 15 January 2007, and fraud has been given a legal definition. The act introduced provision for a general offence of fraud which is broken into three sections:

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

Fraud by false representation

Representation must be made dishonestly, and is made with the intention of making a gain or causing a loss or risk of loss to another.

A representation is defined as false if it is untrue or misleading and the person making it knows that it is, or might be, untrue or misleading. Representation can be stated by words or communicated by conduct i.e. written, spoken or by electronic means.

Fraud by failing to disclose information

Fraud by failing to disclose information details that a fraud will have been committed, if a person fails to declare information which he/she has a legal duty to disclose. There is a requirement that the person acts dishonestly and intends to make a gain for himself/herself, cause a loss to another or expose another to a risk of loss.

Fraud by abuse of position

Fraud by abuse of position requires a person who is in a privileged position to act dishonestly by abusing the position held; and by doing so, fails to disclose to another person, information which he/she is legally required to disclose. The dishonest act must be with the intention of making a gain for himself / herself or another. Alternatively it may be with the intention of causing a loss or risk of loss to another. The offence may be committed by omitting to make a declaration as well as by an act.

2.2. The introduction of the Fraud Act 2006 does not prevent the prosecution of offences under the various Theft Acts and Forgery and Counterfeiting Act, e.g. theft, counterfeiting and falsification of documents.

2.3. Bribery Act

The Bribery Act 2010 repealed previous corruption legislation and has introduced the offences of offering and / or receiving a bribe. It also places specific responsibility on organisations to have in place sufficient and adequate procedures to prevent bribery and corruption taking place. Bribery is defined as “Inducement for an action which is illegal unethical or a breach of trust. Inducements can take the form of gifts loans, fees rewards or other privileges.” Corruption is broadly defined as the offering of the acceptance of inducements, gifts or favours,

payments or benefit in kind which may influence the improper action of any person; corruption does not always result in a loss. The corrupt person may not benefit directly from their deeds; however, they may be unreasonably using their position to give some advantage to another.

It is expected that all staff members will lead by example in acting with the utmost integrity and ensuring adherence to all relevant regulations, policies and procedures.

The Bribery Act replaces the offences at common law and under the Public Bodies Corrupt Practices Act 1889, the Prevention of Corruption Act 1906 and the Prevention of Corruption Act 1916 (known collectively as the Prevention of Corruption Acts 1889 to 1916) with new consolidated bribery legislation.

Bribery - Giving or receiving a financial or other advantage in connection with the improper performance of a position of trust, or a function that is expected to be performed impartially or in good faith.' (Bribery Act 2010).

Bribery is, in the conduct of the college's business, the offering or accepting of any gift, loan, payment, reward or advantage for personal gain as an encouragement to do something which is dishonest, illegal or a breach of trust.

Bribery is a criminal offence and the College prohibits any form of bribery. We require compliance, from everyone connected with our business, with the highest ethical standards and anti-bribery laws applicable. Integrity and transparency are of utmost importance to us and we have a zero tolerance attitude towards corrupt activities of any kind, whether committed by fellows, employees or by third parties acting for or on behalf of MidKent College or MKC Training Services Ltd.

It is a criminal offence to:

- offer a bribe;
- accept a bribe;
- bribe a foreign official;
- fail to prevent a bribe.

You should be aware that if you are found guilty by a court of committing bribery, you could face up to 10 years in prison and/or an unlimited fine. The Group could also face prosecution and be liable to pay a fine.

The purpose of this bribery policy is to convey to all fellows, employees and interested parties of MidKent College Group the rules of the Group in relation to our unequivocal stance towards the eradication of bribery and our commitment to ensuring that the Group conducts its business in a fair, professional and legal manner.

This policy applies to all fellows and employees of the Group, regardless of seniority or location. It also extends to anyone working for or on our behalf e.g. those engaged by us on a self-employed basis or an agency arrangement.

We will encourage the application of this policy where our business involves the use of third parties e.g. suppliers; contractors.

Bribery Policy

It is prohibited, directly or indirectly, to offer, give, request or accept any bribe i.e. gift, loan, payment, reward or advantage, either in cash or any other form of inducement, to or from any person or company in order to gain commercial, contractual or regulatory advantage for the Group, or in order to gain any personal advantage for an individual or anyone connected with the individual in a way that is unethical.

It is also prohibited to act in the above manner in order to influence an individual in his capacity as a foreign public official. You should not make a payment to a third party on behalf of a foreign public official.

If you are offered a bribe, or a bribe is solicited from you, you should not agree to it unless your immediate safety is in jeopardy. You should immediately contact the Executive Director of Finance and Estates so that action can be taken if considered necessary. You may be asked to give a written account of events. If you, as a fellow, employee or person working on our behalf, suspect that an act of bribery, or attempted bribery, has taken place, even if you are not personally involved, you are expected to report this to the Principal or to the Executive Director of Finance and Estates. You may be asked to give a written account of events.

Appropriate checks will be made before engaging with suppliers or other third parties of any kind to reduce the risk of our business partners breaching our anti-bribery rules.

The Group will ensure that all of its transactions, including any sponsorship or donations given to charity, are made transparently and legitimately. The Group takes any actual or suspected breach of this policy extremely seriously and will carry out a thorough investigation should any instances arise. We will uphold laws relating to bribery and will take disciplinary action against any individual, or other relevant action against persons working on our behalf or in connection with us, should we find that an act of bribery, or attempted bribery, has taken place. This action may result in your dismissal if you are an employee, or the cessation of our arrangement with you if you are self-employed, an agency worker, contractor etc. Fellows and employees are reminded of the College's Whistleblowing policy which is detailed in the Employee Handbook and on the College's website.

2.4. Irregularity

An irregularity may be any significant matter or issue, other than fraud or corruption, which is so defined and prescribed by the Audit and Risk Committee as to fall within the general principles of this policy and which may warrant consideration or investigation under the this policy.

For example, an irregularity may be where a member of staff makes a genuine error or mistake in the course of their duties/responsibilities, but where this error or mistake is subsequently hidden from the Group, perhaps to the on-going detriment to the College. Additionally, an irregularity may also involve consideration of the possible inappropriate use of the Groups funds or assets, but which may not technically constitute fraud or corruption.

3. THE CORPORATION'S POLICY

The Corporation is absolutely committed to maintaining an honest, open and well-intentioned atmosphere within the Group. It is therefore also committed to the elimination of any fraud within the Group, and to the rigorous investigation of any such cases.

The Group is firmly committed to following the Nolan Committee principles for public life, and all staff are expected to work in accordance with these principles:

- **Selflessness**: taking decisions solely in the public interest
- **Integrity**: not placing oneself under financial or other obligations that may influence the performance of official duties
- **Objectivity**: making choices solely on merit
- **Accountability**: being accountable for actions and decisions and submitting to appropriate scrutiny
- **Openness**: being as open as possible about decisions and actions, giving reasons and only restricting information when the wider public interest demands this
- **Honesty**: declaring any private interests relating to public duties and resolving such conflicts in a way that protects the public interest
- **Leadership**: promoting these principles by leadership and example.

The Corporation wishes to encourage anyone having reasonable suspicions of fraud to report them. Therefore it is also the Corporation's policy, which will be rigorously enforced, that no employee will suffer in any way as a result of reporting reasonably held suspicions.

All members of staff can therefore be confident that they will not suffer in any way as a result of reporting reasonably held suspicions of fraud. For these purposes "reasonably held suspicions" will mean any suspicions other than those which are raised maliciously and found to be groundless.

4. PROCEDURES FOR THE PREVENTION OF FRAUD

The Group will implement the following procedures to help prevent incidents of fraud, irregularity and corruption.

- Devise appropriate Financial Regulations and Financial Procedures.
- Ensure all employees are aware of their responsibilities under the Financial Regulations and Procedures.
- Recruit staff in accordance with the approved Human Resources Policy.
- Draw attention to staff responsibilities under the Financial Regulations and Procedures during staff induction.
- Maintain a Register of Interests of Senior Post Holders, Directors and Governors.
- Encourage staff to discuss any perceived weaknesses in financial controls with the Executive Director of Finance and Estates or with other senior managers.
- Actively encourage Internal Audit to review financial and other systems potentially subject to fraud and corruption on a risk based cyclical basis.
- Require that external audit liaise with internal audit and ensure the College operates in accordance with the Instruments and Articles of Government and the Financial Memorandum.
- Continue to support the work of the Audit and Risk Committee.
- Ensure that Internal and External Auditors have access to all financial and other relevant documentation and appropriate reporting rights to the highest levels of the Corporation.
- Review Internal and External Auditors' reports through meetings of senior managers, Audit and Risk Committee and, where appropriate, meetings of the full Board of Governors.

5. DISCLOSURE PROCEDURE

Any disclosure will be dealt with in accordance with College Whistleblowing Policy and Procedure.

If an employee suspects her/his line manager, the employee may wish to make use of the provisions of the confidential reporting policy. An employee may choose to contact the charity "Public Concern at Work" on 0207-404-6609 who would offer the employee advice on how to proceed.

Time may be of the utmost importance to prevent further loss to the College.

It should be noted that under no circumstances should a member of staff speak or write to representatives of the media or another third party about a suspected fraud without the express authority of the Principal. Care needs to be taken to ensure that nothing is done that could give rise to an action for slander or libel.

In some cases, e.g. if a major diversion of funds is suspected, speed of response will be crucial to avoid financial loss.

As a pre-requisite it is strongly advised that the Group establishes a liaison with the local police or fraud squad. An established line of communication should assist future action when a fraud is detected. If such a liaison is not already in place the Group should contact the local divisional commander of the police who will nominate a contact.

6. ROLES AND RESPONSIBILITIES

Responsibility for investigating fraud has been delegated to the Nominated Officer, who will normally be the Executive Director of Finance and Estates but, if circumstances so require, would be the Clerk to the Governors.

The Nominated Officer should be a senior employee who is authorised to treat inquiries confidentially and anonymously if so requested by the employee contacting her/him. The Nominated Officer should attempt to monitor requests for details of the fraud policy in case a fraudster attempts to obtain information on how the Group deals with fraud.

The Nominated Officer will need to receive appropriate training in the prevention and detection of fraud and equally importantly in responding tactfully and appropriately to concerns raised by staff.

The Nominated Officer will also be responsible for informing third parties when appropriate. The Nominated Officer will normally inform the internal auditor at the first opportunity and delegate to the internal auditor responsibility for leading any investigation whilst retaining overall responsibility her/himself.

Where a member of staff is to be interviewed or disciplined the Nominated Officer will consult and take advice from the senior manager responsible for Human Resources matters. This manager will advise those involved in the investigation in matters of employment law and in other procedural matters, such as disciplinary and complaints procedures and that any evidence supplied could be used in any criminal prosecution case

The Nominated Officer is authorised to receive inquiries of staff confidentially and anonymously in accordance with the confidential reporting policy.

All allegations of fraud should be reported to the Chair of the Audit and Risk Committee by the Nominated Officer. Where there is prima facie evidence of fraud, the issues raised, including the handling of the investigation should be considered by the Audit and Risk Committee. The Nominated Officer will report on the progress and conclusion of the investigation to the Audit and Risk Committee.

Where the Audit and Risk Committee believes that there is evidence of irregularity, fraud, corruption, or any impropriety, the Chair of the Audit and Risk Committee must inform the Chair of the Corporation who should raise the matter at the next meeting of the governing body. Where the matter is considered significant, the governors should consider holding a special meeting.

The College, its internal audit service and, where appropriate, its external auditor must report to the EESFA's Chief Executive, copied to the Chief Auditor, without delay, serious weaknesses, significant frauds, major accounting and other control breakdowns of which they are aware.

The Nominated Officer is responsible for fostering an anti-fraud culture with all staff aware of their duty to protect the assets of the College. To this end

appropriate efforts, including training, should be made to both prevent and detect fraud occurring.

7. THE RESPONSE PLAN

7.1. The Nominated Officer Records Details Immediately in a Log

The log will contain details of all reported suspicions, including those dismissed as minor or otherwise not investigated. It will also contain details of actions taken and conclusions reached.

7.2. The Principal and Nominated Officer Consider Need to Inform the Corporation

All allegations of fraud should be reported to the Chair of the Audit and Risk Committee by the Nominated Officer. The Chair of the Audit and Risk Committee may consider it necessary to report the issues directly to the Chair of the Corporation. The Audit and Risk Committee will consider reports from the Nominated Officer on the progress and conclusion of the investigation to the Audit and Risk Committee.

7.3. The Principal and Nominated Officer Consider Need to Inform Internal Audit

The Nominated Officer will inform and consult the internal auditor immediately in all but the most trivial cases.

7.4. The Principal and Nominated Officer Considers Need to Inform External Audit

The Nominated Officer will inform the external auditors where the loss may exceed the delegated limit or where a criminal act appears to have occurred.

7.5. The Principal Informs the ESFA if appropriate

The Principal must report to the EESFA's Chief Executive, copied to the Chief Auditor, without delay, serious weaknesses, significant frauds, major accounting and other control breakdowns of which they are aware. A serious weakness would be one, which may result in a significant fraud or irregularity, and may include cases of irregularities in expenditure which could lead to suspicions of fraud. Significant fraud is usually where one or more of the following factors are involved:

- the sums of money are in excess of £5,000
- the particulars of the fraud are novel, unusual or complex
- there is likely to be great public interest because of the nature of the fraud or the people involved

There may be circumstances that do not fit this definition. In these cases or any other, the College should seek advice or clarification from the Council's Chief Auditor.

7.6. The Principal and Nominated Officer Consider Need to Inform the Police

If a criminal act is suspected, particularly fraud or corruption it is essential that there is the earliest possible consultation with the police. The decision to involve the police will include the following considerations:

- The Group's Financial Regulations.
- Whether the investigation requires further resources to conclude.
- The means to recover losses through civil actions.
- Prosecution of the perpetrator(s) through criminal action.
- Disciplinary action and dismissal of the perpetrator(s) (through formal disciplinary procedures).
- Procedures for the preservation of evidence.
- Management of public relations.
- Potential seriousness of the malpractice.
- Whether the malpractice is fraud.
- Number and seniority of the persons involved.
- Apparent complexity of the case.
- Whether the malpractice is thought to be continuing.
- Involvement of individuals or organisations outside the Group.
- Need to display deterrent action.

In any event the police should be contacted before any overt action is taken which may alert suspects and precipitate the destruction or removal of evidence. This includes taking action to stop a loss or tighten controls, such as suspension from duty in accordance with the College Disciplinary Policy and Procedure.

The decision to inform the police will be taken in consultation with the Chairmen of Governing Body, Audit & Risk and Finance & General Purposes Committees.

The Police will often be able to advise on how to draft a statement to the staff or the press.

7.7. Managing Publicity and Enquiries from Outside the College

The Group's policy is not to give any information about investigations into suspected fraud or irregularities. The reason for this policy is that putting information into the public domain may alert suspects, compromise legal actions and / or open the College to legal action against it for libel or slander. All such enquiries are to be referred to the Media Officer (or Director of Communications and Marketing) in Marketing.

8. MANAGING THE INVESTIGATION

8.1. The Nominated Officer to Appoint a Manager to Oversee Investigation.

Normally the manager would be the internal auditor. The circumstances of each case will dictate who will be involved and when. The following is intended to be general guidance to assist management in deciding the best course of action.

8.2. Diary of Events

The manager overseeing the investigation (referred to hereafter as the Investigating Officer) should initiate a Diary of Events to record the progress of the investigation.

8.3. "Does it appear a Criminal Act has taken place?"

In some cases of course this question may be asked more than once during an investigation. The answer to the question obviously determines if there is to be fraud investigation (or other criminal investigation). In practice it may not be obvious if a criminal act has taken place. If a criminal event is believed to have occurred the police, external audit and the Corporation should now be informed if this has not already been done.

8.4. Investigate Internally

If it appears a criminal act has not taken place the next step would be an internal investigation to determine the facts, what if any disciplinary action is needed, what can be done to recover a loss and what may need to be done to improve internal control to prevent the event happening again. This will be carried out in accordance with the College Disciplinary Policy and Procedure.

Broadly, where no criminal act has taken place the event could have three outcomes. The most serious would be where it is decided there was gross misconduct short of a criminal act. The outcome is likely to be dismissal if a member of staff is involved. Less serious would be if it was decided that there was negligence or an error of judgment that caused the event. This is unlikely to lead to dismissal but might involve disciplinary procedures. Finally, it may be concluded there is no case for an individual to answer.

In each case the Investigating Officer should consider what can be done to recover any loss and whether anything should be done to improve control to prevent the event happening again.

8.5. Recovering a Loss

Where recovering a loss is likely to require a civil action it will probably be necessary to seek legal advice. Where external legal advisors are used the Investigating Officer must ensure there is coordination between the various parties involved. If the loss may be covered by insurance the Investigating Officer should inform the manager responsible for insurance matters.

8.6. **Gathering Evidence**

For the purposes of criminal proceedings, the admissibility of evidence is governed by the Police and Criminal Evidence Act (PACE). For non-criminal (i.e. civil or disciplinary) proceedings, PACE does not apply.

The collection of evidence must be coordinated if several parties are involved in an investigation, e.g. internal audit, police and solicitors. Evidence gathering requires skill and experience and professional guidance should be sought where necessary. There is considerable amount of case law concerning the admissibility of evidence.

8.7. **Physical Evidence**

Upon taking control of any physical evidence, it is very important that a record is made of the time and place it is taken. If evidence consists of several items, for example many documents, each one should be tagged with a reference number corresponding to the written record.

8.8. **Witnesses**

If a witness to the event is prepared to give a written statement, it is best practice for an experienced member of staff, preferably from Human Resources, to take a chronological record using the witness's own words. (The witness must be happy to sign the document as a true record, but the involvement of an independent person usually helps to keep the statement to relevant facts).

8.9. **Losses and Compensations Register**

Delegated limits for approving the writing off of losses and special payments should be set.

8.10. **Insurance**

The possibility of recovering a loss through insurance should not be overlooked. There may be time limits for making a claim and in certain cases claims may be invalidated if legal action has not been taken.

8.11. **More Detailed Investigation**

It will be necessary to decide whether further investigation is required, and if so, by what means it should be undertaken. Consideration is given to the often conflicting objectives of maximising control and minimising cost.

Points of good practice for any investigation include:

- Having an established line of communication with the local police or fraud squad.
- Identifying a manager responsible for the investigation. The manager should be independent of the area under investigation.
- Define the objectives of the investigation.

- Define scope and timing of investigation and likely outputs.
- Seek advice where necessary from such sources as police, internal and external audit, legal advisors.
- Agree resources required for investigation.
- Define responsibilities.
- Budget and monitor resources used (costs and time).
- Monitor progress and inform as required.
- Consider lessons to be learned, e.g. how control can be improved.
- Draw up an action plan based on lessons learned.
- Keep proper records including a diary of events.

9. INTERVIEWS

Interviews under caution can only be undertaken by Police officers, not College staff. If the question of an interview under caution arises then by that stage the Police must have been informed and asked to be involved.

The following applies to interviews that are not under caution.

A manager, whose purpose is to find out the facts, has the right to ask an employee to account for his/her actions in respect of that employment. The Human Resources Department should be advised and the Disciplinary Policy and Procedure followed. The Disciplinary Policy and Procedure details the actions to be taken and the disciplinary outcomes possible.

All interviews must be conducted fairly. In particular, comments such as "if you do not tell me the truth you will get the sack" will render any evidence obtained inadmissible in court or disciplinary hearings. Interviews conducted by managers, internal or external auditors may be admissible in a criminal trial at the discretion of the trial Judge.

It should be noted that investigations carried out prior to an individual being charged are open to discovery by that individual's defence, should that become necessary.

10. INVESTIGATING RESOURCE OPTIONS

After completion of initial fact finding in accordance with procedures, the following options for resourcing an investigation are available to the College. These options are not mutually exclusive. In complex cases a number of different parties will need to be involved.

Some internal auditors have considerable experience in fraud investigations. In many cases internal audit will be the most suitable resource to manage and coordinate an investigation from the point of view of cost, experience and effectiveness.

Action	Advantages	Disadvantages
<p>No action required</p> <p><i>(Not usually a possible option)</i></p>	<p>No incremental cost</p>	<p>Fails to allay suspicions, deter or recover lost College assets</p> <p>Clear message to staff that “they can get away with it”</p> <p>Possible adverse publicity if suspicion eventually becomes public</p>
<p>Use spare capacity within the College to investigate</p>	<p>No incremental cost</p> <p>Entirely managed by the College</p>	<p>Lack of independence</p> <p>Lack of knowledge of PACE/evidence gathering</p> <p>Little or no investigative experience</p> <p>May delay involving the police until it is too late</p>
<p>Use Internal Audit to investigate</p>	<p>Sometimes good knowledge of investigations, PACE and evidence gathering</p> <p>Familiar with the College</p> <p>Can be managed by the College</p>	<p>Cost</p> <p>Sometimes little knowledge of evidence gathering processes or PACE</p>

Use Human Resources to assist in staff matters	<p>Familiar with the College</p> <p>Can be managed by the College</p> <p>Good knowledge of College procedures relating to employment and of relevant employment law</p>	
Action	Advantages	Disadvantages
Use External Audit to investigate	<p>Independent</p> <p>Some knowledge of PACE</p> <p>Familiar with the College</p>	<p>Cost</p> <p>Further from the control of the College</p> <p>Possibly limited knowledge of evidence gathering processes and insufficient investigative expertise</p>
Use an external specialist consultancy to investigate e.g. Forensic specialists or lawyers	<p>Independent</p> <p>Knowledgeable on the rules of evidence and evidence gathering processes, together with investigative expertise</p> <p>Can be managed by the College</p> <p>Can advise on dealing with the media</p>	<p>Cost</p> <p>Lack of existing knowledge of the College</p>
Call the Police	<p>No incremental cost</p> <p>Independent</p> <p>Good knowledge of PACE</p> <p>Access to large resources</p> <p>Powers extend beyond the confines of the College</p>	<p>Potentially little control over the investigation</p> <p>Goal tends to be gathering evidence for conviction, which may be different from the College's objective</p> <p>Greater possibility of publicity, which may or may not be adverse</p>

	Can assist with dealing with the media	Possible lack of sensitivity to the College Difficult to revoke
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11. FURTHER GUIDANCE ON FRAUD

Further information relevant to forming a policy on the response to fraud can be found in the following:

Title	Publisher	Contents
Protecting the Public Purse	Audit Commission	Fraud and corruption prevention, detection, responses
Fraud and Corruption Audit Manual	Audit Commission	Prevention and audit strategies
Opportunity Makes a Thief	Audit Commission	Computer abuse survey, including fraud, theft, sabotage, hacking etc.
The Investigation of Fraud in the Public Sector	CIPFA	Guidance for internal auditors on fraud investigation

APPENDIX 1 - THE LAW AND ITS REMEDIES

Criminal law may impose sanctions on the defendant for causing loss, while civil law may assist the Group to recover its loss.

In civil law the method of concealment (in the case of fraud) is unlikely to be a key factor in the value of compensation or the drafting of the statement of claim.

In criminal law, the nature of the deceit is highly relevant in the framing of charges, but the law is not primarily concerned with restitution or recovery of the proceeds of fraud or theft - although there are statutory powers to award compensation and to order restitution or forfeiture in some circumstances. However, criminal law now requires the financial benefits (to the criminal) to be quantified as part of the investigation process. The proceeds direct, and indirect, can now be seized and dealt with by the court of trial.

There is no reason why the criminal prosecution and civil process cannot be taken at the same time if the evidence supports such action. But there are dangers in unilateral un-coordinated action.

1.1. Civil Law Remedies

The following is a brief description of some of the commoner civil law remedies. It is not comprehensive and legal advice should be sought before action is taken.

1.1.1. Monies Had and Received

The claim will refer to funds of the plaintiff which have been 'had and received' by the defendant at the plaintiffs expense - and will seek their recovery.

1.2. Interest

The plaintiff is likely to be entitled to interest on the amount lost, and there is provision for claims for interest under court rules and statute.

1.3. Tracing

Tracing is an equitable remedy for the recovery of assets. Its meaning is that the trail by which assets have been removed must be followed through the hands they pass through after leaving control of the plaintiff.

1.4. Freezing Order or Restraint Order

In some cases a court order can be used to freeze the assets of a person suspected of fraud or a person who has been convicted of a criminal offence in respect of their fraudulent activity. A Freezing Order may be used in conjunction with criminal or civil proceedings. A Restraint Order can only be related to criminal proceedings, when it may be a simpler alternative to a Freezing Order where proceedings have been or are about to be instituted.

1.5. Damages for Deceit

A defendant may become liable in tort to the plaintiff for damages arising out of the act, and if the plaintiff can establish this liability, there is entitlement to be put back into the position that would have been if the tortious act had not been committed. If successful, this claim may result in the award of damages beyond mere recovery of assets stolen.

2. Criminal Law

The following are brief descriptions of some of the criminal offences most relevant in this context. It is not comprehensive, and legal advice should be sought before action is taken.

2.1. Theft

The misappropriation of College assets for gain or otherwise:

Section 1 Theft Act 1968: *A person who dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it.*

2.2. Fraud

English law does not specifically define fraud, however, Buckley J's description in *Re London and Globe Finance Ltd* encapsulates the two key ingredients: '*to defraud is to deprive by deceit*' thereby underlining the two essential elements in fraud:

deception or concealment, and
deprivation or loss to the victim.

The following are the most frequently used definitions:

Section 15 Theft Act 1968: *A person who by any deception dishonestly obtains property belonging to another with the intention of depriving the other of it.*

Section 16 Theft Act 1968: *A person who by any deception dishonestly obtains for himself or another any pecuniary advantage.*

This offence is committed where a person obtains employment or increased remuneration, for example by falsely stating qualifications or professional history.

**Section 17(1) Theft Act 1968: *(False Accounting)*
*A person who dishonestly with a view to gaining for himself or another or with intent to cause loss to another***

(a) *destroys, defaces, conceals or falsifies any account or any record or document made or required for any accounting purpose, or*

(b) in furnishing information for any purpose produces or makes use of any account or any such record or document as aforesaid, which to his knowledge is or may be misleading, false or deceptive in any material particular.

This is a very wide ranging offence dealing with fraudulent transactions.

In criminal law, every individual element of the statutory wording must be proved beyond reasonable doubt. The essential difference between theft and criminal deception is reflected in the two terms 'appropriates' and 'by deception obtains'.

Under section 15, for 'deception' to be proved it must be established that the proposition on which the victim acted was false and that the defendant knew the proposition to be false. Secondly, this section requires evidence of the obtaining ownership, possession or control of property and includes obtaining for another person or enabling another person to obtain or retain property.

Essentially, section 15 is used in circumstances where ownership of the property concerned has been gained by the accused without the consent of the owner.

2.3. **Corruption**

The definition (in the context of the Prevention of Corruption Acts) is: *the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.*

2.4. **Damage**

Relates to arson, vandalism or sabotage of property, including computer systems and records.

S1(1) Criminal Damage Act 1971: Any person who without lawful excuse destroys or damages any property belonging to another intending to destroy or damage such property, or being reckless as to whether any such property would be destroyed or damaged.

There are many other offences dealing with criminal activity.

APPENDIX 2 - GUIDANCE TO STAFF ON FRAUD

[NB This section is intended to be used as a separate instruction to be given to staff]

As part of the Corporation's programme to follow best practice in corporate governance, this document is approved by the Corporation as outlining the College's policy and advice to employees in dealing with fraud or suspected fraud or other illegal acts involving dishonesty.

All staff have a responsibility to protect the assets of the College.

1.1. The Corporation's Policy

The Corporation is absolutely committed to maintaining an honest, open and well-intentioned atmosphere within the College, so as best to fulfil the objectives of the College. It is therefore also committed to the elimination of fraud within the College, to the rigorous investigation of any such cases, and where fraud or other criminal act is proven to ensure that wrong doers are appropriately dealt with. The College will also take appropriate steps to recover any assets lost as a result of fraud.

The College is firmly committed to following the Nolan Committee principles for public life, and all staff are expected to work in accordance with these principles:

- **Selflessness:** taking decisions solely in the public interest
- **Integrity:** not placing oneself under financial or other obligations that may influence the performance of official duties
- **Objectivity:** making choices solely on merit
- **Accountability:** being accountable for actions and decisions and submitting to appropriate scrutiny
- **Openness:** being as open as possible about decisions and actions, giving reasons and only restricting information when the wider public interest demands this
- **Honesty:** declaring any private interests relating to public duties and resolving such conflicts in a way that protects the public interest
- **Leadership:** promoting these principles by leadership and example.

The Corporation wishes to encourage anyone having reasonable suspicions of fraud to report them. The College's policy, which will be rigorously enforced, is that no employee should suffer as a result of reporting reasonably held suspicions.

The Corporation has therefore set in place procedures designed to minimise the likelihood of the College being a victim of fraud, and a response plan to be followed in the event of suspected fraud being reported, and these guidance notes issued to all staff.

1.2. Instructions to Staff

You should be assured that there will be no recriminations against staff who report reasonably held suspicions. Victimising or deterring staff from reporting concerns is a serious disciplinary matter. Any contravention of this policy should be reported to the Principal or Chairman of the Audit and Risk Committee. Equally however, abuse of the process by raising malicious allegations could be regarded as a disciplinary matter.

If you believe you have good reason to suspect a colleague, student or other person of a fraud or an offence involving the College or a serious infringement of College rules, examples of which could include:

- theft of College property;
- abuse of College property;
- deception or falsification of records (e.g. fraudulent time or expense claims),

You should discuss it in the first place with your manager - unless you suspect the manager of involvement in the fraud, in which case you should go to the next more senior person. Alternatively you may first discuss the matter confidentially and anonymously with the Nominated Officer (normally be the Director of Finance but, if circumstances so require, would be the Clerk to the Governors).

If you are concerned about speaking to another member of staff you could ask for advice first from the charity "Public Concern at Work" telephone 0207-404-6609. They can provide independent and confidential advice to you.

If you and your manager or the Nominated Officer decide between you that your suspicion may be justified, the Nominated Officer will investigate the matter. The College will then follow the **fraud response plan** to investigate and take appropriate action.

Alternatively you can contact, the Chair of the Audit and Risk Committee in confidence, by writing to: The Chair of the Audit and Risk Committee, c/o Clerk to the Corporation.

Under no circumstances should staff speak to representatives of the press, radio, TV or other third party unless expressly authorised by the Principal

Please be aware that time may be of the utmost importance to ensure that the College does not continue to suffer a loss.

Further information and a copy of the response plan may be obtained from the Nominated Officer.