

Financial Regulations

Effective Date: 1 December 2023

POLICY SIGN-OFF AND OWNERSHIP DETAILS	
Document Name:	Financial Regulations
Version Number:	v3.0
Equality Impact Assessment:	
Approved by (and date):	University Council (30 November 2023)
Effective from:	1 December 2023
Date for Review:	30 November 2027
Author:	Director of Finance
Owner (if different from above)	As above
Document Location:	Financial-Regulations.pdf (hud.ac.uk)
Compliance Checks:	Regular reporting to University Council, underpinned by individual policies with checks as detailed under the Policy Framework.
Related Policies / Procedures:	Anti-Corruption, Bribery and Fraud Policy Anti Money Laundering Policy Credit Control and Debt Management Policy Expenses and Benefits Policy and Procedure Intellectual Property Policy Regulations for Students (Student Handbook) Treasury Management Policy Whistleblowing Policy and Procedure

REVISION HISTORY			
Version	Date	Revision description / Summary of Changes	Author
v3.0	September 2023	Full policy review and update.	Director of Finance
v2.1	September 2019	Minor amendment.	Director of Finance
v2.0	November 2018	Policy review: a) Amendment to Financial Rule 19.6 to increase the tender and quotation thresholds. b) Amendment to procedural wording paragraph 15.4.	Director of Finance
v1.0	November 2017	Major policy review	Director of Finance

Table of Contents

GENERAL PROVISIONS.....	2
1. Background.....	2
2. Status of Financial Regulations	2
CORPORATE GOVERNANCE	3
3. The Governing Body	3
4. Accountable Officer	3
5. Committee Structure	3
6. Other Senior Managers with Financial Responsibility	4
7. Risk Management	5
8. Whistleblowing	6
9. Code of Conduct	7
FINANCIAL MANAGEMENT AND CONTROL	8
10. Financial Planning	8
11. Financial Control.....	9
12. Accounting Arrangements.....	10
13. Audit Requirements	11
14. Treasury Management.....	13
15. Income.....	14
16. Research Grants and Contracts.....	16
17. Other Income-generating Activity.....	18
18. Intellectual Property Rights and Patents	19
19. Expenditure	20
20. Pay Expenditure	26
21. Assets.....	29
22. Funds Held on Trust	30
23. Other	31
APPENDICES.....	34
Appendix One – University Committee Structure.....	34
Appendix two – The Seven Principles of Public Life	35
Appendix three – Anti-Corruption, Bribery and Fraud Policy Statement.....	36
Appendix four – protocols for proposed capital expenditure	37
Appendix five – summary of protocols for proposed major developments.....	38

GENERAL PROVISIONS

1. Background

- 1.1. 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 governing body, which has ultimate responsibility for the effectiveness of its management and administration.

The University is an exempt charity by virtue of the Charities Act 2011.

- 1.2. The University is regulated by the Office for Students (OfS) “the regulator”, and must meet the conditions of registration and terms and conditions of funding set out by the OfS. The governing body is responsible for ensuring that the conditions of registration are met. As part of this process, the University must adhere to the OfS audit code of practice, which requires it to have sound systems of financial management and control. The financial regulations of the University for part of this overall system of accountability.

2. Status of Financial Regulations

- 2.1. This document sets out the University’s financial regulations. It translates into practical guidance the University’s broad policies relating to financial control. This document was approved by the governing body on 30 November 2023. It applies to the University and all its subsidiary undertakings.
- 2.2. These financial regulations are subordinate to the University’s instruments and articles of government and to any restrictions contained within the terms and conditions of funding and audit code of practice from the regulator.
- 2.3. The purpose of these financial regulations is to provide control over the totality of the University’s resources and provide management with assurances that the resources are being properly applied for the achievement of the University’s strategic plan and business objectives on a sustainable basis, including:
- maintaining financial sustainability
 - achieving value for money
 - fulfilling its responsibility for the provision of effective financial controls over the use of public funds
 - ensuring that the University complies with all relevant legislation.
 - safeguarding the assets of the University.
- 2.4. Compliance with the financial regulations is compulsory for all staff connected with the University. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the University’s disciplinary policy. Any material breach as defined in the regulator’s terms and conditions of funding will be notified to the governing body through the audit committee. It is the responsibility of Deans and Directors to ensure that their staff are made aware of the existence and content of the University’s financial regulations.

- 2.5. The Estates & Finance Committee is responsible for maintaining a continuous review of the financial regulations through the Director of Finance and advising the governing body of any additions or changes necessary.
- 2.6. In exceptional circumstances, this Committee may authorise a departure from the detailed provisions herein, such departure to be reported to the governing body at the earliest opportunity.
- 2.7. The University's detailed financial procedures set out precisely how these regulations will be implemented and are contained in separate documents which are available on the University's website.

CORPORATE GOVERNANCE

3. The Governing Body

- 3.1. The governing body, known as the University Council, is responsible for the oversight of the management and administration of the University. Its financial responsibilities are to:
 - ensure the solvency of the University.
 - act as charity trustees.
 - safeguard the University's assets.
 - ensure the effective and efficient use of resources.
 - ensure that the funds provided by the funding body are used in accordance with the terms and conditions specified in the University's Memorandum of Assurance and Accountability with the funding body.
 - ensure that financial control systems are in place and are working effectively.
 - ensure that the University complies with the funding body's audit code 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.

4. Accountable Officer

- 4.1. The Vice-Chancellor is the University's designated Accountable Officer responsible for the financial administration of the University's affairs. In this capacity, the Vice-Chancellor must advise the governing body if, at any time, any action or policy under consideration by them appears to the Vice-Chancellor to be incompatible with the regulator's terms and conditions of funding. If the University Council decides nevertheless to proceed, the Vice-Chancellor must immediately inform the chief executive of the funding body in writing.
- 4.2. The Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by the University Council and for the management of budgets and resources within the estimates approved by the University Council. As the designated 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.

5. Committee Structure

5.1. University Council

The University Council has ultimate responsibility for the University's finances, but delegates specific powers and processes to the committees detailed below. These committees are accountable to the University Council. A diagram depicting the committee structure is available in appendix one.

Monitoring of the University's financial position and financial control systems is undertaken by the University Council. Council will approve annual estimates and accounts (including the accounting policies upon which they are based). 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 University Council. Council will also ensure that it has adequate information to enable it to discharge its financial responsibilities.

5.2. Senior Leadership Team

Consideration of the University's medium-term and strategic plans is undertaken by the Senior Leadership Team. It is responsible for ensuring that all the financial implications of such plans are taken into account before their approval by the University Council.

5.3. Estates and Finance Committee

The Committee is responsible for considering the financial strategy, University's capital programme before it can be recommended to the University Council for approval. Similarly, it considers and makes recommendations to the University Council on the allocation of capital resources between academic and non-academic areas.

5.4. Audit Committee

Universities are required by the regulator's terms and conditions of funding to appoint an audit committee.

The committee is independent and advisory and reports to the University 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. It has a role in reviewing the University's systems of internal control, risk management and data assurance.

The audit requirements of the University are set out in the regulator's audit code of practice.

5.5. Governance and Membership Committee

The committee makes recommendations for effective governance arrangements and the appointment of University Council and Committee Members.

5.6. Remuneration Committee

Consideration and determination of Senior Post Holders' pay, and conditions is delegated to the remuneration committee by the University Council. It has the power to determine their remuneration, including pay and other benefits, as well as contractual arrangements.

6. Other Senior Managers with Financial Responsibility

6.1. The Director of Finance

Day-to-day financial administration is controlled by the Director of Finance who is responsible 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
- day-to-day liaison with internal and external auditors in order to achieve efficient processes.

Information about Financial Services is available on the StaffHub, including details of key contacts as well as advice.

6.2. Deans and Directors

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

Deans 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.

6.3. All members of staff

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.

- They should ensure that they are aware of the University's financial authority limits (see 19.2) and the values of purchases for which quotations and tenders are required (see 19.6).
- 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.
- They shall provide the Director of Finance with such financial and other information as they may deem necessary, from time to time, to carry out the requirements of the University Council.
- 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 take such steps as they consider necessary by way of investigation and report.

7. Risk Management

- 7.1. Risk management can be defined as '*coordinated activities to direct and control an organisation with regard to risk*'.¹ The University acknowledges the risks inherent in its business and is committed to managing those risks which 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 is set out in a separate risk management strategy.

¹ BS ISO 31000:2009 Risk Management: Principles and Guidelines (BSI).

- 7.2. The University 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 embedding within the organisation of a formal, structured risk management process.
- 7.3. In line with this policy, the University 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 23.1)
 - detailed regular review at department or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas.
 - development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question.
 - regular reporting to the University Council of all risks above established tolerance levels
 - an annual review of the implementation of risk management arrangements; and
 - the capability for independent verification.
- 7.4. Deans and Directors must ensure that any agreements negotiated within their departments with external bodies deal appropriately with the allocation of risk and do not expose the University to excessive or inappropriate liabilities. Advice should be sought from the Legal Office to ensure that this is the case.

8. Whistleblowing

- 8.1. Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can raise concerns about crime, civil offences (including negligence, breach of contract, etc), miscarriage of justice, danger to health and safety or the environment **or breach of the financial regulations** and the cover-up of any of these. It does not matter whether or not the information is confidential, and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.
- 8.2. Normally, any concern about a workplace matter at the University should be raised with the relevant member of staff's immediate line manager or Dean or Director. However, the University recognises that because of the seriousness or sensitivity of some issues, together with the knowledge of whom the member of staff thinks may be involved, may make this difficult or impossible.
- 8.3. A member of staff may, therefore, make the disclosure to one of the staff designated for this purpose, for example the University Secretary. If the member of staff does not wish to raise the matter with the designated member of staff, or with the Vice-Chancellor or the chair of the University Council, it may be raised with the Chair of the Audit Committee

- 8.4. The full procedure for whistleblowing is set out in the University's separate whistleblowing policy, which is available through the University's website including further details of the designated people to whom a complaint may be made.

9. Code of Conduct

- 9.1. 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 University Council members and members of staff at all levels are expected to observe. These principles are set out in appendix two. In addition, the University expects that all staff will observe its code of conduct,

University Council members are also charity trustees and as such are subject to obligations imposed by charity law. Their dual role may introduce potential conflicts of interest which they will need to manage appropriately.

- 9.2. Additionally, members of the University Council, senior management or those involved in procurement or procurement decisions are required to disclose interests in the University's register of interests maintained by the University Secretary. 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.

In particular, no person shall be a signatory to a University contract where they also have an interest in the activities of the other party.

9.3. **Receiving gifts or hospitality**

The Bribery Act 2010 came into force on 1 July 2011. The Act introduced new offences for acts of bribery by individuals, or persons associated with relevant organisations. The penalties are severe for any employee convicted under the Act, which could mean a criminal record with up to ten years' imprisonment and unlimited fines. The University's anti-corruption, bribery and fraud policy statement can be found in appendix three.

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

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

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

When it is not easy to decide between what is and is not acceptable in terms of gifts or hospitality, the offer should be declined, or advice sought from the relevant Dean or Director or the Director of Finance. Guidance on acceptable gifts or hospitality is contained in the Expenses and Benefits Policy and Procedure. For the protection of those

involved, the University Secretary will maintain a register of gifts and hospitality received where the value is more than £100. Members of staff in receipt of such gifts or hospitality are obliged to notify the University Secretary.

FINANCIAL MANAGEMENT AND CONTROL

10. Financial Planning

- 10.1. The Director of Finance is responsible for preparing annually a rolling five-year financial plan for approval by the University Council and preparing financial forecasts for submission to the regulator. Financial plans should be consistent with the strategic plans and estates strategy approved by the University Council.
- 10.2. **Budget objectives** The University Council will, 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.
- 10.3. **Resource allocation** Resources are allocated annually by the Senior Leadership team and on the basis of the above objectives. Deans and Directors are responsible for the economic, effective, and efficient use of resources allocated to them.
- 10.4. **Budget preparation**
The Director of Finance is responsible for preparing each year an annual revenue budget and capital programme for consideration by the Senior Leadership team before submission to the University Council. The budget should also include a scenario model, cash flow forecasts for the year 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 Deans and Directors as soon as possible following their approval by the University Council. During the year, the Director of Finance is responsible for submitting revised budgets to the Senior Leadership team for consideration before submission to the University Council for approval.
- 10.5. **Capital programmes**
The capital programme includes all expenditure on land, buildings, 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 programme approved by the University Council.

The Director of Estates will establish protocols for the inclusion of capital projects in the capital programme for approval by the University Council. 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. They are summarised in appendix four.

The Director of Finance will also establish procedures for the approval of variations, including the notification of large variations to the Regulator or funding body, as laid down in Regulator or funding body guidelines, where applicable.

The Director of Estates and Facilities is responsible for providing regular statements concerning all capital expenditure to the Estates and Finance Committee for monitoring purposes.

Following completion of a capital project, a post-project evaluation or final report should be submitted by the Director of Estates and Facilities to the Estates and Finance Committee

including actual expenditure against budget and reconciling any 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 Regulator or funding body, as laid down in Regulator or funding body guidelines.

10.6. **Other major developments including overseas activity**

Any new aspect of business, or proposed establishment of a company or joint venture or overseas activity, which will require an investment in buildings, resources or staff time of more than £3m should be presented for approval by the University Council (with prior review by the Senior Leadership team, where appropriate). The University must have due regard to the relevant guidelines issued by the Regulator or funding body.

The Director of Finance will establish protocols for these major developments to enable them to be considered for approval by the University Council. These will set out the information that is required for each proposed development including a business plan, using a risk-based approach and covering risk and accountability issues, as well as the financial criteria that they are required to meet. They are summarised in appendix five.

11. **Financial Control**

11.1. **Budgetary control**

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

11.2. **Financial information**

The budget holders are assisted in their duties by management information provided by the Director of Finance. The types of management information available to the different levels of management are described in the detailed financial procedures, together with the timing at which they can be expected. The Director of Finance is responsible for supplying budgetary reports on all aspects of the University's finances to the University Council on a basis determined by the Senior Leadership team but subject to any specific requirements of the Regulator. These reports are presented to the University Council, which has overall responsibility for the University's finances.

11.3. **Changes to the approved budget**

Changes proposed to the approved budget will be first considered by the Senior Leadership team, which will make proposals to the University Council, unless they fall within the delegated approval arrangements:

- Council > £1m
- Senior Leadership team £250k - £1m

11.4. **Virement**

Where a budget holder is responsible for more than one budget, virement is permitted with the written approval of the Dean or Director.²

Virement between budgets held by different budget holders is permitted with the written approval of the transferring budget holder and the Dean or Director.

² This does not apply to research projects where restrictions may be imposed by external funders.

The Director of Finance is responsible for approving requests for virement of resources between School, Service, and central budgets.

11.5. Treatment of year-end balances

At the year end, budget holders will have the authority to carry forward a positive balance on their budget to the following year within the rules specified by the University's budgeting procedures. Subsequent expenditure of such balances carried forward is subject to normal budgeting procedures and the specific approval of the Director of Finance and the Deputy Vice-Chancellor.

12. Accounting Arrangements

12.1. Financial year

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

Basis of accounting

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

12.2. Format of the financial statements

The financial statements are prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education* and with FRS102: The Financial Reporting Standards applicable to the UK and Republic of Ireland, subject to any specific requirements of the Regulator, and in accordance with the provisions of the Companies Act 2006.

12.3. Capitalisation and depreciation

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

Works of art and other valuable artefacts (heritage assets) and investment properties valued over £25,000 are capitalised and recognised at the cost or value of the acquisition where the cost or valuation is reasonably obtainable. Heritage assets and investment properties are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

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, based on depreciated replacement value, is greater than the current book value.

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 £25,000 or more. Grouped items (e.g. a suite of computers) with an individual value of less than £25,000, but a group value of £25,000 or more, will not be capitalised. Capitalised assets other than land and buildings will be depreciated in accordance with the University's accounting policy over a period of years commencing in the year of acquisition depending upon the class of asset concerned.

12.4. Accounting records

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

- The University is required by law to retain prime documents for six years after the end of the financial year to which they refer. Prime documents include:
- official purchase orders.
- paid invoices.
- accounts raised.
- bank statements
- copies of receipts
- paid cheques.
- payroll records including part-time lecturers' contracts, timesheets for hourly paid staff, staff expenses.

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

Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder. Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as the European Commission and regional development agencies.

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

Retention requirements for financial records are set out in the University Retention and Disposal Schedule which can be found on the StaffHub in the policies and procedures section.

12.5. **Public access**

Under the regulator's terms and conditions of funding, the University Council is required to supply any person with a copy of the University's most recent financial statements within two months of a request. The Act enables the University Council to levy a reasonable fee and this will be charged at the discretion of the Director of Finance. The University will also allow members of the public to inspect the statement of accounts during normal working hours and make a summary available on the University's website.

12.6. **Taxation**

The Director of Finance is responsible for advising Deans and Directors on all taxation issues, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies to the University. Therefore, the Director of Finance will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, National Insurance, corporation tax and import duty.

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.

13. Audit Requirements

13.1. **General**

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.

- 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.
- access records belonging to third parties, such as contractors, when required.

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

On the recommendation of the Audit Committee, the financial statements will be submitted to the University Council for approval.

13.2. **External audit**

The external auditors should be reappointed annually by the University Council. The University Council will be advised by the Audit Committee. It is good practice for a competitive tendering exercise to be held at regular intervals, at least every five years.

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 Regulator's audit code of practice and the Auditing Practices Board's statements of auditing standards.

13.3. **Internal audit**

The internal auditor is appointed by the University Council on the recommendation of the Audit Committee.

The University's Memorandum of Assurance and Accountability with the Regulator requires that it has an effective internal audit function, and their duties and responsibilities must be in accordance with advice set out in the Regulator's audit code of practice. The main responsibility of internal audit is to provide the University Council, the Vice-Chancellor, and Senior Leadership with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation but has direct access to the University Council, the Vice-Chancellor, and the Chair of the Audit Committee. The terms of reference for the internal audit service are available from the University Secretary.

13.4. **Fraud and corruption**

It is the duty of all members of staff, management and the University 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. The University's fraud policy statement can be found in appendix three.

The Director of Finance shall immediately invoke the fraud and corruption response plan, which incorporates the following key elements:

- They will notify the Vice-Chancellor and the Audit Committee (through its Chair) of the suspected irregularity and shall take such steps as they consider necessary by way of investigation and report.
- The Vice-Chancellor (or their deputy) 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 Regulator in accordance with its 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.

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 direct of their concerns regarding irregularities.

Full details of the Anti-Corruption, Bribery and Fraud Policy can be found on the StaffHub.

13.5. **Value for money**

It is a requirement of the regulator's terms and conditions of funding that the University 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 reporting requirements and guidance on good practice issued from time to time by the Regulator, the National Audit Office, the Public Accounts Committee or other relevant bodies.

To fulfil this responsibility, the University Council will develop and revise each year a plan for value for money work that will provide evidence of compliance with the Regulator's requirements. It will be used to enable the audit committee to refer to value for money in its annual report.

13.6. **Other auditors**

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

14. **Treasury Management**

14.1. **Treasury management policy**

The University Council is responsible for approving a treasury management policy statement setting out a strategy and policies for cash management, long-term investments, and borrowings. This will require compliance with any Regulator 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 University Council has a responsibility to ensure implementation, monitoring, and review of such policies.

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 Regulator requirements. The Director of Finance and their staff are required to act in accordance with CIPFA's code of practice.

The Director of Finance will report to the University Council at least annually in each financial year on the activities of the treasury management operation and on the exercise of treasury management powers delegated to them.

14.2. Appointment of bankers and other professional advisers

The University Council is responsible for the appointment of the University's bankers and other professional financial advisers (such as investment managers). The appointment shall be for a specified period after which consideration shall be given to competitively tendering the service.

14.3. Banking arrangements

The Director of Finance is responsible for liaising with the University's bankers in relation to the University's bank accounts.

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.

All automated transfers on behalf of the University, such as BACS or CHAPS, must be authorised in the appropriate manner and in accordance with the bank mandate approved by the University Council. Details of authorised persons and limits shall be provided for in the University's detailed financial procedures (see 19.2).

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

15. Income**15.1. General**

The 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.

Levels of charges for contract research and services rendered are determined by the University's Research, Innovation, Knowledge and Enterprise team, details can be found on the Staff Hub.

Levels of charges for rents and lettings are determined by the Director of Estates.

The Director of Finance is responsible for the prompt collection, security and banking of all income received.

The Director of Finance is responsible for ensuring that all grants notified by the Regulator or funding body and other bodies are received and appropriately recorded in the University's accounts.

The Director of Finance is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

15.2. Maximisation of income

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

15.3. Receipt of cash, cheques, and other negotiable instruments

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

All monies received must be paid to the cashier daily, and in accordance with a timetable prescribed by the Director of Finance and set out in the Credit Control and Debt Management Policy, which is available on the StaffHub. The custody and transit of all monies received must comply with the requirements of the University's insurers.

- 15.4. All sums received must be paid in and accounted for in full and be used to meet miscellaneous departmental expenses or be paid into the departmental petty cash float. Personal or other cheques must not be cashed out of money received on behalf of the University.

Receipts by credit or debit card

The University can receive payments by debit or credit card over the telephone or cash office counter using merchant terminals provided by the University's banker.

These terminals support primary account number (PAN) truncation where the card number is partially obscured on the customer receipt. A copy of the receipt should be retained to support evidence of payment.

In operating this facility, the University is bound to the Payment Card Industry Data Security Standard (PCI DSS), which is designed to ensure cardholder information is stored, processed, and transmitted securely.

The Director of Finance is responsible for ensuring the University maintains PCI DSS compliance, which is monitored by the bank's merchant services unit.

Internet receipts

The University offers an online payment facility to students for secure payment of tuition fees/other costs associated with their studies and to the general public for some other types of service.

Access is via secure login through the University portal. Once a successful payment has been made, a receipt will be generated electronically to the email address specified when lodging the cardholder details. The receipt should be retained to support evidence of payment.

In operating this facility, the University is subject to continuous risk assessment and annual review by the external service provider. Where these facilities are used outside the Finance Office, it is the Dean or Director's responsibility to ensure all terms of use are complied with.

15.5. Collection of debts

The Director of Finance should ensure that:

- invoices are raised promptly on official documentation, 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 debtor's account.
- swift and effective action is taken to collect overdue debts, in accordance with the protocols noted in the financial procedures.
- outstanding debts are monitored, and reports prepared for management.

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

Requests to write-off debts more than £10,000 (inclusive of VAT) must be referred in writing to the Director of Finance for submission to the Estates and Finance Committee for consideration. Debts below this level may be written off with the permission of the Director of Finance.

15.6. **Student fees**

The procedures for collecting tuition fees must be approved by the Director of Finance. They are responsible for ensuring that all student fees due to the University are received.

Any student who is paying tuition fees to the University is subject to CMA guidance and the regulations set out for Students by Registry on the University's website.

15.7. **Refunds**

The University seeks to minimise the opportunities for money laundering in accordance with the Money Laundering Regulations 2017. Where refunds are required, they should be made to the original payer and follow the method by which the money was received. For further information see the University's Policy on Anti-Corruption, Bribery and Fraud policy and [Anti Money Laundering policy](#).

15.8. **Student loans**

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

15.9. **Emergency/hardship loans**

The University's scheme for emergency/hardship loans must be approved by the Senior Leadership team. 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.

15.10. The Director of Finance is responsible for ensuring the adequacy of the systems in place for:

- approving loans in accordance with the scheme.
- paying loans that have been approved.
- recovering loans that have been paid.

16. **Research Grants and Contracts**

16.1. **Definition**

Research can be defined as original investigation, undertaken to gain new knowledge, and understanding, which may be directed towards a specific aim or objective. There are many different funders of research projects including Research Councils UK, the NHS, the European Commission, the higher education councils and industry.

The term 'research grant' is restricted to research projects funded by Research Councils UK, charities and higher education funding bodies. All other externally financed research projects are classified as "research contracts".

16.2. Application

All applications for research projects must be forwarded by the principal investigator to the Research, Innovation and Knowledge Exchange (RIKE) team for submission by the University to the funder. They must be fully costed through RIKE as described below at 16.3 and approved by the Dean or Director before they are submitted to the funder.

All applications will be on behalf of and in the name of university.

16.3. Costing and pricing

The RIKE team is responsible for providing appropriate costing and pricing advice.

In order to price a research project appropriately, the full cost of the research and other financial implications needs to be identified by the principal investigator and discussed and appraised by the RIKE team.

It is University policy that all externally funded research projects will be costed in accordance with TRAC principles and the University policy on Full Economic Costing (FEC) and has the Dean's approval. In addition, the research agreement must be in line with the University's policy with regard to indirect costs and other expenses.

Guidance on proposal development including resource costing and pricing is available on the Academic Research portal.

16.4. Grant and contract conditions

Many funding bodies stipulate conditions under which funding is awarded. There are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. It is the responsibility of the principal investigator to obtain a full set of terms and conditions from each funding body to enable appropriate monitoring of compliance. Failure to respond to these conditions often means that the University will suffer a significant financial penalty.

It is the responsibility of the principal investigator to ensure that conditions of funding are met.

16.5. Acceptance of a research project

Once proposals have been successful, it is the responsibility of the RIKE team to accept awards and negotiate contracts on behalf of the University. Should notification of an award go directly to a Principal Investigator, it becomes their responsibility to advise RIKE accordingly. Acceptance of an award also requires the consent of the relevant Dean or Director.

16.6. Financial management

Each research project will be allocated a specific project code and budget and will have a named principal investigator.

The RIKE team will maintain all financial records relating to research projects and shall initiate all claims for reimbursement from funding bodies on the due date.

Control of staff and non-staff expenditure shall be the responsibility of the Dean. The Dean may delegate day-to-day control of a budget to a grant holder or project manager but each Dean will be responsible for any overspend or under-recovery of overheads, with any loss being charged on school funds.

17. Other Income-generating Activity

17.1. Private consultancies and other paid work

Unless otherwise stated in a member of staff's contract:

- outside consultancies or other paid work may not be accepted without the consent of the Dean or Director (and in the case of the Dean or Director, the Vice-Chancellor)
- applications for permission to undertake work as a purely private activity must be submitted to the Dean or Director or the Vice-Chancellor, as appropriate, and include the following information:
 - the name of the member(s) of staff concerned.
 - 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.

17.2. Short courses and services rendered

In this context a short course is any course that does not form part of the award-bearing teaching load of the department.

Any staff wishing to run a short course must have the permission of their Dean. The course organiser will be responsible to the Dean for day-to-day management of the course.

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.

17.3. Off-site collaborative provision (franchising)

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

There shall be a contract signed by the appropriate Dean, or if the provision relates to more than one School, by the Deputy Vice-Chancellor and on behalf of any partner organisation that shall comply at least with the Regulator model contract (as amended from time to time) in place before any provision is made. Contracts for significant changes in franchising activity shall be approved in advance by the University Council.

The form of the contract shall be approved by the University Teaching and Learning Committee. The format for regular reports shall be as stated in Regulator guidance. They shall consider the risk factors associated with the proposed partnership and agree an appropriate entry in the University's financial forecast.

Where the partnership would represent a significant departure from the University's strategic plan, the University Council shall approve the departure and the Vice-Chancellor shall seek the views of and inform the Regulator.

17.4. European Union and other 'match funding'

Any such project requires the approval of the appropriate Dean prior to any commitment being entered into. Such approval shall be dependent upon the relevant Dean 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.

Individual applications for funds contributed by the University in excess of £1m shall be the subject of a report by the Vice-Chancellor to the University Council which will set out, among other things, the potential risks generated by the project.

If the University sub-contracts such work to external providers, the relevant Dean 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 and timely invoices.

17.5. Profitability and recovery of overheads

All other income-generating activities must be self-financing or surplus generating unless it is intended that a new course be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the Dean and the Director of Finance.

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 overheads.

17.6. Deficits

Any unplanned deficits incurred on other income-generating activities will be a charge to departmental funds of the School or Service involved.

17.7. Additional contributions to departments

Distribution of profits on other income-generating activity between central funds of the University and individual departments will be in accordance with the policy approved by the Senior Leadership Team.

17.8. Additional payments to staff

Any proposal which involves additional payments to members of staff should be supported by a schedule of names and values and must be approved by the Dean and in the case of a Dean, the Vice-Chancellor.

18. Intellectual Property Rights and Patents

18.1. General

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

18.2. Patents

The Senior Leadership team is responsible for establishing the University's Intellectual Property Policy to deal with any patents accruing to the University from inventions and discoveries made by staff in the course of their research. The policy is available on the StaffHub.

18.3. Intellectual property rights

In the event of the University deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the procedures established by the Innovation Committee. The policy is available on the StaffHub.

19. Expenditure**19.1. General**

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

19.2. Scheme of delegation/financial authorities

The Dean or Director is responsible for purchases within their department. Purchasing authority may be delegated to named individuals within the department. In exercising this delegated authority, budget holders are required to observe the purchasing policies and financial procedures.

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

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).

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

Deans and budget holders are not authorised to commit the University to expenditure without first reserving sufficient funds to meet the purchase cost.

The member of staff (or budget holder) authorising the invoice for payment must be different from the member of staff responsible for signing the purchase order form.

Expenditure on a single item in excess of £250,000 shall require the approval of the Senior Leadership Team. Expenditure on items in excess of £1m shall require the approval of the University Council.

19.3. Procurement

The University requires all budget holders, irrespective of the source of funds, to obtain value for money for supplies, equipment, and services. Value For Money is defined as "the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought". This should be achieved through competition unless there are compelling reasons to the contrary. Sustainability and equality legislation and policies should also be considered.

The purchasing function is the responsibility of the Director of Finance although it may be delegated to the Head of Procurement. It will:

- ensure that the University's purchasing policy is known and observed by all involved in purchasing for the University.
- provide advice on matters of University purchasing policy and practice
- provide advice to and assist departments where required on specific departmental purchases.
- develop appropriate standing supply arrangements on behalf of the University to assist budget holders in meeting their value for money obligations.
- vet all orders above £5,000 or £10,000 for Estates related purchases before they leave the University
- draft and negotiate all large-scale purchase contracts (generally in excess of £50,000) undertaken by the University, in collaboration with the responsible department.
- ensure that the University complies with the Public Contracts Regulations and any relevant UK or applicable European law relating to a procurement.

The Procurement Manual can be used as a guide and is available on the Staff Hub.

19.4. **Purchase orders**

The ordering of goods and services shall be in accordance with the University's detailed financial procedures/purchasing policies. Official University orders must be placed for the purchase of all goods or services, except those made using purchasing cards, company credit cards or petty cash. In exceptional circumstances, urgent orders may be given orally but must be confirmed by an official purchase order endorsed 'confirmation order only' not later than the following working day.

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 (see 19.8).

19.5. **Purchasing cards, credit, and debit cards**

The operation and control of the University's purchasing cards, credit and debit cards are the responsibility of the Director of Finance. There will be appropriate oversight of the distribution of such cards and the associated card limits.

Holders of cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Such cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall 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 cards from cardholders and deadlines for receipt in the Financial Services Department to enable financial control to be maintained. There should be appropriate segregation of duties, with those reviewing and reconciling cards not holding and using those cards.

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

19.6. Tenders and quotations

Deans and Directors and delegated budget holders within Schools and Services (excluding Estates & Facilities) must comply with the University's tendering procedures contained in the University's code of tendering practice, which are applicable as follows:

- under £5,000 – Budget Holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained.
- from £5,001 to £50,000 – Budget Holder shall be required to obtain at least three written quotations. Copies of quotes to be stored within the University's finance system.
- over £50,001 – All items will require a minimum of three competitive tenders.

Directors and delegated budget holders within Estates and Facilities must comply with the University's tendering procedures contained in the University's code of tendering practice, which are applicable as follows:

- under £10,000 – Budget Holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained.
- from £10,001 to £50,000 – Budget Holder shall be required to obtain at least three written quotations. Copies of quotes to be stored within the University's finance system.
- over £50,001 – All items will require a minimum of three competitive tenders.

The award of contracts over £50,000 shall be reported to the Audit Committee.

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

19.7. Sole Suppliers

In the event of a sole supplier situation which is above £5,000 the buyer must fill in a sole supplier form which is available on the Financial Services page of the StaffHub.

This form should be completed with reasons given for sole supplier status as well as how value for money has been obtained. The buyer and Head of Department must sign the request before sending it to Procurement Services.

This form does not exempt the procurement from the EU Procurement Directives.

Procurement Services will then check the form and pass it to the Director of Finance for authorisation. The request will be returned unauthorised if sole supplier status is not approved.

This form will not exonerate the buyer from audit investigation and in the case of EU or UK Government grants must be approved by the grant provider before any purchase takes place.

19.8. Post-tender negotiations

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.

In each case a statement of justification should be approved by the Vice-Chancellor prior to the event showing:

- background to the procurement.
- reasons for proposing post-tender negotiations.
- demonstration of the improved value for money.

All post-tender negotiations should be reported to the Audit Committee.

19.9. **Contracts**

Building contracts are the responsibility of and are administered by the University's Director of Estates and Facilities.

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

Consultants may be appointed if the project, as determined by the Estates Committee, is too large or too specialised for Estates Department resources. Appointments shall be subject to tendering and other procedures where appropriate.

Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the Director of Finance as appropriate for the Estates Development Committee's consideration. Investment appraisals should comply with appropriate Regulator guidance.

Following consideration by the Estates Development Committee and approval by the University Council, submissions should be forwarded to the Regulator where appropriate. If required agreement is secured from the Regulator, Regulator procedural rules should be followed. Regulator guidance on best practice should be followed even when Regulator approval is not required.

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

Conditions of contract for the purchase of goods will be followed as described in the University's detailed financial procedures.

19.10. **Public Contracts Regulations**

The Head of Procurement is responsible for ensuring the University complies with its legal obligations concerning the UK Public Contracts Regulations or any other relevant laws relating to the expenditure of public funds that applies to the University. Regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value.

The Head of Procurement will advise Deans and Directors on the thresholds that are currently in operation. A breach of these procurement regulations is actionable by a supplier or potential supplier.

It is the responsibility of Deans and Directors to ensure that their members of staff comply with procurement regulations by notifying the purchasing officer 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 Contracts Finder.

The Head of Procurement is also required annually to submit to the funding body details on expenditure which exceeds the threshold. Copies of the relevant documentation falling into this category must be provided by Deans and Directors.

19.11. Receipt of goods

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

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 (by letter or emails with a copy to the Head of Procurement) 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.

All persons receiving goods on behalf of the University must be independent of those who negotiated prices and terms and placed the official order.

19.12. Payment of invoices

The procedures for making all payments shall be in a form specified by the Director of Finance.

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 BACS transfer each week. In exceptional circumstances the Director of Finance will make appropriate arrangements for urgent payments.

Deans and Directors are responsible for ensuring that expenditure within their departments does not exceed funds available.

Suppliers should be instructed by the budget holder to submit invoices for goods or services to the Financial Services Department.

Care must be taken by the budget holder to ensure that discounts receivable are obtained.

Payments will only be made by the Director of Finance against invoices that can be matched to a receipted order or have been certified for payment by the appropriate Dean or Director or budget holder.

Certification of an invoice or receipting of an electronic order will ensure that:

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

- Where invoices are held up in a department due to a query, the supplier should be notified by letter or email with a copy to the Procurement Services Manager.

19.13. **Staff reimbursement**

The University's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to incur any personal expense. However, on occasions, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement (see 20.5).

19.14. **Petty cash**

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

Requisitions for reimbursements must be sent to the Cash Office, 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.

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 Dean or Director or another person nominated by them.

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 Dean or Director.

19.15. **Other payments**

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

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 Senior Leadership Team.

19.16. **Late payment rules**

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

- small businesses can charge interest on overdue invoices.
- interest is chargeable on sales made after 1 November 1998
- the rate of interest is currently 8% per annum above the official daily rate of the Bank of England
- the Act also applies to overseas organisations.
- the University can be sued for non-payment.

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

The University is a member of the Prompt Payment Code which is administered by the Office of the Small Business Commissioner (OSBC) on behalf of Department for Business and Trade (DBT).

19.17. Project advances

The Director of Finance and the relevant Dean or Director may jointly approve cash advances for projects carried out away from the University where cash expenditure may be unavoidable. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or a university credit card. Receipts or paid invoices will be retained for all sums expended in this way. Upon completion of the project to which the advance relates, 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 still outstanding.

19.18. Giving hospitality

Staff entertaining guests from outside bodies at lunch time should normally use the University's catering facilities. Where this is not the case, reasons must be stated when submitting a claim for reimbursement.

The limits concerning acceptable expenditure for entertaining guests are set out in the Expenses and Benefits Policy and Procedure, available on the StaffHub.

It is an offence under section 7 of the Bribery Act 2010 for commercial organisations to fail to prevent persons associated with them from bribing another person on their behalf. The University's anti-bribery policy statement can be found in appendix three.

19.19. Provision of clothing

Where clothing is provided to employees whose duties require them to wear a uniform, that clothing must bear a University logo. The logo must be permanent and clearly identify the wearer as a member of staff.

19.20. Payments to volunteers

It is the responsibility of the head of department to ensure that payments made to volunteers are correctly administered. The University only allows payment from an approved budget which represents the reimbursement of actual travel costs when fully supported by receipts.

20. Pay Expenditure**20.1. Remuneration policy**

All University staff will be appointed to the salary scales approved by the University Council and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Human Resources Department (HR).

The University 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.

Salaries and other benefits for Senior Post Holders will be determined by the remuneration committee set up by the University Council.

20.2. Appointment of staff

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 Human Resources and approved by a Dean or

Director. Budget holders shall ensure that the Deputy Vice-Chancellor and the Director of Human Resources are provided promptly with all the information they may require in connection with the appointment, resignation, or dismissal of employees.

20.3. **Salaries and wages**

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 time sheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Director of Human Resources.

The Director of Human Resources will be responsible for all matters relating to human resources 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.
- visa checks where relevant in accordance with legislative requirements.

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

The Director of Human Resources will be responsible for keeping all records relating to payroll including those of a statutory nature.

All payments must be made in accordance with the University's detailed payroll financial procedures and comply with HM Revenue & Customs regulations. Staff should be aware that the University could incur penalties for non-compliance with such regulations.

20.4. **Superannuation schemes**

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

The Director of Human Resources is responsible for day-to-day superannuation matters including:

- paying contributions to various authorised superannuation schemes
- preparing the annual return to various superannuation schemes
- administering the University's pension funds.

The Director of Human Resources is responsible for administering eligibility to pension arrangements and for when deductions should begin or cease for staff.

20.5. **Expenses and allowances**

The University has dispensation from HM Revenue & Customs to make payments to employees for certain specified items without deduction of income tax in accordance with the Expenses and Benefits Policy and Procedure which is available on the StaffHub.

Reimbursement by the University of expenditure not included in the dispensation is subject to the deduction of income tax before payment.

Travel, subsistence and other allowances

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

Claims by members of staff must be authorised by their Dean or Director (or Vice-Chancellor or Deputy Vice-Chancellor in the case of Deans and Directors). The certification by the Vice-Chancellor will be authorised by the Chair of the Audit Committee. Certification of such claims 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 in accordance with the expense and benefits manual.
- consideration has been given to value for money in choosing the mode of transport.

Arrangements for travel by the Vice-Chancellor or members of the University Council shall be approved by the Chair of the University Council. Arrangements for travel by the Chair shall be approved by the Chair of the Audit Committee.

20.6. Overseas travel

All arrangements for overseas travel must be in accordance with the procedures which can be found in the Expenses and Benefits Policy and Procedure, available on the StaffHub. Any approvals required must be obtained in advance of committing the University to those arrangements or confirmation of any travel bookings.

Where spouses, partners, or other persons unconnected with the University intend to participate in a trip, this must be clearly identified in advance. Expenses claimed should only relate to the claimant and not to any spouses or family members travelling with the claimant.

Where the University's equipment is taken overseas, appropriate arrangements for its security and insurance must be in place.

20.7. Allowances for members of the University Council

Claims for members of the University Council will be authorised by the University Secretary. Disbursements that can be reimbursed include travelling and claims for meeting attendance will be based on out-of-pocket expenses, but only reasonable expenses can be reimbursed.

20.8. Severance and other non-recurring payments

Severance payments shall only be made in accordance with relevant legislation and Regulator guidance and under a scheme approved by the University Council. Professional advice should be obtained where necessary. No amounts shall be expended which 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 and the Director of Finance. Any individual amounts which do not fall within the parameters above require approval by the University Council. In exceptional circumstances this approval may be given by the Chair of the University Council in consultation with the Vice-Chancellor, to be reported to the next meeting. Amounts paid should be declared in the financial statements.

20.9. All matters referred to an employment tribunal shall be notified to the Director of Human Resources and the Director of Finance at the earliest opportunity in order that budget

provision may be made as necessary. All determinations of tribunals must be similarly notified.

21. Assets

21.1. Land, buildings, fixed plant and machinery

The purchase, lease or rent of land or building or fixed plant can only be undertaken with authority from the University Council and with reference to Regulator requirements where exchequer-funded assets or exchequer funds are involved.

21.2. Fixed asset register

The Director of Finance is responsible for maintaining the University's register of land, buildings, fixed plant and machinery. Deans and Directors will provide the Director of Finance with any information they may need to maintain the register.

21.3. Local asset register

Deans and Directors are responsible for maintaining a local asset register, in a form prescribed by the Director of Finance, for all plant, equipment, furniture and stores in their departments with a value in excess of £500. The inventory must include items donated or held on trust.

Inventories must be checked at least annually as described in the University's detailed financial procedures.

When transferring equipment, etc, between departments, a transfer record must be kept, and the register amended accordingly.

When an item is disposed of, the disposal must be recorded in the local asset register giving the reasons and the method of disposal used.

21.4. Stocks and stores

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

Deans 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 health, safety, and security checks.

Those Deans 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 departments are issued in accordance with advice contained in the University's detailed financial procedures.

21.5. Safeguarding assets

Deans 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 in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Assets owned by the University shall, so far as is practical, be effectively marked to identify them as university property.

21.6. Personal use

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

21.7. Asset disposal

Disposal of equipment and furniture must be in accordance with procedures agreed by the Audit Committee and contained in the University's detailed financial procedures which can be found on the StaffHub.

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

21.8. All other assets

Deans 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 paragraph 18), including electronic data.

22. Funds Held on Trust**22.1. General**

The Director of Finance is responsible for ensuring that incoming funds are properly classified and designated as appropriate.

22.2. Gifts, benefactions and donations

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

The Director of Finance will prescribe the format for recording the use of student welfare funds. Records of welfare funds will be maintained according to Regulator requirements.

22.3. Trust funds

The Director of Finance is responsible for maintaining a record of the requirements for each trust fund and for advising the University Council on the control and investment of fund balances.

The Director of Finance 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.

22.4. Voluntary funds

The Director of Finance shall be informed of any fund, not being 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.

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.

22.5. Donation of equity shares

When shares are offered by a donor, the Finance Office is responsible for the same due diligence they would normally undertake for a donation of cash. In addition they should ensure:

- the donor is the rightful owner of the donated shares.
- the company holding the shares complies with the University's ethical policies.

At the time of the donation, the Finance Office should obtain in writing the purpose of the donation.

All share certificates should be held in safe custody.

23. Other**23.1. Insurance**

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 paragraphs 7.1 to 7.4), 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 such as terrorism and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be considered and approved by the Director of Finance annually.

The Director of Finance is responsible for effecting insurance cover. They are therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Director of Finance will keep a register of all insurances effected by the University and the property and risks covered. They will also deal with the University's insurers and advisers about specific insurance problems.

Deans and Directors must ensure that any agreements negotiated within their departments 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. Deans and Directors must give prompt notification to the Director of Finance of any potential new risks, additional property and equipment that may require insurance and any alterations affecting existing risks. Deans and Directors must advise the Director of Finance, immediately, of any event that may give rise to an insurance claim. The Director of Finance will notify the University's insurers and, if appropriate, prepare a claim in conjunction with the Dean or Director for transmission to the insurers.

The Director of Estates and Facilities 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.

All staff using their own vehicles on behalf of the University shall maintain appropriate insurance cover for business use and will be required to give proof of this to the University including their driving licence and MOT certificate (if relevant).

23.2. Companies, joint ventures, and consortium arrangements

In certain circumstances it may be advantageous to the University to establish a company, joint venture or consortium arrangement to undertake services on behalf of the University. Any member of staff considering the use of such arrangements should first seek the advice of the Director of Finance, who should have due regard to guidance issued by the Regulator.

The University Council is responsible for approving the establishment of all companies, joint ventures or consortiums 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, joint venture or consortium and arrangements for monitoring and reporting on the activities of these undertakings are documented through the University Innovation Committee.

It is the responsibility of the University Council to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the University.

The directors of companies where the University is the majority shareholder must submit an annual report to the University Council. They will also submit business plans or budgets as requested to enable Senior Leadership to assess the risk to the University. The University's internal and external auditors shall also be appointed to such companies.

Where the University is the majority shareholder in a company, that company's financial year shall be consistent with that of the University.

23.3. **Security**

Keys to safes or other similar containers must be always kept securely. The loss of such keys must be reported to the Director of Finance immediately.

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 to network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act. A data protection officer shall be nominated to ensure compliance with the Act and the safety of documents. The University Secretary is responsible for the safekeeping of institutional-level official and legal documents relating to the University. Signed copies of deeds, leases, agreements, and contracts must, therefore, be forwarded to them. All such documents shall be held in an appropriately secure, fireproof location.

School or Service specific legal documentation should be kept safely and securely by the School or Service concerned.

23.4. **Students' union**

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.

Subject to any constraints imposed by the Regulator, the University Council shall determine the level of grant to be paid annually to the students' union. The Senior Leadership team requires the union to provide details of its proposed budget to assist in determining the appropriate level of grant.

The students' union is responsible for maintaining its own bank account and financial records and for preparing its own annual financial statements.

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 for information purposes only.

At year end the students' union financial statements will be audited by an appropriately qualified firm of auditors and will be presented to the University's University Council for information.

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 in other areas of the University.

23.5. Use of the University's seal

Where a deed or document requires the University's seal, it must be sealed by the University Secretary or, in their absence, the Director of Finance, in the presence of a member of the University Council and the Vice-Chancellor.

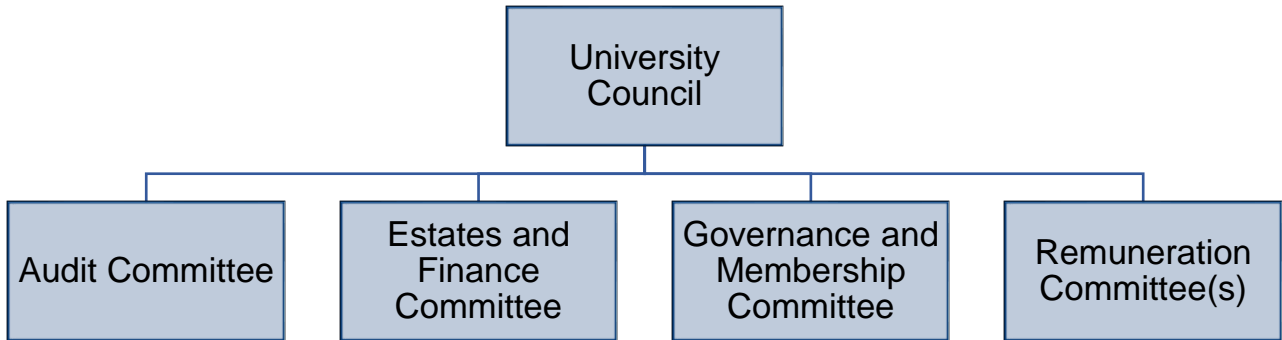
The University Secretary is responsible for submitting a report to each meeting of the University Council detailing the use of the University's seal since the last meeting.

23.6. Provision of indemnities

Any member of staff asked to give an indemnity, for whatever purpose, should consult the Legal Office before any such indemnity is given. The Legal Office will advise on the appropriate level of such an indemnity which will reflect the University's charitable status and should not expose the University to undue risk, or which could negate or outweigh the benefit of its purpose.

APPENDICES

Appendix One – University Committee Structure



Appendix two – The Seven Principles of Public Life

The Seven Principles of Public Life ³(also known as the Nolan Principles) apply to anyone who works as a public officeholder. This includes all those who are elected or appointed to public office, nationally and locally, and all people to work in the Civil Service, local government, the police, courts and probation services, non-departmental public bodies (NDPBs), and in the health, education, social and care services. All public officeholders are both servants of the public and stewards of public resources. The principles also apply to all those in other sectors delivering public services.

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

³ [The Seven Principles of Public Life - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Appendix three – Anti-Corruption, Bribery and Fraud Policy Statement

1. It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to corruption, bribery, fraud or other financial irregularity and we are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, and in implementing and enforcing effective systems to counter any acts of bribery or corruption.
2. We will uphold all laws relevant to countering bribery, corruption, and fraud. We remain bound by the laws of the UK, including the Bribery Act 2010 (the “Act”), in respect of our conduct both at home and abroad.
3. The purpose of this policy is to:
 - (a) set out our responsibilities and of those working for us, in observing and upholding our position on corruption, bribery, fraud or other financial irregularity; and
 - (b) provide information and guidance to those working for us on how to recognise and deal with corruption, bribery, and fraud issues.
4. Bribery legislation has extensive global reach, and the University and individuals working for the University can be liable no matter where in the world the unlawful act takes place. Bribery and corruption are punishable by up to ten years’ imprisonment for individual, and if the University is found to have taken part in corruption the University could face an unlimited fine, be excluded from tendering for public contracts and face damage to its reputation. We therefore take our legal responsibilities very seriously.
5. It should be stressed that, in common with other Higher Education Institutions in the UK, the University faces a range of bribery and corruption risks throughout its activities, operations and geographies. These risks include, but are not limited to, bribery in relation to admissions, examinations, awards, procurement, joint ventures, and construction.
6. In the policy, third party means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

Further details can be found in the full Anti-Corruption, Bribery and Fraud Policy in the policies and procedures section of the StaffHub.

Appendix four – protocols for proposed capital expenditure

Proposed capital projects should be supported by:

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

Appendix five – summary of protocols for proposed major developments.

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

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