

Corporate Governance and Financial Regulations

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Introduction

This document covers Corporate Governance and Financial Regulations.

- A An overview of Corporate Governance and sets the context for the Financial Regulations.
- B The Financial Regulations.
- C and D The Corporate Governance and the Financial Regulations have a number of supporting documentation and policies.

Referencing System: Throughout the document all italicised text, indicates that there is a supporting document or policy providing further details in sections C and D. Italicised text will be followed by a reference in brackets, where the linked documents can be accessed from the indexes.

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General Provisions

Perth College is a further education corporation created under the provisions of the **Further and Higher Education Act 1992 (C1)**. Its structure of governance is laid down in the instrument and articles of government, which may only be amended by application to the First Minister. Perth College is accountable through its Board of Management, which has ultimate responsibility for the effectiveness of its management and administration.

Perth College is an exempt charity by virtue of the Charities Act 1993.

The Financial Memorandum between the Scottish Funding Council and Perth College (C2) sets out the terms and conditions on which grant is made. The Board of Management is responsible for ensuring that conditions of grant are met. As part of this process, Perth College must adhere to the Scottish Funding Council's **Code of Audit Practice (C7)**, which requires it to have sound systems of financial and management control. The financial regulations of Perth College form part of this overall system of accountability.

A Corporate Governance

1 Board of Management

1.1 The Board of Management is responsible for the management and administration of Perth College. Its financial responsibilities are to:

- Ensure the solvency of Perth College and the safeguarding of Perth College's assets.
- Appoint, grade, suspend, dismiss and determine the pay and conditions of service of the Principal and other senior post-holders.
- Set a framework for pay and conditions of service of all other staff.
- Ensure that the financial, planning and other management controls, including controls against fraud and theft, applied by Perth College are appropriate and sufficient to safeguard public funds.
- Approve the appointment of external auditors and an internal audit service.
- Secure the efficient, economical and effective management of all Perth College's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in Perth College is not put at risk.
- Ensure that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution.
- Plan and conduct its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure.
- Approve an annual budget before the start of each financial year.
- Determine tuition fees.
- Ensure that Perth College complies with the Scottish Funding Council's audit code of practice.
- Approve Perth College's strategic plan.
- Approve the annual financial statements.

2 Designated Officer

2.1 The Principal is Perth College's designated officer and is responsible for ensuring the financial administration of Perth College's affairs in accordance with the **Financial Memorandum (C2)** with SFC. As the designated officer, the Principal may be required to justify any of Perth College's financial matters to the Scottish Parliament.

The Principal shall demonstrate his or her oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements and the three-year financial forecasts submitted to SFC.

3 Committee Structure

3.1 The Board of Management has ultimate responsibility for Perth College's finances. **The Constitution and Standing Orders of the Board of Management (C3)** set out the Board's policy and practice on those issues which it has powers to determine. The Board of Management delegates specific powers and processes through its **Scheme of Delegation (C4)** and to the committees detailed below. These committees are accountable to the Board of Management under an approved **Committee Structure (C5)**.

3.2 Finance and General Purposes Committee

Monitoring of Perth College's financial position and financial control systems is undertaken by the Finance and General Purposes committee. The committee will examine annual estimates and accounts (including the accounting policies upon which they are based) and recommend their approval to the Board of Management. It will ensure that short-term budgets are in line with agreed longer-term plans and that they are followed. It will consider any other matters relevant to the financial duties of the Board of Management and make recommendations accordingly. The committee will also ensure that the Board of Management has adequate information to enable it to discharge its financial responsibilities.

Consideration of Perth College's medium-term and strategic plans is also undertaken by the Finance and General Purposes committee. It is responsible for ensuring that all the financial implications of such plans are taken into account before their approval by the Board of Management. In addition, it is responsible for considering Perth College's capital programme before it can be recommended to the Board of Management for approval. Similarly, it considers and makes recommendations to the Board of Management on the allocation of resources between academic and non-academic areas.

The **Finance and General Purposes Committee's Terms of Reference (C6)** are approved by the Board.

3.3 Audit Committee

Institutions are required by their **Financial Memorandum (C2)** with SFC and by **SFC's Code of Audit Practice (C7)** to appoint an Audit Committee. The committee is independent, advisory and reports to the Board of Management. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. The **Audit Committee's Terms of Reference (C8)** are approved by the Board.

3.4 **Remuneration Committee**

Consideration of the Principal and Clerk's pay and conditions is the responsibility of the remuneration committee. It has the power to make recommendations to the Board of Management on their remuneration, including pay and other benefits, as well as contractual arrangements. The [**Remuneration Committee's Terms of Reference \(C9\)**](#) are approved by the Board.

3.5 **Chairs Committee**

This Committee exercises the functions of the Board in any cases of urgency. It considers and makes recommendations on the Board's composition and on the procedures for the appointment of Board Members; receives proposals in respect of appointments to the Board; and recommends on such proposals. It also reviews the membership and terms of reference of the Board's Standing Committees. The [**Chairs Committee's Terms of Reference \(C10\)**](#) are approved by the Board.

3.6 **Academic Board**

The role of the Academic Board is to tender advice to the Principal on matters relating to the standards, planning, co-ordination, development and oversight of the academic activities of the College. This includes advising on arrangements for the admission, assessment and examination of students and the procedures for the exclusion of students for academic reasons.

At Perth College 2 members of the Board of Management are members of the Academic Board and act as Board of Management representatives.

Each Board of Management meeting includes a summary review of Academic Board discussions and actions.

The remit and composition of the Academic Board can be seen in detail in the [**Academic Board Terms of Reference \(C12\)**](#)

3.7 **Air Service Training (Engineering) Limited Board of Directors**

The Board of Directors oversees the strategic and financial planning for Air Service Training (Engineering) Limited. Air Service Training (Engineering) Limited is a wholly owned subsidiary company of Perth College. The Board of Directors makes recommendations to the Finance and General Purposes Committee of the Board of Management on behalf of the company, in relation to approval of annual accounts and strategic issues.

4 Risk Management

4.1 Perth College acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed

guidance on the level of risk considered to be acceptable/unacceptable by Perth College is set out in a separate **Risk Management Policy (D1)**.

- 4.2 The Board of Management has overall responsibility for ensuring there is a **Risk Management Policy (D1)** and a common approach to the management of risk throughout Perth College through the development, implementation and embedment within the organisation of a formal, structured risk management process.
- 4.3 In line with the above, the Board of Management requires that the **Risk Management Policy (D1)** and supporting procedures include:
- The adoption of common terminology in relation to the definition of risk and risk management.
 - The establishment of institution-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence.
 - A decision on the level of risk to be accepted, together with tolerance levels.
 - A decision on the level of risk to be covered by insurance.
 - Detailed regular review at department or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas.
 - Development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question.
 - Regular reporting to the Board of Management of all risks above established tolerance levels.
 - An annual review of the implementation of risk management arrangements.
- 4.4 Members of the College Management Team (hereinafter referred to as Managers) must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which Perth College may be exposed.

5 Internal Audit Responsibilities

- 5.1 The prime responsibility of the internal audit service is to provide the Board of Management, the Designated Officer and the other Managers of Perth College with assurance on the adequacy and effectiveness of the internal control system, including risk management and governance. Responsibility for internal control remains fully with management, who should recognise that internal audit can only provide 'reasonable assurance' and cannot provide any guarantee against material errors, loss or fraud. Internal audit also plays a valuable role in helping management to improve systems of internal control and so to reduce the potential effects of any significant risks faced by Perth College. Risk management provides the opportunity for internal audit work to be efficient and focused. It does not necessarily imply that internal audit activity has to be increased.

Internal audit can also provide independent and objective consultancy advice specifically to help management improve the internal control system, including risk management and governance. In such circumstances, internal auditors apply their professional skills in a systematic and disciplined way to contribute to the achievement of corporate objectives. Such advisory work contributes to the opinion that internal audit provides an internal control, including risk management and governance.

6 Whistleblowing

- 6.1 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.
- 6.2 Normally, any concern about a workplace matter at Perth College should be raised with the relevant member of staff's immediate line manager. However, Perth College recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.
- 6.3 A member of staff may, therefore, make the disclosure to the Principal or the Chair of the Board of Management or the Chair of the Audit Committee.
- 6.4 The full procedure for whistleblowing is set out in Perth College's **Whistleblowing Policy (D2)**.

7 Code of Conduct

- 7.1 Perth College is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe. In addition, Perth College expects that staff at all levels will observe its **Code of Conduct (C11)**, which covers:
- Probity and propriety.
 - Selflessness, objectivity and honesty.
- 7.2 Additionally, members of the Board of Management are required to disclose interests in Perth College's **Register of Members' Interests (C13)** maintained by the Clerk to the Board. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly.

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

7.4 **Receiving Gifts or Hospitality**

It is an offence under the Prevention of Corruption Act 1906 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 should not create suspicion of any conflict between their official duty and their private interest.
- The action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

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

B Financial Regulations

8 Status of Financial Regulations

- 8.1 This document sets out Perth College's financial regulations. It translates into practical guidance Perth College's broad policies relating to financial control. This document was approved by the Board of Management. It applies to Perth College and all its subsidiary undertakings.
- 8.2 These financial regulations are subordinate to Perth College's instruments and articles of government and to any restrictions contained within Perth College's **Financial Memorandum (C2)** with SFC and **SFC's Code of Audit Practice (C7)**.
- 8.3 The purpose of these financial regulations is to provide control over the totality of Perth College's resources and provide management with assurances that the resources are being properly applied for the achievement of Perth College's strategic plan and business objectives:
- Financial viability.
 - Achieving value for money.
 - Fulfilling its responsibility for the provision of effective financial controls over the use of public funds.
 - Ensuring that Perth College complies with all relevant legislation.
 - Safeguarding the assets of Perth College.
- 8.4 Compliance with the financial regulations is compulsory for all staff connected with Perth College. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under Perth College's disciplinary policy. The Board of Management will be notified of any such breach through the audit committee. It is the responsibility of Managers to ensure that their staff are made aware of the existence and content of Perth College's financial regulations.
- 8.5 The Finance and General Purposes Committee is responsible for maintaining a continuous review of the financial regulations, through the Assistant Principal, and for advising the Board of Management of any additions or changes necessary.
- 8.6 In exceptional circumstances, the Principal may authorise a departure from the detailed provisions herein, such departure to be reported to the Board of Management at the earliest opportunity.
- 8.7 Perth College's detailed financial procedures set out how these regulations will be implemented and are contained in a separate manual.

9 Senior Managers with Day to Day Financial Responsibility

9.1 The Assistant Principal

The Assistant Principal is responsible to the Principal for the financial administration of:

- Preparing annual capital and revenue budgets and financial plans.
- Preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations.
- Preparing Perth College's annual accounts and other financial statements and accounts which Perth College is required to submit to other authorities.
- Ensuring that Perth College maintains satisfactory financial systems.
- Providing professional advice on all matters relating to financial policies and procedures.
- Day-to-day liaison with internal and external auditors in order to achieve efficient processes.

These duties are delegated to the Finance Director.

9.2 Members of the College Management Team

Members of the College Management Team (hereinafter referred to as Managers) are responsible to the Principal for financial management of the areas or activities they control. They are advised by the Assistant Principal and the Finance Director in executing their financial duties. The Finance Director will supervise and approve the financial systems operating within their departments, including the form in which accounts and financial records are kept. Managers are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters. Where resources are devolved to budget holders, they are accountable to their Manager for their own budget.

Managers shall provide the Assistant Principal and the Finance Director with such information as may be required to enable:

- Compilation of Perth College's financial statements.
- Implementation of financial planning.
- Implementation of audit and financial reviews, projects and value for money studies.

9.3 All Members of Staff

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

They should ensure that they are aware of Perth College's financial authority limits (see [19.2](#)) and the values of purchases for which quotations and tenders are required (see [19.5](#)).

They shall make available any relevant records or information to the Assistant Principal or his or her authorised representative in connection with the implementation of Perth College's financial policies, these financial regulations, the system of financial control and the requirements of the Board of Management.

They shall immediately notify the Finance Director whenever any matter arises which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of Perth College. The Finance Director shall take such steps as he or she considers necessary by way of investigation and report.

10 Financial Planning

10.1 The Finance Director is responsible for preparing annually a rolling three-year financial plan for approval by the Board of Management on the recommendation of the Finance and General Purposes Committee and for preparing financial forecasts for submission to SFC. Financial plans should be consistent with the strategic plans and estates strategy approved by the Board of Management.

10.2 Budget Objectives

The Board of Management will, from time to time, propose budget objectives for Perth College. These will help the Finance Director in preparing his or her more detailed financial plans for Perth College.

10.3 Resource Allocation

Resources are allocated annually by the Board of Management on the recommendation of the Finance and General Purposes Committee, and on the basis of the above objectives. Managers are responsible for the economic, effective and efficient use of resources allocated to them.

10.4 Budget Preparation

The Finance Director is responsible for preparing each year an annual revenue budget and capital programme for consideration by the Finance and General Purposes Committee before submission to the Board of Management. The budget should also include a projected year-end balance sheet and monthly cash flow forecasts if appropriate. The Finance Director must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to Managers as soon as possible following their approval by the Board of Management.

During the year, the Finance Director is responsible for submitting any significant/material budget revisions to the Finance and General Purposes Committee for consideration before submission to the Board of Management for approval.

10.5 **Capital Expenditure Programmes**

The capital expenditure programme includes all expenditure on land, buildings, equipment, furniture and associated costs which are to be capitalised for inclusion in Perth College's financial statements.

The Director of Resources has responsibility for implementing **Protocols for the Inclusion of Capital Projects (D3)** in the capital expenditure programme for approval of the Principal prior to the start of each financial year and by the Board of Management. These set out the information that is required for each proposed capital project.

The approval of variations, including the notification of large variations to SFC, as laid down in SFC guidelines is the responsibility of the Assistant Principal.

The Finance Director is responsible for providing regular statements concerning all capital expenditure to Finance and General Purposes Committee for monitoring purposes.

Following completion of a capital project, a post-project evaluation or final report should be submitted to the Finance and General Purposes Committee including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Post-project evaluations may also need to be sent to the relevant funding body, as laid down in funding body guidelines.

10.6 **Overseas Activity**

In planning and undertaking overseas activity, Perth College must have due regard to the relevant guidelines issued by SFC.

10.7 **Other Major Developments**

Any new aspect of business, or proposed establishment of a company or joint venture, which will require investment in buildings, resources or staff time of more than £50,000 should be presented for approval to the Finance and General Purposes Committee.

The Assistant Principal has responsibility for the **Protocols for these Major Developments (D4)** to enable such proposals to be considered for approval. These set out the information that is required for each proposed development.

11 Financial Control

- 11.1 The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively. Budget holders are responsible to their Manager for the income and expenditure appropriate to their budget.

Significant departures from agreed budgetary targets must be reported immediately to the Finance Director by the Manager concerned and, if necessary, corrective action taken.

11.2 Financial Information

The budget holders are assisted in their duties by management information provided by the Finance Director.

The Finance Director is responsible for supplying budgetary reports on all aspects of Perth College's finances to the Finance and General Purposes Committee on a basis determined by the Finance and General Purposes Committee but subject to any specific requirements of SFC. These reports are presented to the Board of Management, which has overall responsibility for Perth College's finances.

11.3 Changes to the Approved Budget

The Finance and General Purposes Committee, will approve any significant/material changes to the previously set budget after consideration of updated financial forecasts.

11.4 Virement

Where a budget holder is responsible for more than one budget, virement is only permitted with the authorisation of the Finance Director.

Virement between budgets held by different budget holders is only permitted with the written approval of the transferring budget holder and the Assistant Principal.

11.5 Treatment of Year-end Balances

At the year end, budget holders will not normally have the authority to carry forward a balance on their budget to the following year unless the Finance Director has approved a specific scheme for carrying forward all or part of unspent amounts.

12 Accounting Arrangements

12.1 Financial Year

Perth College's financial year will run from 1 August until 31 July the following year.

12.2 **Basis of Accounting**

The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

12.3 **Format of the Financial Statements**

The financial statements are prepared in accordance with the Statement of Recommended Practice *Accounting for Further and Higher Education*, subject to any specific requirements of SFC, and in accordance with the provisions of the Companies Act 1985, if that is appropriate.

12.4 **Capitalisation and Depreciation**

New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Freehold land will not be depreciated.

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

Expenditure incurred on the acquisition of assets other than land and buildings may be recorded in the balance sheet where the acquisition cost per item is £1000 or more. Capitalised assets other than land and buildings will be depreciated on a straight line basis over the useful economic life of the asset.

12.5 **Accounting Records**

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

Perth College is required by law to retain prime documents for six years. These include:

- Official purchase orders.
- Purchase invoices.
- Sales Invoices.
- Bank statements.
- Copies of receipts.
- Payroll records, including part-time lecturers' contracts.

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

Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as local enterprise companies.

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

12.6 **Public Access**

The Board of Management is required to supply any person with a copy of Perth College's most recent financial statements. The Board of Management may levy a reasonable fee and this will be charged at the discretion of the Finance Director. Copies of latest financial statements are provided to statutory agencies as required and are available on the College website.

12.7 **Taxation**

The Finance Director is responsible for advising Managers on all taxation issues as they apply to Perth College and will provide guidance on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.

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

13 **Audit Requirements**

13.1 **General**

External auditors and internal auditors shall have authority to:

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

The Finance Director is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

Following consideration by the Finance and General Purposes Committee, the financial statements should be reviewed by the audit committee. On the recommendation of the finance and audit committees they will be submitted to the Board of Management for approval.

13.2 **External Audit**

Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Auditor General is responsible for the appointment of the external auditors for Perth College.

The primary role of external audit is to report on Perth College's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. The external auditors address their report and opinion jointly to the Auditor General and the members of the Board of Management. Their duties will be in accordance with advice set out in **SFC's Code of Audit Practice (C7)**, Audit Scotland's Code of Audit Practice and the Auditing Practices Board's statements of auditing standards.

13.3 **Internal Audit**

The internal auditor is appointed by the Board of Management on the recommendation of the audit committee.

Perth College's **Financial Memorandum (C2)** with SFC requires that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in **SFC's Code of Audit Practice (C7)**. The main responsibility of internal audit is to provide the Board of Management, the Principal and senior management with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation but has direct access to the Board of Management, Principal and chair of the audit committee. The formal responsibilities of internal audit are detailed in Corporate Governance Section (see **5.1**). The internal auditor will also comply with the Auditing Practices Board's auditing guideline *Guidance for Internal Auditors*.

13.4 **Other Auditors**

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

13.5 **Fraud and Corruption**

It is the duty of all members of staff, management and the Board of Management to notify the Assistant Principal, the Principal or any member

of the Senior Management Team immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

The notified individual shall immediately invoke the fraud response plan, which is detailed within the College [Fraud Prevention Policy and Response Plan \(D5\)](#).

If the suspected fraud is thought to involve the Assistant Principal and/or the Principal, the member of staff shall notify the Clerk to the Board of their concerns regarding irregularities.

13.6 **Value for Money**

It is a requirement of the [Financial Memorandum \(C2\)](#) that the Board of Management of Perth College is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by SFC, Audit Scotland, the National Audit Office, the Scottish Parliament Audit Committee or other relevant bodies.

Internal audit is to have regard to value for money in its programme of work. This will be used to enable the audit committee to refer to value for money in its annual report.

These requirements are addressed within the [Value for Money Policy \(D6\)](#).

14 **Treasury Management**

14.1 **Treasury Management Policy**

The Finance and General Purposes Committee is responsible for approving the [Treasury Management Policy \(D7\)](#) for cash management, long-term investments and borrowings. This will require compliance with SFC rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the [Financial Memorandum \(C2\)](#). The Finance and General Purposes Committee has a responsibility to ensure implementation, monitoring and review of this policy.

All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Assistant Principal and an appropriate reporting system set up. All borrowing shall be undertaken in the name of Perth College or one of its subsidiary companies and shall conform to any relevant SFC requirements.

The Finance Director will report to the Finance and General Purposes Committee in each financial year on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him or her.

14.2 **Appointment of Bankers and Other Professional Advisers**

The Board of Management is responsible for the appointment of Perth College's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Finance and General Purposes Committee. The appointment shall be for a specified period after which consideration shall be given by the Finance and General Purposes Committee to competitively tendering the service.

14.3 **Banking Arrangements**

The Finance Director is responsible, on behalf of the Finance and General Purposes Committee, for liaising with Perth College's bankers in relation to Perth College's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of a designated signatory. Proper arrangements for their safe custody shall be made by the Finance Director.

Only the Principal or the Assistant Principal may open or close a bank account for dealing with Perth College's funds. All bank accounts shall be in the name of Perth College or one of its subsidiary companies.

All cheques drawn on behalf of Perth College must be signed by two authorised persons.

All automated transfers on behalf of Perth College, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Finance Director. Details of authorised persons and limits shall be provided for in Perth College's detailed financial procedures.

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

15 **Income**

15.1 **General**

The Assistant Principal is responsible for ensuring that appropriate procedures are in operation to enable Perth College to receive all income to which it is entitled.

Levels of charges for services are reviewed at least annually and significant changes are approved by the Finance and General Purposes Committee.

The Finance Director is responsible for ensuring:

- The prompt collection, security and banking of all income received.
- That all grants notified by SFC and other bodies are received and appropriately recorded in Perth College's accounts.

- That all claims for funds, including research grants and contracts, are made by the due date.

15.2 **Maximisation of Income**

It is the responsibility of all staff to ensure that revenue to Perth College is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to the Finance Director of sums due so that collection can be initiated.

15.3 **Receipt of Cash, Cheques and Other Negotiable Instruments**

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

All monies received must be passed to the Finance Department promptly as set out in financial procedures. The custody and transit of all monies received must comply with the requirements of Perth College's insurers.

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

Receipts by credit or debit card: Perth College may receive payments by debit or credit card as detailed in the financial procedures.

15.4 **Collection of Debts**

It is the responsibility of the Finance Director to ensure that:

- Debtors invoices are raised promptly on official invoices, in respect of all income due to Perth College.
- Invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account.
- Any credits granted are valid, properly authorised and completely recorded.
- VAT is correctly charged where appropriate, and accounted for.
- Monies received are posted to the correct debtors account.
- Swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the financial procedures.
- Outstanding debts are monitored and summary reports prepared for management.

The Finance Director is responsible for any changes to arrangements and the periods in which different types of invoice must be paid.

Requests to write off debts in excess of the SFC reporting limit for losses must be referred by the Assistant Principal for submission to the Finance and General Purposes Committee for consideration. Individual debts below this level may be written off with the permission of the Finance Director.

15.5 **Student Fees**

The Finance Director is responsible for ensuring that appropriate procedures are in operation for collecting tuition and accommodation fees and that all student fees due to Perth College are received.

Any student who has not paid an account for fees or any other item owing to Perth College shall not receive the certificate for any degree awarded by Perth College until all outstanding debts have been cleared. Such students shall be prevented from re-enrolling at Perth College and from using any of Perth College's facilities unless appropriate arrangements have been made.

15.6 **Student Loans**

Appropriate records will be maintained to support all transactions involving student loans.

15.7 **Student Support Funds**

The Director of Communications and Corporate Development is responsible for ensuring that all ring-fenced funding received by Perth College for student support is used in accordance with each scheme's rules and regulations. Under no circumstances should payments be made other than in accordance with the approved scheme.

16 Research Grants and Contracts

16.1 **General**

The term 'research grant' is restricted to research projects funded by the UK research councils, charities and the higher education funding bodies.

All other externally financed research projects are classified as 'research contracts'.

Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Head of Centre to ensure that the financial implications have been appraised by the Principal. This will include obtaining a set of grant terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance.

The Heads of Centre are responsible for examining every formal application for grant and shall ensure that there is adequate provision of resources to meet all commitments and should ensure that the full cost of research

contracts is established. The research agreement must be in line with Perth College's policy with regard to indirect costs and other expenses and taking account of different procedures for the pricing of research projects depending on the nature of the funding body.

Research grants and contracts shall be accepted on behalf of Perth College by the Principal.

The Finance Director shall maintain all financial records relating to research grants and contracts and the Heads of Centre shall initiate all claims for reimbursement from sponsoring bodies by the due date.

Each grant or contract will have a senior owner and will be assigned to a specific budget holder.

Control of pay and non-pay expenditure will be contained within the budget centre. The Head of the Centre may delegate day-to-day control of the account to a budget or grant holder, but any overspend or under-recovery of overheads is to be the clear responsibility of the budget centre with any loss being a charge on departmental funds.

16.2 Recovery of Overheads

Overheads will be charged to research activity whether or not the funding arrangements permit full recovery.

16.3 Costing/Transparency

Perth College has agreed to adopt the principles on costing and pricing recommended by the Executive Board of UHIMI.

Staff undertaking research activity will maintain the records specified by the Head of Centre to enable compilation of returns to the funding body which meet the requirements of the Transparency Review.

16.4 Grant and Contract Conditions

Many grant-awarding bodies and contracting organisations stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. Failure to respond to these conditions often means that Perth College will suffer a significant financial penalty. It is the responsibility of the senior owner to ensure that conditions of funding are met.

Any loss to Perth College resulting from a failure to meet conditions of funding is the responsibility of the budget holder, and will be charged against departmental funds.

17 Other Income-Generating Activity

17.1 Private Consultancies and Other Paid Work

Unless otherwise stated in a member of staff's contract, outside consultancies or other paid work may not be accepted without the agreement of the Director of Human Resources and Organisational Development.

17.2 Non Funded Provision

In this context non funded provision is any course which does not form part of the grant-in-aid funded activities at FE and HE levels.

All non funded provision must be costed and priced in accordance with the College commercial pricing model and be covered by a contract or written agreement with the customer or short course enrolment form (in the case of individuals).

17.3 Commercial Contracts

In this context commercial contracts include training, assessment and consultancy. These contracts are normally originated by the client and signed by the Principal. In such event that Perth College is required to originate such documents, the Director of Communications and Corporate Development will arrange for these to be drafted.

17.4 Levels of Authorisation

Managers can sign contracts up to the value of £5,000 (for work in their own area of responsibility and provided they have completed a pricing document).

The Principal (or any Senior Manager or Manager with delegated authority from the Principal) can sign contracts over £5,000.

Contracts are required in ALL cases (short form agreements or from clients).

Contracts must be costed and authorised before any commitments are made.

17.5 Off-site Collaborative Provision (Franchising)

Any contract or arrangement whereby Perth College provides education to students away from College premises, or with the assistance of persons other than Perth College's own staff or with independent contractors (partner organisations), must be subject to the following procedure.

There shall be a contract signed by the Principal and on behalf of any partner organisation that shall comply at least with the funding body model contract (as amended from time to time) in place before any provision is

made. Contracts for significant changes in franchising activity shall be approved in advance by the Board of Management.

The impact of the contract(s) shall be subject to scrutiny by the Audit Committee where risk has been assessed as being greater than risk appetite. The format for regular reports shall be as stated in funding body guidance.

Where the partnership would represent a significant departure from Perth College's strategic plan, the Board of Management shall approve the departure, and the Principal shall seek the views of and inform SFC.

17.6 Profitability and Recovery of Overheads (Other Income-Generating Activity)

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

Provision must be made for charging both direct and indirect costs in accordance with Perth College's costing and pricing model, in particular for the recovery of overheads.

17.7 Projects including European Union (EU) and Other Grant Funding Activity

Any such project requires the approval of the appropriate Senior Manager prior to any commitment being entered into. Such approval shall be dependent upon the relevant proposer being able to demonstrate that any eligible matching funds are available and that the project is financially viable. The **[Project Management and Appraisal Policy \(D8\)](#)** details the requirements of proposals and their implementation. Individual applications for funds in excess of £100,000 shall be the subject of a report by the Principal to the Board of Management which will set out, amongst other things, the potential risks generated by the project.

If Perth College sub-contracts such work to external providers, the relevant Manager shall ensure that:

- This is on the basis of a written contract which allows for full audit access to detailed records.
- Appropriate monitoring procedures are in place to ensure that the outputs are achieved and the provision is of suitable quality.
- Payments are only made against detailed invoices.

18 Intellectual Property Rights and Patents

18.1 General

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

18.2 Patents

The Principal is responsible for establishing procedures to deal with any patents accruing to Perth College from inventions and discoveries made by staff in the course of their work.

18.3 Intellectual Property Rights

In the event of Perth College deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with intellectual property procedures. These would be developed as required following legal advice and be approved by the Finance and General Purposes Committee.

19 Expenditure

19.1 General

It is the responsibility of the Finance Director to ensure that payments are made to suppliers of goods and services to Perth College.

19.2 Scheme of Delegation/Financial Authorisation Limits

The Manager is responsible for purchases within his or her area. Purchasing authority may be delegated to named individuals. In exercising this delegated authority, budget holders and second signatories are required to observe the purchasing policies and financial procedures.

The Finance Director shall maintain a register of authorised signatories and Managers must supply him or her with specimen signatures of those authorised to certify invoices for payment (for paper-based systems).

Under procedures agreed by the Finance Director, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits (for electronic systems).

The Finance Director must be notified immediately of any changes to the authorities to commit expenditure.

Managers and budget holders are not authorised to commit Perth College to expenditure without first reserving sufficient funds to meet the purchase cost.

The member of staff (or budget holder) authorising the invoice for payment must be different from the member of staff responsible for signing the purchase order requisition. To ensure segregation of duties more than one person must be involved in the authorisation of the payment process.

The limits on authority to sign any single order are:

Up to £2,500 exclusive of VAT is the budget holder (£5,000 in the case of IT purchases).

Over £2,500 and up to £10,000 exclusive of VAT is the senior manager of directorate.

Over £10,000 exclusive of VAT is the Principal (Board of Management approval if over £50,000 exclusive of VAT).

Expenditure on a single order in excess of £5,000 exclusive of VAT are subject to the Tendering and Quotation Procedures. (see section [19.5](#))

The Principal or the Assistant Principal must authorise departmental orders in the absence of a budget holder and his or her second signatory.

In the event that neither the Assistant Principal nor the Principal is available for approval of expenditure, other members of the Senior Management Team may approve relevant orders in their absence.

19.3 **Procurement**

Perth College requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice.

The Finance Director is responsible for:

- Ensuring that Perth College's purchasing policy is known and observed by all involved in purchasing for Perth College.
- Advising on matters of college purchasing policy and practice.
- Advising and assisting staff where required on specific departmental purchases.
- Developing appropriate standing supply arrangements on behalf of Perth College to assist budget holders in meeting their value for money obligations.
- Ensuring that all orders are vetted before they leave Perth College.
- Ensuring that accepted conditions of contract for the purchase of goods do not expose the College to unacceptable risk
- The Director of Resources is responsible for procurement and specifically:

the drafting and negotiation of all large-scale purchase contracts (generally in excess of £50,000) undertaken by Perth College, in collaboration with the budget holder

ensuring that Perth College complies with EU regulations on public purchasing policy.

19.4 **Purchase Orders**

The ordering of goods and services shall be in accordance with Perth College's detailed financial procedures/purchasing policies.

Official orders must be placed for the purchase of all goods or services, except those on the exceptions listing (in the financial procedures), those made using college credit cards or petty cash.

It is the responsibility of the Finance Director to ensure that all purchase orders refer to Perth College's **General Conditions of Contract for the Supply of Goods (D9)**.

19.5 **Tenders and Quotations**

Managers and delegated budget holders must comply with Perth College's tendering and quotations procedures.

- Up to £5,000 the budget holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained.
- Over £5,000 and up to £15,000 - the budget holder shall be required to obtain at least three quotations and submit these with the purchase order requisition.
- Over £15,000 - all items will require three competitive tenders.
- In addition the award of contracts over £50,000 shall require the approval of the Finance and General Purposes Committee.

All of the above limits are exclusive of VAT.

In the event that three suppliers cannot be identified or there is a justifiable business case to contract directly with a single supplier without tendering/quotations, a sole supplier approval form should be completed and attached to the purchase order requisition.

Partnership and procurement arrangements for the supply of goods or services specifically approved by the Finance and General Purposes Committee or the Board of Management will fall outside these arrangements for tenders and quotations.

In all cases value for money must be obtained.

All tendering practice shall be in accordance with Perth College's detailed tendering procedures available from the Finance Department.

19.6 **ICT Purchasing**

ICT purchasing will normally occur through the budgets allocated annually to the ICT Manager. It is important that all ICT purchasing within the College is reviewed and approved by the ICT Manager. This is to ensure a) that all products purchased are compatible with college networks, b) to eliminate possible duplication within the College, c) and to ensure value for money.

For the main ICT purchasing from annual ICT budget allocations, standard purchase procedures are generally unsuitable. Reasons for this include:

‘Spot’ pricing that requires immediate uptake.

Volume discounts for aggregation of orders.

Compatibility to ensure new equipment will work with existing systems.

Avoidance of maintenance contract ‘overlap’.

For these reasons the normal requirement to obtain quotes and tenders will not apply to ICT purchases, provided these form part of the annually approved ICT budgets. However a report will be prepared quarterly for the Finance and General Purposes Committee of ICT orders of over £15,000 exclusive of VAT showing the process followed and justification of not applying normal procedure.

19.7 **Post-Tender Negotiations**

Post-tender negotiations (ie after receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms can be entered into, provided:

- It would not put other tenderers at a disadvantage.
- It would not affect their confidence and trust in Perth College’s tendering process.

In each case, a statement of justification should be approved by the Principal prior to the event, showing:

- Background to the procurement
- Reasons for proposing post-tender negotiations
- Demonstration of the improved value for money.

All post-tender negotiations should be reported to the Finance and General Purposes Committee.

19.8 **Major Building Contracts**

Building contracts are the responsibility of the Director of Resources and

should adopt the **Protocols for Proposed Capital Projects (D3)** and **Major Developments (D4)**.

Proposals will normally be initiated by the Director of Resources in respect of planned replacements, general improvement schemes, space planning or in response to requests from departments.

Consultants may be appointed if the project, as determined by the Director of Resources, is too large or too specialised for estates department resources. Appointments shall be subject to tendering and other procedures where appropriate.

Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the Finance Director as appropriate for consideration of the Senior Management Team. Investment appraisals should comply with appropriate funding body guidance.

Following consideration by the Senior Management Team, the Finance and General Purposes Committee, and approval by the Board of Management, submissions should be forwarded to SFC where appropriate. If the required agreement is secured from SFC, their procedural rules should be followed. Guidance on best practice should be followed even when SFC approval is not required.

The achievement of value for money will be an objective in the letting of all contracts.

19.9 **EU Regulations**

The Director of Resources is responsible for ensuring Perth College complies with its legal obligations concerning EU procurement legislation. EU procurement regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value.

The Director of Resources will advise Managers on the thresholds that are currently in operation. A breach of these EU regulations is actionable by a supplier or potential supplier.

It is the responsibility of Managers to ensure that their members of staff comply with EU regulations by notifying the Director of Resources of any purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements in journals.

The Director of Resources is also required to submit to SFC annually details on expenditure which exceeds the threshold. Copies of the relevant documentation falling into this category must be provided by Managers to the Director of Resources.

19.10 **Receipt of Goods**

All goods shall be received at designated receipt and distribution points. They shall be checked for quantity and/or weight and inspected for quality and specification. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods.

Delivery notes should be held with any relevant records as required by the Finance Director. If the goods are deemed to be unsatisfactory, the delivery note/record shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified.

Wherever practical, persons receiving goods on behalf of Perth College must be independent of those who placed the official order.

19.11 **Payment of Invoices**

The Finance Director is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by computer cheques or BACS transfer each week. In exceptional circumstances the Finance department will prepare cheques manually for urgent payments.

Suppliers should be instructed by the budget holder to submit invoices for goods or services directly to the Finance department. Invoices received directly by other areas must be passed to the Finance department immediately.

Payments will only be made by the Finance department against invoices that have been certified for payment by the appropriate Manager or budget holder and care must be taken by the budget holder to ensure that discounts receivable are obtained.

Authorisation of an invoice will ensure that:

- The goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory.
- Where appropriate, it is matched to the order.
- Invoice details (quantity, price discount) are correct.
- The invoice is arithmetically correct.
- The invoice has not previously been passed for payment.
- Where appropriate, an entry has been made on a stores record or departmental inventory.
- An appropriate cost centre is quoted; this must be one of the cost centre codes included in the budget holder's areas of responsibility and must correspond with the types of goods or service described on the invoice.

19.12 **Staff Reimbursement**

Staff may incur expenses in relation to Perth College business for which they are entitled to reimbursement (see [20.5](#)). These expenses normally relate to travel and subsistence.

Where such expenses by staff are planned, the Finance Director may approve a cash advance to staff. Upon completion of the travel or project to which the advance relates, any unspent balance must be repaid within one month and under no circumstances will a second advance be approved until the first balance has been settled.

19.13 **College Credit Cards**

Where appropriate, the Principal or the Assistant Principal may approve the issuing of college credit cards to senior staff. Such credit cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. The Finance Director will be responsible for setting in place a system to monitor the use of college credit cards and account for expenses charged through them.

19.14 **Petty Cash**

Where a single item is for less than £50 it may be paid from petty cash. Receipts or vouchers must support all petty cash expenditure. Any request above £50 must be approved by the Finance Director.

The Finance Director shall make available to areas such imprests as he or she considers necessary for the disbursements of petty cash expenses. However, it is important for security purposes that petty cash imprest floats are kept to a minimum.

Requisitions for reimbursements must be sent to the Finance department, together with appropriate receipts or vouchers, before the total amount held has been expended in order to retain a working balance pending receipt of the amount claimed. Cash floats may be supplemented by written agreement and such increases in cash taken into account at the next balance point.

The member of staff granted a float is personally responsible for its safe-keeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of Perth College's insurers when not in use and will be subject to periodic checks by the Manager or another person nominated by him or her.

Standard college petty cash slips are supplied by the Finance department and should be used for recording all imprest account expenditure.

At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float and counter-signed by the Manager.

19.15 **Other Payments**

Payments for maintenance and other items to students on behalf of sponsoring organisations shall be made on the authority of the Finance Director, supported by detailed claims approved by the Customer and Student Services Manager.

19.16 **Late Payment Rules**

The Late Payment of Debts (Interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:

- Small businesses can charge interest on overdue invoices.
- Interest is chargeable on sales.
- The Act also applies to overseas organisations.
- Perth College can be sued for non-payment.

In view of the penalties in this Act, the Board of Management requires that invoices must be passed for payment as soon as they are received.

19.17 **Project Advances**

The Finance Director and the relevant Manager may jointly approve cash advances for projects carried out away from Perth College where cash expenditure may be unavoidable. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or a Perth College credit card.

Receipts or paid invoices will be retained for all sums expended in this way. Upon completion of the project to which the advance relates and within one month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to a project or individual is outstanding.

19.18 **Giving Hospitality**

Staff entertaining guests from outside bodies should normally use Perth College's catering facilities. Where this is not the case, reasons may be requested when submitting a claim for reimbursement.

Claims are reviewed by the Finance department to ensure that such expenditure for entertaining guests is acceptable.

20 Pay Expenditure

20.1 Remuneration Policy

Salaries and other benefits of the Principal and the Clerk to the Board of Management will be determined by the Remuneration Committee set up by the Board of Management.

All other staff will be appointed to the salary scales approved by the Principal and in accordance with appropriate conditions of service. All letters of appointment must be issued by the HR department.

The Remuneration Committee or the Principal will determine what other benefits, such as cars, medical and life insurance, are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available.

20.2 Appointment of Staff

All contracts of service shall be concluded in accordance with Perth College's approved HR practices and procedures and all offers of employment with Perth College shall be made in writing on the authority of the Director of Human Resources and Organisational Development. Budget holders shall ensure that the HR Department is provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

20.3 Salaries and Wages

The Finance Director is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Director of Human Resources and Organisational Development.

The Director of Human Resources and Organisational Development will be responsible for keeping the Finance Director informed of all matters relating to staff for payroll purposes. In particular these include:

- Appointments, resignations, dismissals, supervisions, secondments and transfers.
- Absences from duty for sickness or other reason, apart from approved leave.
- Changes in remuneration other than normal increments and pay awards.
- Information necessary to maintain records of service for superannuation, income tax and national insurance.

The Finance Director is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.

The Finance Director shall be responsible for keeping all records relating to payroll including those of a statutory nature.

All payments must be made in accordance with Perth College's detailed payroll financial procedures and comply with HM Revenue and Customs regulations.

20.4 **Superannuation Schemes**

The Board of Management is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

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

- Paying contributions to various authorised superannuation schemes.
- Preparing the annual return to various superannuation schemes.
- Administering relevant pension schemes.

The Director of Human Resources and Organisational Development is responsible for administering eligibility to pension arrangements and for informing the Payroll Officer when deductions should begin or cease for staff.

20.5 **Travel, Subsistence and other Allowances**

All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Finance Director.

Claims by members of staff must be authorised by their Manager (or Principal in the case of Senior Managers). The certification by the Manager shall be taken to mean that:

- The journeys were authorised.
- The expenses were properly and necessarily incurred.
- The allowances are properly payable by Perth College.
- Consideration has been given to value for money in choosing the mode of transport.

Arrangements for travel by the Principal or members of the Board of Management shall be approved by the Chair of the Board of Management. Arrangements for travel by the Chair shall be approved by the Finance and General Purposes Committee.

20.6 **Overseas Travel**

All arrangements for overseas travel must be approved by the Principal in advance of committing Perth College to those arrangements or confirmation of any travel bookings. Arrangements for overseas travel by the Principal or members of the Board of Management shall be approved by the Chair of the Board of Management. Arrangements for travel by the Chair shall be approved by the Finance and General Purposes Committee.

Where spouses, partners or other persons unconnected with Perth College intend to participate in a trip, this must be clearly identified in the approval request. Perth College must receive reimbursement for the expected costs it may be asked to cover for those persons in advance of confirming travel bookings.

20.7 **Severance and Other Non-Recurring Payments**

Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the Board of Management through the Finance and General Purposes Committee. Professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments shall be authorised by the Principal and calculations checked by the Director of Human Resources and Organisational Development. Where enhancements to the approved scheme are to be offered, approval by either the Remuneration Committee or the Chairs Committee is required. In exceptional circumstances this approval may be given by the Chair of Board of Management in consultation with the Principal, to be reported to the next meeting of the relevant committee. Amounts paid should be declared in the financial statements.

All matters referred to an industrial tribunal shall be notified to the Finance and General Purposes Committees at the earliest opportunity. All determinations of tribunals must be similarly notified.

21 **Assets**

21.1 **Land, Buildings, Fixed Plant and Machinery**

The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority from the Director of Resources and if over £50,000 in value from the Board of Management. Reference to SFC requirements will be made at all times where exchequer-funded assets or exchequer funds are involved.

21.2 **Fixed Asset Register**

The Finance Director is responsible for maintaining Perth College's register of land, buildings, fixed plant and machinery. Managers will provide the Finance Director with any information he or she may need to maintain the register.

21.3 **Inventories**

The ICT Manager is responsible for maintaining an inventory, in a form prescribed by the Finance Director, for all College ICT equipment.

Inventories must be checked at least annually to ensure that the records are accurate and up to date.

21.4 **Stocks and Stores**

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

Managers are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.

Those Managers whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Finance Director and that instructions to appropriate staff within their departments are issued.

21.5 **Safeguarding Assets**

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

Assets owned by Perth College shall, so far as is practical, be effectively marked to identify them as College property.

21.6 **Personal Use**

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

21.7 **Asset Disposal**

Disposal of plant, equipment and furniture must be in accordance with procedures contained in Perth College's detailed financial procedures.

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

21.8 **All other Assets**

Managers are responsible for establishing adequate arrangements for the custody and control of all other assets owned by Perth College, whether tangible (such as stock – see [21.4](#)) or intangible (such as intellectual property – see [18.3](#)), including electronic data.

22 **Funds Held on Trust**

22.1 **Gifts, Benefactions and Donations**

The Finance Director is responsible for maintaining financial records in respect of gifts, benefactions and donations made to Perth College.

22.2 **Student Support Funds**

Records of student support funds will be maintained according to SFC and SAAS requirements.

22.3 **Trust Funds**

The Finance Director is responsible for maintaining a record of the requirements for each trust fund and for advising the Finance and General Purposes Committee on the control of the expenditure of such funds donated to the College.

The Finance and General Purposes Committee is responsible for ensuring that trust funds within the control of Perth College are operated within any relevant legislation and the specific requirements for each trust. They will also be responsible for investment of fund balances.

22.4 **Voluntary Funds**

The Finance Director shall be informed of any fund that is not an official fund of Perth College which is controlled wholly or in part by a member of staff in relation to their function in Perth College.

23 **Other**

23.1 **Insurance**

The Director of Resources is responsible for Perth College's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be considered and approved by the Finance and General Purposes Committee on an annual basis.

The Director of Resources is responsible for effecting insurance cover as determined by the Finance and General Purposes Committee. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Director of Resources will ensure that a register of all insurances effected by Perth College is kept and the property and risks covered. He or she will also deal with Perth College's insurers and advisers about specific insurance problems.

Managers must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which Perth College may be exposed. The Principal's advice should be sought to ensure that this is the case.

Managers must give prompt notification to the Director of Resources of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. Managers must advise the Director of Resources immediately of any event that may give rise to an insurance claim. The Director of Resources will ensure that Perth College's insurers are notified and, if appropriate, a claim prepared in conjunction with the Manager for transmission to the insurers.

The Director of Resources is responsible for ensuring suitable records of plant are kept which can be inspected by an insurance company and for ensuring that any inspection is carried out in the periods prescribed.

All staff using their own vehicles on behalf of Perth College shall ensure appropriate insurance cover for business use.

23.2 Companies and Joint Ventures

In certain circumstances it may be advantageous to Perth College to establish a company or a joint venture to undertake services on behalf of Perth College.

Having due regard to guidance issued by SFC, it is the responsibility of the Board of Management to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by Perth College. These and other arrangements will be set out in appropriate legal documentation.

The directors of companies where Perth College is the majority shareholder must submit, via the Finance and General Purposes Committee, an annual report to the Board of Management. They will also submit business plans or budgets as requested to enable the committee to assess the risk to Perth College. The College will ensure that appropriate external auditors are appointed to such companies.

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

23.3 **Security**

Keys to safes or other similar containers are to be carried on the person of those responsible at all times. The loss of such keys must be reported to the Finance Director immediately.

The ICT Manager shall be responsible for maintaining proper security and privacy of information held on Perth College's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act 1998. A Data Controller shall be nominated to ensure compliance with the Act and the safety of documents.

The Principal is responsible for the safekeeping of official and legal documents relating to Perth College. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the PA to the Principal. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

23.4 **Students' Association**

The Students' Association is a constituent part of Perth College and, as such, is responsible to the Board of Management.

Subject to any constraints imposed by SFC, the Board of Management shall determine the level of grant to be paid annually to the Students' Association and approve their budget for the year.

The Students' Association is responsible for maintaining its own bank account and financial records.

In accordance with an agreement between Perth College and the Students' Association, the Association will provide quarterly statements of income and expenditure to the Customer Services Manager and the Finance Director on a prompt basis to enable them to ensure that financial disciplines are maintained.

At year end the Students' Association accounts will be audited by a firm of auditors approved by Perth College and will be presented to the Finance and General Purposes Committee for information.

In accordance with an agreement between Perth College and the Students' Association, Perth College's internal auditor shall have access to records, assets and personnel within the Students' Association in the same way as other areas of Perth College.

23.5 **Provision of Indemnities**

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

C1 Further and Higher Education (Scotland) Act 1992

This section outlines the requirements of the 1992 act as they apply to Perth College.

Introduction

- 1 (1) It shall be the duty of the First Minister for Scotland to secure adequate and efficient provision of further education in Scotland.
 - (2) In discharging his duty under subsection (1) above, the First Minister shall have regard to the requirements of persons over school age who have learning difficulties.
- 2 (1) The First Minister shall have the power to do all that is necessary or expedient for the purposes of the exercise of his duty under Section 1 of the Further and Higher Education (Scotland) Act 1992 (herein after referred to as "the Act"), and in particular he may –
 - (a) establish new colleges of further education;
 - (b) merge two or more colleges of further education;
 - (c) close colleges of further education.
 - (2) The powers of the First Minister in relation to the matters mentioned in paragraphs (a) to (c) of subsection (1) above shall be exercised by order and shall contain provision –
 - (a) designating the name; and
 - (b) establishing a body corporate to be known as "the Board of Management of",
the college so established.
 - (3) The First Minister may by regulations prescribe requirements with which Boards of Management shall comply in discharging their functions under the Act.

There shall be established for each college of further education a body corporate to be known as "the Board of Management of" that college.
- 4 The Board of Management shall have the duty of –
 - (1) managing and conducting their college; and
 - (2) ensuring that their college provides (either by itself or by arrangement with any other person) suitable and efficient further education to students of the college.
- 5 In carrying out their functions under this section the Board of Management shall have regard to the requirements of persons over school age who have learning

difficulties.

- 6 The Board of Management may delegate the performance of any of their functions to their Chairman, to any Committee appointed by them or to any member of their staff.
- 7 The Board of Management may pay to persons appointed to be members of the Board such allowances and expenses as they may determine; and any allowances and expenses to be paid by virtue of this subsection shall be calculated by reference to such criteria as the First Minister may determine.
- 8 The Board of Management shall make such reports or returns and give such information to the First Minister as he may require for the purposes of the exercise of his powers and the performance of his duties under the Act.
- 9 The Board of Management shall, not later than such date in every financial year as the First Minister may determine, submit to the First Minister a college development plan in respect of their College.

Schedule 2 to the Act; Constitution and Proceedings of Boards of Management

Status

- 1 The board of management (herein after referred to as "the board") shall not -
 - (1) be regarded as the servants or agents of the Crown;
 - (2) have any status, immunity or privilege of the Crown,and their property shall not be regarded as property of, or held on behalf of, the Crown.

Membership

- 2 The board shall consist of not less than ten nor more than sixteen persons.
- 3 (1) Subject to paragraph 4 below, this paragraph shall have effect as regard the membership of the board.
 - (2) The board shall include -
 - (a) the person who is, for the time being, the Principal of the college;
 - (b) a person appointed by being elected by the teaching staff of the college from among their own number;
 - (c) a person appointed by being elected by the support staff of the college from among their own number;
 - (d) a person appointed by being nominated by the students' association of the college from among students of the college.
 - (3) Not less than one half of the total number of members of the board shall be appointed by the board from among persons, not being members of the

staff or full-time students of the college, appearing to them to have experience of, and to have shown capacity in, industrial, commercial or employment matters or the practice of any profession; and one such person shall be a person nominated by the local enterprise company for the area in which the college is located.

- (4) The remaining members shall be appointed by the board from among persons appearing to them to have, or to represent persons who have, an interest in the work of the college, having regard to the interests of the education authority for the area in which the college is situated in relation to the provision of any form of further education in their area.
 - (5) In this paragraph, "local enterprise company" means any person with whom an agreement (not being one which has terminated) has been made in pursuance of section 19 of the Enterprise and New Towns (Scotland) Act 1990 by Scottish Enterprise or Highlands and Islands Enterprise for the discharge by that person of any of the functions of Scottish Enterprise or, as the case may be, Highlands and Islands Enterprise.
 - (6) Any election to be held in pursuance of this paragraph shall be conducted in accordance with rules made by the board after consultation with such persons as appear to the board to be representative of each category of persons entitled to elect a person under this paragraph; and rules made in accordance with this sub-paragraph may be substituted or varied by further such rules.
- 4
- (1) This paragraph shall have effect as regards the membership of the board with effect from 1 April 1993.
 - (2) The persons who are, immediately before the 1 April 1993, the members of the college council for a college of further education by virtue of Schedule 6 to the Act shall become, on that date, the first members of the board of management of the college.
 - (3) Where a person become a member of the board in pursuance of sub-paragraph (2) above, he shall be taken to have become a member of the board in pursuance of the provision of paragraph 3 above in accordance with which, by virtue of paragraph 1 of Schedule 6 to the Act, he became a member of the college council.
 - (4) Where the number of persons who become the first members of the board in pursuance of sub-paragraph (2) above is less than sixteen, the board may appoint, in accordance with and having regard to the requirements of paragraph 3 above, such additional members as appears to them to be appropriate; provided that the total number of members of the board shall not at any time exceed sixteen.
 - (5) As soon as is practicable after 1 April 1993 and any appointment made under sub-paragraph (4) above, the members of the board shall determine by agreement among them, or failing agreement by ballot, that the persons who occupy the positions on the board mentioned in sub-paragraph (6) below shall hold office for a period of two years.

- (6) The positions referred to in sub-paragraph (5) above are seven positions (other than the positions held by the Principal and the person appointed by being nominated by the students' association of the college), whether or not at the time the board makes its determination any or all of such positions are occupied, identified in such manner as the board may so determine.

Qualifications and Tenure of Office

- 5 (1) Subject to this paragraph and paragraphs 6 to 10 below, a member of the board shall hold and vacate office in accordance with the terms of his appointment, and, on such appointment ceasing, shall be eligible for re-appointment.
- (2) Subject to paragraph 4(5) above, a member of the board, other than the person who is, for the time being, the Principal of the College and the person appointed by being nominated by the students' association of the college, shall hold office for a period of four years.
- (3) The person who is, for the time being, the Principal of the college shall remain a member of the board while he is the Principal; and nothing in paragraphs 6 to 9 below shall apply to the Principal in his capacity as a member of the board.
- (4) A person who is appointed by being nominated by the students' association of the college shall hold office until 31st August following his appointment.
- (5) A member of the board, other than the Principal of the college, may resign his office at any time by giving notice in writing to such person as the board may appoint for the purpose.
- 6 (1) A person shall not be eligible for appointment as a member of the board -
- (a) at any time when he is under the age of sixteen or over the age of seventy; but a person who attains the age of seventy during his appointment shall be entitled to remain in office until his term of office otherwise expires in accordance herewith; or
- (b) where the total number of years of any previous terms of office (whether or not consecutive) served as a member of that board exceeds eight (to a maximum of twelve).
- (2) For the purposes of sub-paragraph (1)(b) above, in calculating the number of years served no account shall be taken of any term of office served as a member of a college council.
- 7 (1) A person is not eligible for appointment as a member of the board if-
- (a) he has, within five years of the date his appointment would take effect, been convicted in the United Kingdom, the Channel Islands, the Isle of Man or the Irish Republic of any offence and has had passed on him a sentence of imprisonment (whether suspended or

- not) for a period of not less than three months without the option of a fine;
 - (b) his estate has been sequestrated, he has made an arrangement with his creditors, he has been adjudged bankrupt, he has granted a trust deed for his creditors or a composition contract;
 - (c) he is incapacitated by mental illness; or
 - (d) he has been removed from office by the First Minister under section 24 of the Act.
- (2) Where a person is disqualified under sub-paragraph (1)(b) above by reason of having had his estate sequestrated, the disqualification shall cease if and when -
- (a) the sequestration of his estate is recalled or reduced; or
 - (b) he is discharged under or by virtue of the Bankruptcy (Scotland) Act 1985.
- (3) Where a person is disqualified under that sub-paragraph by reason of having been adjudged bankrupt, the disqualification shall cease -
- (a) unless the bankruptcy order made against him is previously annulled, on his discharge from bankruptcy; and
 - (b) if the bankruptcy order is so annulled, on the date of the annulment.
- (4) Where a person is disqualified under that sub-paragraph by reason of his having made an arrangement with his creditors or granted a trust deed for his creditors or a composition contract, the disqualification shall cease when the arrangement or, as the case may be, trust deed or composition contract is no longer in force.

8 If at any time the board are satisfied that any of their members -

- (1) has been convicted as mentioned in sub-paragraph (a) of paragraph 7(1) above or has become a person to whom either of sub-paragraphs (b) and (c) of paragraph 7(1) above applies;
- (2) has been absent, without the permission of the board, from all meetings of the board or any committee of theirs to which he has been appointed for a period longer than six consecutive months; or
- (3) having been appointed in pursuance of paragraph 3(3) above, becomes a full-time student of the college or a member of the staff of the college.

the board shall, by notice given in writing to that person, remove him from office; and thereupon the office shall become vacant.

9 If at any time the board are satisfied that any of their members -

- (1) has failed to comply with any requirement of paragraph 14 or 15 below; or

- (2) having been appointed by reason of being a student of the college or a member of the staff of the college, ceases to be such student or member of staff; or
- (3) without prejudice to paragraph 8 above, has become unable or unfit to discharge his functions as a member of the board.

the board may, by notice given in writing to that person, remove him from office; and thereupon the office shall become vacant.

- 10 (1) Any casual vacancy among the members of the board may be filled by their appointing a person to fill the vacancy in like manner to that by which the person to be replaced was appointed.
- (2) Notwithstanding paragraph 5 above, a person appointed in pursuance of this paragraph shall hold office until the expiry of the period of office of the person he was appointed to replace.

Proceedings

- 11 (1) Subject to paragraphs 12 to 14 below, the board may regulate their own proceedings and those of any committee appointed by them.
- (2) The validity of any proceedings of the board or of any committee appointed by them shall not be affected by any defect in the appointment of any member of the board or any member of such committee or by a vacancy amongst the members of the board.
- (3) Subject to sub-paragraph (5) below, the board shall make available for inspection at the college at all reasonable times by anyone who wishes to inspect them copies of the documents to which this sub-paragraph applies.
- (4) The documents to which sub-paragraph (3) above applies are -
 - (a) the agenda for any meeting of the board or of any committee of theirs;
 - (b) the draft minutes of any such meeting as approved by the Chairman of the meeting;
 - (c) the minutes of such meeting as agreed by the board or, as the case may be, committee; and
 - (d) any report or other document considered by such meeting.
- (5) Sub-paragraph (3) above shall not apply to any document or part thereof which relates to -
 - (a) an employee, former employee or applicant for employment in relation to the college;
 - (b) a person who is, has been, or is likely to be a student of the college;
 - (c) any information the disclosure of which is prohibited by anything in any enactment (including the Act and an enactment contained in a subordinate instrument) or rule of law;

- (d) anything which it appear to the board should be treated as confidential because of its commercial nature or otherwise.

Chairman

- 12 (1) The board shall appoint one of their members, not being a person who is-
- (a) a student of the college;
 - (b) an employee of the board;
 - (c) the Principal for the time being of the college; or
 - (d) a member (whether elected or appointed) or an employee of a local authority.
- to be chairman.
- (2) The board shall determine the period of appointment of the chairman and may remove him from office as chairman.
- (3) Where the chairman ceases to be a member of the board, he shall cease to be chairman.

Committees

- 13 (1) The board may establish committees for any purpose and any such committee may appoint sub-committees.
- (2) Such committees may include persons who are not members of the board, but such persons shall not be entitled to vote at meetings of a committee.
- (3) The Principal of the college shall be entitled to attend and speak at any meeting of a committee of the board; but he shall be entitled to vote at such meeting only if he is a member of such committee.
- (4) The board may pay to the members of such committees (whether or not they are also members of the board) such allowances and expenses as they may determine, and any allowances and expenses to be paid by virtue of this sub-paragraph shall be calculated by reference to such criteria as the First Minister may determine.
- (5) Any reference herein to a committee of the board shall include a reference to any sub-committee appointed by such committee.

** Aspects of the 1992 Act (Paras. 14 & 15) which were related to conduct of Board Members were repealed by the Ethical Standards in Public Life Legislation (2003) to avoid conflict between the two pieces of legislation.

Staff

- 16 Subject to section 15 of the Act, the board may appoint on such terms and conditions as they may determine such employees as they think fit.
- 17 (1) The board may, in the case of such of its employees or former employees as they may, subject to sub-paragraph (2) below, determine -

- (a) pay such pensions, allowances or gratuities to or in respect of those employees;
- (b) make such payments towards provision of such pensions, allowances or gratuities; or
- (c) make such arrangements for the provision and maintenance of such schemes (whether contributory or not) for the payment of such pensions, allowances or gratuities.

as they think fit.

- (2) Sub-paragraph (1) above shall not apply to any person who becomes an employee of the board under or by virtue of any provision of the Act (other than paragraph 16 above) unless that person, by notice given in writing, informs the board that he wishes it so to apply.
- (3) The reference in sub-paragraph (1) above to pensions, allowances or gratuities in respect of employees of the board includes a reference to pensions, allowances or gratuities by way of compensation to or in respect of any such employee who suffers loss of office or employment.

Accounts

- 18 (1) It shall be the duty of the board to keep proper accounts and other records.
- (2) The accounts shall be prepared and audited in respect of each financial year in such manner as the First Minister may direct and the accounts shall be submitted to the First Minister as soon as practicable after the end of each financial year.
- (3) The financial year of the board shall be from 1st August to 31st July.
- (4) The First Minister may by order provide that the board shall have a different financial year, and an order under this sub-paragraph may make such consequential provision as appears to the First Minister to be necessary or expedient.
- 19 The accounts of the board shall be open to the inspection of the Comptroller and Auditor General and Audit Scotland, but -
- (1) the power conferred by this paragraph; and
 - (2) the powers under sections 6 and 8 of the National Audit Act 1983 (examinations into the economy, efficiency and effectiveness of certain bodies and access to documents and information) conferred on the Comptroller and Auditor General by virtue of section 6(3)(c) of that Act.

shall be exercisable only in, or in relation to accounts or other documents which relate to, any financial year in which expenditure is incurred by the board in respect of which grants, loans or other payments are made to them under the Act.

Execution of Documents

- 20 (1) For any purpose other than those mentioned in sub-paragraph (2) below, a document is validly executed by the board if it is signed on their behalf by a member of the board or by their secretary (or any person performing the duties of secretary to the board) or by any person authorised to sign the document on their behalf.
- (2) For the purposes of any enactment or rule of law relating to the authentication of documents, a document is validly executed by the board if it is subscribed on their behalf by being executed in accordance with the provisions of sub-paragraph (1) above.
- (3) A document which bears to have been executed by the board in accordance with sub-paragraph (2) above shall, in relation to such execution, be a probative document if the subscription of the document bears to have been attested by at least one witness.

Provision of Services

- 21 The Local Authorities (Goods and Services) Act 1970 (supply of goods and services by local authorities to certain public bodies) shall have effect as if the board were a public body within the meaning of that Act.

C2 Financial Memorandum (SFC)

Financial Memorandum (SFC)

C3 Constitution and Standing Orders of the Board of Management

These Rules and Standing Orders shall apply to the Board, its Standing Committees and Sub Committees.

In the event of any conflict between the Constitution and Standing Orders and Statutory Regulations, the Provisions of Statute will prevail.

Definitions

In the Standing Orders, the meanings assigned to words and expressions are:

“The 1992 Act” means the Further and Higher Education (Scotland) Act 1992.

“College” means Perth College.

“Board” means the Board of Management of Perth College.

“Clerk” means the Clerk to the Board of Management.

“SFC” means the Scottish Funding Council.

“He” embraces “She”.

1 Membership of the Board

The Board shall consist of not less than ten and not more than sixteen persons. The Board shall include:

- a The person who is, for the time being, the Principal of the College.
- b A person appointed by being elected by the teaching staff of the College from among their own number.
- c A person appointed by being elected by the support staff of the College from among their own number.
- d A person appointed by being nominated by the Students' Association of the College from among students of the College.

The Board has a **Public Procedure for Appointing New Board Members (D10)** and **Procedures for Election of Staff to the Board (D11)**.

2 Appointment of Chair

The Board shall appoint one of their number as Chair, not being a person who is -

- a A student of the College.
- b An employee of the Board.
- c The Principal for the time being of the College; or
- d A Member (whether elected or appointed) or an employee of a local authority, to be chairman.

The period of appointment of the Chairman shall be for his current period of office as a Board member. The Board may remove him from office as Chairman at, or prior to, the end of his period of appointment as Chairman.

Where the Chair ceases to be a member of the Board, he shall cease to be Chair.

3 Appointment of Vice Chair

The Board shall appoint one of their members to be Vice Chair. The exclusions detailed at 1 a) – d) above shall also apply to the appointment of the Vice Chair.

The period of appointment of the Vice Chair shall be for his current period of office as a Board member. The Board may remove him from Office as Vice Chair at, or prior to, the end of his period of appointment as Vice Chair.

The Vice Chair will act on behalf of the Chair if the Chair is indisposed for any reason. The Vice Chair may also be delegated by the Chair to represent the Board, or take decisions on behalf of the Board, if the Chair is unable to do so for any reason.

4 Establishment of Committees

The Board may establish committees for any purpose and any such committee may appoint sub-committees. The Board may also from time to time establish short-life Working Parties for a specific purpose.

The Board may, with the exception of the committees specified in 4. below, discontinue committees at its discretion.

The Chairman of the Board shall be a member ex officio of all committees with the exception of the Audit Committee.

The Board will appoint the Chair of all committees.

The Principal of the College will be entitled to attend and speak at any meeting of a committee but will be entitled to vote at such meetings only if a member of the committee. The Principal will not be a member of the Audit Committee.

The Board will appoint all committee members. Committees may invite specialist advisers and College staff members as required to meetings, but such persons shall not be entitled to vote at a meeting of the committee.

5 Statutory Committees

The Statutory Committees to be established by the Board are:

- A Remuneration Committee.
- An Audit Committee .

6 Duration of Periods of Office of Members

The periods of office of members are referred to in the 1992 Act. The normal term of office for a member is 4 years, with the exception of the Principal, who is an ex officio member and the Student Association representative, who is appointed until the 31 August in the year following his appointment.

7 Eligibility for Appointment to the Board

A person shall not be eligible for appointment as a member of the Board:

- a When he is under the age of 16 or over the age of 70, but a person who attains the age of 70 during his appointment shall be entitled to remain in office until his term of office expires.
- b Where the total number of years of any previous terms of office, whether or not consecutive, served as a member of the Board exceeds 8.

8 Meetings of the Board of Management

The Board of Management shall meet at least 4 times per year.

At the discretion of the Chair, a meeting or part of a meeting can be held in private.

The Chair of the Board may, in special circumstances (of which the Chair of the Board of Management shall be sole judge), alter the date of any ordinary meeting of the Board.

A **special meeting** of the Board shall be called at any time by the Clerk on being required to do so by the Chair, or on receiving a requisition in writing for that purpose, signed by three members of the Board, specifying the business proposed to be transacted at the meeting.

9 Preliminaries to Meetings of the Board

9.1 Notice of Meeting

Notice of meetings shall be given by the Clerk. This notice will specify the date, place and time of the meeting.

9.2 **Agenda**

An agenda will be prepared for all meetings and will specify the business proposed to be transacted at the meeting and the order in which such business is to be brought before the meeting.

Members may request that items be included on the agenda for any meeting of the Board by submitting a request in writing to the Clerk fourteen days before the arranged date of the meeting.

9.3 **Circulation of Notice of Meeting**

The Agenda and relevant papers shall normally be issued to all Board members seven days in advance of the meeting to which they relate.

10 **Proceedings at Meetings**

10.1 **Quorum**

Eight members shall constitute a quorum. If there is no quorum when a meeting is due to commence or before business has been completed, the business of the meeting may be considered, but any material issues as identified by the Chairman must be subject to homologation at the next meeting.

10.2 **Authority of Chairman**

The Chairman shall be responsible for the general conduct of the meetings and shall preserve order and ensure that every member has a fair hearing.

Every member of the Board shall address the Chair, the Chairman shall be heard without interruption.

10.3 **Confidential Items**

Certain items on the agenda may be designated as confidential and at the discretion of the Chairman, members appointed by the teaching and non-teaching staff and the Student Association may be required to be excluded from attendance during discussion and ineligible to participate in the decision making, including voting, if appropriate.

10.4 **Motions and Amendments**

Unless with the consent of two thirds of the members present, Board members shall not be entitled to propose any motion other than one which directly arises from the matter under consideration by the Board.

10.5 **Declaration of Interest**

Members of the Board shall disclose any interest, pecuniary or otherwise, direct or indirect, in any contract, proposed contract or other matter under

consideration by the Board. The Board may require any such member to withdraw from the meeting until the matter giving rise to the disclosure of the interest is under consideration. Further guidance on this issue is provided in the **Code of Conduct**.

10.6 **Voting**

A vote of the Board shall be taken by a show of hands, unless otherwise decided by the Chairman. After the Chairman has announced the issue on which the vote is to be taken, no members may interrupt the proceedings. If there is an equality of votes, the Chairman of any meeting shall have a second, or casting, vote in addition to a deliberative vote.

11 Minutes

The Clerk shall be responsible for the preparation of minutes of all meetings of the Board and its Standing Committees.

The minutes shall record the names of those attending and those whose apologies for absence have been submitted along with information in respect of any declaration of interest made by either members or other attendees.

The minutes shall also record the basis of the discussion, include reference to submitted documentation, the decision reached, the person or group responsible for the action and the timescale for completion.

At each Board meeting the minutes of the previous meeting shall be submitted for approval.

Copies of the minutes, as approved by the Board, shall be posted on the College Sharepoint. Items of confidential business, as agreed between the Chairman and the Clerk, shall be excluded from this.

C4 Scheme of Delegation

Introduction

This scheme specifies the functions which are delegated by the Board of Management in terms of Section 12 (4) of the Further and Higher Education (Scotland) Act 1992.

All delegations must be exercised in accordance with the law and having regard to any lawful direction or guidance by the First Minister or his nominated minister.

The delegations are dealt with in three sections:

- 1 Delegation to the Chair of the Board of Management
- 2 Delegation to Committees of the Board of Management
- 3 Delegation to the Principal

Reserved Matters

The following matters are reserved to the Board and are therefore excluded from delegation:

- a Determining the objectives of the Board.
- b The final approval of the College Strategic Plan.
- c The final approval of the College's Vision and Mission.
- d Approval of the year-end financial statements.
- e The final consideration of the Annual Audit Report.
- f Borrowing money and granting securities or giving guarantees or indemnities in connection with such borrowing.
- g The acquisition and disposal of heritable property.
- h The appointment of Board members.
- i Removal from office of Board members.
- j Appointment of, and disciplinary action against, the Principal.
- k Any functions, the exercise of which is clearly reserved to the Board in terms of any direction by the First Minister or Scottish Funding Council.
- l The making, amendment and revocation of the Constitution and Standing Orders of the Board of Management of Perth College.

1 Delegation to the Chair of the Board

The Chair of the Board is authorised:

- a To take such measures as may be required in emergencies, subject to reporting to the appropriate Committee or to the Board as soon as possible thereafter on any items for which approval of the Committee or the Board would normally be necessary.
- b To exercise judgment in the event of a need for an urgent decision during the period between Board meetings such that: either an emergency Board meeting is called in the case of material decisions; or to make the required decision, subject to homologation at the next Board meeting.
- c To sign and date the College's Annual Financial Report prior to its submission to the Scottish Funding Council and after it has been approved by the Board
- d To conduct annual staff development and performance review interviews with the Principal, including setting Key Performance Indicators for the Principal.
- e To initiate disciplinary action against the Principal, or to suspend the Principal with pay in circumstances which may result in disciplinary action being taken against the Principal.
- f To represent the Board as and when required.

2 Delegation to Committees of the Board of Management

General Delegations to Committees

There is hereby delegated to each Committee of the Board all of the functions relative to :

- a The respective terms of reference of those Committees.
- b Any minute of the Board making a special delegation to a Committee.

Each Committee may exercise and perform on behalf of, and in the name of the Board, all the powers and duties of the Board in relation to the functions so delegated.

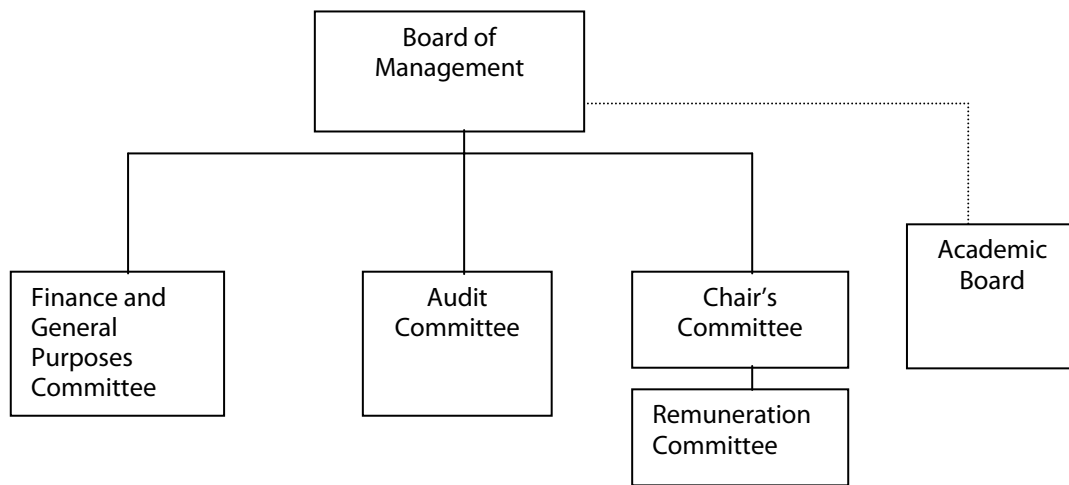
3 Delegation to the Principal

The Principal, as Chief Executive of the College, shall be responsible for the operational management of the College subject to strategic direction by the Board.

The functions listed are delegated to the Principal. The Principal may, in turn, delegate particular functions to other members of staff while retaining responsibility to the Board for the exercise of these functions.

- The Principal is Accounting Officer of the College and is responsible for controlling resources, using them efficiently and effectively and ensuring there is a financial dimension to decision making.
- The Principal is Chief Executive and is responsible for the operation of the College, ensuring the Board is appropriately advised of progress against targets and the achievement of the College's aims and objectives.
- The Principal is responsible for the internal organisation of the College and for the maintenance of good order and discipline.
- The Principal is Educational Leader and is responsible for determining the College curriculum, in line with the approved College Plans and for the academic and professional standards and quality of the College's activities.

C5 Committee Structure



C6 Finance and General Purposes Committee Terms of Reference

Membership

Chairman (ex officio).
Vice Chairman (ex officio).
Principal (ex officio).
5 other Board of Management members.

Quorum

The quorum shall be 5 members.

- 1 Consideration of the annual estimate of revenue income and expenditure.
- 2 Consideration of the annual estimate of capital income and expenditure.
- 3* Responsibility to ensure that appropriate control systems are in place:
 - a To administer and control all revenue and capital grants received from the Scottish Office and all other sources.
 - b To administer and control the payment of all monies due and the collection of all income due.
 - c To ensure the efficient management of the College Refectory and Halls of Residence.
 - d To administer and control matters relating to the repair, maintenance and upkeep of land, buildings etc.
- 4 Liaison with the Audit Committee in reporting to the Board on the state of the College's finances.
- 5 Generally the formulation of advice to the Board on financial matters and the supervision of the financial affairs of the Board.
- 6 Consideration and assessment of priorities for capital grant for new building work or the major modification of existing buildings.
- 7* The placing, variations and determination of contracts for new buildings or the major alteration of existing buildings.
- 8* Consideration of tenders received for any works the cost of which are in excess of £50,000.
- 9 The acquisition and/or disposal of heritable property whether by purchase/sale or lease.

- 10* Consideration of any proposals to obtain plant equipment furnishings or fittings the cost of which is expected to be more than £50,000.
- 11 The oversight of the Board's statutory functions and responsibilities as employer of the staff of the College.
- 12 Consideration of all matters relating to:
 - a The establishment and staffing structure of the College.
 - b The salaries, wages and conditions of service of all staff except the Principal, Executive and Managers as individual contracts with the Board.
- 13 Oversight of the disciplinary and grievance policies and procedures of the College.
- 14* Responsibilities for premature retiral policy.
- 15 Consideration of matters relating to staff relations including union recognition and local bargaining agreements.

The functions marked thus * stand delegated.

C7 Code of Audit Practice (SFC)

Code of Audit Practice (SFC)

C8 Audit Committee Terms of Reference

Membership

Vice Chairman (ex officio)

3 members of the Board of Management

- Board members not eligible for appointment are the Chair of the Board, the Principal, the Chair of the Finance and General Purposes Committee, the persons elected by the teaching staff and the non teaching staff of the College and the person appointed by the Students' Association.
- No member of the Finance and General Purposes Committee shall also be a member of the Audit Committee.
- The Chair of the Board, the Principal and the Chair of the Finance and General Purposes Committee shall be invited to attend meetings.
- The Committee shall meet at least three times a year.

Quorum

The Quorum shall be 2 members.

Objectives

The Audit Committee's main responsibilities include advising the Board on whether:

- There are systems in place to ensure that the College's activities are managed in accordance with legislation and regulations governing the sector.
- A system of governance, internal control and risk management has been established and is being maintained, which provides reasonable assurance of effective and efficient operations and produces reliable financial information.

Internal Control

- 1 Reviewing and advising the Board of Management of the internal and the external auditor's assessment of the effectiveness of the college's financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness; and
- 2 Reviewing and advising the Board of Management on its compliance with corporate governance requirements and good practice guidance.

Internal Audit

- 1 Advising the Board of Management on the selection, appointment or reappointment and remuneration, or removal of the internal audit provider.
- 2 Advising the Board of Management on the terms of reference for the internal audit service.
- 3 Reviewing the scope, efficiency and effectiveness of the work of internal audit, considering the adequacy of the resourcing of internal audit and advising the Board of Management on these matters.
- 4 Advising the Board of Management of the Audit Committee's approval of the basis for and the results of the internal audit needs assessment and the strategic and operational planning processes.
- 6 Approving the criteria for grading recommendations in assignment reports as proposed by the internal auditors.
- 7 Reviewing the internal auditor's monitoring of management action on the implementation of agreed recommendations reported in internal audit assignment reports and internal audit annual reports.
- 8 Considering salient issues arising from internal audit assignment reports, progress reports, annual reports and management's response thereto and informing the Board of Management thereof.
- 9 Informing the Board of Management of the Audit Committee's approval of the internal auditor's annual report.
- 10 Ensuring establishment of appropriate performance measures and indicators to monitor the effectiveness of the internal audit service.
- 11 Securing and monitoring appropriate liaison and co-ordination between internal and external audit.
- 12 Ensuring good communication between the Committee and the internal auditors.
- 13 Responding appropriately to notification of fraud or other improprieties received from the internal auditors or other persons.
- 14 Reviewing the Risk Management Register.

External Audit

- 1 Advising the Board of Management on the selection, appointment, annual reappointment and remuneration, or removal, of the external auditors and the scope of their work. The responsibility regarding selection may be delegated to an Evaluation Committee.

- 2 Considering the college's annual financial statements and the external auditor's report prior to submission to the Board of Management by the Finance and General Purposes Committee. Care should be taken, however, to avoid undertaking work that properly belongs to the Finance and General Purposes Committee. If within its terms of reference, the Committee should consider the external audit opinion, the Statement of Members' Responsibilities and any relevant issue raised in the external auditor's management letter.
- 3 Reviewing the external auditor's annual Management Letter and monitoring management action on the implementation of the agreed recommendations contained therein.
- 4 Advising the Board of Management of salient issues arising from the external auditor's management letter and any other external audit reports, and of management's response thereto.
- 5 Reviewing the statement of corporate governance.
- 6 Establishing appropriate performance measures and indicators to monitor the effectiveness of the external audit provision.
- 7 Reviewing the external audit strategy and plan.
- 8 Holding discussions with external auditors and ensuring their attendance at Audit Committee and Board of Management meetings as required.
- 9 Considering the objectives and scope of any non-statutory audit work undertaken or to be undertaken, by the external auditor's firm and advising the Board of Management of any potential conflict of interest.
- 10 Securing appropriate liaison and co-ordination between external and internal audit.

Value for Money

- 1 Establishing and overseeing a review process for evaluating the effectiveness of the college's arrangements for securing the economical, efficient and effective management of the college's resources and the promotion of best practice and protocols, and reporting to the Board of Management thereon.
- 2 Advising the Board of Management on potential topics for inclusion in a programme of value for money reviews and providing a view on the party most appropriate to undertake individual assignments considering the required expertise and experience.
- 3 Advising the Board of Management of action that it may wish to consider in the light of national value for money studies in the further education sector.

Advice to the Board of Management

- 1 Reviewing the college's compliance with the Code of Audit Practice and advising the Board of Management on this.
- 2 Producing an annual report for the Board of Management.
- 3 Advising the Board of Management of significant, relevant reports from the Scottish Funding Council and National Audit Office and successor bodies and, where appropriate, management's response thereto.
- 4 Reviewing reported cases of impropriety to establish whether they have been appropriately handled.

C9 Remuneration Committee Terms of Reference

Membership

Chairman

Vice Chairman

The Chairmen of each of the Standing Committees of the Board

The Chair of the Board of Management shall not chair the Remuneration Committee.

Quorum

The Quorum shall be 3 members.

To consider and make recommendations to the Chairmen's Committee on the remuneration package of the College Principal and such other senior staff whose remuneration and other terms and conditions are individually agreed with the Board, taking into account.

- 1 That College senior management should be fairly rewarded for their individual performance and contribution to the college's overall performance.
- 2 Where, in terms of senior management remuneration, the College stands in relation to other comparable institutions in the sector.
- 3 The relationship between the remuneration of the senior management and that of other employees of the college.
- 4 The benefits granted to senior management.
- 5 The adequacy of pension arrangements and also the cost implication of pension arrangements, including the pension effect of remuneration proposals.

C10 Chairmen's Committee Terms of Reference

Membership

The Chairman of the Board of Management
The Vice Chairman of the Board of Management
The Chairman of each of the Standing Committees of the Board
The Principal (ex officio)

Quorum

The Quorum shall be 3 members.

- 1 The exercise of the functions of the Board in any cases of urgency of which the Chairman of the Board with the Vice Chairman or the convener of a Standing Committee shall be the judge and where it is not practicable to convene a meeting of the Board.
- 2 At the specific request of the Board the consideration of matters of special interest which are not within the remit of another Standing Committee.
- 3 The establishment of a Remuneration Committee to consider and make recommendation to the Board on the remuneration package of the Principal and such other senior staff whose remuneration and other terms and conditions are individually agreed with the Board.
- 4 To consider and make recommendations on the Board's composition and on the procedures for the appointment of Board Members.
- 5 To receive proposals in respect of appointments to the Board and to recommend on such proposals. Consideration should be given to maintaining an appropriate balance of membership of the Board. Account should be taken of members and potential members other interests with a view to avoiding conflict.
- 7 To receive proposals from members of the Board in respect of appointments to casual vacancies on the Board and its Standing Committees and to make decisions thereon.
- 8 To review annually the membership and terms of reference of the Board's Standing Committees and to recommend to the Board any amendments or additions considered appropriate.

C11 Code of Conduct

For the

Members of the Board of Management of Perth College

Section 1: Introduction to the Code of Conduct

- 1.1 The Scottish public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties for the public body. You, as a member of the Board of Management of Perth College must meet those expectations by ensuring that your conduct is above reproach.
- 1.2 The Ethical Standards in Public Life etc. (Scotland) Act 2000 provides for new Codes of Conduct for local authority councillors and members of relevant public bodies; imposes on councils and relevant public bodies a duty to help their members to comply with the relevant code; and establishes a Standards Commission for Scotland to oversee the new framework and deal with alleged breaches of the codes.
- 1.3 As a member of the Board of Management, it is your responsibility to make sure that you are familiar with, and that your actions comply with, the provisions of this Code of Conduct.

Guidance on the Code of Conduct

- 1.4 You must observe the rules of conduct contained in this Code. It is your personal responsibility to comply with these. You must review regularly, and at least annually, your personal circumstances with this in mind, particularly when your circumstances change. You must not at any time advocate or encourage any action contrary to this Code of Conduct.
- 1.5 This Code has been developed in line with the key principles listed in Section 2 and provides additional information on how the principles should be interpreted and applied in practice. The Standards Commission for Scotland may also issue guidance. No Code can provide for all circumstances and if you are uncertain about how the rules apply, you should seek advice from the Board of Management. You may also choose to consult your own legal advisers and, on detailed financial and commercial matters, seek advice from other relevant professionals.

Enforcement

- 1.6 Part 2 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 sets out the provisions for dealing with alleged breaches of this Code of Conduct and the sanctions that shall be applied if the Standards Commission for Scotland finds that there has been a breach of this Code.

Section 2: Key Principles of the Code of Conduct

The general principles upon which this Code of Conduct are based are:

Public Service

You have a duty to act in the interests of the Board of Management and in accordance with the core tasks of the Board of Management.

Selflessness

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

Integrity

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

Objectivity

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

Accountability and Stewardship

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

Openness

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

Honesty

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

Leadership

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

Respect

You must respect fellow members of the Board of Management and employees of the Board of Management and the role they play, treating them with courtesy at all times.

You should apply the principles of this Code to your dealings with fellow members of the Board of Management and its employees.

C12 Academic Board Terms of Reference

Membership

Principal - Chair
AP Curriculum and Quality - Convenor
Curriculum Directors
4 Academic Staff Representatives (elected)
2 Support Staff Representatives (elected)
Quality Manager
Learning and Teaching Manager
MIS Manager
Chair of Research Committee
Librarian
Student President
Representative(s) from the Board of Management

Quorum

The quorum shall be 9 members

Terms of Reference

The Academic Board shall have, but not be limited to, responsibility for the functions of the Board of Management relating to the overall planning, co-ordination, development and supervision of the academic work of the College.

Within this overall remit the Academic Board shall have the specific function and responsibilities listed below:

- 1 Curriculum strategy.
- 2 Academic planning and development and review of the College's whole portfolio of courses.
- 3 Assistance in preparation of the annual Strategic and Operational Plans.
- 4 Advise the Board of Management on all matters academic including legislation, the establishment of tuition fees and fee waivers etc.
- 5 Curriculum quality.
- 6 Student progress, discipline, gradings and appeals.
- 7 Policies relating to the overall student experience.
- 8 Consideration and approval of the recommendations of the Standing Committees of the Academic Board.

- 9 Establishing the Research Strategy and overseeing the related activity.
- 10 Setting targets for and measuring academic performance.
- 11 Advising on the marketing and promotion strategy including the oversight of research into potential markets.
- 12 The establishment, implementation and monitoring of the College ICT Strategy as it relates to learning.
- 13 Establishing interaction with appropriate UHI bodies and policies.
- 14 The establishment and monitoring of Staff Development Policy to meet academic development and operational needs.
- 15 The appointment of cross College teams and other groups for specific purposes as appropriate.

The **Procedures for Election of Staff to the Academic Board are given in (D12)**.

Appointed members may change at the discretion of the Academic Board. Co-options are permitted to allow consideration of particular issues where specialist input is required.

Agreed by Academic Board: 16 Sept 2006

C13 Register of Members' Interests

Perth College Board of Management

Register of Interests (based on the Code of Conduct for the Members of the Board of Management)

Member Name	Gifts/ Hospitality	Remuneration	Related Undertakings	Contracts	Houses, Land & Buildings	Shares/ Securities	Non-financial
Jim Adamson		Managing Director – Speakeasy Productions					
Penny Brodie (Chair)		Perth & Kinross Association of Voluntary Service (PKAVS) – voluntary organisation registered as a charity, Chief Executive.	UHIMI – HE Institution. Invertay Social Investment Fund – providing loan finance to the social economy sector.		As a Director of Scotland's Garden Trust there is an interest in developing the land that will become the "Calyx" which includes land for greenhouses for the College and the Local Authority. This is a non financial interest (personally)		President Elect – Soroptimist International Perth. Chairman – Radio Perth Limited (operating Perth FM)

Perth College Board of Management

Register of Interests (based on the Code of Conduct for the Members of the Board of Management)

Member Name	Gifts/ Hospitality	Remuneration	Related Undertakings	Contracts	Houses, Land & Buildings	Shares/ Securities	Non-financial
James Calderhead		University of Dundee					Director of Scottish Institute for Enterprise (SIE), a limited company owned collectively by all Scottish universities. Vice-Chair of Fife and Tayside Wider Access Forum, an organisation funded by the SFC with a membership of all universities and colleges in Fife and Tayside.
Bill Duncan		HBOS PLC – Bank Director of External Affairs, Bank of Scotland Corporate					Director – Perthshire Chamber of Commerce Chairman – Perth Ice Rink (1988) Ltd, Central Scotland Ice Rink Ltd Director – Perth & Kinross Leisure Ltd

Perth College Board of Management

Register of Interests (based on the Code of Conduct for the Members of the Board of Management)

Member Name	Gifts/ Hospitality	Remuneration	Related Undertakings	Contracts	Houses, Land & Buildings	Shares/ Securities	Non-financial
Donald Jarvie		Jarvie Consulting – Business Consultant				HBOS RBS	Institute of Marketing Institute of Market Research Member of Chartered Institute of Bankers in Scotland
Ian Marr		Perth and District YMCA, Christian Youth Work, Chief Executive					
Iain Mathers		Iain Mathers, Business Consultant					
Alastair Napier		Company Secretary of Grassicks Garage Limited Glenappin Limited, Appindale Limited, Lakestream Limited – All Property companies. Commercial Legal Centre, 36 Tay Street, Perth, PH1 5TR		Legal work for Perth College as Partner of Commercial Legal Centre – contract period – 1 year.			

Perth College Board of Management

Register of Interests (based on the Code of Conduct for the Members of the Board of Management)

Member Name	Gifts/ Hospitality	Remuneration	Related Undertakings	Contracts	Houses, Land & Buildings	Shares/ Securities	Non-financial
Chris Smith		Chris Smith Associates – Professional Services and Broadcast Consultancy. Managing Director, Gamechangers Ltd – Training and Develop Sustainable Meetings – organises and supports husting meetings in run up to Scottish Elections 2007					Secretary of Sustainable Meetings – Social Enterprise.
Mandy Exley		Principal. Perth College	Air Service Training (AST) Chairman of Board				Board Member:- Perthshire Chamber of Commerce – Director Scottish Tourism Forum - Director
Norman Wilson		Lecturer – Perth College					
Margaret Antonson		Market Research Officer for Perth College & UHI					

D1 Risk Management Policy

Purpose

- 1 The Risk Management Policy forms part of the College's internal control and corporate governance arrangements.
- 2 The policy explains the College's underlying approach to risk management, documents the roles and responsibilities of the Board of Management, the Senior Management and Management Teams and other key parties. It also outlines key aspects of the risk management process and identifies the main reporting procedures.
- 3 In addition, it describes the process the Board of Management will use to evaluate the effectiveness of the College's internal control procedures.

Underlying Approach to Risk Management

- 4 The following key principles outline the College approach to risk management and internal control:
 - The Board of Management has responsibility for overseeing risk management within the College as a whole.
 - The Board of Management provides leadership within a framework of effective controls which enable risk to be assessed and managed.
 - The Principal and Senior Management Team support, advise and implement policies approved by the Board.
 - The College recognises and manages the financial and non-financial implications of risk.
 - Senior Managers and Managers are responsible for ensuring good risk management practice within their area of responsibility.
 - Significant risks and opportunities will be identified and closely monitored on a regular basis.

Role of the Board of Management

- 5 The Board of Management has a fundamental role to play in the management of risk. Its role is to:
 - a Set the tone and influence the culture of risk and opportunity management within the College.
 - b Determine the appropriate risk appetite or level of exposure for the College.

- c Approve major decisions affecting the College risk profile or exposure.
- d Ensure that risk management is integrated in strategic planning processes.
- e Monitor the management of key risks (those rated in excess of the risk appetite) to reduce their probability and impact.
- f Satisfy itself that the less significant risks are none the less being actively managed, with the appropriate controls in place and working effectively.
- g Annually review the College approach to risk management and approve changes or improvements to key elements of its processes and procedures.

Role of the Senior Management Team

- 6 Key roles of the Senior Management Team are to:
- a Implement policies on risk management and internal control.
 - b Identify and evaluate the significant risks faced by the College for consideration by the Board of Management.
 - c Provide accurate, timely and clear information to the Board of Management and its Committees on the status of risks and controls.
 - d Undertake an annual review of effectiveness of the system of internal control and provide a report to the Board of Management.

Risk Management as Part of the System of Internal Control

- 7 The system of internal control incorporates risk management. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the College to respond to strategic and operational risks. These elements include:
- a **Policies and Procedures**

College policies and procedures underpin the internal control processes of which risk management is part. These policies are agreed by the Board and implemented and communicated by the Senior Management Team and Management Team to staff. Written procedures support the policies where appropriate.
 - b **Quarterly Reporting**

Comprehensive quarterly reporting is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the Senior Management Team and the Board if appropriate.
 - c **Business Planning and Budgeting**

The business planning and budgeting process is used to set objectives, identify risks associated with achieving these objectives, agree action plans and

allocate resources. Progress towards meeting business plan objectives is monitored regularly through self evaluation and reporting.

d Strategic Risk Framework (significant risks only)

This framework is integrated with strategic planning and review. Within these processes the Senior Management Team undertake the identification, assessment and ongoing monitoring of risks significant to the College. A strategic risk register is formally appraised annually, emerging risks are added as required, and improvement actions and risk ratings are monitored regularly.

e Operational Risk Framework

Managers ensure that significant risks to the achievement of their operational objectives are identified, assessed and monitored. Operational risk is formally appraised annually at business planning, emerging risks are communicated as required, and improvement actions and risk ratings are monitored regularly by business units as an integral part of self evaluation.

f Project-Based Risk

The approval process for all capital projects and revenue projects (where College contribution is in excess of £250k and £100k respectively in value) includes the explicit consideration of risk. This determination and rating of risk must include the assessment of:

- Risk to achievement of business and project objectives.
- Significant financial and non-financial risks.

g Audit Committee

The Board of Management has delegated responsibility for risk management to the Audit Committee.

The Audit Committee is thus required to report to the Board on internal controls and alert Board members to any emerging issues. In addition, the committee oversees internal audit, external audit and management as required in its review of internal controls. The committee is therefore well-placed to provide advice to the Board on the effectiveness of the internal control system, including the College system for the management of risk.

h Internal Audit Programme

Internal audit is an important element of the internal control process. Apart from its normal programme of work, internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system.

i **External Audit**

External audit provides feedback to the Audit Committee on the operation of the internal controls reviewed as part of the annual audit.

j **Third Party Reports**

Outputs from all commissioned consultancy activities are used to strengthen the internal control system as appropriate.

Annual Review of Effectiveness

8 The Board is responsible for reviewing the effectiveness of internal control of the College, based on information provided by the Senior Management Team. Its approach is outlined below.

9 When reviewing reports during the year, the Audit Committee will:

- a Consider the key risks and assess how they have been identified, evaluated and managed.
- b Assess the effectiveness of the related system of internal control in managing key risks.
- c Consider whether necessary actions are being taken promptly to remedy any significant failings or weaknesses and;
- d Consider whether the findings indicate a need for a more extensive monitoring of the system of internal control

10 The Senior Management Team will prepare a report of its review of the effectiveness of the internal control system annually for consideration by the Board.

This report will include details of:

- a Changes during the year in the nature and extent of significant risks.
- b Scope and quality of risk monitoring.
- c The extent and frequency of communication to the Board and its Committees.
- d Any control failings or weaknesses.
- e The effectiveness of public reporting procedures.

D2 Whistleblowing Policy

1 Introduction

Individual members of staff have a right and responsibility to raise any matters of concern that they may have about maladministration, fraud or the delivery of tuition related activity and consultancy services to clients without fear of victimisation. This procedure outlines how staff may raise such matters and how they will be handled.

2 Principles

- This procedure should not be used as an alternative to the College's Complaints and Grievance Procedure where any employee is aggrieved about their own situation.
- Staff will be treated seriously and sensitively when they raise issues.
- Issues raised will be dealt with promptly and constructively.
- Where confidentiality is requested every effort will be made to adhere to this. However, this may not always be possible if an issue is to be pursued.
- Staff should not be victimised for raising any issues under this procedure.

3 Procedures

- When staff have a serious concern about any aspect of the provision of services they should raise it with an appropriate senior colleague in the first instance. However, if there are good reasons not to follow this route, there is an option to raise the matter with the Chairman of the Board or any other member of the Board of Management.
- At any meeting the staff member may be accompanied by a work colleague or a representative of a trade union or professional organisation.
- If the concern is straightforward and can be resolved quickly in the interests of those affected by the concern it will be brought to the attention of the Manager directly responsible for the service.
- Where the matter needs more detailed consideration either because of the complexity of the concern or the possibility of other proceedings an investigation will be undertaken by an appropriate individual.
- A record will be made of the outcome to be held by the College Secretary allowing monitoring of any occurring areas of concern.
- Any member of staff who raises a concern will be kept informed and in any event will have a response normally within 28 days.

4 **Confidentiality**

- This procedure has been created to avoid adverse effects on the College and therefore the livelihood of staff which might occur as a result of a more public and impersonal route being chosen.
- Staff have a duty of confidentiality to students, colleagues and other clients and information about any of those must not be revealed without the express consent of the individual concerned.

All staff should feel free to use this procedure if appropriate. The matter may be simple and a solution straightforward but when a member of staff expresses genuine concern to the right people the benefits can be enormous. This procedure should not allow avoidance of other procedures which may in circumstances be more appropriate.

D3 Protocols for Proposed Capital Projects

Proposed capital projects should be supported by:

- A statement that demonstrates the project's consistency with the strategic plans and estates strategy approved by the Board of Management.
- An initial budget for the project for submission to the Finance and General Purposes Committee and the estates committee. The budget should include a breakdown of costs including professional fees, VAT and funding sources.
- A financial evaluation of the plans together with their impact on revenue plus advice on the impact of alternative plans.
- An investment appraisal in an approved format which complies with funding body guidance on option and investment appraisal.
- A demonstration of compliance with normal tendering procedures and funding body regulations. This will require careful consideration where partnership arrangements are in place.
- A cash flow forecast.

D4 Protocols for Proposed Major Developments

Scope

Projects over £50,000 in value/College contribution.

Contents

The proposal should be supported by a business plan which sets out:

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

D5 Fraud Prevention Policy and Response Plan

Purpose

This Policy is established to set out the College Policy to avoid fraud and establish procedures to deal with fraud if it occurs. The College recognises its responsibility to prevent fraud and the documentation provides information in respect of key roles and responsibilities relating to the prevention of fraud. The Response Plan provides information relative to investigating the circumstances surrounding fraudulent activity and dealing with the impact of the business of the College.

Objectives

- Minimise the risk and impact of fraud.
- Create a culture which deters fraudulent activity.
- Create an environment which encourages its prevention while promoting its detection and reporting.

Systems

- Establish appropriate and effective systems of financial and management control.
- Establish an Audit Committee with a clear remit to ensure financial systems are in place.
- Appoint independent internal auditors to advise on, review and report on these systems and develop procedures to be followed by staff who have a suspicion of fraudulent activity.
- Establish a Fraud Response Plan setting out the procedures to be followed in the event of the reporting of possible fraud or the discovery of actual fraud. Publish appropriate guidance in the College's Financial Regulations to which all staff must apply.

Management Responsibility

The prime responsibility for preventing fraud lies with management through the implementation and operation of internal controls and the fostering of an anti fraud culture across the College. However while managers are responsible for assessing and controlling the level of risk within their areas of authority it is the responsibility of all staff to be aware of fraud and to take the necessary steps to minimise the risk to the College and where appropriate report their suspicions to a member of the Executive or a member of the Board as appropriate.

Systems of Internal Control

Internal controls such as budgetary controls, segregation of duties, internal checks and staff supervision are designed to minimise the incidence of fraud, limit its impact and assure its prompt detection. Prevention and detection of fraud is only possible where strong internal controls are present and constantly applied. Routine checks and monitoring by management

are therefore essential. The implementation of a culture strong management control will have a deterrent affect when it is known that management are actively involved in ensuring that procedures are followed. The Internal Audit Service assists management in preventing fraud by examining and evaluating the adequacy and effectiveness of internal control systems and by making recommendations for improvement. It is a condition of the Financial Memorandum between the SFEFC and the College that the College establishes a sound system of internal financial management and control.

Staff/Training

The recruitment of suitable staff is the College's first defence in preventing fraud and the adoption of best practice processes must be strictly adhered to. Staff provide the best protection against fraud and awareness of policy and procedures is fundamental to the effective operation of systems. This will be addressed as part of induction, formal staff training and regular notices regarding changes to financial procedures.

Reporting and Investigation

Having proper and consistently applied procedures for reporting and investigating fraud will have an important part to play in preventing further fraud. The College has developed a Fraud Response Plan for investigating and reporting on all suspected fraudulent activity. Such investigations will by necessity remain confidential but management will ensure that the lessons to be learned from each incident are disseminated to staff as appropriate.

Fraud Response Plan

Purpose

The purpose of this plan is to define authority levels, responsibilities for action and reporting lines in the event of a suspected fraud or irregularity. The use of the plan should enable the College to:

- Prevent further loss.
- Establish and secure evidence necessary for criminal and disciplinary action.
- Notify the Funding Council, if the circumstances are covered by the mandatory requirements of the Code of Audit Practice.
- Recover losses.
- Discipline staff found responsible for fraud.
- Deal with requests for references for employees disciplined or prosecuted for fraud.
- Review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud.
- Keep all personnel with a need to know suitably informed about the incident and the College's response.
- Establish lines of communication with the police for guidance.

- Inform the police where appropriate.
- Assign responsibility for investigating the incident.
- Establish circumstances in which external specialists should be involved.

Initiating Action

All actual or suspected incidents will be reported without delay to the College Secretary, the Principal or a member of the Board of Management. The College Secretary/the Principal will within 24 hours, hold a meeting of the following Project Group to decide on the initial response:

- HR Manager.
- Finance Director.
- A representative of the Internal Audit Service may also be invited to participate.

The project group will decide on the action to be taken. This will normally be an investigation, possibly led by Internal Audit. The decision by the project group to initiate a special investigation shall constitute authority to Internal Audit to commit time provided in the internal audit plan for special investigations if required, or contingency time, or to switch internal audit resources from planned audits. The approval of the College Audit Committee will be sought at this stage.

Prevention of Further Loss

Where initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the project group will decide how to prevent further loss. This may require the suspension of the suspects. It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.

In these circumstances, the suspect(s) will be approached unannounced. They will be supervised at all times before leaving the College premises. They will be allowed to collect personal property under supervision, but will not be allowed to remove any property belonging to the College. Any keys to premises, offices and furniture will be returned.

Advice will be obtained on the best means of denying access to the College while suspects remain suspended (for example, by changing locks and informing security staff not to admit the individuals to any part of the premises). Similarly, access permissions to the computer systems will be withdrawn without delay.

Internal Audit will be invited to consider whether it is necessary to investigate systems, other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the College's assets.

Establishing and Securing Evidence

A major objective in any fraud investigation will be the punishment of the perpetrators, to act as a deterrent to other personnel. The College will follow disciplinary procedures against any member of staff who has committed fraud. The College will normally pursue the prosecution of any such individual.

Internal Audit will:

- Maintain familiarity with the College disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation.
- Establish and maintain contact with the police where appropriate.
- Establish whether there is a need for audit staff to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act.
- Ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

Notifying the Funding Council

The circumstances in which the College must inform the Funding Council about actual or suspected frauds are detailed in the Funding Council's Code of Audit Practice. The Principal is responsible for informing the Funding Council of any such incidents.

Recovery of Losses

Recovering losses is a major objective of any fraud investigation. The Project Group will ensure that in all fraud investigations, the amount of any loss will be quantified. Repayment of losses will be sought in all cases.

Where the loss is substantial, legal advice will be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice will also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The College will normally expect to recover costs in addition to losses.

References for Employees Disciplined or Prosecuted for Fraud

The staff handbook includes a requirement that any request for a reference for a member of staff who has been disciplined or prosecuted for fraud will be referred to the HR Manager. The HR Manager will prepare any answer to a request for a reference having regard to employment law.

Reporting to the Board of Management

The incident matching the criteria in the Funding Council's Code of Audit Practice will be reported without delay by the Principal to the Chairs of both the Board of Management and the Audit Committee.

Any variation from the approved fraud response plan, together with reasons for the variation will be reported promptly to the chairs of both the Board of Management and the Audit Committee.

On completion of a special investigation, a written report will be submitted to the Audit Committee containing:

- A description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud.
- The measures taken to prevent a recurrence.
- Any action needed to strengthen future responses to fraud, with a follow-up report on whether or not the actions have been taken.

This report will normally be prepared by the Project Group.

Reporting Lines

The Project Group will provide a confidential report to the Chair of the Board of Management, the Chair of the Audit Committee, the Principal and the External Audit Partner. The scope of the report will include:

- Quantification of losses.
- Progress with recovery action.
- Progress with disciplinary action.
- Progress with criminal action.
- Estimate of resources required to conclude the investigation.
- Actions taken to prevent and detect similar incidents.

Responsibility for Investigation

The extent, complexity and source of the fraud will determine how the investigation will take place and in some circumstances might be led by representatives of the IAS.

Some investigations may require the use of technical expertise and in these circumstances, the Project Group may approve the appointment of external specialists to lead or contribute to the investigation.

Review of Fraud Response Plan

This plan will be reviewed for fitness of purpose at least annually or after each use. Any need for change will be reported to the Audit Committee for approval.

D6 Value for Money Policy

Introduction

Perth College recognises its responsibility to achieve value for money from all its activities, however they may be funded.

Perth College is committed to the pursuit of economy, efficiency and effectiveness as part of its corporate and academic strategy. The college will seek to adopt good practice and incorporate VFM principles in all its activities.

Objectives

To achieve good VFM, Perth College has set itself these objectives:

- To integrate VFM principles within existing management, planning and review processes.
- To adopt recognised good practice where this makes sense.
- To undertake VFM studies on areas of activity identified as worthy of review.
- To benchmark the college activities against other similar activities and organisations where this is considered useful.
- To respond to opportunities to enhance the economy, efficiency and effectiveness of activities.
- To promote a culture of continuous improvement.
- To demonstrate actively to both internal and external observers that the achievement of VFM is sought in all activities undertaken.
- To ensure that all staff recognise their continuing obligation to seek VFM for the institution as part of their routine activities.

Responsibility

The responsibility for VFM lies with the Board of Management and staff of the College and is not restricted to those with resource or financial responsibilities.

The Board of Management is required to satisfy itself and the Funding Councils that VFM is being sought and achieved from the use of public funds.

The Audit Committee is required to satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. The committee is also required to relay its view on the arrangements to the Board in its annual report. The Executive has the responsibility to put in place arrangements that will ensure VFM is being sought. The Executive also has a responsibility to keep the Board and Audit Committee advised of VFM issues.

Managers have the responsibility to maintain an awareness of good practices in their own area of operation and to ensure that these are followed appropriately.

All staff should endeavour to seek and achieve VFM in all activities and to bring to management's attention any opportunities for improvement.

Implementing a VFM Strategy

- 1 Once the strategy has been approved, the Executive will undertake to promulgate the strategy within the wider college community, seeking views and suggestions of VFM opportunities. This might be undertaken by a Steering Group set up specifically.
- 2 Following consultation, the group might then undertake an initial information-gathering exercise. This could:
 - Consider and take account of the extent to which VFM principles are already integrated into existing planning, resource allocation and review processes.
 - Identify areas of activity for review (these can include existing and new activities, as well those that are multi-disciplinary or cross-functional).
 - Take account of any evidence of existing performance (ideally comparative information), either over time or between colleges, to give an indication of the range of possible benefits. Performance measures could be used to assist in this process.
 - Consider any other evidence or management assessment of the performance of activities. This might cover activities that are already known to adopt good practice, and areas where there is, or may be, scope for improvement.
 - Focus on key issues. Agree other ways to assess the likelihood of benefit from a review, or other reasons why an activity might require attention (for example, because it is new or recently restructured).
 - Consider the extent of recent changes, which may mean that an activity is more or less likely to benefit from a VFM review.

- Consider the different methodologies available to conduct VFM reviews of activities.
- Consider the date of the last review of an activity, and by whom it was conducted.
- Consider how far ahead the College should look at any one time (say 3 to 5 years).

3 Following the above scoping exercise, the steering group will need terms of reference, a budget and resources to enable it to:

- Promote a culture of continuous improvement throughout the College.
- Review the results of the initial information-gathering exercise, and determine where there is scope for review.
- Prioritise activities for which there is scope for review, taking into account College priorities.
- Monitor VFM developments from all sources to ensure that an appropriate response can be made to new opportunities as they arise.
- Implement a plan of VFM studies – which may be conducted internally, externally or by the internal audit service (with the approval of the audit committee) – and benchmarking exercises. Working groups may be established for this purpose.
- Consider any VFM reports from the SHEFC and SFEFC, the National Audit Office, the internal audit service and any other relevant source, and take appropriate action on their recommendations.
- Monitor the implementation of any studies undertaken. This will include ensuring that agreed recommendations are implemented, and assessing the outcomes to see whether better VFM has been achieved (for example, through financial gains or better quality). Monitoring will also include following up all reviews after an agreed interval. (The ultimate measure of the value of a VFM study is the extent to which the improvements identified are achieved.)
- Ensure that market testing of all externally contracted services is properly conducted by line management at the agreed frequency, and consider other market testing opportunities.

- Encourage the adoption of good practice in all areas throughout the institution by all appropriate means, and review the reasons for not adopting recognised good practice in any area.
- Review existing performance indicators on key elements of the institution's activities to contribute to its assessment of economy, efficiency and effectiveness.

Reporting

- 4 Reports of VFM reviews would normally be prepared by a limited-life working group established by the steering group to oversee individual projects. This group will usually submit agreed reports to the steering group for comment. All reports and any action arising from them would normally be agreed with the line managers in the area reviewed and set out in an action plan. The action plan should include: the recommendations (or other opportunities for improvement), a management comment, a date by which agreed actions are to be implemented (or at least implementation started if the task is a long-term one), and the name of the officer responsible for implementation.
- 5 The VFM steering group can report the results of its work and key findings to the Executive and the Audit Committee if it considers this to be necessary.
- 6 The VFM steering group would submit brief details of its activities and findings to the executive at least annually. These activities and the findings and recommendation will be reported to the Audit Committee.
- 7 The Audit Committee may include an item on VFM issues on each Audit Committee meeting. This could include any items derived from the VFM steering group, internal audit, management or from any other relevant source.
- 8 In its annual report to the Board, the audit committee will state whether or not it is satisfied that satisfactory arrangements have been put in place by management to promote economy, efficiency and effectiveness. This report will need to be available in time for the governing body's review of the annual financial statements in December each year.

D7 Treasury Management Policy

To follow (currently under review)

D8 Project Management and Appraisal Policy

1 Purpose

- 1.1 The successful implementation of any project proposed and adopted by a member of the Senior or College Management Team requires a number of key features that will ensure appropriate and relevant levels of control are in place. These key features constitute a structure for managers to follow when proposing and implementing major projects.

2 Scope

- 2.1 A major project is any project that falls either within or out with agreed operational plans and which requires a level of investment of more than £5000

3 Definitions

- 3.1 Major projects are broken down into two categories
- those entailing an investment value of £5000 or more
 - those entailing a substantial investment value of £15000 or more.

4 Key Principles

- 4.1 Such projects should ensure that the following are present for any project as a minimum requirement.
- **A Senior Owner of the project:** Ideally at senior management level the key functions of this role are to provide high level support and guidance and also to lead the delivery of the project.
 - **A Project Manager:** This role is responsible for all aspects of the delivery of the project
 - **A Project Plan:** This should include at least:
 - A clearly stated project objective
 - A timetable including milestones
 - A budget
 - A resource allocation plan with roles and responsibilities
 - **Issues Log:** This log should identify all possible issues faced by the project. Each issue should be assessed in terms of severity and potential future impact and be allocated to an owner with sufficient influence to be able to take appropriate mitigating actions. Such mitigating action

should be documented within the issues log. It may be appropriate to combine the risk and issues logs.

- **Benefits Realisation Strategy:** This document should clearly identify the benefits to be delivered by this project. Such benefits should be SMART (Specific, Measurable, Achievable, Realistic and Time bound) and allocated to a specific individual preferable somebody at project board level.

4.2 Where there is a substantial level of investment of £15,000 or more the following principles will also apply:

- **The establishment of a Project Board:** This body should provide support to the Senior Owner and be comprised of both interested parties and those able to provide specialist knowledge. This body should meet regularly and have agreed terms of reference.
- **A Stakeholder Management Strategy:** This should clearly identify all the key stakeholders in this project and detail how each group is to be managed throughout the various stages of delivery.
- **A Communication Strategy:** This should identify all parties who either supply information to or require information from this project. In each case the nature, medium and frequency of communication should be established and agreed.
- **A Governance Strategy:** The governance strategy ensures that processes and procedures determined in the project plan are being followed accurately. There should also be a support element within this strategy such as an independent review process.
- **Risk Log:** This log should identify all possible risks faced by the project. Each risk should be assessed in terms of likelihood and severity and be allocated to an owner with sufficient influence to be able to take appropriate mitigating actions. Such mitigating action should be documented within the risk log

5 Responsibilities

5.1 This policy is the responsibility of the Director of Strategy and Planning

5.2 All Senior and College Managers are responsible for the implementation of the policy

5.3 Quality approval check of this policy is the responsibility of the Quality Manager who will arrange for the policy to be posted on the intranet.

6 Linked Policies/Related Documents

This Policy and related principles represents the basics of a project management structure. It is important that any attempts to adopt an overcomplicated approach are resisted as this would preclude the buy in to this concept from project teams necessary to ensure the successful delivery of projects. The project management structure needs to be a tool to aid project delivery not an additional burden on the project team.

The project plan should be made available to all stakeholders in the project in order to ensure there is transparency of aims, responsibilities and time lines.

7 Relevant Legislation

There is no directly relevant legislation to this Policy. No specific project planning tool or soft ware is recommended or required for the implementation of a project as this needs to be the most relevant package to the project in hand.

D9 General Conditions of Contract for the Supply of Goods

1 Interpretation

The following terms shall have the following meanings, except where the context is otherwise required. "Contract" means the Contract/Agreement concluded between the College and the Contractor, consisting of the Purchase Order, these Conditions and any other documents (or parts thereof) specified in the Tender Document and/or the Purchase Order, for the supply of any Goods and services.

"Contractor" means the person, firm or company who by the Contract undertakes to supply the Goods and to render such other Service to the College as is provided by the Contract, and, where the Contractor is an individual or a partnership, the expression shall include the personal representatives of that individual or of the partners, as the case may be and the expression shall also include any person to whom the benefit of the Contract may be assigned by the Contractor with the prior written consent of the College.

"Goods" means all goods, articles and services required under the Contract/Purchase Order to supply or in connection with which is required under the Contract to carry out.

"Loss" includes damage or destruction

"Month" means a calendar month.

"Person" includes a corporation, company, organisation or firm.

"Premises" means the location where the services are to be performed, as specified in the Contract/Purchase Order.

"Price" means the price of the Goods and/or the charge for the Services, excluding Value Added Tax, payable to the Contractor by the College under the Contract for the full and proper performance by the Contractor of his part of the Contract as determined under the provisions of the Contract.

"Purchase Order" means the document setting out the College's requirements for the Contract.

"Services" means the services to be provided under the Contract/Purchase Order and where the context so admits, include any materials, and Goods to be supplied thereunder.

"Specification" includes any plans, drawings, data, samples, patterns, or any other documents, which shall form part of the Contract.

“Supplier” means the person, firm or company who by the Contract undertakes to supply the Goods and to render such other Service to the College as is provided by the Contract, and, where the Supplier is an individual or a partnership, the expression shall include the personal representatives of that individual or of the partners, as the case may be and the expression shall also include any person to whom the benefit of the Contract may be assigned by the Contractor with the prior written consent of the College.

“College” means Perth College.

As used herein:-

- The masculine includes the feminine.
- The singular includes the plural; and vice versa.

2 Amendments and Variations

No amendment or variation in the terms and conditions of the Contract shall be valid unless previously agreed in writing between the College and the Contractor and no payment shall be made for unauthorised work.

3 Specification

The Goods shall be of the qualities and sorts described in and equal in all respects to the samples, patterns, specifications, plans, drawings, or any other documents, individually or collectively which form part of the Contract. Except insofar as may otherwise be indicated by a sample, pattern, specification, plan, drawing or other document the Goods shall be strictly in accordance with the latest relevant British/European Standards, or equivalent, where such exist, published before the date of the Contract, or otherwise shall be to the satisfaction of the College.

4 Goods

4.1 The Contractor shall supply to the College Goods, which conform in all respects to any particulars specified in the Purchase Order and/or Contract. Such goods supplied shall be to the reasonable satisfaction of the College. Where samples have been submitted, the Goods shall in all regards be equal to and in conformity with the samples, and be of the best quality and workmanship. The College may reject any Goods which do not satisfy the foregoing requirements as to satisfactory quality, workmanship, fitness for purpose for which they are required or are deficient in weight, quantity or measure or have not been supplied and delivered at the times and to the premises required by the College.

4.2 The Goods shall conform in all respects with the requirements of any statutes, orders, regulations or byelaws from time to time in force.

- 4.3 The Goods shall be fit and sufficient for the purpose for which such goods are ordinarily used and for any particular purpose made known to the Contractor by the College and the College relies on the skill and judgement of the Contractor in the supply of the Goods and the execution of the Contract.
- 4.4 No variation in the Goods to be supplied shall be accepted unless prior written agreement between the authorised representatives of the College and the Contractor has been provided.

5 Price of Goods and Services

- 5.1 The price of the Goods/services shall be as stated in the Contract and no increase in price shall be accepted by the College unless prior written acceptance by the College has been issued to the Contractor.
- 5.2 Value Added Tax, where applicable, shall be shown separately on all invoices as a strictly net extra charge.
- 5.3 No increase in the price may be made (whether on account of increased material, labour or transport costs, fluctuation in rates of exchange or otherwise) without the prior written consent of the College. Documentary evidence to support such an increase shall be required to be submitted to the Procurement Manager of the College for approval.
- 5.4 Goods shall be delivered free of charge to the College, in such quantities and at such times and to such premises as the College may require.
- 5.5 Unless otherwise agreed in writing by the College, the Contractor shall render a separate invoice in respect of each consignment delivered under the Contract.

6 Delivery

- 6.1 The Goods shall be delivered to the place(s) named in the Contract or on the Purchase Order(s) and at the time(s) and in the manner specified in the Contract or on the Purchase Order.
- 6.2 The Contractor should ensure that the Goods are properly packed and secured, with any requirements stipulated in the Contract/Purchase Order being actioned, and be in accordance with all UK and EC regulations.
- 6.3 The Contractor should comply with any additional reasonable instructions which from time to time the College may give with regard to the transportation of the Goods (provided that any extra cost necessarily incurred in so doing shall be borne by the College as an addition to the Contract/Purchase Order price).

- 6.4 Any access to premises and any labour and any equipment that may be provided by the College in connection with delivery shall be provided without acceptance by the College of any liability whatsoever and the Contractor shall indemnify the College in respect of any actions, suits, claims, demands, losses, charges, costs and expenses which the College may suffer or incur as a result of or in connection with any damage or injury (whether fatal or otherwise) occurring in the course of delivery or installation to the extent that any such damage or injury is attributable to any act or omission of the Contractor or any of the Contractor's sub contractors.
- 6.5 Where any access to the premises is necessary in connection with delivery or installation the Contractor and any of the Contractor's sub-contractors shall at all times comply with the reasonable requirements of an authorised College representative.
- 6.6 The time of delivery shall be of the essence and failure to deliver within the time promised or specified shall enable the College (at his option) to release himself from any obligation to accept and pay for the Goods and/or to cancel all or part of the Contract thereof, in either case without prejudice to his other rights and remedies.
- 6.7 When the Contract or Purchase Order issued under the Contract specifies that the Goods shall be handed over ex-works, the Contractor shall hand over or despatch the Goods accordingly, consigning them to such destinations as the College may require.

7 Property and Risk

Property and risk in the Goods shall without prejudice to any of the rights or remedies of the College (including the College's rights and remedies under Condition 9 hereof) pass to the College at the time of delivery.

8 Labelling and Packaging

- 8.1 The Goods shall be packed and marked in a proper manner and in accordance with the College's instructions and any statutory requirements and any requirements of the carriers. In particular the Goods shall be marked with the Purchase Order Number, the net, gross and tare weights, the name of the contents shall be clearly marked on each container and all containers of hazardous goods (and all documents relating thereto) shall bear prominent and adequate warnings. The Contractor shall indemnify the College against all actions, suits, claims, demands, losses, charges, costs and expenses which the College may suffer or incur as a result of or in connection with any breach of this Condition.
- 8.2 All packaging materials shall be considered non-returnable and shall be destroyed/recycled unless the Contractor's advice note states that such

materials shall be charged for unless returned. The College accepts no liability in respect of the non-arrival at the Contractor's premises of empty packages returned by the College unless the Contractor shall within 10 days of receiving notice from the College that the packages have been dispatched notify the College of such non-arrival.

9 Inspection/Rejection/Guarantee

- 9.1 The Contractor shall permit the College or his authorised representatives to make any inspections or tests he may reasonably require and the Contractor shall afford all reasonable facilities and assistance free of charge at his premises. No failure to make complaint at the time of such inspection or tests and no approval given during or after such tests or inspections shall constitute a waiver by the College of any rights or remedies in respect of the Goods.
- 9.2 The College may by written notice to the Contractor reject any of the Goods, which fail to meet the requirements specified in the Contract and/or on the Purchase Order. Such notice shall be given within a reasonable time after delivery to the College of the Goods concerned. If the College shall reject any of the Goods pursuant to this Condition the College shall be entitled (without prejudice to its other rights and remedies) either:
- a To have the Goods concerned as quickly as possible either repaired or replaced, by the Contractor with Goods which comply in all respects with the requirements specified herein.

or

 - b To obtain a refund from the Contractor in respect of the Goods concerned.
- 9.3 Any Goods rejected or returned by the College as described in Conditions 9.1 and 9.2 shall be removed from the College by the Contractor at the Contractor's risk and expense. This shall be actioned within such period as is stated in the notification of rejection, or if the notification of rejection makes no such provision, within 8 working days from receipt of such notification of rejection.
- 9.4 The College may reject the whole of any consignment of the Goods if inspection in accordance shows that
- a Such proportion or percentage of the Goods in that consignment as the Contract may specify as being appropriate for the purposes of this Condition

or

- b Samples taken indiscriminately from that consignment do not conform with the requirements of the Contract.

9.5 The guarantee period applicable to the Goods shall be 12 months from putting into service or 18 months from delivery, whichever shall be the shorter (subject to any alternative guarantee arrangements agreed in writing between the College and the Contractor). If the College shall within such guarantee period or within 30 days thereafter give notice in writing to the Contractor of any defect in any of the Goods as may have arisen during such guarantee period under proper and normal use the Contractor shall (without prejudice to any other rights and remedies which the College may have) as quickly as possible remedy such defects (whether by repair or replacement as the College shall elect) without cost to the College.

9.6 If the Contractor fails to remove the Goods or any of them in accordance with this Condition, the College may return the rejected Goods to the Contractor at the Contractor's risk, the costs of carriage being recoverable from the Contractor.

10 Damage in Transit

On dispatch of any consignment of the Goods the Contractor shall send to the College at the address for delivery of the Goods, an advice note specifying the means of transport, the place and date of dispatch, the number of packages and their weight and volume. The Contractor shall free of charge and as quickly as possible either repair or replace (as the College shall elect) such of the Goods as may either be damaged in transit or having been placed in transit fail to be delivered to the College provided that:-

- a In the case of damage to such Goods in transit the College shall within 30 days of delivery give notice to the Contractor that the Goods have been damaged.
- b In the case of non-delivery the College shall (provided that the College has been advised of the dispatch of the Goods) within 10 days of the notified date of delivery give notice to the Contractor that the Goods have not been delivered.

11 Payment

The Contractor shall render an account for the amount due to him upon delivery of the Goods or Services to the College. Unless otherwise agreed in writing by the College, the Contractor shall render a separate invoice in respect of each consignment delivered under the Contract. Such accounts must clearly indicate settlement terms and if the accounts are in accordance with the terms of the Contract and shall be paid by the College normally by the end of the month following that in which the invoice is received.

12 Patents, Information and Copyright

- 12.1 It shall be a condition of the Contract, except to the extent that the Goods incorporate designs provided by the College, that nothing done by the Contractor in the provision of the Goods shall infringe any patent, trade mark, registered design, copyright or other right in the nature of intellectual property of any third party and the Contractor shall indemnify the College against all actions, claims, demands, costs and expenses which the College may suffer or incur as a result of or in connection with any breach of this Condition.
- 12.2 All rights (including ownership and copyright) in any reports, documents, specifications, instructions, plans, drawings, patents, models or designs, whether in writing or on magnetic or other media, furnished to or made available to the Contractor by the College pursuant to this Contract/Purchase Order shall remain vested solely with the College and the Contractor shall not (except to the extent necessary for the implementation of this Contract/Purchase Order) without prior written consent of the College use or disclose any such specifications, plans, drawings, patterns, models or designs or any information (whether or not relevant to this Contract/Purchase Order) which the Contractor may obtain pursuant to this Contract/Purchase Order and in particular (but without prejudice to the generality of the foregoing) the Contractor shall not refer to the College or the Contract/Purchase Order in any advertisement without the College's prior written agreement.
- 12.3 The provisions of this Condition shall apply during the continuance of this Contract and after its termination howsoever arising.

13 Health and Safety

The Contractor represents and warrants to the College that the Contractor has satisfied himself that all necessary tests and examinations have been made or shall be made prior to delivery of the Goods to ensure that the Goods are designed and constructed so as to be safe and without risk to the health or safety of persons using the same, and that he has made available to the College adequate information about the use for which the Goods have been designed and have been tested and about any conditions necessary to ensure that when put to use the Goods shall be safe and without risk to health. The Contractor shall indemnify the College against all actions, suits, claims, demands, losses, charges, costs and expenses which the College may suffer or incur as a result of in connection with any breach of this Condition. The College may require the Contractor to show that the Goods bear a CE mark and may ask for a copy of the EC Declaration of Conformity, the Contractor shall comply with such requests timeously.

14 Indemnity and Insurance

- 14.1 Without prejudice to any rights or remedies of the College (including the College's rights and remedies under Condition 9 hereof) the Supplier shall indemnify and keep indemnified the College against all claims for personal injuries (including death) and all loss or damage of any kind whatsoever which may be attributed directly or indirectly to any of the goods and/or services supplied under the Contract/Purchase Order or which arise from or are incurred by reason of negligence of the Contractor or its employees or any infringement or alleged infringement of letters, patent design, copyright or other intellectual property right in any of the goods supplied and services provided under the Contract/Purchase Order and against all claims, demands, proceedings, damages, costs, charges and expenses whatsoever in relation thereto.
- 14.2 The Contractor's insurance cover, for Public and Product Liability cover for all such claims shall be to a minimum of £5,000,000.00 (or such greater sum as the Contractor may choose) for any one occurrence or series of occurrences arising out of one event.
- 14.3 The Contractor shall, prior to commencement of the Contract produce to the College the relevant policy or policies of insurance and if required the receipts of premiums paid. The Contractor shall in addition produce such evidence as the College may reasonably require that the insurance cover be in force throughout the duration of the Contract.

15 Corrupt Gifts or Payments

The Contractor shall not offer or give, or agree to give, to any employee or representative of the College any gift or consideration of any kind as an inducement or reward for doing or refraining from doing or for having done or refrained from doing, any act in relation to the obtaining or execution of this or any other contract with the College or for showing or refraining from showing favour or disfavour to any person in relation to this or any such Contract. The attention of the Contractor is drawn to the criminal offences created by the Prevention of Corruption Acts 1889 to 1916. The College shall be entitled to terminate the Contract and to recover from the Contractor the amount of any loss resulting from such termination, if the Contractor shall have been found to have breached this Condition.

16 Force Majeure

- a Neither party shall be liable to the other for any failure or delay in the performance of its obligations hereunder if such failure or delay occurs as a result of circumstances beyond a party's reasonable control including but not limited to industrial action, fire, flood, riot, war, Act of God, lightning, aircraft impact, explosion, civil commotion, malicious damage, storm, tempest, earthquake, legal enactment or governmental or other regulation.

- b Where as a result of the occurrence of any event beyond the reasonable control of a party as described in 16(a) above, the Contract has not been performed for a period exceeding two months or it appears impossible or unlikely that the whole or a substantial part of the Contract shall be capable of performance for a period exceeding two months, then the non-defaulting party may elect to terminate the Contract upon two weeks written notice without any liability on that party.

17 Racial Discrimination

The Contractor shall not unlawfully discriminate within the meaning and scope of the provisions of the Race Relations Act 1976 or any statutory modification or re-enactment thereof relating to discrimination in employment. The Contractor shall take all reasonable steps to secure the observance of these provisions by all servants, employees or agents of the Contractor and all sub-contractors employed in the execution of the Contract.

18 Termination

- 18.1 The College may at any time during the term of the Contract terminate the Contract without penalty and shall give twenty-eight days notice in writing to the Contractor of such intention. At the expiry of the said twenty-eight day period the Contract so far as regards any Goods and/or Services to be supplied under the Contract, shall in all respects cease and terminate.
- 18.2 The College reserves the right to resile from the Contract without penalty in whole or in part where increases or decreases in prices are considered, by the College, to be unreasonable.
- 18.3 If at any time, and from any cause, the Contractor shall fail to supply the College with any Goods or Services within the time mentioned in the Contract/Purchase Order and in accordance with the conditions thereof and of the Contract, or if he shall fail to replace any rejected Goods within eight days after receiving notice of such rejection, or if in any other respect the Contractor breaches, or fails to observe or perform any of his obligations under the Contract, the College may, if they consider fit, after giving the Contractor twenty-eight days notice in writing to terminate the Contract, enter into another Contract for the supply of such Goods or Services with some other firm or person or company. All losses, expenses, costs and charges incurred by the College in this connection shall be a debt due by the Contractor to the College and may be deducted from any monies in the hands of the College due to the Contractor or may be recovered by legal action.
- 18.4 Without prejudice to any other rights or remedies of the College under the Contract, the College shall have the right to forthwith terminate the Contract

by written notice to the Contractor or the appropriate trustee in bankruptcy or sequestration, receiver, liquidator or administrator:

a Where the Contractor is an individual and if a petition is presented for the Contractor's bankruptcy or the sequestration of his estate or a criminal bankruptcy order is made against the Contractor, or he is apparently insolvent, or he makes any composition or arrangement with or for the benefit of creditors, or makes any conveyance or assignment for the benefit of creditors, or if an administrator or trustee is appointed to manage his affairs.

or

b Where the Contractor is not an individual but is a firm or a number of persons acting together in any capacity, if any event in (a) or (c) of this Condition occurs in respect of the firm or any partner in the firm or any of those persons or a petition is presented for the Contractor to be wound up as an unregistered company.

or

c Where the Contractor is a company, if the company passes a resolution for winding-up or dissolution (otherwise than for the purposes of and followed by an amalgamation or reconstruction) or the court makes an administration order or a winding-up order, or the company makes a composition or arrangement with its creditors, or an administrator, administrative receiver, receiver or manager is appointed by a creditor or by the court, or possession is taken of any of its property under the terms of a Floating Charge.

19 Recovery of Sums Due

Whenever under the Contract/Purchase Order any sum of money is recoverable from or payable by the Contractor, that sum may be deducted from any sum then due, or which at any time may become due, to the Contractor under the Contract/Purchase Order or under any other agreement or contract with the College.

20 Assignment and Sub-Contracting

20.1 The Contractor shall not without the written consent of the College assign the benefit or burden of the Contract or any part thereof.

20.2 No sub-contracting by the Contractor shall in any way relieve the Contractor of any of his responsibilities under the Contract.

20.3 Where the Contractor enters into a sub-contract with a supplier or contractor for the purpose of performing the Contract, he shall cause a term to be

included in such sub-contract which requires payment to be made to the Supplier or Contractor within a specified period not exceeding 30 days from receipt of a valid invoice as defined by the sub-contract requirements.

21 Notices

Any notice given under or pursuant to the Contract may be sent by hand or by post or by registered post or by the recorded delivery service or transmitted by telex, telemessage, facsimile transmission or other means of telecommunication resulting in the receipt of a written communication in permanent form and if so sent or transmitted to the address of the party shown on the Contract or Purchase Order, or to such other address as the party may by notice to the other have substituted therefore, shall be deemed effectively given on the day when in the ordinary course of the means of transmission it would first be received by the addresses in normal business hours.

22 Confidentiality

The Contractor shall undertake to treat and keep confidential any information which may be derived from or obtained in the course of the Contract and shall not divulge the same to any third party without the prior written consent of the College. The Contractor shall take all necessary precautions to ensure that all such information is treated as confidential by the Contractor, and that his staff, agents and sub-contractors are similarly bound.

23 Publicity

The Contractor is prohibited from advertising or publicly announcing that he is supplying or has supplied any goods, articles, materials or provided services to the College without the prior written consent of the College and, in the event of the College giving such consent, the form of the advertisement or announcement shall also require the prior written consent of the College.

24 Submission of Tenders

No tender shall be considered unless:-

- i it is submitted in accordance with the Invitation to Tender enclosed with the issued tender document.
- ii Any samples requested by the College are submitted for examination on or before the date notified by the appropriate official of the College for submission thereof.

25 Acceptance of Tenders

The College do not bind themselves to accept the lowest or any Tender, and reserve the right to accept part only of a Tender.

26 Special Conditions

In addition to the foregoing General Conditions of Contract, the College may apply Special Conditions to meet its requirements as relating to any Contract for a particular commodity/service. The Special Conditions, which shall apply, are those hereto annexed (if any) and such Special Conditions shall be incorporated into the Contract.

27 Financial Vetting

- i In accordance with the College's Financial Vetting Procedures, Tenderers may be required to submit, on request, financial information and/or Bank References relating to their Company. Any Company failing to provide this information shall automatically be excluded from any further consideration in the Award of Contract procedure.
- ii In accordance with the terms of the Data Protection Act 1998 the College may make a search with a credit reference agency which shall keep a record of that search and shall share that information with other businesses. The College may also make enquiries about the principal Directors with a credit reference agency.

28 Arbitration

- 28.1 If any dispute or difference concerning the Contract shall arise between the College and the Contractor, then negotiations to resolve such dispute or difference shall be entered into between the College and the Contractor.
- 28.2 If the parties fail to reach agreement following such negotiations then either party may refer the dispute or difference to arbitration.
- 28.3 All arbitrations shall be undertaken in accordance with the Scottish Arbitration Code 1999 or any amendment thereto or replacement therefore ("the Code"), subject always to the provision of 28.5.
- 28.4 All arbitrations shall take place in Scotland and shall in all respects be governed by the Law of Scotland.
- 28.5 Notwithstanding the provisions of the Code, recourse to the Court of Session under Section 3 of the Administration of Justice (Scotland) Act 1972 shall be permitted.

28.6 If any matters arising out of or under this agreement are referred to arbitration, the parties shall continue to perform their obligations under this agreement throughout the period of arbitration.

29 Law

The Contract shall be governed by and construed in accordance with the Law of Scotland and the Contractor hereby irrevocably submits to the jurisdiction of the Scottish courts. The submission to such jurisdiction shall not (and shall not be construed so as to) limit the right of the College to take proceedings against the Contractor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

30 Freedom of Information (Scotland) Act

The College is subject to the Freedom of Information (Scotland) Act 2002 and Contractors and Tenderers should be aware that any information they provide to the College could be requested. The College shall only treat and accept as confidential any information which could substantially prejudice the commercial interests of the Contractor/Tenderer or be regarded as a "Trade Secret" which the College /Scottish Information Commissioner considers requires to be withheld from disclosure. "Substantially Prejudice" means that any harm to the Contractors/Tenderers interests would be real, actual and imminent (i.e. potentially harmful to the Contractor's/ Tenderer's interests within twelve months of any request for the information). Tenderers should highlight in their tender documentation the areas of that document which they consider to be intrinsically confidential or are considered as a "Trade Secret". The College shall not accept as confidential, information that does not have the necessary quality of confidence and does not meet the public interest test for disclosure.

Whilst the College shall accept information marked as confidential it can not guarantee that, if this information should be requested at any point, it shall be able to maintain the confidentiality of the information. Tenderers should ensure they are aware of the Freedom of Information (Scotland) Act, prior to submitting a tender.

D10 Public Procedure for Appointing New Board Members

The Further and Higher Education (Scotland) Act 1992 requires that:

“Not less than one half of the total number of members of the Board shall be appointed by the Board from among persons, not being members of the staff or fulltime students of the College, appearing to them to have experience of, and to have shown capacity in industrial, commercial or employment matters or the practice of any profession; and one such person shall be a person nominated by the Local Enterprise Company for the area in which the College is located.

The remaining members shall be appointed by the Board from among persons appearing to them to have, or to represent persons who have, an interest in the work of the College, having regard to the interests of the education authority for the area in which the College is situated in relation to the provision of any form of further education in their area.”

To ensure open recruitment processes and to assist in creating a balance within the membership, potential new members will be sought as follows.

- 1 An advertisement will be placed in the local press, inviting applications from people who may wish to contribute to the operation of the Board.
- 2 Existing Board members will be invited to submit nominations for membership
- 3 Consultation will take place with business, local authority, education related and other external organisations seeking their assistance in bringing nominations forward.

Interested applicants will be provided with appropriate background information about the College, the schedule of meetings and time commitment.

In return they will be invited to respond with a current curriculum vitae to include a synopsis of previous experience and current profession/employment information.

Potential new Board members will be invited to visit the College and meet with the Principal, Chair of the Board and other Board Members.

This process will allow a short list to be prepared, for consideration by the Chairmen’s Committee in accordance with its Terms of Reference. The Chairmen’s Committee will make recommendations to the Board on the appointment of new Board members.

New Board members will be required to submit:

- 1 A completed Register of Interests.
- 2 A Disclosure check

And to attend appropriate induction training, provided by the College or external agencies.

D11 Procedures for Election of Staff to the Board

The Clerk shall be responsible for the preparation and issue of nomination papers, the preparation, issue and counting of ballot papers and the publication of results.

The Clerk shall issue a statement of the vacancies and the willingness of and eligibility of existing members to stand again for election. The statement shall also serve as a nomination paper to be returned within two weeks of issue.

If the same number of nominations as there are vacancies is received and they are in order relative to eligibility, the candidates so nominated shall be deemed to have been elected unopposed.

If there are more nominations than vacancies the Clerk shall issue ballot papers to all indefinite members of academic/support staff as appropriate who are not ex officio members. All such staff shall be eligible to vote and those nominated receiving the highest numbers of votes shall be elected. Ballot papers where appropriate shall be issued within 3 weeks of seeking nominations. Ballot papers shall be returned to the Clerk within one week of issue.

The result of the ballot will be posted on Sharepoint.

Terms of Office

Elected members shall be entitled to hold office for four years. Elected members shall be eligible for nomination and re-election for a second term of four years.

D12 Procedures for Election of Staff to the Academic Board

- The support staff of the College shall be entitled to elect from among their own number 2 representatives for appointment to the Academic Board.
- The academic staff of the College shall be entitled to elect from among their own number one representative from their own Faculty for appointment to the Academic Board.

The Secretary to the Academic Board shall be responsible for the preparation and issue of nomination papers, the preparation, issue and counting of ballot papers and the publication of results.

The Secretary to the Academic Board shall issue a statement of the vacancies and the willingness of and eligibility of existing members to stand again for election. The statement shall also serve as a nomination paper to be returned within two weeks of issue.

If the same number of nominations as there are vacancies is received and they are in order relative to eligibility, the candidates so nominated shall be deemed to have been elected unopposed.

If there are more nominations than vacancies the Secretary to the Academic Board shall issue ballot papers to all indefinite members of academic/support staff as appropriate who are not ex officio members. All such staff shall be eligible to vote and those nominated receiving the highest numbers of votes shall be elected. Ballot papers where appropriate shall be issued within 3 weeks of seeking nominations. Ballot papers shall be returned to the Administration Manager within one week of issue.

The result of the ballot will be posted on Sharepoint.