



Financial Regulations

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NEWMAN UNIVERSITY

Financial Regulations

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1 Background

- 1.1 Newman University was incorporated as a company limited by guarantee in 2005. Its structure of governance is laid down in the Instrument and Articles of Government, approved by the University Council in 2013. The University is accountable through its University Council, which has ultimate responsibility for the effectiveness of its management and administration.
- 1.2 The University is a charitable company limited by guarantee (Charity No 1110346, and company number 05493384).
- 1.3 The financial memorandum between the funding body and the University sets out the terms and conditions on which any grant is made. The University Council is responsible for ensuring that conditions of the grant are met. As part of this process, the University 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 University's broad policies relating to financial control. This document was approved by the University Council on 20 June 2019. It applies to the University and all its subsidiary undertakings.
- 2.2 These financial regulations are subordinate to the University's instruments and articles of government and to any restrictions contained within the University'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 University's strategic plan and business objectives:
 - financial sustainability;
 - achieving value for money;
 - fulfilling its responsibility for the provision of effective financial controls over the use of public funds;
 - ensuring that the University complies with all relevant legislation;
 - safeguarding the assets of the University.
- 2.4 Compliance with the financial regulations is compulsory for all staff connected with the University. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the University's disciplinary policy. The University Council will be notified of any such breach through the Audit Committee. It is the responsibility of Deans of Faculty and

Heads of Service Area to ensure that their staff are made aware of the existence and content of the University's financial regulations.

- 2.5 The Finance and General Purposes Committee is responsible for maintaining a continuous review of the financial regulations, through the Chief Financial Officer and for advising the University Council 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 University Council at the earliest opportunity.

3 The University Council

3.1 The University Council is responsible for the management and administration of the University. Its financial responsibilities include to:

- ensure the solvency of the University;
- act as charity trustees;
- safeguard the University's assets;
- ensure the effective and efficient use of resources;
- ensure that any funds provided by the funding body are used in accordance with the terms and conditions specified in the University's financial memorandum with the funding body;
- ensure that the financial control systems are in place and are working effectively;
- ensure that the University complies with the funding body's Audit Code of Practice;
- approve the University's strategic plan;
- approve annual estimates of income and expenditure and the annual financial statements;
- appoint the University's internal and external auditors.

4 Accounting Officer

4.1 The Vice-Chancellor is the University's designated Accounting Officer responsible for the financial administration of the University's affairs. In this capacity, the Vice-Chancellor must advise the University Council 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 University Council decides nevertheless to proceed, the Vice-Chancellor must immediately inform the Chief Executive of the funding body in writing.

- 4.2 The Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by the University Council and for the management of budgets and resources within the estimates approved by the University Council. As the Accounting 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 University Council has ultimate responsibility for the University's finances, but delegates specific powers and processes to the committees detailed below. These committees are accountable to the University Council which approves the terms of reference of its committees.

5.2 Finance and General Purposes Committee

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

5.3 Audit Committee

Universities 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 reports to the University Council. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The Committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness and that the system of internal control is sound. The Audit Code of Practice requires that the standard of internal audit should conform to HM Treasury standards which are set out in the Government Internal Audit Publications.

5.4 Remuneration Committee

The Remuneration Committee reviews annually and approves the salary and major conditions of service of senior staff appointed by Council, including the Vice-Chancellor. In addition, it sets targets and monitors performance for these staff. The Committee provides an annual report to Council and an annual statement for publication, based on the structure outlined by the CUC Remuneration Code.

5.5 Nominations and Governance Committee

The role of the Nominations and Governance Committee is to search for and consider nominations for the membership of the Council and its committees and to recommend suitable candidates to Council, as well as recommending the Chair of each Committee. The Committee also has responsibility for governance effectiveness assessment.

6 Other Senior Managers with Financial Responsibility

6.1 Chief Financial Officer

The Vice-Chancellor delegates to the Chief Financial Officer day-to-day financial administration for:

- preparing annual capital and revenue budgets and financial plans;
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
- preparing the University's annual accounts and other financial statements and accounts which the University is required to submit to other authorities;
- ensuring that the University maintains satisfactory financial systems;
- providing professional advice on all matters relating to financial policies and procedures;
- liaison with internal and external auditors in order to achieve efficient processes.

6.2 Deans of Faculty and Heads of Service Areas (senior managers)

Senior managers are responsible to the Vice-Chancellor for financial management for the areas or activities they control. They are advised by the Chief Financial Officer and Head of Finance in executing their financial duties. The Chief Financial Officer will also supervise and approve the financial systems operating within their departments, including the form in which accounts and financial records are kept. Senior managers are responsible for establishing and maintaining clear lines of responsibility within their faculty or service area for all financial matters. Where resources are devolved to budget holders, they are accountable to their Dean of Faculty or Head of Service Area for their own budget.

Senior managers shall provide the Chief Financial Officer 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 University's financial authority limits and the values of purchases for which quotations and tenders are required.

They shall make available any relevant records or information to the Chief Financial Officer 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 Chief Financial Officer with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the University Council.

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

7 Risk Management

Risk Management can be defined as 'coordinating activities to direct and control an organisation with regard to risk'.

- 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 University is set out in a separate risk management strategy.
- 7.2 The University Council has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the University through the development, implementation and embedding within the organisation of a formal, structured risk management process.
- 7.3 In line with this policy, the University Council requires that the risk management strategy and supporting procedure include:
 - the adoption of common terminology in relation to the definition of risk and risk management;
 - the establishment of University-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis;
 - a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes (see above);

- a decision on the level of risk to be covered by insurance;
- 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 significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question;
- regular reporting to the University Council and its Audit Committee 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 of Faculty and Heads of Service Areas must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the University may be exposed. The University Secretary & Registrar's advice should be sought to ensure that this is the case.

8 Employee Disclosures (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 whistle-blower 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 or breach of the financial regulations and the cover-up of any of these. It does not matter whether the information is confidential and the whistleblowing can extend to malpractice occurring in the UK or any other country or territory.
- 8.2 Normally, any concern about a workplace matter at the University should be raised with the relevant member of staff's immediate line manager or head of department. However, the University 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.
- 8.3 A member of staff may, therefore, make the disclosure to one of the staff designated for this purpose, for example the University Secretary and Registrar. If the member of staff does not wish to raise the matter with this person, or with the Vice-Chancellor or with the chair of the University Council, it may be raised with the chair of the Audit Committee.
- 8.4 The full procedure for whistleblowing is set out in the University's whistleblowing policy, which is available in the Staff Handbook. Further details of the Public Interest Disclosure Act are set out at [Appendix A](#).

9 Code of Conduct

9.1 The University is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe ([Appendix B](#)). In addition, the University expects that staff at all levels will observe its code of conduct, contained in its detailed financial procedures, which covers:

- probity and propriety;
- selflessness, objectivity and honesty;
- relationships.

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

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

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

9.4 Receiving gifts or hospitality

The Bribery Act 2010 came into force on 1 July 2011. The Act introduced new offences for acts of bribery by individuals, or persons associated with relevant organisations. The penalties are severe for any employee convicted under the Act which could mean a criminal record with ten years' imprisonment and unlimited fines. The institution's anti-bribery policy statement can be found on the Finance department's webpages. 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.
- there is a zero-tolerance approach to bribery

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 such a hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the University would be likely to provide in return.

The Gifts and Hospitality Policy will set guidelines for staff for the protection of those involved; the University Secretary & Registrar will maintain a register of gifts and hospitality given and received where the value is in excess of £25. Members of staff are obliged to notify the University Secretary & Registrar promptly.

10 Financial Planning

10.1 The Chief Financial Officer is responsible for preparing annually a rolling five-year financial plan for approval by the University Council on the recommendation of the Finance & General Purposes Committee 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 University Council.

10.2 Financial objectives

The University Council will, from time to time, set financial objectives for the University. These will help the Chief Financial Officer in preparing his or her more detailed financial plans for the University.

10.3 Resource allocation

Resources are allocated by the Vice-Chancellor following an integrated planning cycle. Deans of Faculty and Heads of Services are responsible for the economic, effective and efficient use of resources allocated to them.

The University will use allocation models to match the level of resources for academic activity to the student numbers to which such activity relates.

10.4 Budget preparation

The Chief Financial Officer is responsible for preparing an annual revenue budget and capital programme for consideration by the Finance and General Purposes Committee before submission to the University Council. The budget should also include monthly cash flow forecasts for the year and a projected year-end balance sheet. The Chief Financial Officer must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to senior managers and other budget holders as soon as possible following their approval by the University Council.

During the year the Chief Financial Officer is responsible for submitting revised budgets to the Finance and General Purposes Committee for consideration before submission to the University Council 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 University Council.

The Chief Financial Officer will establish protocols for the inclusion of capital projects in the capital programme for approval by the University Council. These projects 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 Chief Financial Officer 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 Chief Financial Officer is responsible for providing regular statements concerning all capital expenditure to the Finance and General Purposes Committee for monitoring purposes.

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

10.6 Other major developments including overseas activity

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 of more than £100,000 should be presented for approval to the Finance & General Purposes Committee. The institution must have due regard to the relevant guidelines issued by the funding body.

The Chief Financial Officer will establish protocols for these major developments to enable them to be considered for approval by the University Council. These will set out the information that is required for each proposed development including a business plan, using a risk-based approach and covering risk and accountability issues, as well as the financial criteria that they are required to meet. They are summarised at [Appendix D](#).

11 Other major developments

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 of Faculty or Head of Service Area for the income and expenditure appropriate to their budget.

Significant departures from agreed budgetary targets must be reported immediately to the Chief Financial Officer by the senior manager concerned and, if necessary, corrective action taken.

11.2 Financial information

The budget holders are assisted in their duties by management information provided by the Management Accountant. Reporting is carried out on a monthly basis, with both Management Accounts and Budget Holder reports being available within ten working days of month end.

The Chief Financial Officer is responsible for supplying budgetary reports on all aspects of the University's finances to the Finance and General Purposes Committee on a basis determined by the Finance and General Purposes Committee but subject to any specific requirements of the funding body. The relevant extracts from the overall position are reported to each committee so that they are aware of their own financial performance against budget. These reports are presented to the University Council, which has overall responsibility for the University's finances.

11.3 Changes to the approved budget

Changes proposed to the approved budget will be first considered by the Finance and General Purposes Committee, which will make proposals to the University Council, unless they fall within the delegated approval arrangements:

Vice-Chancellor - Up to and including £100,000

The Chief Financial Officer may approve specific changes within the protocols laid down by the Finance & General Purposes Committee.

11.4 Virement

Where a budget holder is responsible for more than one budget, virement is permitted of up to 5% of the budget from which the virement is sought.

Virement between budgets held by different budget holders is permitted up to 5% of the budget from which virement is sought with the written approval of the transferring budget holder and head of department.

The Chief Financial Officer is responsible for agreeing requests for virement of resources of greater than 5%; and will use his/her discretion in the light of the overall financial situation of the University at that time.

11.5 Treatment of year-end balances

At the year end, budget holders will not normally have the authority to carry forward a balance on their budget to the following year unless the Chief Financial Officer or the Finance and General Purposes Committee have approved a specific scheme for carrying forward all or part of unspent amounts. Specific departmental consumables and equipment account balances may be carried forward with the approval of the Chief Financial Officer.

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 2014 *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 2006, if that is appropriate.

12.4 Capitalisation and depreciation

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

Works of art and other valuable artefacts (heritage assets) valued over £10,000 are capitalised and recognised at the cost or value of the acquisition where the cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, 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 £10,000 or more. Grouped items (e.g. a suite of computers) with an individual value of less than £10,000 but a group value of £10,000 or more will not be capitalised. Capitalised assets will be depreciated over the following periods:

New buildings	50 years
Internal building improvements.....	10 or 25 years
Furniture and equipment	5 to 10 years
Telephone equipment.....	5 years
Motor vehicles.....	4 years
Computer equipment.....	3 years

12.5 **Accounting records**

The Head 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 University is required by law to retain prime documents for six years. These include:

- official purchase orders;
- paid invoices;
- accounts raised;
- bank statements;
- copies of receipts;
- paid cheques;
- payroll records, including part-time lecturers' contracts
- research contracts with records required under the terms of the grant.

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

Members of staff should ensure that retention arrangements comply with any specific requirements of external funders.

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

12.6 **Public access**

Under the terms of the Charities Act 2011, and the Freedom of Information Act 2000 the University Council is required to supply any person with a copy of the University's most recent financial statements within two months of a request. The Act enables the University Council to levy a reasonable fee and this will be charged at the discretion of the Chief Financial Officer. The University will also allow members of the public to inspect the statement of accounts during normal working hours and make a summary available on the University's website.

12.7 **Taxation**

The Head of Finance is responsible for advising heads of department on all taxation issues, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies to the University. Therefore the Head 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 Chief Financial Officer 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, as well as appointing tax advisers.

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 or other transactions of the University;
- require and receive such explanations as are necessary concerning any matter under examination;
- require any employee of the University to account for cash, stores or any other University property under his or her control;
- access records belonging to third parties, such as contractors, when required.

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

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

13.2 External Audit

The appointment of external auditors will take place annually and is the responsibility of the University Council, advised by the Audit Committee. It is good practice for a competitive tendering exercise to be held at regular intervals, at least every 5 years.

The primary role of external audit is to report on the University's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the 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 University Council 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 University Council, the Vice-Chancellor and senior management with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation but has direct access to the University Council, the Vice-Chancellor and the Chair of the Audit Committee. The internal auditor will comply with the Auditing Practices Board's auditing Guidance for Internal Auditors and the Government internal audit publications.

13.4 **Fraud and corruption**

It is the duty of all members of staff, management and the University Council to notify the Chief Financial Officer immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

Where the fraud is below the level requiring funding body notification the Chief Financial Officer will instigate a full investigation commensurate with the potential loss and involving other members of management as is appropriate, for example, the Director of Human Resources. A report will be made to the Audit Committee.

If the fraud is at the level requiring funding body notification the Chief Financial Officer shall immediately invoke the fraud response plan, which incorporates the following key elements (see [Appendix E](#) for fuller details):

- 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 their requirements as set out in the audit code of practice;
- the Audit Committee shall commission such investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate;
- the internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the Audit Committee on the suspected irregularity. Such report shall include advice on preventative measures.

If the suspected fraud is thought to involve the Chief Financial Officer 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 University Council is responsible for delivering value for money from public funds. It should keep under review 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 Audit Committee will approve a value for money strategy and reporting mechanism that will provide evidence of compliance with the funding body's requirements. This mechanism will be used to enable the Audit Committee to refer to value for money in their annual report.

13.6 Other auditors

The University may, from time to time, be subject to audit or investigation by external bodies such as the 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 Finance & General Purposes Committee 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 Finance & General Purposes Committee 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 Chief Financial Officer and an appropriate reporting system set up. All borrowing shall be undertaken in the name of the University and shall conform to any relevant funding body requirements. The Chief Financial Officer and his or her staff are required to act in accordance with CIPFA's Code of Practice.

The Chief Financial Officer will report to the Finance & General Purposes Committee periodically 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 University Council is responsible for the appointment of the University's bankers and other professional advisers (such as investment managers) on the recommendation of the Finance & General Purposes Committee. The appointment shall be for a specified period after which consideration shall be given by the Finance & General Purposes Committee to competitively tendering the service.

14.3 Banking arrangements

The Chief Financial Officer is responsible, on behalf of the Finance & General Purposes Committee, for liaising with the University's bankers in relation to the University's bank accounts. All cheques shall be ordered on the authority of the Head of Finance, who shall make proper arrangements for their safe

custody.

Only the Chief Financial Officer 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 accordance with the approved bank mandate.

All automated transfers on behalf of the University, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Chief Financial Officer. Details of authorised persons and limits are detailed below:

Value <£5000	One signature only required
£5000 - £10000	Chief Financial Officer only or two signatures required
Value >£10000	Two signatures required one of which must be a senior post holder

The Head 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 Chief Financial Officer is responsible for ensuring that appropriate procedures are in operation to enable the University to receive all income to which it is entitled. All receipts forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the Chief Financial Officer.

Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined by procedures approved by the Finance & General Purposes Committee.

The Chief Financial Officer is responsible for the prompt collection, security and banking of all income received and for ensuring that all grants notified by the funding body and other bodies are received and appropriately recorded in the institution's accounts.

The Chief Financial Officer 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 Head of Finance of sums due so that collection can be initiated.

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

The University recommends that departments arrange non cash transactions using the University's Online Store, Online Payment system and card machines.

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 Finance Office promptly, and in accordance with a timetable prescribed by the Chief Financial Officer. The custody and transit of all monies received must comply with the requirements of the University'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 University.

Receipts by credit or debit card: the University can receive payments by debit or credit card over the telephone or cash office counter using merchant terminals provided by the institution's banker. These terminals support primary account number (PAN) truncation where the card number is partially obscured on the customer receipt. A copy of the receipt should be retained to support evidence of payment.

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

The Chief Financial Officer is responsible for ensuring the institution maintains PCI DSS compliance, which is monitored by the bank's merchant services unit.

Internet receipts:

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

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

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

15.4 **Collection of debts**

The Head of Finance should ensure that:

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

Only the Chief Financial Officer 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 must be referred in writing to the Chief Financial Officer for submission to the Finance & General Purposes Committee for consideration.

Debts of £1,000 - £9,999 may be written off with the permission of the Chief Financial Officer after all appropriate routes to recover the money have been exhausted.

Debts below £1,000 may be written off with the permission of the Head of Finance after all appropriate routes to recover the money have been exhausted.

15.5 **Student fees**

The procedure for collecting tuition and residence fees must be approved by the Chief Financial Officer. He or she is responsible for ensuring that all student fees due to the University are received.

Any student who has not paid an account for fees or any other item owing to the University shall be subject to appropriate sanctions as detailed within the Debt Management Policy.

15.6 **Refunds**

The University seeks to minimise the opportunities for money laundering in accordance with the Money Laundering Regulations 2017. Where refunds are required, they should be made to the original payer and follow the method by which the money was received. For further information see the University's policy on bribery and money laundering.

15.7 **Student loans**

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

15.8 **Support Fund Awards and Short Term Loans**

The University's scheme for Support Fund Award and Short Term loans must be approved by the Chief Financial Officer. 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 an approved scheme.

The Chief Financial Officer 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**

The Deputy Vice-Chancellor is the member of the University Leadership Team with overall oversight for research and enterprise.

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

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

16.2 **Applications**

All applications for research projects must be forwarded by the principal investigator to the Dean of Faculty for submission by the institution to the funder. All applications will be on behalf of, and in the name of the University.

16.3 **Costing and pricing**

The Finance office is responsible for providing appropriate costing and pricing advice.

In order to price a research project appropriately, the full cost of the research and other financial implications needs to be identified by the principal investigator and discussed and appraised by the Finance Office (normally with the Management Accountant).

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

16.4 Grant and Contract conditions

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

16.5 Acceptance of a research project

Once proposals have been successful, it is the responsibility of the Registrar to accept awards and negotiate contracts on behalf of the university.

16.6 Financial management

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

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

Control of staff and non-staff expenditure shall be the responsibility of the Dean of Faculty or equivalent UOT/ULT manager. The Dean of Faculty or equivalent UOT/ULT manager may delegate day-to-day control of a budget to a grant holder or project manager but each Dean of Faculty will be responsible for any overspend or under-recovery of overheads, with any loss being charged on faculty 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 Line Manager;
- applications for permission to undertake work as purely private activity must be submitted to the Line Manager and include the following information:
 - the name of the member(s) of staff concerned;
 - the title of the project and a brief description of the work involved;

- the proposed start date and duration of the work;
- full details of any University resources required (for the calculation of the full economic cost);
- an undertaking that the work will not interfere with the teaching and normal University duties of the member(s) of staff concerned.

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 of Faculty. The course organiser will be responsible to the Dean of Faculty for day-to-day management of the course.

The term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information.

17.3 **Collaborative provision including franchising**

Any contract or arrangement whereby the University 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 procedures approved by the Vice-Chancellor or a relevant committee of Senate.

Where the partnership would represent a significant departure from the University's strategic plan, the University Council shall approve the departure.

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

Any such project requires the approval of the appropriate officer prior to any commitment being entered into. Such approval shall be dependent upon the relevant Dean of Faculty being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of the University's Costing and Pricing Policy.

Individual applications for funds in excess of £100,000 shall be the subject of a report by the Chief Financial Officer to the University Council, or appropriate sub-committee, which will set out, among other things, the potential risks generated by the project.

If the University sub-contracts such work to external providers or partners, the relevant Dean of Faculty shall ensure that:

- this is on the basis of a written contract which allows for full audit access to detailed records;
- appropriate monitoring procedures are in place to ensure that the outputs are achieved, and the provision is of suitable quality;

- payments are only made against detailed invoices, and suitable claw-back arrangements exist for reimbursement.

17.5 Profitability and recovery of overheads

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

Other income-generating activities organised by members of staff must be costed and agreed with the Chief Financial Officer before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the University's costing and pricing policy, in particular for the recovery of overheads.

17.6 Deficits

Any unplanned deficits incurred on other income-generating activities will be charged to subject or service area funds.

17.7 Additional contributions to subject or service areas

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

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 UOT Line Manager and Director of Human Resources, and in the case of an UOT Line Manager, 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 Finance & General Purposes Committee 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 any intellectual property procedures issued by the University.

19 Expenditure

19.1 General

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

19.2 Scheme of delegation/financial authorities

The budget holder 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 procurement policy (which incorporates value for money) see [Appendix H](#).

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

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

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

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

The Chief Financial Officer must ensure adequate separation of duties between those who commit funds and those who check invoices for payment.

Expenditure on a single item in excess of £1,000 shall require the approval of the relevant Budget holder and Dean of Faculty/Head of Service Area.

19.3 Procurement

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

The Head of Finance is responsible to the Chief Financial Officer for:

- ensuring the University's purchasing policy is known and observed by all involved in purchasing for the University;
- advising on matters of University purchasing policy and practice;
- advising and assisting departments where required on specific departmental purchases;

- developing appropriate standing supply arrangements on behalf of the University to assist budget holders in meeting their value for money obligations;
- as appropriate, supporting the drafting and negotiations of all large-scale purchase contracts (generally in excess of £20,000) undertaken by the University, in collaboration with the responsible department;
- ensuring that any procurement contract that deviates from the standard terms and conditions of the University is authorised by the Chief Financial Officer.

19.4 **Purchase orders**

The purchasing of goods and services shall be in line with the University's Procurement Policy. Official University orders must be placed for the purchase of all goods or services over £1,000, except those made using purchasing cards, company credit cards or petty cash. Budget holders may use their discretion and not place official orders for purchases under £1,000 but they must have written communication confirming the goods and services to be received and the price agreed.

In exceptional circumstances, and under terms previously approved by the Chief Financial Officer, urgent orders may be given verbally, but must be confirmed by an official purchase order endorsed 'confirmation order only' not later than the following working day.

A Credit Card Purchase Requisition Form, signed appropriately, in accordance with [Appendix G](#), is to be completed before any on-line order can be placed on a University Credit Card.

When transferring goods or services between departments, an inter-departmental transfer form must be used.

It is the responsibility of the Head of Finance to ensure that all purchase orders refer to the University's conditions of procurement /contract.

19.5 **Purchasing / Credit cards**

The operation and control of the University's purchasing card is the responsibility of the Head 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. Such cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. Cards must not be loaned to another person, nor should they be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the cost.

The Head of Finance shall determine what information is required on purchases made with purchasing cards from cardholders and deadlines for receipt in the

finance section to enable financial control to be maintained and cardholders must provide that information. There should be appropriate segregation of duties, with those reviewing and reconciling cards not holding and using those cards.

At all times the University's Procurement Card Procedures must be adhered to.

19.6 **Tenders and quotations**

Heads of department and delegated budget holders must seek to deliver Value for Money when procuring goods and services and must comply with the University's Procurement Policy (values relate to order values):

- under £2,000 (inc VAT) – the budget holder has discretion whether or not to obtain quotations.
- from £2,000 to £19,999 (inc VAT) – the budget holder is required to obtain at least two quotations, and would be encouraged to seek 3 quotations;
- from £20,000 to £49,999 (inc VAT) at least three written quotations must be obtained and budget holders should consider the potential Value for Money from using the consortia or other independently sourced suppliers;
- £50,000 and over – the Head of Finance must be consulted, in order to instigate a formal tender process;
- the award of contracts over £50,000 shall be reported to the Finance & General Purposes Committee.
- over £118,133* – spend in excess of this would need to be sourced through EU Tender Process (*as at 1 June 2019)

Only arrangements for the supply of goods or services specifically approved by the Chief Financial Officer or the Finance & General Purposes Committee 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 (i.e. after receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms can be entered into, provided:

- it would not put other tenderers at disadvantage;
- it would not affect their confidence and trust in the University's tendering process.

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

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

All post-tender negotiations should be reported to the Chief Financial Officer and, as appropriate, the Finance & General Purposes Committee.

19.8 **Contracts**

Building contracts are the responsibility of the Chief Financial Officer and are administered by the Director of Estates and Campus Services or Chief Financial Officer.

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

Consultants may be appointed if the project, as determined by the Director of Estates and Campus Services 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 Estates and Campus Services, as appropriate, for Chief Financial Officer or Finance & General Purposes Committee consideration. Investment appraisals, in relation to larger capital projects, should comply with appropriate funding body guidance.

Following consideration by the Finance & General Purposes Committee, and approval by University Council, submissions should be forwarded to the funding body where appropriate. If 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 University's detailed financial procedures.

19.9 **EU regulations**

The Chief Financial Officer, with the support of the Finance Office, is responsible for ensuring the University complies with its legal obligations concerning EU procurement legislation. EU procurement legislations 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 Chief Financial Officer will advise Deans of Faculty and Heads of Service Areas 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 of Faculty and Heads of Service Areas to ensure that their members of staff comply with EU regulations by notifying the Chief Financial 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 Union* (OJEU).

The Chief Financial Officer 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 of Faculty or Heads of Service Areas to the Chief Financial Officer.

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.

If the goods are deemed to be unsatisfactory, the supplier should be immediately notified so that the goods can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified.

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

19.11 **Payment of invoices**

The procedures for making all payments shall be in a form specified by the Chief Financial Officer.

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

Budget holders are responsible for ensuring that expenditure within the areas does not exceed funds available.

Suppliers should be instructed by the budget holders to submit invoices for goods or services to the finance department. This applies whether the order was placed using a paper-based or an electronic system.

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

Payments will only be made by the Head of Finance against invoices that have been certified for payment by the appropriate head of department or budget holder or (in the case of an electronic order) against invoices that can be matched to a receipted order.

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 stores record or departmental inventory;
- an appropriate cost centre is quoted; this must be one of the cost centre codes included in the budget holder's areas of responsibility and must correspond with the types of goods or service described on the invoice.

19.12 **Staff reimbursement**

The University's purchasing and payment 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). It is the responsibility of the member of staff to claim such expenses within the term in which they are incurred.

Where such purchases by staff are planned, the Head of Finance and the relevant Dean of Faculty or Head of Service Area may jointly approve cash advances to staff that 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 **Petty cash**

Where a single item is for less than £30 it can be paid from the University petty cash held in the Finance Office. All claims must be supported by receipts or vouchers where available, and authorised by the appropriate budget holder.

19.14 **Other payments**

Payments for maintenance and other items to students on behalf of sponsoring organisations shall be made on the authority of the Head of Finance, supported by the detailed claims approved by the staff member with the relevant authority.

Individual payments under 'outward collaborative provision' contracts shall be authorised by the Chief Financial Officer.

19.15 **Late payment rules**

The Late Payment of Debts (Interest) Act 1998, the Late Payment of Commercial Debt Regulations 2002 and 2013 were introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:

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

In view of the penalties in this Act, the University Council requires that procurement contracts take account of this legislation and invoices must be passed for payment by due dates.

19.16 **Project advances**

The Head of Finance and the relevant Dean of Faculty/Head of Service Area may jointly approve cash advances for projects carried out away from the University where cash expenditure may be unavoidable. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or a University credit card.

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

19.17 **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 guest are set out in the University's detailed financial procedures.

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

19.18 **Telecoms**

The University will reimburse staff for the cost of necessary business calls made from a private home phone or personal mobile in performance of employment duties.

The University does not reimburse the cost of private line rental or broadband connections.

The University provides mobile phones to a limited number of employees where there is a genuine business requirement to enable performance of employment duties.

19.19 **Payments to volunteers**

It is the responsibility of the line manager to ensure that payments made to volunteers are correctly administered. The University allows two types of payment from an approved budget:

- reimbursement of actual travel costs when fully supported by receipts
- a small gift or thank you payment as long as it is clearly a token of appreciation, no compensation, and there is no sense that those goods, vouchers or cash are expected in advance.

20 Pay expenditure

20.1 **Remuneration policy**

All University staff will be appointed to the salary scales approved by the University Council and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Director of Human Resources (HR) and the contract of employment be signed by the Vice-Chancellor or Director of HR.

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

Salaries and other benefits for senior post holders will be determined by the Remunerations Committee set up by the University Council.

20.2 **Appointment of staff**

All contracts of service shall be concluded in accordance with the University's approved human resources practices and procedures and all offers of employment with the University shall be made in writing by the Director of HR. Budget holders shall ensure that the Director of HR is provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

20.3 **Salaries and wages**

The Chief Financial Officer 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 Chief Financial Officer.

The Director of HR will be responsible for keeping the Chief Financial Officer and Head of Finance informed of all matters relating to personnel for payroll purposes. In particular these include:

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

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

The Chief Financial Officer 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 HM Revenue and Customs regulations. Staff should be aware that the institution could incur penalties for non-compliance with such regulations.

20.4 **Superannuation schemes**

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

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

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

The Director of HR is responsible for administering eligibility to pension arrangements and for informing the Head of Finance when deductions should begin or cease for staff.

20.5 Expenses and allowances

The University has dispensation from HM Revenues & Customs to make payments to employees for certain specified items without deduction of income tax. Reimbursement by the University of expenditure not included in the dispensation is subject to the deduction of income tax before payment.

Travel, subsistence and other allowances

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

Claims by members of staff must be authorised by their Dean of Faculty or Heads of Service Area (or a senior post holder in the case of heads of department). The certification by the senior manager shall be taken to mean that:

- the journeys were authorised;
- the expenses were properly and necessarily incurred;
- the allowances are properly payable by the University;
- consideration has been given to value for money in choosing the mode of transport.
- all claims are made in accordance with the University's Expenses Policy;

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

20.6 Overseas travel

All arrangements for overseas travel must be in accordance with the University's Overseas Travel Policy. Any approvals required must be obtained in advance of committing the University to those arrangements or confirmation of any travel bookings.

Where spouses, partners or other persons unconnected with the University intend to participate in a trip, this must be clearly identified in advance, and approved by the Vice-Chancellor. Unless the extra cost of this travel is outweighed by the benefits to the University, agreement to the reimbursement of the expected costs should be obtained in advance of travel.

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

20.7 Expenses for members of the University Council

Expenses claims for members of the University Council will be authorised by the University Secretary. Reasonable expenses can be reimbursed, to cover

the incidental costs of travel.

20.8 Severance and other non-recurring payments

Severance payments shall only be made in accordance with relevant legislation, funding body guidance and under a scheme approved by the University Council through the Finance & General Purposes Committee. Professional advice should be obtained where necessary. No amounts should be expended which exceed the budget allocated for the purpose. All such payments shall be authorised by the Vice-Chancellor. Any individual amounts which do not fall within the parameters above or are in excess of £50,000 require approval by the Finance & General Purposes Committee. In exceptional circumstances this approval may be given by the Chair of the Finance & General Purposes Committee in consultation with the Vice-Chancellor, to be reported to the next meeting of the Committee.

All matters referred to an industrial tribunal shall be notified to the Finance & General Purposes Committee 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 University Council and with reference to funding body requirements where exchequer-funded assets or exchequer funds are involved.

21.2 Fixed asset register

The Chief Financial Officer is responsible for maintaining the University's register of land, buildings, fixed plant and machinery. Senior managers will provide the Chief Financial Officer with any information he or she may need to maintain the register.

21.3 Inventories

Deans of Faculty or Heads of Service Areas are responsible for maintaining inventories, in a form prescribed by the Chief Financial Officer, for all plant, equipment, furniture and stores in their departments with a value in excess of £2,500. 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 inventories amended accordingly.

21.4 Stocks and stores

Budget holders 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 Chief Financial Officer.

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

Those senior managers whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Chief Financial Officer and that instructions to appropriate staff within their departments are issued in accordance with advice contained in the University's detailed financial procedures.

21.5 Safeguarding assets

Deans of Faculty or Heads of Service Area and budget holders are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc. under their control. They will consult the Chief Financial Officer in any case where the 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 Finance & General Purposes Committee and contained in the University's detailed financial procedures.

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

21.8 All other assets

Senior managers and budget holders are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the University, whether tangible (such as stock) or intangible (such as intellectual property), including electronic data.

22 Funds held on Trust

22.1 General

The Chief Financial Officer is responsible for ensuring that incoming funds are properly classified and designated as appropriate.

22.2 **Gifts, benefactions and donations**

The Chief Financial Officer 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.

22.3 **Student welfare and access funds**

The Chief Financial Officer will prescribe the format for recording the use of student welfare funds.

22.4 **Trust funds**

The Chief Financial Officer is responsible for maintaining a record of the requirements for any trust fund and for advising the Finance & General Purposes Committee on the control and investment of fund balances.

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

22.5 **Voluntary funds**

The Chief Financial Officer shall be informed of any fund that is not an official fund of the University which is controlled wholly or in part by a member of staff in relation to their function in the University.

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 Chief Financial Officer shall be entitled to verify that this has been done.

22.6 **Donation of equity shares**

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

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

At the time of the donation the University should obtain in writing the purpose of the donation.

All share certificates should be held in the safe.

23 Other

23.1 Insurance

The University Secretary & Registrar 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 section 7](#)), all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities such as terrorism and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be considered and approved by the risk management committee on an annual basis.

The University Secretary & Registrar is responsible for effecting insurance cover and is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The University Secretary & Registrar will keep a register of all insurances effected by the University and the property and risks covered. He or she will also deal with the University's insurance and advisers about specific insurance problems.

Deans of Faculty or Heads of Service Area must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the University may be exposed. The University Secretary & Registrar's advice should be sought to ensure that this is the case. Deans of Faculty or Heads of Service Area must give prompt notification to the University Secretary & Registrar of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. Senior managers must advise the University Secretary & Registrar immediately of any event that may give rise to an insurance claim. The University Secretary & Registrar will notify the University's insurers and, if appropriate, prepare a claim in conjunction with the senior manager for transmission to the insurers.

The Director of Estates and Campus Services is responsible for keeping suitable records of plant which is subject to inspection by any 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.

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 joint venture should first seek the advice of the Chief Financial Officer, who should have due regard to guidance issued by the funding body.

The University Council is responsible for approving the establishment of all companies or joint ventures and the procedure to be followed in order to do so. This will have regard to any guidance provided by the funding bodies. The process involved in forming a company or a joint venture and arrangements for

monitoring and reporting on the activities of these undertakings are documented in the University's financial procedures.

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

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

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 secured in accordance with the instructions of the insurers. The loss of such keys must be reported to the Chief Financial Officer immediately.

The Director of IT Services 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. The Chief Financial Officer shall be responsible for maintaining the safety of financial documents. Information relating to individuals held on computer / in a filing structure (both intended and actual) will be subject to the provisions of the current data protection legislation. The University has appointed a Data Protection Officer to oversee compliance with the legislation.

The University Secretary & Registrar has senior leadership responsibility for oversight of data protection and is responsible for the safekeeping of official and legal documents relating to the University. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the University Secretary & Registrar. All such documents shall be held in an appropriate 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 Vice-Chancellor shall determine the level of grant to be paid annually to the Students' Union.

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 periodic statements of income and expenditure to

the Chief Financial Officer 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 Finance & General Purposes Committee 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 **Provision of indemnities**

Any member of staff asked to give an indemnity, for whatever purpose, should consult the University Secretary & Registrar before any such indemnity is given.

24 Appendices

Appendix A	Main Features of the Public Interest Disclosure Act 1998
Appendix B	The Seven Principles of Public Life from the Report of the Committee for Standards in Public Life (The Nolan Report)
Appendix C	Summary of Protocols for Proposed Capital Expenditure
Appendix D	Summary of Protocols for Proposed Major Developments
Appendix E	Fraud Response Plan
Appendix F	Code of Tendering Practice
Appendix G	Authorisation Levels
Appendix H	Procurement Policy – 2019

Appendix A Main features of the Public Interest Disclosure Act 1998

Summary

The Act came into force on 2 July 1999. It encourages people to blow the whistle about malpractice in the workplace and is designed to ensure that organisations respond by acting on the message rather than against the messenger. The Act applies to employees blowing 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 applies whether or not the information is confidential and extends to malpractice occurring in the UK and any other country or territory. In addition to employees, it covers trainees, agency staff, contractors, home workers and every professional in the NHS. Employment law restrictions on minimum length of service and age do not apply. At present, the Act does not cover the genuinely self-employed, volunteers, the army, intelligence services or police officers. The Act has been described as 'the most far reaching whistle-blower protection in the world'.

Internal disclosures

A disclosure in good faith to a manager or the employer will be protected if the whistle-blower has a reasonable suspicion that the malpractice has occurred, is occurring or is likely to occur.

Regulatory disclosures

The Act protects disclosures made in good faith to prescribed bodies such as the Health and Safety Executive, the Financial Services Authority and the HMRC, where the whistle-blower has a reasonable belief that the information and their allegation(s) are substantially true.

Wider disclosures

Wider disclosures (e.g. to the police, the media, MPs, and non-prescribed regulators) are protected if, in addition to the tests for regulatory disclosures, they are reasonable in all the circumstances and they meet one of the three preconditions. Provided they are not made for personal gain, these preconditions are that the whistle-blower:

- reasonably believed they would be victimised if they raised the matter internally or with a designated regulator;
- reasonably believed a cover-up was likely and there was no regulator;
- had already raised the matter internally or with a prescribed regulator.

An employee who makes a wide, public disclosure is more likely to be protected if there was no internal procedure set up.

Full protection

Where the whistle-blower is victimised in breach of the Act they can bring a claim to an employment tribunal for compensation. Awards are uncapped and based on the losses suffered. Additionally, where an employee is sacked, they may apply for an

interim order to keep their job. Not all disclosures made by an employee are protected under the Act. Those that are include criminal acts, health and safety violations, breaches of legislation and miscarriages of justice. However, such acts are only protected as long as the disclosure is made in good faith to the employer, or any other person authorised under a procedure set up by the employer for this purpose. (Disclosures can also be made to appropriate regulatory bodies, such as the Health and Safety Executive.) Where an employee reasonably suspects malpractice (and this includes any crime), they will be protected from victimisation where they raise the matter in good faith with a person who is legally responsible for whistleblowing.

Qualifying areas

The qualifying areas consist of information that the employee reasonably believes tends to show one or more of the following matters is either happening now, took place in the past, or is likely to happen in the future:

- a criminal offence;
- the breach of a legal obligation;
- a miscarriage of justice;
- a danger to the health or safety of any individual;
- damage to the environment;
- deliberate covering up of information tending to show any of the above five matters.

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 should be as open as possible about all their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

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

Honesty

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

Leadership

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

Appendix C Summary of Protocols for Proposed Capital Expenditure

Proposed capital projects should be supported by:

- a statement that demonstrated the project's consistency with the strategic plans and estates strategy approved by the University Council;
- an initial budget for the project for consideration by the Chief Financial Officer. 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;
- if appropriate, an investment appraisal in an approved format which complies with funding body guidance on option and investment appraisal;
- if appropriate, 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.

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 University Council and with the University's powers under current legislation;
- detail 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.

The majority of the proposals will be made to the PRaDG Portfolio Review and Development Group on the agreed University form, incorporating a risk assessment.

A project manager will be appointed to lead any agreed major development. Their responsibilities will include project management, appropriate internal reporting to senior managers about project outcomes (including financial outcomes) and all appropriate external project reporting to funders.

Appendix E Fraud Response Plan

Purpose

1. The purpose of this plan is to define authority levels, responsibilities for action and reporting lines in the event of a suspected fraud or irregularity. The use of the plan should enable the University to:
 - prevent further loss;
 - establish and secure evidence necessary for criminal and disciplinary action;
 - notify the funding body, if the circumstances are covered by the mandatory requirements of the audit code of practise;
 - recover losses;
 - punish culprits;
 - deal with requests for references for employees disciplined or prosecuted for fraud;
 - review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud;
 - keep all personnel with a need to know suitably informed about the incident and the University's response;
 - inform the police;
 - assign responsibility for investigating the incident;
 - establish circumstances in which external specialists should be involved;
 - establish lines of communication with the police.

Initiating action

2. All actual or suspected incidents should be reported without delay to the Chief Financial Officer. The Chief Financial Officer will inform the Vice-Chancellor that the Fraud Response Plan has been invoked. The Chief Financial Officer should, within 24 hours, hold a meeting of the following project group to decide the initial response:
 - Director of HR;
 - Chair of the Audit Committee;
 - a senior representative of internal audit (who may be present or may be contacted as an outcome of such a meeting);
 - Head of Finance.

3. The project group will decide on the action to be taken. This will normally be an investigation, which may involve internal audit. The decision by the project group to initiate a special investigation shall constitute authority to internal audit to use time provided in the internal audit plan for special investigations, or contingency time, or to switch internal audit resources from planned audits.

Prevention of further loss

4. Where initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the project group will decide how to prevent further loss. This may require the suspension, with or without pay, of the suspects. It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action. Any action taken should be authorised by the Vice-Chancellor and be in accordance with the University disciplinary procedures.
5. In these circumstances, the suspect(s) should be approached unannounced. They should be supervised at all times before leaving the University's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the University. Any security passes and keys to premises, offices and furniture should be returned.
6. Advice should be obtained on the best means of denying access to the University while suspects remain suspended (for example, by changing locks and informing security staff not to admit the individuals to any part of the premises). Similarly, access permissions to the University's computer system should be withdrawn without delay.
7. Internal audit shall consider whether it is necessary to investigate systems, other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the University's assets.

Establishing and securing evidence

8. A major objective in any fraud investigation will be punishment of the perpetrators, to act as a deterrent to other personnel. The University will follow disciplinary procedures against any member of staff who has committed fraud. The University will normally pursue the prosecution of any such individual.
9. The Chief Financial Officer will work as appropriate with the internal auditors to ensure they:
 - maintain familiarity with the University's disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation;
 - establish and maintain contact with the Police where appropriate;
 - establish whether there is a need for audit staff to be trained in the evidence rules for interviews under the police and Criminal Evidence Act;

- ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

Notifying the funding body

10. The circumstances in which the University must inform the funding body about actual or suspected frauds are detailed in the funding body's audit code of practice. The Vice-Chancellor is responsible for informing the funding body of any such incidents, acting on advice from the Chief Financial Officer.

Recovery of losses

11. Recovery of losses is a major objective of any fraud investigation. Internal audit shall ensure that in all fraud investigations, the amount of any loss will be quantified. Repayment of losses should be sought in all cases.
12. Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice should also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses payment. The University would normally expect to recover costs in addition to losses.

References for employees disciplined or prosecuted for fraud

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

Reporting to University Council Members

14. Any incident matching the criteria in the funding body's audit code of practice shall be reported without delay by the Vice-Chancellor to the chairs of both the University Council and the Audit Committee.
15. Any variation from the approved fraud response plan, together with reasons for the variation, shall be reported promptly to the chairs of both the University Council and the Audit Committee.
16. On completion of a special investigation, a written report shall be submitted to the Audit Committee containing:
 - a description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud;
 - the measures taken to prevent the recurrence;
 - any action needed to strengthen future responses to fraud, with a follow-up report on whether or not the actions have been taken.

This report will normally be prepared by internal audit.

Reporting lines

17. The project group shall provide a confidential report to the chair of the University Council, the chair of the Audit Committee, the Vice-Chancellor and the external audit partner at least monthly, unless the report recipients request a lesser frequency. The scope of the report shall include:
 - quantification of losses;
 - progress with recovery action;
 - progress with disciplinary action;
 - progress with criminal action;
 - estimate of resources required to conclude the investigation;
 - actions taken to prevent and detect similar incidents.

Responsibility for investigation

18. All special investigations shall normally be led by internal audit. Special investigations shall not be undertaken by management, although management should co-operate with requests for assistance from internal audit.
19. Some special investigations may require the use of technical expertise which internal audit does not possess. In these circumstances, the project group may approve the appointment of external specialists to lead or contribute to the special investigation.

Review of fraud response plan

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

Appendix F Code of Tendering Practice

Introduction

1. The procedures set out in this code apply to purchases whose estimated cost is greater than £50,000.
2. All staff who place orders from University funds shall comply with this Code of Tendering Practice.
3. The letting of contracts for the execution of works shall conform with relevant directives of the European Union even though such requirements may add to or modify the requirements of this Code.

Invitations to Tender

4. The number of firms to be invited to tender for a particular service or purchase shall be as follows:

Estimated value of contract	Invitations to Tender Required
Over £50,000 and up to £100,000	at least 3
Over £100,000	at least 4

5. The selection of companies to be invited to tender shall be made, in consultation with the Chief Financial Officer, by the member of staff responsible for the contract who shall take account of the following points in assessing the company's suitability:
 - a. the financial stability of the company;
 - b. the previous record of the company in transactions with the University;
 - c. the capacity of the firm to carry out work at competitive prices;
 - d. where the firm has no local organisation, the capacity to provide supervision and control;
 - e. the firm's experience in relation to the category of work;
 - f. where appropriate, membership of an acceptable trade or professional association.
6. If the company has not previously, or within the past two years, carried out work for the University, at least two references shall be obtained as to the company's suitability to carry out the contract in question.
7. No company shall be included on the approved lists or be invited to tender for any contract where any employee of the University or close relation of any employee of the University is connected in any way or in any capacity with the company. This order may be waived in exceptional circumstances by the Chief Financial Officer.

8. Records shall be maintained by the Officer responsible for the contract in question of the names of the companies invited to tender, whether a tender was received in response to the invitation and, if so, whether or not the tender was successful.
9. When specified thresholds are passed an Indicative Notice must be published in the Official Journal of the European Union.
10. The invitation to tender shall indicate the nature and terms of the contract and outline the appropriate British and/or international standards to be complied with.
11. Every notice of invitation to tender shall state that no tender will be considered unless it is received in a plain sealed envelope which shall bear the word 'Tender' followed by the subject to which it relates, but shall not bear any name or mark indicating the sender.

Contracts by Quotation

12. Where it is estimated that the value of a contract for the supply of goods or materials or the execution of work will exceed £2,000 at least three quotations shall be obtained. More than three quotations shall be obtained if this is likely to lead to more favourable terms. Where it is not possible to obtain three quotations because of a lack of suitable firms prepared to quote or for some other reason, a report with the reasons shall be sent to the Chief Financial Officer.
13. Where a designated person has obtained at least three quotations, they may accept the lowest without reference to the Chief Financial Officer. If a quotation is to be accepted which is not the lowest (for reasons of quality), prior approval must be sought from the Chief Financial Officer.
14. The selection of companies invited to submit quotations shall be made by the Officer responsible for the contract, taking account of the best advice available as to the company's suitability.
15. Quotations obtained should normally be in writing. Where this is not possible and verbal quotations are obtained initially, these must be confirmed in writing as soon as possible thereafter.
16. Written records of all quotations obtained should be maintained by the Officer responsible for the contract; records should include a description of the supplies or work concerned, names of firms asked to quote, details and date of quotations received, decision taken, details of any special circumstances or factors taken into account, and reasons for accepting other than the lowest quotation, if appropriate.

Exclusion from Requirements of Competition

17. Purchases and contracts made through or on behalf of any consortium, purchasing organisations or similar body, of which the University is a member, are excluded from the competitive tendering and quotation procedures set out above, provided that tenders have been invited and contracts placed in

accordance with the procedures of such bodies and in accordance with statutory requirements.

Receipt and Opening of Tenders

18. All matters connected with tenders shall be treated as confidential and any information, discussion or correspondence on such matters should be confined to those designated University staff directly concerned.
19. All tenders shall be returned to the Officer responsible for issuing the invitation to tender and envelopes shall be date- and time-stamped on receipt on his/her behalf.
20. Tenders shall remain in one place in the custody of the Officer responsible for issuing the invitation to tender, who should arrange for the opening as soon as possible after the latest time for the return of tenders.
21. Tenders shall be opened at one time by the Officer concerned or his designated representative in the presence of the University Secretary and Registrar or their designated representative and shall be initialled and dated immediately by the opener and those present at the opening.
22. The names of the tenderers and the amounts of the tenders shall be recorded immediately and the persons present at the opening of the tenders shall record their presence by signing against the specified details. Such a record shall not be destroyed without the prior approval of the Chief Financial Officer.
23. Officers issuing invitations to tender must inform the Chief Financial Officer immediately invitations to tender are sent out, of the names of the firms to whom invitations have been sent, the nature of the goods, work or services involved and of the time and final date for the return of the tenders.
24. A tender which cannot be proved to have been received by the due time shall not be opened but shall be marked so that it can be identified and shall be recorded in the register as a 'late tender' together with details of the time, date and manner of receipt.
25. If any doubt exists about the time of receipt of a tender the matter shall be reported to the Chief Financial Officer.

Procedures for Dealing with Errors

26. When the examination of tenders reveals errors or discrepancies which would affect the tender figure in an otherwise successful tender, the Officer responsible shall adopt one of the following methods:
 - a. the tenderers shall be given details of the errors found and shall be given the opportunity either to confirm the tender without amendment or to withdraw it; or
 - b. the tenderer shall be given the opportunity to confirm the tender without amendment or correction or to amend it within seven days to correct genuine errors; in this case, apart from these genuine errors, no other adjustments,

revision or qualifications will be permitted. If the tenderer fails to comply within the specified period the tender shall be disregarded.

27. Where a tenderer withdraws a tender following the discovery of an error, the next suitable tender will be examined and the procedure repeated if necessary.
28. Any exception to the above procedures shall be authorised by the Chief Financial Officer.
29. If the errors discovered are such that the Officer responsible considers that they invalidate the whole tender he/she shall have discretion with the prior agreement of the Chief Financial Officer to disregard the tender.
30. Corrections to tenders shall be issued in writing by the tenderer who shall initial the consequent amendments to the tender. The letter of acceptance of an amended tender shall refer to the date and nature of the amendment.
31. Where a tender is amended the fact of amendment and the revised amount shall be recorded.
32. Where a firm repeatedly makes errors in tenders submitted the Chief Financial Officer shall consider whether or not the tenderer should be excluded from future invitations to tender.

Disclosure of Tender Results

33. All but the companies submitting the best three tenders shall be informed immediately that their tenders have been unsuccessful.
34. The company submitting the most suitable tender shall be told that its offer is under consideration and shall be asked to submit priced bills of quantities if appropriate and if these have not been supplied.
35. The company submitting the two next suitable tenders shall be informed that their tenders were not the most favourable received but that they will be approached if it is decided to give further consideration to their offers.
36. Tenderers whose offers have not been rejected shall be informed immediately a decision to accept a tender has been taken.
37. The amount or value of any tender shall not be disclosed before a final decision is taken on the tenders.

Acceptance of Tenders

38. Unless the University Council directs otherwise, where the amount of the lowest tender is within an amount included in the approved estimates and does not together with any other tender related to that estimate produce a total exceeding that amount, the senior manager may accept the tender on behalf of the University, and shall report details of tenders accepted and the estimates concerned to the Chief Financial Officer.
39. Where a supplier requires a letter of intent to secure the availability of materials

or components this shall be issued by the Chief Financial Officer

40. Acceptance of a tender other than the lowest tender for supplies or services shall require the authority of the Chief Financial Officer or, in their absence, another member of the University Leadership Team. Where a tender other than the lowest tender, is accepted, a written record must be kept by the Officer responsible for the contract of the justification for the acceptance.
41. It would be expected that at least 2 or 3 tenders will be returned. A tender which is the only tender received shall be deemed to be neither the highest nor the lowest tender and should therefore be referred to the Chief Financial Officer for authority to accept.

Contract Documents

42. Every contract which exceeds £150,000 in value or amount shall be in writing and signed by the Chief Financial Officer:
 - a. details of the work, materials, matters or things to be provided or done;
 - b. the price to be paid with a statement of discounts or other deductions;
 - c. the time or times within which the contract is to be performed;
 - d. where considered appropriate, details of liquidated damages to be paid by the contractor in case the contract is not duly performed;
 - e. a clause empowering the University to cancel the contract and recover from the contractor any loss arising from the cancellation in cases of improper inducement, reward or favour in respect of the contract or any other contract between that contractor and the University.

Cost Control

43. The person responsible for a contract shall follow suitable procedures for effective cost control, including continuing monitoring of cost in relation to the authorised cost in order to identify extra costs and take appropriate action to ensure the completion of the project within the authorised costs.

Post-contract Review

44. As soon as possible and, in any event, no more than 3 months after completion of the contract a report will be submitted to the Chief Financial Officer by the Officer responsible for awarding the contract including confirmation of the total cost of the contract and, where appropriate, information in respect of the quality of goods or services provided and whether the terms of the contract have been fulfilled.

Appendix G Authorisation Levels

Cheque signatories:	Two authorised signatories for amounts above	£10,000
	One authorised signatory for amounts up to and including	£10,000
Purchase orders:	Authorised budget holder	<£1,000
	Dean of Faculty/Head of Service Area	>£1,000 and <£5,000
	Chief Financial Officer	>£5,000
Write-off bad debts:	Head of Finance	<£1,000
	Chief Financial Officer	>£ 1,000
	Finance & General Purposes Committee	>£10,000
Capitalisation threshold:		£10,000 per single item
Sale of assets:	Chief Financial Officer	<£25,000
	Finance & General Purposes Committee	>£25,000
Project approval:	Chief Financial Officer	within agreed budgets
	Vice-Chancellor	new projects <£100,000
	Finance & General Purposes Committee	>£100,000

Appendix H Procurement Policy – 2019

Purchasing Objectives

A role of the budget holder is to ensure that the University meets their needs for goods, services, works and utilities in a way that achieves value for money on a whole-life basis in terms of generating benefits not only to the organisation, but to society and economy whilst minimising damage to the environment in line with corporate objectives. The role is also to consider that value for money is secured on all relevant areas on non-pay expenditure. The University recognises that procurement activities involve significant economic, social and environmental consequences and that its objective is to obtain optimum quality and service taking into account operational needs, delivery, timeliness and supplier performance. In more specific detail this means:

- ❖ That the goods/services are of the correct specification to a standard which will ensure adequate quality and fitness for the intended purpose whilst considering all relevant legislation;
- ❖ Assessing critically the need for procurement to ensure that the goods are procured to meet the strategic aims of the University;
- ❖ That the goods/services purchased satisfy operational requirements and that the techniques employed in all stages of the purchasing process are aimed at maximising the level of value for money obtained by assessing whole life costs, this includes energy usage, implementation, maintenance and disposal costs;
- ❖ Publicising procurement activities of £50,000 (inc VAT) or more to promote equality of opportunity for small and medium sized enterprises and to other potential suppliers;
- ❖ Ensuring that all departments are provided with relevant and up to date information and advice on current purchasing policy, supplier information, agreements and other information deemed necessary to promote and ensure good purchasing practice and to provide advice and guidance that encourages the consideration of sustainable practice to reduce cost and environmental impacts;
- ❖ Maintain a co-operative purchasing relationship with all staff involved in purchasing at department level, through the University's membership of the Regional Purchasing Consortium and any other relevant collaborative opportunities that may arise that will benefit the University and wider community.

Value for money is assessed by

- ❖ Economy – minimising the cost of resources for an activity
- ❖ Efficiency – obtaining as much as possible for what you put in
- ❖ Effectiveness – a measure of the qualitative or quantitative impact/outcome achieved by the purchase.

VFM is high when there is an optimum balance between all three- relatively low costs, high productivity and successful outcomes.

Authority to Purchase

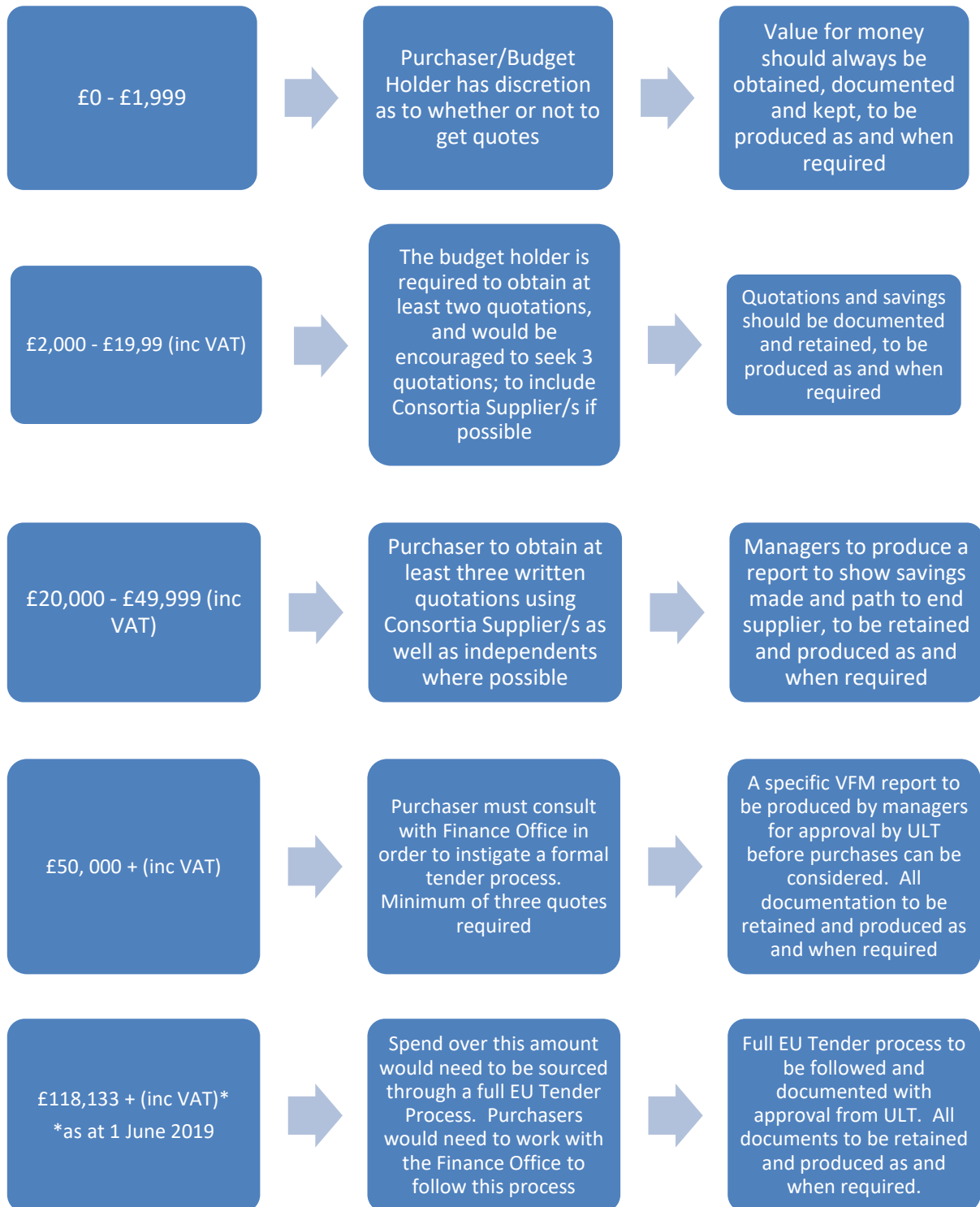
- ❖ Responsibility for the authority to purchase is determined by the Heads of Departments, however, the Chief Financial Officer should be notified of all staff so delegated, and appropriate specimen signatures provided. Delegation to place orders must be formally approved by the Head of Department, including any limitations that may be applied such as value or commodity type.

Purchasing Procedure

- ❖ All purchasing activity is subject to compliance with University Financial Regulations with regard to levels of expenditure and the procedures to be followed.
- ❖ Where appropriate, all purchases should be sourced through existing agreements promoted by Purchasing. Such agreements have been arranged at local, regional or national level, and will secure value for money. This will also ensure compliance with University Financial Regulations and E.C. Directives legislation.
- ❖ Should the value of the intended purchase exceed £50,000 (inclusive of VAT), the University Finance Office should be informed as soon as the need is identified. An evaluation will then determine the need to instigate a competitive tender process. The only exception to this situation applies where an agreement has already been negotiated at national, regional and local level.
- ❖ The following thresholds are applicable to purchases made by all departments within the University;
 - For purchases exceeding £50,000 (inclusive of VAT) the budget holder must instigate a formal tender process. A minimum of three tender responses is normally required, a specific Value for Money (VFM) report (see VFM Report Form within the Procurement Section) to be produced by managers for approval by the University Leadership Team before purchases can be considered.
 - For purchases of between £20,000 and £49,999.99 (inclusive of VAT) at least three written quotations must be obtained, and budget holders should consider any potential VFM from using the consortia or other independently sourced suppliers, and should produce a report to show savings made by using the consortia or other independently sourced supplier.
 - For purchases of between £2,000 and £19,999 the budget holder is required to obtain at least two quotations, and would be encouraged to seek 3 quotations, and should document any savings made by using consortia or other independent supplier.

- For purchases under £1,999 purchaser/budget holder has discretion to decide whether or not to obtain quotations, but value for money should always be obtained and documented.

The purchasing graph below summarises the above information:



Where appropriate, purchases should be defined by specifications designed to achieve optimum benefits including price.

- ❖ All relevant environmental, equality and diversity, and Health and Safety legislation requirements should be satisfied in full, prior to purchase of goods/services.
- ❖ An aggregated report will document large spend areas and monitor their continued VFM for the institution annually.
- ❖ If a “monopoly” supplier has to be used, it is still possible to try and negotiate costs/terms, and this should all still be documented for audit/review purposes.

Purchasing at Departmental Level

- ❖ Purchasing activities within individual departments of the University are subject to compliance with the following constraints:
 - The budget holder is in agreement that the purchase of the requirements is essential to the operations of the University, and that funds are available;
 - Purchasing policy is satisfied regarding University Financial Regulations, and that procedures are followed to ensure that value for money is secured.
 - Where the purchasing process is managed at departmental level, assurances should be obtained by the purchaser, to ensure that the necessary criteria have been satisfied prior to order placement.
 - All purchases are initiated utilising the Purchase Order Processing system, in order to ensure that official documentation is generated, and that correct procedures are followed.

Supplier Assessment

- ❖ The control of risk when selecting a supplier to provide goods or services to the University will be managed through a structured assessment process.
- ❖ Compliance to University requirements for all purchases subject to the tender process will be necessary, and in particular should satisfy the following criteria:
 - Written statement obtained from the supplier, detailing stability of price from the commencement of the contract;
 - Appropriate trade references must be supplied, preferably from other higher education referees;
 - Relevant financial information must be provided in order to assess potential viability of supplier relationship.
 - Suitable insurances should be held
 - Assessment of their ethical, quality, health & safety, and environmental credentials

Conditions of Purchase

- ❖ All purchases entered into by the University will be on the basis of the University's Standard Conditions of Purchase for Goods, service or Goods and Services

Purchasing Ethics

All staff involved in purchasing activities should be aware of the ethical code of conduct, and should observe the following:

- ❖ Declaration of interest
 - Any personal interest, which may impinge or might reasonably be deemed by others to impinge upon impartiality in any matter relevant to purchasing duties, should be declared to the Chief Financial Officer for approval before conducting the business.
- ❖ Confidentiality of Information
 - The confidentiality of information received in the course of duty should be respected and specific details of suppliers' offers must not be divulged to competitors. The information should never be used for personal gain.
- ❖ Relationships with Suppliers
 - Any arrangement which may prevent the effective operation of fair competition should be avoided.
- ❖ Gifts and Hospitality
 - See details in the [Finance Regulations under section 9](#).