



# FINANCIAL REGULATIONS

YEAR 2022 - 2023

## **FINANCIAL REGULATIONS**

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3.4 Chief Financial Officer shall be accountable to the Corporation for effective budgetary control within the approved revenue and capital budgets.

3.5 Budget Holders shall submit such information to the Chief Financial Officer as necessary to enable annual profiled estimates of revenue income and expenditure and capital expenditures to be submitted by t







## **Sales Contract Approval Levels**

**Value of purchase**



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

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- 7.4 All orders are raised by administrators and must be authorised by the appropriate Budget Holder. Further approval will be required by Finance Business Partners on purchase orders above £5,000 and by procurement on purchase orders over £25,000 (in line with tender rules set out in 7.10).
- 7.5 All orders for repairs to, and maintenance of, Activate Learning premises shall be placed through the Group Director of Property & Environment or delegated officer unless the Group Director of Finance specifically approves alternative arrangements.
- 7.6 Purchases of computer equipment, software or IT-related services shall be

Over £200,000











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

<b>Value of disposal NBV</b>	<b>Authorisation</b>
Up to £50,000	Group Director of Finance



14.3 Internal audit, if appointed, will have regard to value for money in its





## **APPENDIX A TENDERING PROCEDURES**

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

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

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

		CHECK WITH PROCUREMENT FOR EXISTING CORPORATE CONTRACTS OR CONSORTIUM FRAMEWORKS WHICH MAY BE SUITABLE TO USE					
Value	Goods & Services	Goods & Services £5,000 - £49,999	Goods & Services £50,000 £99,999	Goods & Services £100,000 c£178,000	Goods & Services Above c£178,000	Works/works related services 58,981	Works and works related services above c£4,447,000
<b>Legal requirement to publish</b>		All contract 25k must be published on the government website	The opportunity can be advertised on the government website and the award must be published on this website.	The opportunity can be advertised on the s award must be published on this website.	Must be advertised on Contracts finder and FTS simultaneously. Tender must be conducted using an e-tendering system.	Opportunity can be advertised. All contract awards value must be published on the government website.	Must be advertised on Contracts finder and FTS simultaneously. Tender must be conducted using an e-tendering system.
<b>Procurement process to be followed</b>	Ideally 3 quotes in writing. Select the lowest price or the most suitable.	Minimum of 3 written quotes required. Send a brief specification electronically, outlining timeframes and evaluation criteria (cost/quality considerations). Use a scoring sheet to evaluate offers objectively. Notifying unsuccessful supplier & provide feedback to them.	Minimum of 5 written quotes required. Send out a detailed specification electronically, outlining timeframes and evaluation criteria (cost/quality considerations). Use a scoring sheet to evaluate offers objectively. Notifying unsuccessful supplier & provide feedback to them. <b>A formal tender process should be used if the goods/services are deemed higher risk.</b>	Formal tender process applies. Draw up tender documents, including			

If over a 4 year period there are a series of smaller orders for goods or services order (and any subsequent ones) that breaks the threshold should be advertised in FTS even though by itself, it falls below that threshold (see table).

178k); then the individual



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

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

1. As part of the periodic physical checks (see para 11.2 of these regulations), assets that are no longer in use will be identified.
2. Consideration must be given to the guideline governing the disposal of land and buildings as set out in the Financial Memorandum.
3. The purchase price of the assets, the date of purchase and the current net book value will also be established.