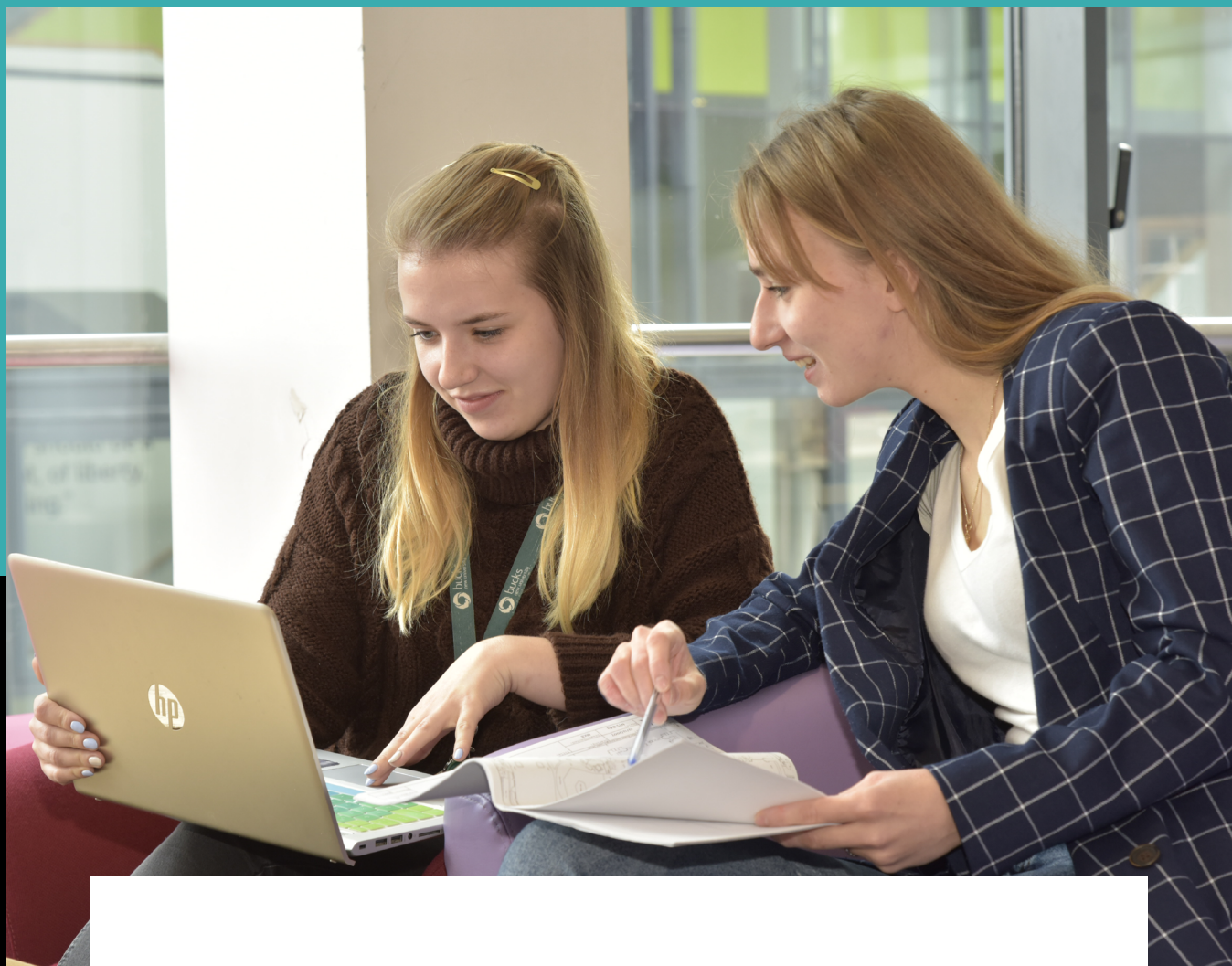




BUCKINGHAMSHIRE  
NEW UNIVERSITY

EST. 1891



# FINANCIAL REGULATIONS

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## Terminology

- 1 References to all University Boards and Committees should include any successor Boards and Committees.
- 2 Similarly, references to individual posts should include any successor posts with similar responsibility.
- 3 Budget Holder: The employee who has been assigned control of a budget and is accountable for it.
- 4 OFS: Office for Students - reference to the terms and conditions of the OFS also apply to those from Research England
- 5 Staff: All employees, including temporary and casual workers, irrespective of whether their appointment specifically includes financial responsibilities and however their employment is financed: together with anyone else who has any responsibility for the administration, management or expenditure of any University Income or conducts any University Business.

## Financial Regulations

### General Provisions

#### Background

- 6 The University is a higher education corporation created under the provisions of the Education Reform Act 1988, as amended by the Further and Higher Education Act 1992. Its structure of governance is laid down in the instrument and articles of government. The instrument of government can only be amended by primary legislation and the articles of government by the Privy Council. The University is accountable through its Council, which has ultimate responsibility for the effectiveness of its management and administration.
- 7 The University is an exempt charity by virtue of the Charities Act 2011, subject to regulation by the Office for Students (OFS).
- 8 The Terms and Conditions of Funding for HEIs (T&Cs) between the University and OFS (and Research England) sets out the terms and conditions which must be met for continuing status as a publicly funded University. The Council is responsible for ensuring that these conditions are met. Part of the T&Cs is an audit code of practice, which requires sound systems of financial and management control. These financial regulations are part of this overall system of control.

### Status of Financial Regulations

#### *General regulations*

- 9 This document was approved by the Council on 19<sup>th</sup> November 2018. It applies to the University and all its subsidiary undertakings.
- 10 These financial regulations are subordinate to the University's instruments and articles of government and to any restrictions contained within the T&Cs with the OFS.

- 11 The purpose of these regulations is to provide control over the use of the University's resources and provide Council with assurance that those resources are being properly applied for the achievement of the University's strategic plan and business objectives:
- Financial sustainability
  - Securing value for money
  - Ensuring the proper use of public funds
  - Ensuring that University funds are properly used for pursuing charitable purposes
  - Ensuring that the University complies with all relevant legislation
  - Safeguarding the assets of the University
- 12 Compliance with the financial regulations is compulsory for all employees. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the University's disciplinary policy. The Council will be notified of any such breach through the Audit Committee.

## Corporate Governance

### The Council

#### ***General regulations***

- 13 The Council is responsible for the oversight and governance of the University. Its financial responsibilities are defined in the Articles of Government and include, to:
- Ensure the solvency of the University
  - Safeguard the University's assets
  - Ensure the effective and efficient use of resources.
- 14 In discharging its responsibilities, the Council will also:
- Ensure that the funds provided by the OFS are used in accordance with the terms and conditions specified in their document
  - Ensure that financial control systems are in place and are working effectively
  - Ensure that the University complies with the OFS accountability and audit codes of practice
  - Approve the University's strategic plan
  - Approve annual estimates of income and expenditure and the annual financial statements
  - Appoint the University's internal and external auditors
  - Approve a system of financial regulations.
- 15 In carrying out the above responsibilities Council governs and regulates the finances, accounts, investments, property, business and all affairs of the University, taking account of potential equality matters as part of our Public Sector Equality Duty. It has power to invest monies belonging to the University and to sell, buy, exchange lease and accept leases of land and personal property. It may also borrow money on behalf of the University subject to the T&Cs of the OFS.

## **Accountable Officer**

### ***General regulations***

- 16 The Vice-Chancellor is the University's accountable officer responsible for the financial administration of the University's affairs. In this capacity, the Vice-Chancellor must advise the Council if, at any time, any action or policy under consideration by them appears to the Vice-Chancellor to be incompatible with the T&Cs. If the Council decides nevertheless to proceed, the Vice-Chancellor must immediately inform the chief executive of the OFS in writing.
- 17 The Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by the Council and for the management of budgets and resources within the estimates approved by the Council. As the accountable officer, the Vice-Chancellor may be required to justify any of the University's financial matters to the Public Accounts Committee at the House of Commons (or equivalent bodies in Scotland and Wales).

## **Committee Structure**

### ***General regulations***

- 18 The Council has ultimate responsibility for the University's finances. The Council may delegate specific powers and processes to the committees detailed below. These committees are accountable to the Council.

### ***Resources Committee***

- 19 Monitoring of the University's financial position and financial control systems is undertaken by the Resources Committee. The committee will examine annual estimates and accounts (including the accounting policies upon which they are based) and recommend their approval to the Council. 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 Council and make recommendations accordingly. The committee will also ensure that the Council has adequate information to enable it to discharge its financial responsibilities.

### ***Audit Committee***

- 20 Universities are required by their memorandum of assurance and accountability with the OFS and by the OFS audit code of practice to appoint an Audit Committee. The committee is independent, advisory and reports to the Council. 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 requirements of the University are set out in the OFS audit code of practice.

### ***Remuneration Committee***

- 21 Consideration of senior management's pay and conditions is the responsibility of the Remuneration Committee. It has the power to make recommendations to the Council on their remuneration, including pay and other benefits, as well as contractual arrangements.

## **Other Senior Managers with Financial Responsibility**

### ***The Director of Finance***

- 22 Day-to-day financial administration is the responsibility of the Director of Finance, who is answerable to the Vice-Chancellor for:
- Preparing annual capital and revenue budgets and financial plans
  - Preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations
  - Preparing the University's annual accounts and other financial statements and accounts which the University is required to submit to other authorities
  - Ensuring that the University maintains satisfactory financial systems
  - Providing professional advice on all matters relating to financial policies and procedures
  - Liaising with internal and external auditors in order to achieve efficient processes.

### ***Deputy / Pro Vice-Chancellors, Heads of School and Directors***

- 23 Deputy / Pro Vice-Chancellors, Heads of School and Directors are responsible to the Vice-Chancellor for financial management for the areas or activities they control. They are advised by the Director of Finance in executing their financial duties.
- 24 The Director of Finance will also supervise and approve the financial systems, including the form in which accounts and financial records are kept. Deputy / Pro Vice-Chancellors, Heads of School and Directors are responsible for establishing and maintaining clear lines of responsibility within their School and Directorates for all financial matters. Where financial responsibilities are devolved to budget holders, they are accountable to their line manager for their own budget.
- 25 Deputy / Pro Vice-Chancellors, Heads of School and Directors shall provide the Director of Finance with such information as may be required to enable:
- Compilation of the University's financial statements
  - Implementation of financial planning
  - Implementation of audit and financial reviews, projects and value for money studies.

### ***All members of staff***

- 26 All members of staff should be aware and have a general responsibility for the security of the University's property, for avoiding loss and for due economy in the use of resources.
- 27 They should ensure that they are aware of the University's financial authority limits and the values of purchases for which quotations and tenders are required (see Expenditure on page 22).
- 28 They shall make available any relevant records or information to the Director of Finance or their authorised representative in connection with the implementation of the University's financial policies, these financial regulations and the system of financial control.

- 29 They shall provide the Director of Finance with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the Council.
- 30 They shall immediately notify the Director of Finance whenever any matter arises which involves, or is thought to involve, irregularities concerning, inter alia, cash or property of the University. The Director of Finance shall immediately notify the Vice-Chancellor who should initiate such steps as he or she considers necessary by way of investigation and report.

## **Risk Management**

### ***General regulations***

- 31 The University 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 the University will be set out in a separate risk management strategy.
- 32 The Council has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the University through the development, implementation and embedment within the organisation of a formal, structured risk management process.
- 33 In line with this policy, the Council requires that the risk management strategy and supporting procedures include:
  - The adoption of common terminology in relation to the definition of risk and risk management
  - The establishment of university-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis
  - A decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes (see above)
  - A decision on the level of risk to be covered by insurance (see page 32)
  - Detailed regular review at School and Directorate 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 Council of all risks above established tolerance levels. This is conducted by review at Audit Committee once every term and a summary reported to Council annually
  - An annual review of the implementation of risk management arrangements.
- 34 The strategy and procedures must be capable of independent verification.
- 35 Deputy / Pro Vice-Chancellors, Heads of School and Directors must ensure that any agreements negotiated within their School and Directorate with external bodies cover



any legal liabilities to which the University may be exposed. The Director of Finance's advice should be sought to ensure that this is the case.

## **Whistle Blowing**

### ***General regulations***

- 36 Whistle blowing 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 whistle blowing can extend to malpractice occurring in the UK and any other country or territory.
- 37 Employees have a right and a duty to raise concerns which they may have which show malpractice or illegal practices in the University. This should be raised normally through their Manager/Head of School/Director but in circumstances where this is not appropriate they may approach the Deputy Vice-Chancellor or HR Directorate in confidence. No individual who expresses their views in good faith and in line with the guidance within the policy will be penalised for doing so.
- 38 The full procedure for whistle blowing is set out in the University's policy, called "Raising Issues of Concern (Whistleblowing) Policy" which is available from the University's web site or from the Academic Registry or Human Resources Directorate.

## **Code of Conduct**

### ***General regulations***

- 39 The University 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. These principles are set out at Appendix B. In addition, the University expects that staff at all levels will observe its code of conduct, contained in its detailed financial procedures, which covers:
  - Probity and propriety
  - Selflessness, objectivity and honesty
  - Relationships.
- 40 Additionally, members of the Council, senior management and those involved in procurement are required to disclose interests in the University's register of interests maintained by the clerk to Council. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the financial procedures.
- 41 In particular, no person shall be a signatory to a University contract where he or she also has an interest in the activities of the other party.
- 42 Additional information is included within the "Code of Conduct Policy" available from the Academic Registry or Human Resources Directorate.

**Receiving gifts or hospitality**

- 43 It is an offence under the Bribery Act 2010 for members of staff to accept 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 as set out in the sections below.
- 44 The conduct of individuals should not create suspicion of any conflict between their official duty and their private interest
- 45 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.
- 46 Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the University would be likely to provide in return.
- 47 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 Director of Finance. Guidance on acceptable hospitality is contained in the detailed financial procedures. For the protection of those involved, the Director of Finance (or other designated officer) will maintain a register of gifts and hospitality received where the value is in excess of £50. This register will be reported annually to the Resources Committee. Members of staff in receipt of such gifts or hospitality are obliged to notify the Director of Finance promptly.
- 48 Additional information is included in the University's *Anti-fraud and Corruption Policy* which is available from the University's web site.

**Criminal Finances Act**

- 49 The Criminal Finances Act 2017 came into force on the 30<sup>th</sup> September 2017. Tax evasion and its facilitation are already criminal offences however this holds an organisation liable where they fail to prevent those that work for them or on their behalf from criminally facilitating tax evasion. Whilst this is specifically about relevant bodies such as a University, an employee may also be committing the same offence in their personal capacity under the Taxes Management Act 1970.
- 50 Staff and other associated persons are reminded that they are required at all times to abide by the University's policies and procedures in the *Anti-fraud and Corruption Policy* and the *Criminal Facilitation of Tax Evasion Policy*.
- 51 Failure to comply with these policies and the obligations detailed in this Policy may result in disciplinary action for staff and termination of contract for other associated persons.

- 52 Should staff and other associated persons become concerned that a fellow employee or other associated person is facilitating tax evasion, they should immediately contact either; the Director of Finance, the Director of Human Resources; or a member of SMT or the Chair of Council or Chair of one of Council's subcommittees.
- 53 Members of staff may also raise concerns under the *Raising Issues of Concern (Whistleblowing) Policy*.
- 54 Staff should ensure they include this policy as part of an employee's induction and bring it to the attention of other associated persons that they deal with on behalf of the University.

## Financial Management and Control

### Financial Planning

#### ***General regulations***

- 55 The Director of Finance is responsible for preparing annually a rolling five-year financial plan, including a capital allocation for approval by the Council on the recommendation of the resources committee and for preparing financial forecasts for submission to the OFS. Financial plans should be consistent with the strategic plans and estates strategy approved by the Council.

#### ***Budget objectives***

- 56 The Council may, from time to time, set budget objectives for the University. These will help the Director of Finance in preparing their more detailed financial plans for the University.

#### ***Resource allocation***

- 57 Resources are allocated annually by the Council on the recommendation of the Resources Committee, and on the basis of the above objectives. Deputy / Pro Vice-Chancellors, Heads of School and Directors are responsible for the economic, effective and efficient use of resources allocated to them.

#### ***Budget preparation***

- 58 The Director of Finance is responsible for collating each year an annual revenue budget and capital allocation for consideration by the Resources Committee before submission to the Council. The budget should also include a cash flow forecast for the year, a projected outcome against the University's bank covenants and a projected year-end balance sheet. The Director of Finance must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to Deputy / Pro Vice-Chancellors, Heads of School and Directors as soon as possible following their approval by the Council.
- 59 During the year, the Director of Finance is responsible for submitting revised forecasts to the Resources Committee for consideration before submission to the Council for approval.

#### ***Capital programmes***

- 60 The capital allocation includes all expenditure on land, buildings, equipment, and furniture and associated costs whether or not they are funded from capital grants or

capitalised for inclusion in the University's financial statements. Expenditure of this type can only be considered as part of the capital allocation approved by the Council.

- 61 The University Capital Projects Group (CPG) will establish protocols for the inclusion of capital projects in the capital allocation for approval by the Council where delegated authorities determine. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet.
- 62 The CPG will also establish procedures for the approval of variations, including the notification of large variations to the OFS, as laid down in OFS guidelines.
- 63 The Director of Finance is responsible for providing regular statements concerning all capital expenditure against the budgeted allocation to Resources Committee for monitoring purposes.
- 64 Following completion of a capital project, a post-project evaluation or final report should be submitted to the University CPG, 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 and / or the OFS, as laid down in OFS guidelines.

#### ***Overseas activity***

- 65 In planning and undertaking overseas activity, the University must have due regard to the relevant guidelines issued by the OFS.

#### ***Other major developments***

- 66 The Director of Finance will establish protocols for major developments above the CPG authorisation limits to enable them to be considered for approval by the Council. These will set out the information that is required for each proposed development as well as the financial criteria that they are required to meet. This will apply to projects above £2m and / or non-campus spend in excess of £500k.

### **Financial Control**

#### ***Budgetary control***

- 67 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 Head of School and / or Director for the income and expenditure appropriate to their budget.
- 68 Significant departures from agreed budgetary targets must be reported immediately to the Director of Finance by the Head of School and / or Director concerned and, if necessary, corrective action taken.

#### ***Financial information***

- 69 The budget holders are assisted in their duties by management information provided by the Director of Finance. The management information available to the different levels of management, together with the timing at which the information can be expected, is subject to agreement between the Director of Finance and the budget holders.

- 70 The Director of Finance is responsible for supplying budgetary reports on all aspects of the University's finances to the Resources Committee on a basis determined by the Resources Committee but subject to any specific requirements of the OFS. The relevant extracts from the overall position are presented to the Council, which has overall responsibility for the University's finances.

***Changes to the approved budget***

- 71 The Director of Finance will consider changes to the approved budget and report as appropriate to the Resources Committee, which will make proposals to the Council.

***Virement***

- 72 Virements between budgets are discouraged and must be agreed as below. Virements between budget income and expenditure lines are not possible. Virements between individual budget lines can only happen where agreed with finance and highlighted in subsequent reports to SMT.
- 73 Where a budget holder is responsible for more than one budget, virement is permitted with the written approval of the Head of School and / or Director.
- 74 Virement between budgets held by different budget holders is permitted with the written approval of the transferring budget holder and the Head of School and / or Director.
- 75 All virements must be passed showing the appropriate level of approval, to the Director of Finance. Virements can only be considered to be in force when they are recognised and reflected by Central Finance.

***Treatment of year-end balances***

- 76 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 approved by the Director of Finance. Such approval will only be given in exceptional circumstances.

**Accounting Arrangements**

***Financial year***

- 77 The University's financial year will run from 1 August until 31 July the following year.

***Basis of accounting***

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

***Format of the financial statements***

- 79 The financial statements are prepared in accordance with the extant statement of recommended practice SORP: Accounting for further and higher education 2015, as relevant. They are also prepared in accordance with applicable Accounting Standards and conform to guidance published by the OFS in the form of an Accounts Direction for the applicable financial year.

***Capitalisation and depreciation***

- 80 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.

- 81 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.
- 82 Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item is £5,000 or more. Capitalised assets other than land and buildings will be depreciated over their useful lifetime.

### ***Accounting records***

- 83 The Director of Finance is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.
- 84 The University is required by law to retain prime documents for six years. These include:
  - Official purchase orders
  - Paid invoices
  - Accounts raised
  - Bank statements
  - Copies of receipts
  - Paid cheques
  - Payroll records, including part-time lecturers' contracts.
- 85 The Director of Finance will make appropriate arrangements for the retention of electronic records.
- 86 Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as regional development agencies.
- 87 Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder.

### ***Public access***

- 88 The University is a public authority under the terms of the Freedom of Information Act 2000 and it is required to supply any person with the right of access to information held, including the annual financial statements. To assist with this obligation, all recent financial statements are available on the University's web site.

### ***Taxation***

- 89 The Director of Finance is responsible for advising Deputy / Pro Vice-Chancellors, Heads of School and Directors, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the University. Therefore the Director of Finance will issue instructions to School and Directorates on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.
- 90 The Director of Finance is responsible for maintaining the University's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

## Audit Requirements

### **General**

- 91 External auditors and internal auditors shall have authority to:
- Access University premises at reasonable times
  - Access all assets, records, documents and correspondence relating to any financial and other transactions of the University including records belonging to third parties, such as contractors when required
  - Require and receive such explanations as are necessary concerning any matter under examination
  - Require any employee of the University to account for cash, stores or any other University property under their control.
- 92 The Director of Finance is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.
- 93 Following review by both the Audit and Resources Committees, and on their recommendation, the financial statements will be submitted to the Council for approval.

### **External audit**

- 94 Whilst the contract for external audit may be granted for a period of three to five years, in accordance with Public Procurement Regulations, the appointment of external auditors will be confirmed annually during the period of the contract and is the responsibility of the Council. The Council will be advised by the Audit Committee.
- 95 The primary role of external audit is to report on the University's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the OFS audit code of practice and the Auditing Practices Board's statements of auditing standards.

### **Internal audit**

- 96 The responsibilities of the Internal Auditor are laid out in the OFS Audit Code of Practice – see Appendix C. The internal auditor is appointed by the Council on the recommendation of the Audit Committee. This is normally for a period of 3 to 5 years.
- 97 The University's memorandum of assurance and accountability with the OFS requires that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in the OFS audit code of practice. The main responsibility of internal audit is to provide the Council, the Vice-Chancellor and senior management with assurances on the adequacy of the internal control system.
- 98 The internal audit service remains independent in its planning and operation but has direct access to the Council, Vice-Chancellor and chair of the Audit Committee. The internal auditor will also comply with the Auditing Practices Board's auditing guideline, Guidance for Internal Auditors.

***Fraud and corruption***

- 99 It is the duty of all members of staff, management and the Council to notify the Director of Finance immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.
- 100 The Director of Finance shall immediately invoke the fraud response plan, which incorporates the following key elements:
- He or she will notify the Vice-Chancellor and the Audit Committee (through its chair) of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report
  - The Vice-Chancellor shall inform the police if a criminal offence is suspected of having been committed
  - Any significant cases of fraud or irregularity shall be reported to the OFS in accordance with their requirements as set out in the audit code of practice
  - The Audit Committee shall commission such investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate
  - The internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the Audit Committee on the suspected irregularity. Such report shall include advice on preventative measures.
- 101 If the suspected fraud is thought to involve the Director of Finance and / or the Vice-Chancellor, the member of staff shall notify the chair of the Audit Committee without delay of their concerns regarding irregularities.
- 102 Additional information is included in the University's Anti-fraud and Corruption Policy which is available from the University's web site.

***Value for money***

- 103 It is a requirement of the memorandum of assurance and accountability that the Council of the University 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 the OFS, the National Audit Office, the Public Accounts Committee or other relevant bodies.
- 104 To fulfil this responsibility, the Council will report each year through the Annual Report and Accounts value for money work that will provide evidence of compliance with the OFS requirements. It will be used to enable the Audit Committee to refer to value for money in their annual report.

***Other auditors***

- 105 The University may, from time to time, be subject to audit or investigation by external bodies such as the OFS, National Audit Office, European Court of Auditors, HM Revenue and Customs. They have the same rights of access as external and internal auditors. This guidance may change when the UK's withdrawal from the EU is determined and the regulations will be amended accordingly.



## **Treasury Management**

### ***Treasury management policy***

- 106 The Resources Committee is responsible for approving a treasury management policy statement (based on CIPFA's Treasury Management in the Public Services: Code of Practice together with cross-sector guidance and sector-specific guidance) setting out a strategy and policies for cash management, long-term investments and borrowings. This will require compliance with OFS rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the memorandum of assurance and accountability. The Resources Committee has a responsibility to ensure implementation, monitoring and review of such policies.
- 107 All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Director of Finance and an appropriate reporting system set up. All borrowing shall be undertaken in the name of the University and shall conform to any relevant OFS requirements. The Director of Finance and his staff are required to act in accordance with CIPFA's Code of Practice.
- 108 The Director of Finance will report to the Resources Committee annually on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him or her.

### ***Appointment of bankers and other professional advisers***

- 109 The Council is responsible for the appointment of the University's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Resources Committee. The appointment shall be made in accordance with the public procurement regulations requirements at the time of such appointments.

### ***Banking arrangements***

- 110 The Director of Finance is responsible, on behalf of the Resources Committee, for liaising with the University's bankers and other financial institutions in relation to the University's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the Director of Finance, who shall make proper arrangements for their safe custody.
- 111 Only the Director of Finance may open or close a bank account for dealing with the University's funds. All bank accounts shall be in the name of the University or one of its subsidiary companies.
- 112 Bank mandates and authorisations for bank documents shall be in accordance with the instructions of the Resources Committee.
- 113 All automated transfers on behalf of the University, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Resources Committee. Details of authorised persons and limits shall be maintained by the Director of Finance.
- 114 The Director of Finance is responsible for ensuring that all bank accounts are subject to regular reconciliation, at least monthly, and that large or unusual items are investigated as appropriate.

## **Income**

### ***General***

- 115 The Director of Finance is responsible for ensuring that appropriate procedures are in operation to enable the University to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the Director of Finance.
- 116 Levels of charges are routinely set by the operational management but some, particularly for fees, rents and lettings are approved by the Resources Committee on behalf of Council.
- 117 The Director of Finance is responsible for the prompt collection, security and banking of all income received.
- 118 The Director of Finance is responsible for ensuring that all grants notified by the OFS and other bodies are received and appropriately recorded in the University's accounts.
- 119 The Director of Finance is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

### ***Maximisation of income***

- 120 It is the responsibility of all staff to ensure that revenue to the University 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 Director of Finance of sums due so that collection can be initiated.

### ***Receipt of cash, cheques and other negotiable instruments***

- 121 All monies received within School and Directorates from whatever source must be recorded by the School and Directorates on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments.
- 122 All monies received must be paid to the cashier promptly, and in accordance with a timetable prescribed by the Director of Finance and set out in financial procedures. The custody and transit of all monies received must comply with the requirements of the University's insurers.
- 123 All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous School and Directorate expenses or be paid into the School and Directorate's petty cash float. Personal or other cheques must not be cashed out of money received on behalf of the University.
- 124 Receipts by credit or debit card: the University may only receive payments by debit or credit card using procedures approved by the Director of Finance.
- 125 Internet receipts: any member of staff wishing to arrange for payment to be made to the University by the internet should seek guidance from the Director of Finance at an early stage.

**Collection of debts**

126 The Director of Finance should ensure that:

- Debtors' invoices are raised promptly on official invoices, in respect of all income due to the University
- 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 reports prepared for management.

127 Only the Director of Finance can implement credit arrangements and indicate the periods in which different types of invoice must be paid.

128 Requests to write off debts in excess of £50,000 must be referred in writing to the Director of Finance for submission to the Resources Committee for consideration. Debts below this level may be written off with the permission of the Director of Finance.

**Student fees**

129 The procedures for collecting tuition and residence fees must be approved by the Director of Finance. He or she is responsible for using all endeavours to ensure that all student fees due to the University are received.

130 Any student who has not paid an account for tuition fees owing to the University shall not receive the certificate for any degree, diploma or other qualification awarded by the University until all outstanding tuition fee debts have been cleared. Such students with an academic debt shall be prevented from re-enrolling at the University and from using any of the University's facilities unless appropriate arrangements have been made.

**Student loans**

131 Appropriate records will be maintained to support all transactions involving student fees, whether they are paid directly by the student or through the Student Loans Company.

**Emergency / hardship loans**

132 The University's scheme for emergency/hardship loans must be approved by the appropriate sub-committee of Council. This will include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made other than in accordance with the approved scheme.

133 The Academic Registrar is responsible for ensuring the adequacy of the systems in place for approving loans in accordance with the scheme and with the Director of Finance, ensuring systems are in place for paying loans that have been approved and recovering loans that have been paid.

## Research Grants and Contracts

### **General**

- 134 Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective. It can use existing knowledge in experimental development to produce new or substantially improved materials, devices, products and processes including design and construction. It excludes routine testing and analysis of materials, components and processes.
- 135 The term 'research grant' is restricted to research projects funded by UK Research and Innovation, charities and the higher education funding bodies.
- 136 All other externally financed research projects are classified as 'research contracts'.
- 137 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 School and / or Director to ensure that the financial implications have been appraised by the Director of Finance. This will include obtaining a set of grant terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance.
- 138 The Pro Vice-Chancellor Research & Enterprise (R&E) is, in consultation with the Director of Finance, responsible for examining every formal application for grant and shall ensure that there is adequate provision of resources to meet all commitments. Between them they should ensure that the full cost of research contracts is established. The research agreement must be in line with the University'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.
- 139 Research grants and contracts shall be accepted on behalf of the University by the Pro Vice-Chancellor R&E.
- 140 The Director of Finance shall maintain all financial records relating to research grants and contracts and the Pro Vice-Chancellor R&E shall initiate all claims for reimbursement from sponsoring bodies by the due date.
- 141 Each grant or contract will have a named supervisor or grant holder and will be assigned to a specific budget holder.
- 142 Control of pay and non-pay expenditure will be contained within the budget centre. The head of the budget centre may delegate day-to-day control of the account to a supervisor 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 their funds.

### **Recovery of overheads**

- 143 Appropriate levels of overheads will be costed to research activity whether or not the funding arrangements permit full recovery.

**Costing / transparency**

- 144 The University has agreed to adopt the principles on costing and pricing recommended by the Joint Costing and Pricing Steering Group (JCPSG), subsequently incorporated into the HE sector's Transparent Approach to Costing (TRAC) costing methodology.
- 145 Staff undertaking research activity will maintain the records specified by the Director of Finance to enable compilation of returns to the OFS which meet the requirements of the annual TRAC returns.

**Grant and contract conditions**

- 146 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 the University will suffer a significant financial penalty. It is the responsibility of the named supervisor or grant holder to ensure that conditions of funding are met.
- 147 Any loss to the University resulting from a failure to meet conditions of funding is the responsibility of the budget holder, and will be charged against their budgeted funds.

**Other Income-Generating Activity****Private consultancies and other paid work**

- 148 Unless otherwise stated in a member of staff's contract:
- Outside consultancies or other paid work may not be accepted without the consent of the Head of School or Director (and in the case of the Head of the School or Director, the Vice-Chancellor)
  - Applications for permission to undertake work as a purely private activity must be submitted to the Head of School or Director or Vice-Chancellor, as appropriate, and include the following information:
    - The name of the member(s) of staff concerned
    - The title of the project and a brief description of the work involved
    - The proposed start date and duration of the work
    - Full details of any University resources required (for the calculation of the full economic cost)
    - An undertaking that the work will not interfere with the teaching and normal University duties of the member(s) of staff concerned.
  - The above requirements do not apply to external examiners.

**Short courses and services rendered**

- 149 In this context a short course is any course which does not form part of the award-bearing teaching load of the School or Directorate.
- 150 Any staff wishing to run a short course must have the permission of their Head of School and / or Director. The course organiser will be responsible to the Head of School and / or Director for day-to-day management of the course.
- 151 The term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information.

***European Union (EU) and other matched funding***

- 152 Any such project requires the approval of the Director of Finance prior to any commitment being entered into. Such approval shall be dependent upon the relevant Head of School or Director being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of the University's costing and pricing policy.
- 153 Individual applications for funds in excess of £500,000 shall be the subject of a report by the Vice-Chancellor to the Resources Committee which will set out, amongst other things, the potential risks generated by the project.
- 154 If the University sub-contracts such work to external providers, the relevant Head of School or Director 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.
- 155 This guidance may change when the UK's withdrawal from the EU is determined and the regulations will be amended accordingly.

***Profitability and recovery of overheads***

- 156 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 agreed by the Head of School or Director and the Director of Finance.
- 157 Other income-generating activities organised by members of staff must be costed and agreed with the Director of Finance before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the University's costing and pricing policy, in particular for the recovery of an appropriate level of overheads.

***Deficits***

- 158 Any unplanned deficits incurred on other income-generating activities will be charged to School and Directorate funds.

***Additional contributions to Schools and Directorates***

- 159 Distribution of profits on other income-generating activity between central funds of the University and individual School and Directorates will be in accordance with the University's policy.

***Additional payments to staff***

- 160 Any proposal that involves additional remuneration to members of staff should be supported by a schedule of names and values and must be approved by the Head of School and / or Director, and in the case of a Head of School or Director, the Vice-Chancellor. Additional payments to senior staff above the level of Head of School or Director, should be approved by the Remuneration Committee.

## Intellectual Property Rights and Patents

### *Intellectual property rights*

- 161 In the event of the University deciding to become involved in the commercial exploitation of intellectual property, the matter should then proceed in accordance with the intellectual property procedures issued by the University.

## Expenditure

### *General*

- 162 The Director of Finance is responsible for making payments to suppliers of goods and services to the University.

### *Scheme of delegation / financial authorities*

- 163 The Director of Finance shall maintain a matrix of delegated authorities, specifying the usual authority limits for all relevant posts. Exceptions to these limits, whether temporary or permanent, shall only be allowed with prior authority of the Vice-Chancellor.
- 164 The Head of School and Directors are responsible for purchases within their School or Directorate. Purchasing authority may be delegated to named individuals within the School and Directorate. In exercising this delegated authority, budget holders are required to observe the purchasing policies and financial procedures.
- 165 The Director of Finance shall maintain a register of authorised signatories and Deputy / Pro Vice-Chancellors, Heads of School and Directors must supply the Director of Finance with specimen signatures of those authorised to certify invoices for payment (for paper-based systems).
- 166 Under procedures agreed by the Director of Finance, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits (for electronic systems).
- 167 The Director of Finance must be notified immediately of any changes to the authorities to commit expenditure.
- 168 Deputy / Pro Vice-Chancellors, Heads of School, Directors and budget holders are not authorised to commit the University to expenditure without first reserving sufficient funds to meet the purchase cost.
- 169 The member of staff (or budget holder) authorising the invoice for payment must be different from the member of staff responsible for approving the purchase order.
- 170 Expenditure on a single item in excess of £25,000 shall also require the approval of the Financial Controller and in excess of £50,000 the Director of Finance. Expenditure on items in excess of £500,000 shall require the approval of the Resources Committee.

### *Procurement*

- 171 The University 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. Factors to be considered in determining lowest cost are noted in the financial

procedures and budget holders should refer to the full Procurement Policy to supplement the sections below.

172 The Head of Procurement is responsible to the Director of Finance for:

- Ensuring that the University's procurement policy is current, known and observed by all involved in purchasing for the University
- Advising on matters of University purchasing policy and practice
- Advising and assisting School and Directorates where required on specific School and Directorate purchases
- Developing appropriate standing supply arrangements on behalf of the University to assist budget holders in meeting their value for money obligations
- Reviewing all orders above £5,000 before they leave the University
- The drafting and negotiation of all large-scale purchase contracts (generally in excess of £25,000) undertaken by the University, in collaboration with the responsible School and Directorates
- Ensuring that the University complies with EU regulations on public purchasing policy.

### ***Purchase orders***

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

174 When transferring goods or services between School and Directorates, an interSchool and Directorates transfer form must be used.

175 It is the responsibility of the Director of Finance (through the University's head of procurement) to ensure that all purchase orders refer to the University's conditions of contract.

### ***Purchasing cards***

176 Where appropriate, the Director of Finance may approve the issuing of purchasing cards. The Director of Finance will be responsible for setting in place a system to monitor the use of all cards and to ensure that all expenses charged through them are properly accounted for.

177 Holders of purchasing cards must use them only for the purposes for which they have been issued and within the authorised purchase limits and the misuse of such cards may be grounds for disciplinary action. Cards must not be loaned to another person, nor should they be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs. The Director of Finance shall determine what information is required on purchases made with purchasing cards from cardholders and deadlines for receipt in the finance Directorate to enable financial control to be maintained and cardholders must provide that information.

178 Details of the operation of the scheme are set out in the financial procedures.

### ***Tenders and quotations***

179 Deputy / Pro Vice-Chancellors, Heads of School, Directors and delegated budget holders must comply with the University's tendering procedures contained in the financial procedures.



- 180 Only partnership arrangements for the supply of goods or services specifically approved by the Resources Committee or the Council will fall outside these arrangements for tenders and quotations.

***Post-tender negotiations***

- 181 Post-tender negotiations (i.e. 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 the University's tendering process
  - Must be conducted by the Head of Procurement.
  - In each case, a statement of justification should be approved by the Director of Finance prior to the event, showing:
    - Background to the procurement
    - Reasons for proposing post-tender negotiations
    - Demonstration of the improved value for money.
- 182 All post-tender negotiations should be reported to the Resources Committee.

***Contracts***

- 183 Heads of School and Directorates have authority to sign contracts in the course of the ordinary business of their School and Directorate in respect only of available funds for which they are responsible.
- 184 The Pro Vice-Chancellor for Research and Enterprise shall approve and sign all contracts relating to sponsored research activity, together with the Director of Finance where required by the research authority.
- 185 Contracts which affect more than one School and Directorate should be signed by budget holders for each of the affected School and Directorates or by a senior manager with responsibility for all of the School and Directorates involved. Such contracts should also be counter-signed by the Director of Finance or the Head of Procurement.
- 186 The achievement of value for money will be an objective in the letting of all contracts.
- 187 All contracts should be entered onto a contracts register which is available for review by the University's internal auditors and which will be reviewed annually by the Audit Committee.
- 188 It is the responsibility of the manager signing the contract to make the head of procurement aware of the terms of the contract and it is the responsibility of the head of procurement to maintain the contracts register.

***EU regulations***

- 189 The head of procurement is responsible for ensuring the University has procedures in place, compliance with which will discharge 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. This guidance may change when the UK's

withdrawal from the EU is determined and the regulations will be amended accordingly.

- 190 When valuing a contract (or framework) for supplies or services to compare against the relevant threshold, it is again necessary to take into account all lots and options to arrive at the appropriate aggregate value which can encompass the expenditure for a number of financial years of a contract or where the agreement is on-going.
- 191 For the purposes of this section, a full definition of the total actual or estimated value of a contract is included within the Procurement Procedure. The requirements can be summarised as follows:
- For a fixed period contract - the total price to be paid or which might be paid, during the whole of the period;
  - For recurrent transactions for the same type of item - the aggregated value of those transactions in the coming 12 months;
  - For a contract of uncertain duration - monthly payment x 48;
  - For feasibility studies - value of the follow-on scheme;
  - For separate contracts, the aggregated value meeting a single requirement / category.
- 192 The head of procurement will advise Deputy / Pro Vice-Chancellors, Heads of School and Directors on the thresholds that are currently in operation. A breach of these EU regulations is actionable by a supplier or potential supplier.
- 193 It is the responsibility of Deputy / Pro Vice-Chancellors, Heads of School and Directors to ensure that their members of staff comply with EU public contract regulations by notifying the head of procurement 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 such as the Official Journal of the European Union (OJEU).
- 194 The head of procurement is also required to submit to the OFS annually details on expenditure which exceeds the threshold. Copies of the relevant documentation falling into this category must be provided by Deputy / Pro Vice-Chancellors, Heads of School and Directors to the Head of Procurement.

### ***Receipt of goods***

- 195 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.
- 196 All goods received shall be entered onto an appropriate goods received document or electronic receipting system on the day of receipt. If the goods are deemed to be unsatisfactory, the 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.
- 197 All persons receiving goods on behalf of the University must be independent of those who negotiated prices and terms and placed the official order.

**Payment of invoices**

- 198 The procedures for making all payments shall be in a form specified by the Director of Finance.
- 199 The Director of Finance 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 Director of Finance will authorise a CHAPs payment or prepare cheques manually for urgent payments.
- 200 Deputy / Pro Vice-Chancellors, Heads of School and Directors are responsible for ensuring that expenditure within their School and Directorates does not exceed funds available.
- 201 Suppliers should be instructed by the budget holder to submit invoices for goods or services to the finance Directorate.
- 202 Care must be taken by the budget holder to ensure that discounts receivable are obtained.
- 203 Payments will only be made by the Director of Finance against invoices that have been certified for payment by the appropriate Head of School or Director or budget holder (paper-based system), or against invoices that can be matched to a receipted order (electronic system).
- 204 Certification of an invoice or receipting of an electronic order will ensure that:
- The invoice complies with legal requirements to be recognised as such
  - 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 School or Directorate 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 describe on the invoice.

**Staff reimbursement**

- 205 The University's procurement and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system or procurement cards/credit cards, without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement.
- 206 Where such purchases by staff are planned, the Director of Finance and the relevant Head of School or Director may jointly approve cash advances to staff who are going to incur expenditure on the University's behalf, including projects carried out away from the University. Upon completion of the travel or project to which the advance relates, 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 an individual is still outstanding.

- 207 Receipts or invoices will be retained for all sums expended in this way. Upon completion of the project to which the advance relates, 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.

### ***Petty cash***

- 208 The Director of Finance shall make available to School and Directorates 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.
- 209 Requisitions for reimbursements must be sent to the Director of Finance, 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.
- 210 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 the University's insurers when not in use and will be subject to periodic checks by the Head of School or Director or another person nominated by him or her.
- 211 Standard University petty cash books are supplied by the Director of Finance and must be used for recording all imprest accounts.
- 212 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 Head of School or Director.

### ***Other payments***

- 213 Payments for maintenance and other items to students on behalf of sponsoring organisations shall be made on the authority of the Director of Finance, supported by detailed claims approved by the Head of School and / or Director.
- 214 Individual payments under 'outward collaborative provision' contracts shall be authorised by the Director of Finance. This authority shall be on the basis that the payment represents a bona fide element of the contract which has been approved under a scheme set out by the Directorate.

### ***Late payment rules***

- 215 The Late Payment of Debts (Interest) Act 1998, as amended by the Late Payment of Commercial Debts Regulations 2013, was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are that small businesses can charge interest on overdue invoices and that the rate of interest is currently set at 8% per annum above the official base rate of the Bank of England.

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

***Giving hospitality***

- 217 Staff entertaining guests from outside bodies at lunch time should normally use the University's catering facilities. Where this is not the case, prior approval must be obtained for the expenses.
- 218 The limits concerning acceptable expenditure for entertaining guests are set out in the University's detailed financial procedures.

**Pay Expenditure**

***Remuneration policy***

- 219 All University staff will be appointed to the salary scales approved by the Council and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Human Resources Directorate.
- 220 The Council 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.
- 221 Salaries and other benefits for senior management will be determined by the Remuneration Committee set up by the Council.

***Appointment of staff***

- 222 All contracts of service shall be concluded in accordance with the University's approved Human Resources practices and procedures and all offers of employment with the University shall be made in writing by the Human Resources Directorate. Budget holders shall ensure that the Director of Finance and the Director of Human Resources are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

***Salaries and wages***

- 223 The Director of Human Resources 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 Finance.
- 224 The Director of Human Resources is responsible for keeping the Director of Finance informed of all matters relating to personnel 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.
  - Advising on the different contract types in relation to the IR35 regulations and how the individual will be paid – on or off payroll.

- 225 The Director of Finance is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual (atypical) and part-time employees will be included on the payroll as determined with the Director of Human Resources.
- 226 The Director of Finance shall be responsible for keeping all records relating to payroll including those of a statutory nature.
- 227 All payments must be made in accordance with the University's detailed payroll financial procedures and comply with Inland Revenue regulations.

***Superannuation schemes***

- 228 The Council is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.
- 229 The Director of Finance is responsible for day-to-day superannuation matters, including:
- Paying contributions to various authorised superannuation schemes
  - Preparing the annual return to various superannuation schemes.
- 230 The Director of Human Resources is responsible for administering eligibility to pension arrangements and for informing the payroll section when deductions should begin or cease for staff. This includes providing advice on pensions and informing payroll on pensionable and non-pensionable payments.

***Travel, subsistence and other allowances***

- 231 All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Director of Finance.
- 232 Claims by members of staff must be authorised by their Head of School or Director (or the line manager in the case of Deputy / Pro Vice-Chancellors, Heads of School and Directors). The certification by the Head of School and Directorates shall be taken to mean that:
- The journeys were authorised
  - The expenses were properly and necessarily incurred
  - The allowances are properly payable by the University
  - Consideration has been given to value for money in choosing the mode of transport.
- 233 Arrangements for overseas travel by the Vice-Chancellor or members of the Council shall be approved by the chair of the Council. Arrangements for travel by the chair shall be approved by the Resources Committee.

***Overseas travel***

- 234 All arrangements for overseas travel must be in accordance with the detailed financial procedures. Any approvals required must be obtained in advance of committing the University to those arrangements or confirmation of any travel bookings.
- 235 Where spouses, partners or other persons unconnected with the University intend to participate in a trip, this must be clearly identified in advance. The University does not fund the cost of spouses, partners or other persons. If by exception there is agreement

to the reimbursement of the expected costs this should be obtained in advance of travel by the Vice-Chancellor.

***Allowances for members of the Council***

- 236 Claims for members of the Council will be authorised by the Clerk to the Council. No claims for meeting attendance will be allowed, but reasonable travel expenses can be reimbursed.

***Severance and other non-recurring payments***

- 237 Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the Council through the Resources Committee and, where appropriate, the Remuneration 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 Vice-Chancellor and calculations checked by the Director of Human Resources.
- 238 All matters referred to a tribunal, such as disciplinary, grievance or employment tribunal, shall be notified to the Human Resources Directorate and the Audit Committees at the earliest opportunity. All determinations of tribunals must be similarly notified.

**Assets**

***Land, buildings, fixed plant and machinery***

- 239 The purchase, lease or rent of land or buildings can only be undertaken with authority from the Council and with reference to OFS requirements where exchequer-funded assets or exchequer funds are involved. Authority must also be sought from the bank where applicable.
- 240 Depreciation will be charged on a straight line basis to write off the purchase price of any asset over its useful economic life, subject to any residual values. The rates for individual assets may be set by the Director of Finance. Land is not generally depreciated.

***Fixed asset register***

- 241 The Director of Finance is responsible for maintaining the University's register of land, buildings, fixed plant and equipment. Heads of School and Directors will provide the Director of Finance with any information he or she may need to maintain the register.

***Inventories***

- 242 Heads of School and Directors are responsible for maintaining inventories, in a form prescribed by the Director of Finance, for all plant, equipment, furniture and stores in their School and Directorates with a value in excess of £2,500. The inventory must include items donated or held on trust.
- 243 Inventories must be checked at least annually as described in the University's detailed financial procedures.
- 244 When transferring equipment, etc. between School and Directorates, a transfer record must be kept and the inventories amended accordingly.

***Stocks and stores***

- 245 Heads of School and Directors are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their School and Directorates. The systems used for stores accounting in School and Directorates must have the approval of the Director of Finance.
- 246 Deputy / Pro Vice-Chancellors, Heads of School and Directors 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.
- 247 Those Heads of School and Directors whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Director of Finance and that instructions to appropriate staff within their School and Directorates are issued in accordance with advice contained in the University's detailed financial procedures.

***Safeguarding assets***

- 248 Deputy / Pro Vice-Chancellors, Heads of School and Directors are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc. under their control. They will consult the Director of Finance and Director of Estates in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 249 Assets owned by the University shall, so far as is practical, be effectively marked to identify them as University property.

***Personal use***

- 250 Assets owned or leased by the University shall not be subject to personal use without proper authorisation.

***Asset disposal***

- 251 Disposal of equipment and furniture must be in accordance with procedures agreed by the Resources Committee and contained in the University's detailed financial procedures.
- 252 Disposal of land and buildings must only take place with the authorisation of the Council. OFS consent may also be required if exchequer funds were involved in the acquisition of the asset. Authority must also be sought from the bank where applicable.

***All other assets***

- 253 Deputy / Pro Vice-Chancellors, Heads of School and Directors are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the University, whether tangible (such as stock – see above) or intangible (such as intellectual property see page 22 - including electronic data).

**Funds Held on Trust*****Gifts, benefactions and donations***

- 254 The Director of Finance is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the University and initiating claims for recovery of tax where appropriate.



***Student welfare and access funds***

- 255 The Director of Finance will prescribe the format for recording the use of student welfare funds.
- 256 Records of access funds will be maintained according to OFS requirements.

***Trust funds***

- 257 The Director of Finance is responsible for maintaining a record of the requirements for each trust fund and for advising the Resources Committee on the control and investment of fund balances.
- 258 The Resources Committee is responsible for ensuring that all the University's trust funds are operated within any relevant legislation and the specific requirements for each trust. They will also be responsible for investment of fund balances.

***Voluntary funds***

- 259 The Director of Finance shall be informed of any fund that is not an official fund of the University which is controlled wholly or in part by a member of staff in relation to their function in the University.
- 260 The accounts of any such fund shall be audited by an independent external person and shall be submitted with a certificate of audit to the appropriate body. The Director of Finance shall be entitled to verify that this has been done.

**Other*****Insurance***

- 261 The Director of Finance is responsible for the University's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy (see page 7), 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.
- 262 The Director of Finance is responsible for effecting insurance cover as determined by the Resources Committee. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Director of Finance will keep a register of all insurances affected by the University and the property and risks covered. He or she will also deal with the University's insurers and advisers about specific insurance problems.
- 263 Deputy / Pro Vice-Chancellors, Heads of School and Directors must ensure that any agreements negotiated within their School and Directorates with external bodies cover any legal liabilities to which the University may be exposed. The Director of Finance's advice should be sought to ensure that this is the case. Deputy / Pro Vice-Chancellors, Heads of School and Directors must give prompt notification to the Director of Finance of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. Deputy / Pro Vice-Chancellors, Heads of School and Directors must advise the Director of Finance immediately of any event that may give rise to an insurance claim. Deputy / Pro Vice-Chancellors, Heads of School and Directors will notify the University's insurers and, if appropriate, prepare a claim for transmission to the insurers.

- 264 The Director of buildings and estates is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.
- 265 All staff using their own vehicles on behalf of the University shall maintain appropriate insurance cover for business use and provide copies of the relevant insurance certificate and their driving licence in an appropriate form and place prescribed by the Director of Human Resources. This must be updated at least annually or after any change.

***Companies and joint ventures***

- 266 In certain circumstances it may be advantageous to the University to establish a company or a joint venture to undertake services on behalf of the University. Any member of staff considering the use of a company or a joint venture should first seek the advice of the Director of Finance, who should have due regard to guidance issued by the OFS.
- 267 The Council is responsible for approving the establishment of all companies or joint ventures and the procedure to be followed in order to do so. This will have regard to any guidance provided by the funding bodies. The process involved in forming a company or a joint venture and arrangements for monitoring and reporting on the activities of these undertakings are documented in the University's financial procedures.
- 268 It is the responsibility of the Council to establish the shareholding arrangements and appoint Directors of companies wholly or partly owned by the University.
- 269 The Directors of companies where the University is the majority shareholder must submit, via the Resources Committee, an annual report to the Council. They will also submit business plans or budgets as requested to enable the committee to assess the risk to the University. The University's internal and external auditors shall also be appointed to such companies which will be deemed to be within the scope of the internal and external audits.
- 270 Where the University is the majority shareholder in a company, that company's financial year shall be consistent with that of the University.

***Security***

- 271 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 Director of Finance immediately.
- 272 The Director of IT shall be responsible for maintaining proper security and privacy of information held on the University'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 2018 (which incorporates GDPR). The Director of IT as the data protection officer is nominated to ensure compliance with the Act and the safety of documents.
- 273 The Director of Finance is responsible for the safekeeping of official and legal documents relating to the University. All deeds, leases, agreements and contracts

must be forwarded to the Director of Finance for authorisation and subsequent administration. Once authorised, only the Vice-Chancellor and the Chair of Council are authorised to sign these documents on behalf of the University and its subsidiary companies. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

### ***Students' Union***

- 274 The Students' Union is a separate legal entity from the University but is recognised to fulfil a valuable role in relation to the University's students.
- 275 Subject to any constraints imposed by the OFS, the Council shall determine the level of grant to be paid annually to the Students' Union. The Council requires the Union to provide its proposed budget to assist in determining the appropriate level of grant.
- 276 The Students' Union is responsible for maintaining its own bank account and financial records and preparing its own annual financial statements.
- 277 In accordance with an agreement between the University and the Students' Union, the Union will provide monthly statements of income and expenditure to the Director of Finance and to each meeting of the Resources Committee for information purposes only.
- 278 At year end the Students' Union financial statements will be audited by an appropriately qualified firm of auditors and will be presented to the Resources Committee for information.
- 279 In accordance with an agreement between the University and the Students' Union, the University's internal auditor shall have access to records, assets and personnel within the Students' Union in the same way as other areas of the University.

### ***Use of the University's Seal***

- 280 Where a deed or document requires the University's Seal, it must be sealed by the Clerk to the Council or, in their absence, the Director of Finance, in the presence of two members of the Council, one of whom will normally be the Chair of Council or the Vice-Chancellor.
- 281 The Clerk to the Council is responsible for submitting a report to each meeting of the Council detailing the use of the University's Seal since the last meeting.

### ***Provision of indemnities***

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

## Appendices

### Appendix A: Approval of Transactions:

#### (I) Approval of transactions within approved budgets and business plans

Title / Role	Authority Limits	Notes
<b>Sub-Budget Holder</b>	Up to £5,000	Amount can be delegated by a budget holder if evidenced in accordance with agreed procedures
<b>Budget Holder (non-Head of School or Director)</b>	Up to £5,000	
<b>Budget Holder (Director or Head of School)</b>	Up to £25,000	
<b>Financial Controller or Senior Financial Planning &amp; Analysis Manager</b>	Up to £50,000	
<b>Deputy / Pro Vice-Chancellor or Director of Finance</b>	Up to £250,000	
<b>Vice-Chancellor</b>	Up to £500,000	
<b>Capital Projects Committee</b>	Up to £2,000,000	Limit of £2,000,000 for individual contracts (£500,000 for non-campus spend). Design variations which, when aggregated, are within budget are unlimited
<b>Resources Committee</b>	Up to £2,000,000	Non campus-development related commitments
<b>Council</b>	Unlimited	Subject to constraints of budget and / or business plan

#### (II) Approval of transactions which are in addition to approved budgets and business plans

Title / Role	Authority Limits	Notes
<b>Sub-Budget Holder</b>	£0	
<b>Budget Holder (non-Head of School or Director)</b>	£0	

<b>Title / Role</b>	<b>Authority Limits</b>	<b>Notes</b>
<b>Budget Holder (Director or Head of School)</b>	£0	
<b>Financial Controller or Senior Financial Planning &amp; Analysis Manager</b>	£0	
<b>Deputy / Pro Vice-Chancellor or Director of Finance</b>	£0	See Notes under Vice-Chancellor
<b>Vice-Chancellor</b>	Up to £500,000	The use of central funds can be authorised with the agreement of the SMT and minuted accordingly. Must be reported to Resources Committee for information
<b>Capital Projects Committee</b>	£0	
<b>Resources Committee</b>	Up to £2,000,000	The use of central funds can be authorised with the agreement of the Resources Committee and minuted accordingly. Must be reported to Council for information
<b>Council</b>	Unlimited	Variations to approved budgets and financial forecast, subject to OFS fiduciary duties and trustee obligations

### (III) Subsidiary Companies

<b>Title / Role</b>	<b>Authority Limits</b>	<b>Notes</b>
<b>Budget Holder</b>	£50,000	Only up to approved budget or business plan
<b>Board of Directors</b>	£100,000	For capital projects
<b>Board of Directors</b>	Unlimited	Only up to approved budget or business plan
<b>Council</b>	Unlimited	Variations to approved budgets and financial forecast, subject to OFS fiduciary duties and trustee obligations

### (IV) Writing off debt

<b>Title / Role</b>	<b>Authority Limits</b>	<b>Notes</b>
<b>Director of Finance</b>	£50,000	Examples include student related debt

<b>Title / Role</b>	<b>Authority Limits</b>	<b>Notes</b>
<b>Resources Committee</b>	£100,000	Examples include partnership invoices
<b>Council</b>	Unlimited	Variations to approved budgets and financial forecast, subject to OFS fiduciary duties and trustee obligations.

## **Appendix B: The Seven Principles of Public Life**

*From the Report of the Committee for Standards in Public Life (The Nolan Report)*

### **SELFLESSNESS**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

### **INTEGRITY**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.

### **OBJECTIVITY**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

### **ACCOUNTABILITY**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

### **OPENNESS**

Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### **HONESTY**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **LEADERSHIP**

Holders of public office should promote and support these principles by leadership and example.

## **Appendix C: Internal Audit Responsibilities**

*From the Office for Students Audit Code of Practice*

### **Internal audit arrangements in HEIs**

Internal Audit is a vital element in good corporate governance since it provides governing bodies, Audit Committees and accountable officers with independent assurance about the adequacy and effectiveness of risk management, control and governance, and value for money (VFM).

Consequently each HEI must have a suitably resourced internal audit function which must comply with the professional standards of the Chartered Institute of Internal Auditors. Internal audit terms of reference must make clear that its scope encompasses all the HEIs activities, the whole of its risk management, control and governance, and any aspect of VFM delivery.

The internal audit service must produce an annual report which must relate to the financial year and include any significant issues, up to the date of preparing the report, which affect the opinions. It must be addressed to the governing body and the accountable office and must be considered by the Audit Committee.

The report must include the internal auditor's opinions on the adequacy and effectiveness of the HEIs arrangements for:

- Risk management, control and governance
- Economy, efficiency and effectiveness (VFM)

The final annual report to the governing body must be shared with the OFS each year, and, on request, with Research England.

The head of internal audit must have direct access to the HEIs accountable office, the chair of the Audit Committee and, if necessary, the chair of the governing body.

Where internal audit is provided from an outside source, market testing should be undertaken at least every five years.