To conduct its business effectively, a university needs to ensure that it has sound financial management systems in place and that they are strictly adhered to. Part of this process is the establishment of financial regulations which set out the financial policies of the institution.

Financial regulations make good business sense, and for higher education institutions, they have additional significance as their grant funding depends upon them. The financial memoranda between funding bodies and the institutions they fund makes it a condition of grant that a university ensures that it has a sound system of internal financial management, and control and financial regulations are a core component of such a system. Similarly, funding body audit services are required to give an assurance that institutions have fully documented financial procedures in place and the funding body may withhold grant where this cannot be shown to be the case. The Higher Education Funding Council for England has further highlighted the need for institutions to “publish financial regulations which govern the conduct of all their financial affairs” in its publication The Financial Health of Higher Education Institutions in England: A Report on Good Practice.

The regulations set out in this document are based upon CIPFA’s model regulations which reflect best practice and provide a practical source of guidance.

These Financial Regulations were approved by the University Employment and Finance Committee (under its delegated authority from the University Council) on 6 November 2008.

A McConnell
Director of Finance
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The following general terms have been used in this guide.

**AUDIT COMMITTEE**

A committee independent of executive responsibility, which advises the governing body on issues related to internal audit, external audit and financial control. It is required to issue an annual report to the governing body which, *inter alia*, comments on the institution’s system of internal control.

**BUDGET HOLDER**

The member of staff who has been assigned his or her own budget (other than a dean or director) and is accountable to his/her dean or director for it.

**DIRECTOR OF FINANCE**

The chief financial officer of the University.

**EMPLOYMENT AND FINANCE COMMITTEE**

The committee with delegated responsibility for financial matters.

**FUNDING BODY**


**UNIVERSITY COUNCIL**

The governing body ultimately responsible for the affairs of the institution.
DEAN OR DIRECTOR

The head of an academic or non-academic department of the University who is responsible for the budget of his or her whole department/area.

VICE-CHANCELLOR

The person with the ultimate executive responsibility for the management of the institution.

SENIOR MANAGEMENT TEAM

The senior management group that assists the vice-chancellor in running the institution.
A GENERAL PROVISIONS

1 Background

1.1 The institution 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 institution is accountable through its governing body, which has ultimate responsibility for the effectiveness of its management and administration.

1.2 The institution is an exempt charity by virtue of the Charities Act 1993.

1.3 The financial memorandum between the funding body and the University sets out the terms and conditions on which grant is made. The governing body is responsible for ensuring that conditions of grant are met. As part of this process, the institution must adhere to the funding body’s audit code of practice, which requires it to have sound systems of financial and management control. The financial regulations of the University form 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 institution’s broad policies relating to financial control. This document was approved by the governing body on 6 November 2008. It applies to the University and all its subsidiary undertakings.

2.2 These financial regulations are subordinate to the institution’s instruments and articles of government and to any restrictions contained within the institution’s financial memorandum with the funding body and the funding body’s audit code of practice.

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 institution’s strategic plan and business objectives:

● being financially viable
● achieving value for money
fulfilling its responsibility for the provision of effective financial controls over the use of public funds

- ensuring that the institution complies with all relevant legislation
- safeguarding the assets of the institution.

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 procedures. The governing body will be notified of any such breach 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 employment and finance committee is responsible for maintaining a continuous review of the financial regulations, through the Director of Finance, and for 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.

B CORPORATE GOVERNANCE

3 The University Council

3.1 The governing body is responsible for the management and administration of the University. Its financial responsibilities are to:

- ensure the solvency of the institution
- safeguard the institution’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 institution’s financial memorandum with the funding body
- ensure that financial control systems are in place and are working effectively
- ensure that the institution complies with the funding body’s audit code of practice
- approve the institution’s strategic plan
- approve annual estimates of income and expenditure and the annual financial statements
- appoint the institution’s internal and external auditors.
4 Designated Officer

4.1 The vice-chancellor is the University’s designated officer responsible for the financial administration of the institution’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 financial memorandum. If the governing body decides nevertheless to proceed, the vice-chancellor must immediately inform the chief executive of the funding body in writing. The vice-chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by the governing body and for the management of budgets and resources within the estimates approved by the governing body. 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 The governing body 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 governing body. A diagram depicting the committee structure is included at Appendix A.

5.2 Employment and finance committee
Monitoring of the institution’s financial position and financial control systems is undertaken by the employment and finance committee. The committee will examine annual estimates and accounts (including the accounting policies upon which they are based) and recommend their approval to the governing body. 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 governing body and make recommendations accordingly. The committee will also ensure that the governing body has adequate information to enable it to discharge its financial responsibilities.

5.3 Senior management team
Consideration of the University’s medium-term and strategic plans is undertaken by the senior management team. It is responsible for ensuring that all the financial implications of such plans are taken into account before their approval by the governing body.

5.4 Estates development committee
The committee is responsible for considering the institution’s capital programme before it can be recommended to the governing body for approval. Similarly, it considers and makes recommendations to the governing body on the allocation of capital resources between academic and non-academic areas.
5.5 **Audit committee**

Institutions are required by their financial memorandum with the funding body and by the funding body’s audit code of practice to appoint an audit committee. The committee is independent, advisory and reports to the governing body. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. The audit requirements of the University are set out in the funding body’s audit code of practice.

5.6 **Remuneration committee**

Consideration of senior management’s pay and conditions is the responsibility of the remuneration committee. It has the power to make recommendations to the governing body on 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 institution’s annual accounts and other financial statements and accounts which the institution is required to submit to other authorities
- ensuring that the institution 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.

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 of 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 institution’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 his or her 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 he or she may deem necessary, from time to time, to carry out the requirements of the governing body.

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

7 Risk Management

7.1 The University acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable/unacceptable by the institution is set out in a separate risk management strategy.

7.2 The governing body has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the institution through the development, implementation and embedding within the organisation of a formal, structured risk management process.
7.3 In line with this policy, the governing body 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 institution-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 governing body of all risks above established tolerance levels
- an annual review of the implementation of risk management arrangements

The strategy and procedures must be capable of independent verification.

7.4 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. Advice should be sought from the University secretary 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 blow the whistle about crime, civil offences (including negligence, breach of contract, etc), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

8.2 Normally, any concern about a workplace matter at the institution should be raised with the relevant member of staff’s immediate line manager or dean or director. However, the institution recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.
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 this person, or with the vice-chancellor or the chair of the governing body, it may be raised with the chair of the audit committee.

The full procedure for whistleblowing is set out in the University’s whistleblowing policy, which is available on the University’s website including the contact details of the designated people to whom a complaint may be made.

9 Code of Conduct

The University is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe. These principles are set out at Appendix B.

Additionally, members of the governing body, senior management or those particularly 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 an institution contract where he or she also has an interest in the activities of the other party.

Receiving gifts or hospitality

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

- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest
- the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.
Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the institution would be likely to provide in return.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the relevant dean or director or the Director of Finance. Guidance on acceptable hospitality is contained in the expenses and benefits manual. For the protection of those involved, the University secretary will maintain a register of gifts received where the value is in excess of £100. Members of staff in receipt of such gifts are obliged to notify the University secretary promptly.
10 Financial Planning

10.1 The Director of Finance is responsible for preparing annually a rolling five-year financial plan for approval by the governing body on the recommendation of the senior management team and for preparing financial forecasts for submission to the funding body. Financial plans should be consistent with the strategic plans and estates strategy approved by the governing body.

10.2 Budget objectives
The governing body will, from time to time, set budget objectives for the institution. These will help the Director of Finance in preparing his or her more detailed financial plans for the institution.

10.3 Resource allocation
Resources are allocated annually by the senior management 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 management team before submission to the governing body. The budget should also include monthly 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 governing body.

During the year, the Director of Finance is responsible for submitting revised budgets to the senior management team for consideration before submission to the governing body for approval.

10.5 Capital programmes
The capital programme includes all expenditure on land, buildings, equipment, furniture and associated costs whether or not they are funded from capital grants or capitalised for inclusion in the University’s financial statements. Expenditure of this type can only be considered as part of the capital programme approved by the governing body.
The Director of Finance will establish protocols for the inclusion of capital projects in the capital programme for approval by the governing body. 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 at Appendix C.

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

The director of estates and facilities is responsible for providing regular statements concerning all estates capital expenditure to the estates development committee for monitoring purposes.

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

10.6 Overseas activity
In planning and undertaking overseas activity, the University must have due regard to the relevant guidelines issued by the funding body.

10.7 Other major developments
Any new aspect of business, or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time should be presented for approval to the senior management team.

The Director of Finance will establish protocols for these major developments to enable them to be considered for approval by the governing body. These will set out the information that is required for each proposed development as well as the financial criteria that they are required to meet. They are summarised at Appendix D.

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 Director of Finance is responsible for supplying budgetary reports on all aspects of the University’s finances to the senior management team subject to any specific requirements of the funding body. These reports are presented to the governing body, which has overall responsibility for the institution’s finances.

11.3 **Changes to the approved budget**
Changes proposed to the approved budget will be first considered by the senior management team, which will make proposals to the governing body.

11.4 **Virement**
Where a budget holder is responsible for more than one budget, virement is permitted with the approval of the dean or director.

Virement between budgets held by different budget holders is permitted with the approval of the transferring budget holder and the dean or director.

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. Budget holders will not normally have the authority to carry forward an excessive balance on their budget to the following year unless the deputy vice-chancellor has approved a specific scheme for carrying forward all or part of unspent amounts. A negative balance will be set against the following year’s budget allocation.

12 **Accounting Arrangements**

12.1 **Financial year**
The University’s financial year will run from 1 August until 31 July the following year.

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

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

New land and buildings will be recorded in the balance sheet at actual build or acquisition cost and they will be independently revalued every 5 years when they will be recorded at depreciated replacement cost. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Land will not be depreciated.

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

Expenditure incurred on the acquisition of assets other than land and buildings 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.

12.5 **Accounting records**

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

The institution is required by law to retain prime documents for six years after the end of the financial year to which they refer. Although not an exhaustive list, these 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.

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 University’s website.
12.6 Public access
Under the terms of the Charities Act 1993, the governing body is required to supply any person with a copy of the institution’s most recent financial statements within two months of a request. The Act enables the governing body to levy a reasonable fee and this will be charged at the discretion of the Director of Finance. The institution will also allow members of the public to inspect the statement of accounts during normal working hours, provide copies to local libraries and make a summary available on the institution’s website.

12.7 Taxation
The Director of Finance is responsible for advising deans and directors, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the institution. 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 institution
- 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 his or her 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.

Following consideration by the employment and finance committee, the financial statements should be reviewed by the audit committee. On the recommendation of the employment and finance and audit committees they will be submitted to the governing body for approval.
13.2 **External audit**

The appointment of external auditors will take place annually and is the responsibility of the governing body. The governing body will be advised by the audit committee.

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 funding body’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 governing body on the recommendation of the audit committee.

The University’s financial memorandum with the funding body requires that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in the funding body’s audit code of practice. The main responsibility of internal audit is to provide the governing body, the vice-chancellor and senior management team 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 governing body, vice-chancellor and chair of the audit committee. The internal auditor will also comply with the Auditing Practices Board’s auditing guideline *Guidance for Internal Auditors*.

13.4 **Fraud and corruption**

It is the duty of all members of staff, management and the governing body 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 Director of Finance shall immediately invoke the fraud and corruption response plan, which incorporates the following key elements:

- he or she will notify the vice-chancellor and the audit committee (through its chair) of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report
- the vice-chancellor shall inform the police if a criminal offence is suspected of having been committed
- any significant cases of fraud or irregularity shall be reported to the funding body 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.

13.5 **Value for money**
It is a requirement of the financial memorandum that the governing body of the institution is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the funding body, the National Audit Office, the Public Accounts Committee or other relevant bodies.

To fulfil this responsibility, the governing body will develop and revise each year a plan for value for money work that will provide evidence of compliance with the funding body’s requirements. It will be used to enable the audit committee to refer to value for money in their annual report.

13.6 **Other auditors**
The institution may, from time to time, be subject to audit or investigation by external bodies such as the funding body, National Audit Office, European Court of Auditors and HM Revenue and 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 funding body rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the financial memorandum. The governing body 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 institution and shall conform to any relevant funding body requirements. The Director of Finance and his/her staff are required to act in accordance with CIPFA’s *Code of Practice*.

The Director of Finance will report to the employment and finance committee 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 him or her.
14.2 **Appointment of bankers and other professional advisers**

The governing body is responsible for the appointment of the University’s bankers and other professional financial advisers (such as investment managers) on the recommendation of the employment and finance committee.

14.3 **Banking arrangements**

The Director of Finance is responsible, on behalf of the employment and finance committee, for liaising with the University’s bankers in relation to the University’s bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the Director of Finance, who shall make proper arrangements for their safe custody.

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 cheques drawn on behalf of the University must be signed in the form approved. Cheques up to an agreed amount, specified in the University’s detailed financial procedures, shall require one or two signatures as appropriate; cheques over the agreed amount must be signed by two authorised persons, of which only one may be that of an authorised member of staff in the finance department. Details of authorised persons and limits shall be provided for in the institution’s detailed financial procedures (see 19.2).

All automated transfers on behalf of the institution, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the employment and finance committee. Details of authorised persons and limits shall be provided for in the institution’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, services rendered, goods supplied and rents and lettings are determined by procedures approved by the senior management team.

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 funding body and other bodies are received and appropriately recorded in the institution’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. In particular, 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 promptly and in accordance with a timetable prescribed by the Director of Finance and set out in financial procedures. The custody and transit of all monies received must comply with the requirements of the institution’s insurers.

All sums received must be paid in and accounted for in full and must not 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 institution.

Receipts by credit or debit card: the institution may only receive payments by debit or credit card using procedures approved by the Director of Finance.

Internet receipts: any member of staff wishing to arrange for payment to be made to the institution by the internet should seek guidance from the Director of Finance at an early stage.

15.4 Collection of debts
The Director of Finance should ensure that:

● debtors invoices are raised promptly on official invoices, in respect of all income due to the institution
● invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account
● any credits granted are valid, properly authorised and completely recorded
● VAT is correctly charged where appropriate, and accounted for
● monies received are posted to the correct debtors account
● swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the financial procedures
● outstanding debts are monitored and reports prepared for management.

Only the Director of Finance can implement credit arrangements and indicate the periods in which different types of invoice must be paid.
Requests to write off debts in excess of £10,000 (inclusive of VAT) must be referred in writing to the Director of Finance for submission to the employment and finance committee for consideration. Debts below this level may be written off with the permission of the Director of Finance.

15.5 Student fees
The procedures for collecting tuition fees must be approved by the Director of Finance. He or she is responsible for ensuring that all student fees due to the institution are received.

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

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

15.7 Emergency/hardship loans
The institution’s scheme for emergency/hardship loans must be approved by the senior management 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.

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 General
Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective. It can use existing knowledge in experimental development to produce new or substantially improved materials, devices, products and processes including design and construction. It excludes routine testing and analysis of materials, components and processes.

The term ‘research grant’ is restricted to research projects funded by the UK research councils, charities, the European Commission, UK government departments and the higher education funding bodies.

All other externally financed research projects are classified as ‘research contracts’.
Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the dean to ensure that the financial implications have been appraised by the Director of Finance before any work is undertaken. This will include obtaining a set of grant terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance.

The Director of Finance or his or her authorised representative is responsible for examining every formal application for grant and shall ensure that there is adequate provision of resources to meet all commitments. The Director of Finance should ensure that the full economic cost of research contracts is established. The research agreement must be in line with the University’s policy with regard to estates and indirect costs and other expenses and taking account of different procedures for the pricing of research projects depending on the nature of the funding organisation.

Research grants and contracts shall be accepted on behalf of the institution by the appropriate dean, or if the grant or contract relates to more than one school, by the pro vice-chancellor (research and enterprise) or by the deputy vice-chancellor.

Staff must not commit to, or engage in, any other externally funded research unless there is specific authority from their dean and from the Director of Finance.

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

Each grant or contract will have a named supervisor or grant holder and will be assigned to a specific budget holder.

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

16.2 Recovery of overheads
Overheads will be charged to research activity whether or not the funding arrangements permit full recovery. Full information on the topslicing methodology can be found in the University’s detailed procedures.

16.3 Costing/transparency
The institution has agreed to adopt the principles on costing and pricing recommended by the Joint Costing and Pricing Steering Group (JCPBG) and subsequent guidance from HEFCE.

All academic staff will maintain the records specified by the Director of Finance to enable compilation of returns to the funding body which meet the requirements of the Transparent Approach to Costing.
16.4 **Grant and contract conditions**

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

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

17 **Other Income-Generating Activity**

17.1 **Private consultancies and other paid work**

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

- outside consultancies or other paid work may not be accepted without the consent of the dean or director (and in the case of a 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 vice-chancellor, as appropriate, and include the following information:
  - the name of the member(s) of staff concerned
  - the title of the project and a brief description of the work involved
  - the proposed start date and duration of the work
  - full details of any institution resources required (for the calculation of the full economic cost)
  - an undertaking that the work will not interfere with the teaching and normal institutional duties of the member(s) of staff concerned.

17.2 **Short courses and services rendered**

In this context a short course is any course which 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 and ensure that a full economic costing has been agreed with the Director of Finance. 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. Staff wishing to undertake services rendered must have the authority of their dean and ensure that a full economic costing has been agreed with the Director of Finance beforehand.
17.3 **Off-site collaborative provision (franchising)**
Any contract or arrangement whereby the institution provides education to students away from 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 funding body model contract (as amended from time to time) in place before any provision is made. Contracts for significant changes in franchising activity shall be approved in advance by the governing body.

The form of the contract shall be approved by the senior management team. The format for regular reports shall be as stated in funding body 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 governing body shall approve the departure, and the vice-chancellor shall seek the views of and inform the funding body.

17.4 **European Union (EU) and other matched 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 a full economic costing has been agreed with the Director of Finance.

Individual applications for funds shall be the subject of a dean’s report which will set out, amongst 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 sub-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 including consultancy must be self-financing or surplus-generating unless it is intended that a new course or activity is to 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.
Staff must not commit to, or engage in, any other income generating activities unless there is specific authority from their dean and from 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 overheads, in particular for the recovery of estates and indirect costs.

17.6 **Deficits**
Any unplanned deficits incurred on other income-generating activities will be charged to departmental funds.

17.7 **Additional contributions to departments**
Profits on other income-generating activity are allocated back to the relevant school.

17.8 **Additional payments to staff**
Any proposal that 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 management team is responsible for establishing procedures to deal with any patents accruing to the University from inventions and discoveries made by staff in the course of their research.

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 University’s handbook of intellectual property and related matters.
19 Expenditure

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

19.2 Scheme of delegation/financial authorities
The dean or director is responsible for purchases within his or her 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 him or her 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).

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

Deans and budget holders are not authorised to commit the institution 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.

19.3 Procurement
The institution requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice. Factors to be considered in determining lowest cost are noted in the financial procedures.

The procurement services manager is responsible to the Director of Finance for:

- ensuring that the University’s purchasing policy is known and observed by all involved in purchasing for the institution
- advising on matters of institution purchasing policy and practice
- advising and assisting departments where required on specific departmental purchases
- developing appropriate standing supply arrangements on behalf of the institution to assist budget holders in meeting their value for money obligations
- vetting all orders above £3,000 before they leave the institution
the drafting and negotiation of all large-scale purchase contracts undertaken by the institution, in collaboration with the responsible department

- ensuring that the University complies with EU regulations on public purchasing policy.

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 procurement services manager) to ensure that all purchase orders refer to the University’s conditions of contract (see 19.8 and Appendix E).

19.5 Purchasing cards
The operation and control of the University’s purchasing cards is the responsibility of the Director of Finance.

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

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

19.6 Tenders and quotations
Deans, directors and delegated budget holders must comply with the institution’s tendering procedures contained in the institution’s code of tendering practice, which are applicable as follows:

- under £3,000 – the budget holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained
- from £3,001 to £25,000 – the budget holder shall be required to obtain at least three written quotations
- over £25,000 – all items will require 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 governing body will fall outside these arrangements for tenders and quotations.

The main points covered by the University’s code of tendering practice are described at Appendix F and may be subject to special rules imposed by funding bodies.

19.7 Post-tender negotiations
Post-tender negotiations (ie negotiation after receipt of formal tenders and before letting final contracts with a view to obtaining more favourable 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 institution’s tendering process.

All tender documents should include a statement that the University has a right to post-tender negotiations where appropriate.

19.8 Contracts
Building contracts are the responsibility of the estates development committee 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, space planning or in response to requests from departments.

Consultants may be appointed if the project 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 funding body guidance.

Following consideration by the estates development committee and approval by the governing body, submissions should be forwarded to the funding body where appropriate. If the required agreement is secured from the funding body, funding body procedural rules should be followed. Funding body guidance on best practice should be followed even when funding body 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 institution’s detailed financial procedures. The main points are described at Appendices E and F.

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

The procurement services manager will advise deans and directors on the thresholds that are currently in operation. A breach of these EU regulations is actionable by a supplier or potential supplier.

It is the responsibility of deans and directors to ensure that their members of staff comply with EU 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 the *Official Journal of the European Community* (OJEC).

The procurement services manager is also required to submit to the funding body annually details on expenditure which exceeds the threshold. Copies of the relevant documentation falling into this category must be provided by deans and directors to the procurement services manager.

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

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 email with a copy to the procurement services manager) 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 institution must be independent of those who negotiated prices and terms and placed the official order.

19.11 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 computer cheques or BACS transfer each week. In exceptional circumstances the Director of Finance will prepare cheques manually 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 department concerned. Invoices must be passed to the Financial Services Department as soon as they have been certified (paper-based system).

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

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 have been certified for payment by the appropriate dean, director or budget holder (paper-based system).

Payments will only be made by the Director of Finance against invoices that can be matched to a receipted order (electronic system).

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.

### 19.12 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 occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement (see 20.5).

Where such purchases by staff are planned, the Director of Finance and the relevant dean or director may jointly approve cash advances to staff who are going to incur expenditure on the University’s behalf. Upon completion of the travel or project to which the advance relates, within one month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to an individual is still outstanding.
19.13 **Institution credit cards**
Where appropriate, the Director of Finance may approve the issuing of University credit cards to senior staff. Such credit cards shall be used for the payment of valid business expenses only and the misuse of such cards shall be grounds for disciplinary action. The Director of Finance will be responsible for setting in place a system to monitor the use of University credit cards and account for expenses charged through them.

19.14 **Petty cash**
Where a single item is for less than £10.00 it should be paid from departmental petty cash if possible, or postal order if it is to be paid through the post. It must be supported by receipts or vouchers where available.

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

Requisitions for reimbursements must be sent to the Director of Finance, together with appropriate receipts or vouchers, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.

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 him or her.

Standard institution petty cash books are supplied by the Director of Finance and must be used for recording all imprest accounts.

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 management 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 governing body requires that invoices must be 
passed for payment as soon as they are received.

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 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 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 manual.

20 Pay Expenditure

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

The governing body 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 management will be determined by the 
remuneration committee set up by the governing body.

20.2 Appointment of staff
All contracts of service shall be concluded in accordance with the University’s approved 
personnel practices and procedures and all offers of employment with the institution 
shall be made in writing by Human Resources and approved by a dean or director.
Budget holders shall ensure that the Director of Finance and the director of HR are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

20.3 Salaries and wages

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

The director of HR will be responsible for all matters relating to personnel for payroll purposes. In particular these include:

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

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

The director of HR shall 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 and Customs regulations.

20.4 Superannuation schemes

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

The director of HR is responsible for day-to-day superannuation matters, including:

- paying contributions to various authorised superannuation schemes
- preparing the annual return to various superannuation schemes

The director of HR is responsible for administering eligibility to pension arrangements and for determining when deductions should begin or cease for staff.

20.5 Travel, subsistence and other allowances

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

Claims by members of staff must be authorised by their dean or director (or vice-chancellor in the case of deans and directors). Claims 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 expenses 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 governing body shall be approved by the chair of the governing body. Arrangements for travel by the chair shall be approved by the senior management team.

20.6 Overseas travel
All arrangements for overseas travel must be in accordance with the appropriate scheme approved by the senior management team. Any approvals required must be obtained in advance of committing the institution 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. Unless the extra cost of this travel is outweighed by benefits to the institution, agreement to the reimbursement of the expected costs should be obtained in advance of travel.

20.7 Allowances for members of the governing body
Claims for members of the governing body will be authorised by the University secretary. Disbursements that can be reimbursed include travelling and usual out-of-pocket expenses.

20.8 Severance and other non-recurring payments
Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the governing body through the employment and finance committee. Professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments shall be authorised by the vice-chancellor and calculations checked by the director of HR

All matters referred to an employment tribunal shall be notified to the senior management team 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, buildings or fixed plant can only be undertaken with
authority from the governing body and with reference to funding body requirements
where 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 he or she 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 heath, safety and security checks.

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 employment and finance committee and contained in the institution’s detailed financial procedures.

Disposal of land and buildings must only take place with the authorisation of the governing body. Funding body 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 section 18), including electronic data.

22 **Funds Held on Trust**

22.1 **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.

22.2 **Student welfare and access funds**
The Director of Finance will prescribe the format for recording the use of student welfare funds.

Records of access funds will be maintained according to funding body requirements.

22.3 **Trust funds**
The Director of Finance is responsible for maintaining a record of the requirements for each trust fund and for 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. He/she is also responsible for investment of fund balances.

22.4 **Voluntary funds**
The Director of Finance shall be informed of any fund that is not an official fund of the University which is controlled wholly or in part by a member of staff in relation to their function in the institution.

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.
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 sections 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 and provide sufficient cover to meet any potential risk to all assets.

The Director of Finance is responsible for effecting insurance cover. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Director of Finance will keep a register of all insurances effected by the institution and the property and risks covered. He or she 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 and additional property and equipment that may require insurance and of 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 and joint ventures

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

The governing body is responsible for approving the establishment of all companies or joint ventures and the procedure to be followed in order to do so. This will have regard to any guidance provided by the funding bodies. The process involved in forming a company or a joint venture and arrangements for monitoring and reporting on the activities of these undertakings are documented in the University’s financial procedures.
It is the responsibility of the governing body 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 governing body. They will also submit business plans or budgets as requested to assess the risk to the institution. 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 are to be carried on the person of those responsible at all times. The loss of such keys must be reported to the Director of Finance immediately.

All staff shall be responsible for maintaining proper security and privacy of information held on the University’s computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer are subject to the provisions of the Data Protection Act 1998. The University’s records manager has day-to-day responsibility for assisting staff with data protection matters and to ensure compliance with the Act and the safety of documents. The University secretary is the nominated officer with overall responsibility.

The University secretary is responsible for the safekeeping of official and legal documents relating to the institution. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to him/her. All such documents shall be held in an appropriately secure location.

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 funding body, the governing body shall determine the level of grant to be paid annually to the Students’ Union. The senior management team requires the Union to provide for information 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 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 governing body 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 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 his or her absence, the legal officer or the Director of Finance, in the presence of a lay council member and the vice-chancellor or their respective deputies as indicated in the separate sealing rules held by the University secretary.

The University secretary is responsible for submitting a report to each meeting of the governing body 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 Director of Finance before any such indemnity is given.
<table>
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<th>Appendix A</th>
<th>Committee Structure</th>
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<td>Appendix B</td>
<td>The Seven Principles of Public Life from the Report of the Committee for Standards in Public Life (The Nolan Report)</td>
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<td>Appendix C</td>
<td>Summary of Protocols for Proposed Capital Expenditure</td>
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<td>Appendix D</td>
<td>Summary of Protocols for Proposed Major Developments</td>
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<td>Appendix E</td>
<td>Conditions of Contract for the Purchase of Goods</td>
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<td>Appendix F</td>
<td>Main Points Included in the Institution’s Code of Tendering Practice</td>
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APPENDIX B: THE SEVEN PRINCIPLES OF PUBLIC LIFE FROM THE REPORT OF THE COMMITTEE FOR STANDARDS IN PUBLIC LIFE (THE NOLAN REPORT)

SELFLESSNESS

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

INTEGRITY

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

OBJECTIVITY

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

ACCOUNTABILITY

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

OPENNESS

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

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

LEADERSHIP

Holders of public office should promote and support these principles by leadership and example.
Proposed capital projects should be supported by:

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

Approval for capital expenditure limits is set out on the following page:
## University of Huddersfield

### Capital Expenditure Authority Levels

<table>
<thead>
<tr>
<th>Authority</th>
<th>Activity</th>
<th>Proposal to be reviewed by</th>
<th>AGREED LEVELS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dean/ Director and their cost centre managers.</td>
<td>All capital expenditure</td>
<td>Subject to internal departmental arrangements</td>
<td>£0 - £50K</td>
</tr>
<tr>
<td>Dean/ Director and their cost centre managers.</td>
<td>Any capital related matter, including the purchase of equipment by schools and services.</td>
<td>Director of Finance (for cash flow forecasting purposes). SMT to be advised of proposal before commitment</td>
<td>Over £50k - £250k</td>
</tr>
<tr>
<td>VC, Deputy/Pro VC or Director of Estates &amp; Facilities</td>
<td>Urgent health and safety matters</td>
<td>Director of Finance (for cash flow forecasting purposes)</td>
<td>Over £50k - £250k</td>
</tr>
<tr>
<td>SMT</td>
<td>All capital expenditure</td>
<td>Director of Finance (for cash flow forecasting purposes)</td>
<td>Over £250k - £500k</td>
</tr>
<tr>
<td></td>
<td>Urgent health and safety matters</td>
<td>Director of Finance to be advised as soon as possible</td>
<td>Over £250k - £500k</td>
</tr>
<tr>
<td>SMT</td>
<td>All capital expenditure</td>
<td>Recommendation from Director of Finance (non estates capital)</td>
<td>From £500k - £1m (£2m for HEFCE bids)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recommendation from Estates Development Committee (for all estate matters)</td>
<td></td>
</tr>
<tr>
<td>University Council</td>
<td>All capital expenditure (including the total value of HEFCE projects)</td>
<td>Recommendation from SMT (non estates capital)</td>
<td>Over £1m (£2m for HEFCE bids)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recommendation from Estates Development Committee for all estate matters</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX D: SUMMARY OF PROTOCOLS FOR PROPOSED
MAJOR DEVELOPMENTS

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

- a demonstration of the proposal’s consistency with the strategic plans approved by the governing body and with the institution’s powers under current legislation
- details of the market need and the assumptions (based on reference data) of the level of business available
- details of the business and what product or service will be delivered
- an outline plan for promoting the business to the identified market and achieving planned levels of business
- details of the staff required to deliver, promote and manage the business, together with any re-skilling or recruitment issues
- details of any premises and other resources required
- a financial evaluation of the proposal together with its impact on revenue and surplus, plus advice on the impact of possible alternative plans and sensitivity analyses in respect of key assumptions
- contingency plans for managing adverse sensitivities
- consideration of taxation and other legislative or regulatory issues
- a three-year financial forecast for the proposal including a monthly cash flow forecast and details of the impact on the institution cash flow forecast for the financial years in question.
LIST OF HEADINGS

• interpretation
• variation of conditions
• specification
• identification of goods
• packaging
• containers and pallets
• forms
• delivery
• property and risk
• rejection of goods
• default by contractor
• force majeure
• price and payment
• indemnity
• insurance
• transfer and sub-contracting
• patents, etc
• confidentiality
• inducements to purchase
• insolvency
• publicity
• law
APPENDIX F: MAIN POINTS INCLUDED IN THE INSTITUTION’S CODE OF TENDERING PRACTICE

- Duty to comply by the institution’s staff.
- EU directives to be complied with.
- Competitive tendering procedure, which will:
  - ensure fairness of competition
  - ensure that companies invited to tender are financially and technically able to meet the institution’s requirements
  - indicate the terms of the contract
  - outline the appropriate standards to be complied with.
- Quotation procedure, which will indicate:
  - the minimum number of firms that should be expected to provide quotations
  - lists of available firms in existence which have been approved by the institution that might undertake the work specified
  - the terms by which the contractors will be paid
  - the national requirements concerning good practice that should be followed.
- Submission of tenders (eg time, date, etc).
- Receipt and safe custody of tenders and records.
- Admissibility and acceptance of tenders.
- Acceptance of tenders/quotations.
- Justification of acceptance of tenders not at the lowest price.

28 October 2008