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University of Chichester

**FINANCIAL REGULATIONS**

**Approved by the Board of Governors on 5 July 2022**

University of Chichester

FINANCIAL REGULATIONS

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Change log:

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| Date | Version | Notes | Author |
| 05/2020 | 1.2 | Amendments made to incorporate Director of Finance, Chief Operating Officer, Chief Human Resources Officer and new DVC structure. Title of Strategy and Resources Committee updated to Finance and Resources Committee. Title of Debt Policy and Data Protection Policy updated. Updated logo. | Peter Aldred |
| 02/2022 | 1.3 | Amendments to reflect internal ownership of Register of Gifts and to adjust procurement thresholds. | Claire Thorn |

### THESE REGULATIONS

#### Background

##### The University of Chichester traces its origins to the establishment of the Bishop Otter College in Chichester as a school for training schoolmasters in 1839. In 1946, the Bognor Regis College of Education opened as an emergency teacher training site following the Second World War. In November 1976, the two colleges merged, forming the West Sussex Institute of Higher Education, which changed its name in 1995 to the Chichester Institute of Higher Education. The Institute secured degree-awarding powers in 1999 and became the University of Chichester in 2005.

##### The University of Chichester is a company limited by guarantee without share capital (company number 4740553). It is an exempt charity.

#### Definitions

##### For the purpose of these Regulations the following terms shall have the following meanings:

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| --- | --- |
| **Articles** | means the Articles of Association of the University, as updated from time to time in accordance with their terms. |
| **Audit Committee** | means the Governors’ Audit Committee, as defined in the Articles. |
| **Board** | means the Board of Governors of the University, as defined in the Articles. |
| **Budgetary Responsibility** | means responsibility for the monitoring and control of income, expenditure and inventory in accordance with these Regulations. |
| **Deputy Vice-Chancellor** | means the Deputy Vice-Chancellor of the University. |
| **Financial Memoranda** | means the memoranda between the University and its funding bodies and any applicable codes of practice incorporated by those memoranda. |
| **Primary Budget Holder** | means the Vice-Chancellor, and anyperson to whom Budgetary Responsibility has been delegated by the Vice-Chancellor. |
| **Secondary Budget Holder** | means any person to whom Budgetary Responsibility has been delegated by a Primary Budget Holder other than the Vice-Chancellor. |
| **Staff** or **staff** | includes any person employed by the University or volunteering on its behalf, together with those holding any office, directorship, membership of the University, but excluding those whose sole relationship with the University is that of studentship. |
| **University** | means the University of Chichester, together with any wholly-owned subsidiary companies. For the avoidance of doubt, ‘University’ excludes the University of Chichester (Multi) Academy Trust and the University of Chichester Students’ Union, which are each separately controlled. |
| **Vice-Chancellor** | means the Vice-Chancellor of the University, as defined in the Articles. |
| **Vice-Chancellor’s Group** | means the Vice-Chancellor’s advisory group as constituted by the Vice-Chancellor from time to time.  |

#### Status of these Regulations

##### Effective corporate governance is fundamental to the achievement of the University’s objectives These Regulations are the primary means by which the Board delegates and manages the exercise of its financial and legal management powers in respect of the University.

##### These Regulations are made subject to the provisions of:

###### the Memorandum of Association of the University and the Articles;

###### all applicable legislation;

###### the requirements of the University’s charitable status; and

###### the terms of the Financial Memoranda.

##### The purpose of these Regulations is to provide control over the totality of the University’s resources and to ensure that those resources are properly applied for the achievement of the University’s strategic plan and business objectives. Through these Regulations, the University seeks to achieve:

###### continuing financial sustainability;

###### value for money;

###### effective financial controls over the use of public funds;

###### compliance with all applicable legislation; and

###### safe management of the assets of the University.

##### Compliance with these Financial Regulations is **compulsory** for **all staff** and in **all transactions** connected with the University. A member of staff who fails to comply with these Financial Regulations may be subject to disciplinary action. It is the responsibility of all Primary Budget Holders to ensure that their staff comply with these Regulations.

##### The Governors’ Finance and Resources Committee is responsible for maintaining a continuous review of these Regulations, and for advising the Board of any changes necessary.

##### The Vice-Chancellor’s Group shall, from time to time, issue binding policies and advisory guidance documents to give effect to, or in support of, these Regulations.

Once issued, unless otherwise stated, breach of such policies shall be equivalent to a breach of these Regulations. All such policies shall be subject to review by the Board. If a policy has been issued but not yet approved by the Board, the Vice-Chancellor’s Group must approve any disciplinary action against a member of staff who commits a breach of the policy. Any action taken in such circumstances must be reviewed by the Board.

Advisory guidance documents are non-binding but should normally be applied.

##### The Director of Finance shall, from time to time, issue advisory procedures and guidance documents to give effect to, or in support of, these Regulations, which must normally be followed by all staff, unless otherwise authorised by the Director of Finance.

##### Where these Regulations do not cover a particular situation or are unclear, staff must obtain and follow the advice of the Director of Finance.

##### Where other documents or policies are referred to within these Regulations, these are available from the office of the University Secretary or (in most cases) via the University’s website and intranet.

### CORPORATE FINANCIAL GOVERNANCE

#### The Board of Governors

##### The Board is ultimately responsible for the management and administration of the University. Its terms of reference are available from the University Secretary.

##### The Board shall, inter alia:

###### ensure the effective and efficient use of resources;

###### ensure the solvency of the University;

###### safeguard the University’s assets;

###### ensure that the funds provided by each funding body are used in accordance with the terms and conditions specified in the University’s Financial Memorandum with the funding body;

###### ensure that financial control systems are in place and are working effectively;

###### ensure that the University complies with each funding body’s audit code of practice;

###### approve the University’s annual financial budget;

###### approve the financial forecast return(s) in accordance with the Financial Memoranda;

###### approve the annual financial statements; and

###### appoint the University’s internal and external auditors.

#### Committee Structure

The Board delegates specific powers and processes to the committees detailed below. These committees are accountable to the Board. The terms of reference for each committee are available from the University Secretary.

##### **Governors’ Finance and Resources Committee**

The Finance and Resources Committee of the Board is responsible for monitoring the University’s financial position and financial control systems. The Committee examines annual estimates and accounts (including the accounting policies upon which they are based) and as appropriate recommends their approval to the Board. It ensures that short term budgets are in line with agreed longer term plans and that they are followed. It considers any other matters relevant to the financial duties of the Board and makes recommendations accordingly. The Committee ensures that the Board has sufficient information to discharge its financial responsibilities. The Committee is also responsible for approving and monitoring the University’s capital expenditure programme(s) and for approving pay awards for University staff.

##### **Governors’ Audit Committee**

The Audit 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 suitable arrangements are in place to promote economy, efficiency and effectiveness. It has the right to access or obtain all the information it considers necessary and to consult directly with internal and external auditors. The Committee acts independently but advises and reports to the Board.

##### **Governors’ Remuneration Committee**

The Remuneration Committee makes recommendations to the Board of Governors on the total emoluments and conditions of service of staff referred to in the Articles of Association including the Vice-Chancellor and Designated Staff as well as such other staff as comprise the Vice-Chancellor’s Group.

##### **Nominations and Effectiveness Committee**

The Nominations and Effectiveness Committee is responsible for the recruitment of members of the Board. When considering appointments, the Committee reviews the current and likely future membership of the Board and identifies the balance of competencies that are required to ensure the Board is able to carry out its responsibilities effectively. The Committee seeks out and recommends new members to the Board in accordance with these requirements and best practice within the Higher Education sector. The Committee also agrees the membership of the committees of the Board taking account of the skills and expertise required to discharge their respective responsibilities.

#### The Vice-Chancellor

##### The Vice-Chancellor of the University is responsible to the Board for the general management of the University as a whole.

##### The Vice-Chancellor is also accountable for the financial administration of the University’s affairs in accordance with the Financial Memoranda. In this capacity, the Vice-Chancellor must advise the Board if any action or policy under consideration appears to be incompatible with the Financial Memoranda, and report any such advice to the relevant funding body.

##### The Vice-Chancellor must ensure that annual budgets for income and expenditure are prepared for consideration by the Board and is responsible for the management of activities within the budgets approved by the Board. The Vice-Chancellor may be required to justify any of the University’s financial matters to the Public Accounts Committee of the House of Commons.

#### The Chief Operating Officer

##### The Chief Operating Officer of the University is responsible to the Vice-Chancellor for the operational management of the University.

##### The Vice-Chancellor delegates operational financial management to the Chief Operational Officer together with the management of risk, insurance and audit.

#### Other Staff Members with Financial Responsibility

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

##### Day-to-day financial administration is controlled by the Director of Finance, who is responsible to the Chief Operating Officer for:

###### preparing annual capital and revenue budgets and longer term 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, 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;

###### advising on the financial implications of contracts and investments; and

###### day-to-day liaison with internal and external auditors in order to achieve efficient processes.

##### **Primary and Secondary Budget Holders**

##### Primary Budget Holders are responsible to their line managers (and ultimately to the Board) for the financial management of the areas or activities they control. The Director of Finance will allocate management accountants to partner, monitor and guide Primary Budget Holders in the discharge of their financial responsibilities. Primary Budget Holders are responsible for establishing and maintaining clear lines of responsibility within their area for all financial matters. Where authority in respect of a resource is delegated to a Secondary Budget Holder, the Primary Budget Holder remains ultimately accountable for that resource within the overall budget.

##### Primary Budget Holders shall provide the Director of Finance with such information as may be required from time to time; in particular as is required to enable the compilation of the University’s financial statements; the implementation of financial planning; the implementation of audit and financial reviews, projects and value for money studies; and the safeguarding of the University’s assets and resources.

##### **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, avoiding loss and for due economy in the use of resources;

###### shall ensure that they are aware of the requirements of these Regulations and of the University’s Scheme of Delegation;

###### shall make available any relevant records or information to the Director of Finance (or authorised representatives) in connection with the implementation of the University’s financial policies, these Regulations and the system of financial control;

###### shall provide the Director of Finance with such financial and other information as required from time to time to carry out the requirements of the Board; and

###### shall immediately notify the Chief Operating Officer whenever any matter arises which involves, or is thought to involve, irregularities concerning the finances or property of the University, such that the Chief Operating Officer may take such steps as are necessary by way of investigation and reporting.

#### Risk, Insurance and Indemnities

##### The University views the taking of risks as an essential part of the business of higher education, in both its core education activities and its supporting activities. The University seeks to identify and manage those risks that pose a significant threat to the achievement of its business objectives and financial health through its Risk Management Policy and Critical Risk Register.

##### The Board has overall responsibility for approving the Risk Management Policy and the University’s Critical Risk Register. The Governors’ Audit Committee maintains oversight of risk management on behalf of the Board. The Vice-Chancellor has day-to-day responsibility for risk management at institutional level.

##### The Risk Management Policy and the Critical Risk Register are managed by the Risk Management Group, led by the Chief Operating Officer and supported by the University Solicitor.

##### The Chief Operating Officer shall ensure that the University has the appropriate insurance cover in order to mitigate wherever appropriate the risk of potential significant financial or other liabilities.

##### The Chief Operating Officer shall be responsible for negotiating claims; maintaining the necessary records; the provision of advice on the cover available and liaison with University’s insurers and advisers on specific issues.

##### Primary Budget Holders must give prompt notification to Chief Operating Officer of:

###### any potential new risks that may require insurance and of any alterations (e.g., in the value of an asset) affecting existing risks; and of

###### any event that may give rise to an insurance claim.

##### In the event of an insured loss, the Chief Operating Officer will notify the University’s insurers and, if appropriate, prepare a claim in conjunction with the Primary Budget Holder for transmission to the insurers.

##### The Director of Estate Management is responsible for keeping suitable records of the University estate, and for ensuring that all appropriate inspections are carried out.

##### All staff using their own vehicles on behalf of the University shall maintain appropriate insurance cover for business use.

##### Any member of staff asked to give an indemnity, for whatever purpose, must consult the Chief Operating Officer before any such indemnity is given.

#### Public Interest Disclosures (Whistleblowing)

##### Employees who believe that they have evidence of serious malpractice or impropriety on the part of the University are encouraged to bring such evidence to the attention of senior management. The University will not take any action against them, nor seek in any way to penalise them for so doing, provided such disclosure is made in good faith.

##### The full procedure for public interest disclosures is set out in the University’s Public Interest Disclosure Policy and Procedure.

#### Conflicts of Interest, Gifts and Hospitality

##### The University is committed to openness, integrity and accountability. All members of staff at all levels are expected to observe the University’s Anti-Corruption and Anti-Bribery Policy at all times.

##### A conflict of interest can inhibit open discussions and may result in irrelevant considerations being taken into account or decisions being taken that are not in the best interests of the University. Conflicts of interest can be actual or potential and may arise:

###### where a person’s personal interests conflict with the interests of the University; and

###### where a person has a relationship with a third party (for instance, another employer, a family member), whose interests conflict with those owed to the University.

##### Members of the Board, the Vice-Chancellor’s Group and heads of department must disclose any interest which they have which could give rise to a conflict of interests. They are also responsible for ensuring that their entries in the register updated regularly and promptly. All current and historic interests shall be recorded in the Register of Interests maintained by the University Secretary.

##### If any member of staff becomes aware that a conflict of interests exists or is likely to occur, that person shall, as soon as practicable, give notice in writing to the University Secretary of the fact and all relevant circumstances. No action shall be taken to progress the matter giving rise to the conflict in such circumstances without the approval of the Vice-Chancellor or the Chair of the Board.

#### Fraud and Corruption

##### All staff are subject to the University’s Fraud Policy.

##### It is the duty of Primary Budget Holders to notify the Director of Finance as soon as possible of any financial irregularities within their areas of responsibility. The Director of Finance shall notify the Chief Operating Officer, the Vice-Chancellor and the internal audit service of all financial irregularities to enable them to investigate and report in accordance with these Regulations. If the matter highlights concerns about possible misconduct of a staff member, the Chief Human Resources Officer must be informed before any action is taken. In addition, any employee may make appropriate disclosures under the Public Interest Disclosure Policy.

##### The University considers fraudulent acts by employees to be gross misconduct warranting summary dismissal and will normally refer issues of fraud for prosecution under criminal law.

##### Actual or suspected incidents of fraud or irregularity should be reported without delay to the Director of Finance, who will invoke the University’s Fraud Policy and Fraud Response Plan.

#### Contracts

##### A contract is a legally binding commitment made on behalf of the University to a third party. Contracts may be made in writing, orally or by conduct. Extreme care must be taken: in law, contracts made in the University’s name by a member of staff are normally binding on the University regardless of whether the person in question acted with the proper authority.

##### The authority to make contracts is vested in the Board of Governors by the Articles. The Board delegates its authority to specified members of staff as set out in the University’s Scheme of Delegation.

#### Joint Ventures, Memoranda of Understanding, and Spin-out Formation

##### Any proposal for the establishment of a company, joint venture, or equivalent project must be presented for approval to the Board, with prior review by the Vice-Chancellor’s Group.

#### Use of the University’s Seal

##### Where a deed or document requires the University’s seal, it must be sealed by the University Secretary or, in the absence of the University Secretary, by the Chief Operating Officer.

#### Security

##### The Director of Finance shall be responsible for defining procedures for the secure storage of cash, payment cards and cash equivalents.

##### The Director of Learning and Information Services shall be responsible for maintaining proper security and privacy of information held on the University’s computer network.

##### The University’s Data Protection Officer shall ensure that procedures are in place to support compliance with all applicable data protection requirements.

##### The University Secretary is responsible for the recording and safekeeping of official and legal documents relating to the University. Signed copies of deeds, property leases, contracts, agreements and financial statements must be forwarded to the University Secretary. All such documents shall be held in an appropriately secure location.

#### Students’ Union

##### The University of Chichester Students’ Union is a separate legal entity and not a subsidiary of the University and it is therefore not bound by the University’s Financial Regulations. The Students’ Union is responsible for maintaining its own bank account and financial records and preparing its own annual financial statements.

##### A Memorandum of Understanding between the University and the Students’ Union will determine the relationship between the two bodies, subject to any constraints imposed by the Financial Memoranda. In accordance with this agreement:

###### the Board shall determine the level of grant to be paid annually to the Students’ Union and approve its budget for the year;

###### the Union will provide quarterly statements of income and expenditure to the Chief Operating Officer and the Governors’ Finance and Resources Committee on a prompt basis to demonstrate that appropriate financial disciplines are maintained;

###### the University’s internal auditor shall have equivalent access to Students’ Union records, assets and personnel as to those of the University; and

###### each year the Students’ Union accounts will be audited by a firm of auditors approved by the University and their findings presented to the Governors’ Finance and Resources Committee.

### FINANCIAL MANAGEMENT AND CONTROL

#### Financial Planning

##### **Five-year plan**

Each year, the Director of Finance shall prepare a rolling five-year financial plan for approval by the Board. The plan shall be prepared on the instructions of the Governors’ Finance and Resources Committee and the Vice-Chancellor’s Group. The plan is shared with relevant funding bodies in accordance with the Financial Memoranda.

##### **Financial management**

Each year, the Vice-Chancellor’s Group will set budgets that include both income and expenditure targets for each University department in line with the University’s Financial Strategy. Primary Budget Holders are responsible for delivering to the financial targets set for their area of responsibility, including generating required income and managing costs.

##### **Budget preparation**

The Director of Finance is responsible for preparing the annual financial budget for the University, to be compiled at an individual department level. The budget will be submitted for consideration to the Vice-Chancellor’s Group and the Governors’ Finance and Resources Committee and for approval to the Board, and should include the statement of income and expenditure, the balance sheet and cash flow projections. The Director of Finance shall communicate the budget to Primary Budget Holders following their approval by the Board.

During each year, the Director of Finance is responsible for submitting updated financial forecasts to the Vice-Chancellor’s Group and Governors’ Finance and Resources Committee for consideration before submission to the Board for approval.

##### **Capital Planning**

The Capital Programme governs all expenditure on land, buildings, equipment, furniture and associated costs that are capitalised in line with the University’s Accounting Policy, whether or not they are funded from capital grants.

All capital expenditure levels will be set annually by the Vice-Chancellor’s Group as part of the planning and budget setting process. Departments are expected to have a replacement programme for all critical equipment, and anticipated future capital requirements should be identified through the planning process.

Expenditure on land and buildings must be consistent with the University’s Estate Strategy and supporting Capital Programme as approved by the Board.

The Director of Finance shall:

###### establish and maintain protocols for the inclusion of capital projects in the Capital Programme, setting out the information that is required for each proposed project as well as the financial criteria that they are required to meet;

###### establish and maintain procedures for the approval of variations in expenditure on approved capital projects, including the notification of large variations to the funding bodies, as laid down in the Financial Memoranda; and

###### provide regular statements concerning all capital expenditure to Governors’ Finance and Resources Committee for monitoring purposes.

Following completion of a significant capital project, the project team should submit a post-project evaluation final report to the Governors’ Finance and Resources Committee including actual expenditure against budget as well as outlining any issues affecting the project that could have a bearing on future projects.

##### **Value for money**

The Board is required to deliver value for money from public funds. The Board must keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the funding bodies, the National Audit Office, the Public Accounts Committee and any other relevant bodies.

To monitor fulfilment of this responsibility, the Governors’ Audit Committee will incorporate value for money work into the annual internal audit plan. The Director of Finance will provide evidence of compliance to the funding bodies in accordance with the Financial Memoranda.

#### Financial Control

##### **Budgetary control**

The control of income and expenditure within an agreed budget is the responsibility of the Primary Budget Holder, who must ensure that day-to-day monitoring is undertaken effectively. Secondary Budget Holders are responsible to their Primary Budget Holder for both the income and expenditure appropriate to their budget.

Significant departures from agreed budgetary targets must be reported immediately to the Director of Finance who will advise on the appropriate action.

##### **Financial information**

The Primary Budget Holders will be assisted in their duties by appropriate management information provided by the Director of Finance.

The Director of Finance will provide financial management reports on all aspects of the University’s finances to the Vice-Chancellor’s Group and the Governors’ Finance and Resources Committee on a basis determined by the Governors’ Finance and Resources Committee and in all cases subject to any specific requirements of the funding bodies. Relevant extracts from the overall position will be presented to the Board.

##### **Financial Forecasts**

Once set, the annual financial budget will not be altered and the Director of Finance will be responsible for producing updated financial forecasts that will reflect the expected income, expenditure, cash and balance sheet outcomes for the financial year based on the patterns of activity that have arisen or are anticipated. The forecasts must be submitted for approval to the Vice-Chancellor’s Group, Governors’ Finance and Resources Committee and the Board.

##### **Budget transfers**

Primary Budget Holders are normally permitted to transfer budgets from one cost code to another provided that in total they do not exceed their approved expenditure budget. However, transfers are not allowed between the staffing budget and non-staffing budget or between the capital and revenue budgets without the prior approval of the Director of Finance.

##### **Treatment of year-end operating surpluses**

Primary Budget Holders do not have the authority to carry forward any operating surpluses.

#### Accounting Arrangements

##### **Financial year**

The University’s financial year starts 1 August and runs until 31 July the following year.

##### **Basis of accounting**

The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. The accounting policies adopted by the University are detailed on an annual basis in the University’s audited financial statements.

##### **Format of the financial statements**

The financial statements are prepared in accordance with the Statement of Recommended Practice ‘Accounting for Further and Higher Education’ (SORP), and in accordance with applicable accounting standards and any other guidance issued by government and/or the funding bodies from time to time.

##### **Accounting records**

The University is required by law to retain prime documents for six years, including purchase orders; paid invoices; accounts raised; bank statements; receipts; payment and payroll records. Other financial documents should be retained for three years for audit purposes. Certain funding bodies also prescribe particular retention policies; relevant members of staff should be aware of these requirements and keep to them.

The Director of Finance is responsible for the retention of financial and payroll records. The Chief Human Resources Officer is responsible for the retention of staffing records.

The retention of records by the University is subject to the University’s Privacy Standard and all applicable legislation. The retention of information relating to individuals must be minimised and appropriately justified.

All records held by the University may be inspected by members of the public in accordance with applicable legislation, in particular, the Freedom of Information Act 2000.

##### **Taxation**

The Director of Finance is responsible for ensuring compliance with the University’s tax obligations. Primary Budget Holders must consult with and follow the advice of the Director of Finance on all relevant matters including those concerning VAT, PAYE, national insurance, corporation tax and import duty.

#### Audit Requirements

##### **General**

External and internal auditors shall have authority to:

###### access University premises at reasonable times;

###### access all assets, records, documents and correspondence relating to any financial and other transactions of the University;

###### require and receive such explanations as are necessary concerning any matter under examination;

###### require any employee(s) of the University to account for cash, stock or any other University property over which they have control.

Following consideration by the Vice-Chancellor’s Group, the annual financial statements should be reviewed by the Audit Committee. On the recommendation of the Audit Committee they will be submitted to the Board for approval.

##### **External audit**

The Board, advised by the Audit Committee, shall approve the appointment of external auditors annually.

The primary role of the external auditors is to examine and report on the University’s financial statements, underlying records and control systems to ensure the appropriate use of funds. Their duties will be undertaken in accordance with requirements of the Financial Memoranda, the International Standards on Auditing (UK) and applicable laws.

##### **Internal audit**

The internal auditors are appointed by the Board on the recommendation of the Audit Committee. Their appointment will be made within any rules and guidance issued by the funding bodies.

The Financial Memoranda require that the University has an effective internal audit function. The prime responsibility of the internal audit service is to provide the Board and the Vice-Chancellor’s Group with assurance of the adequacy and effectiveness of risk management, control and governance arrangements.

Responsibility for these arrangements remains fully with the University, which recognises that internal audit can only provide ‘reasonable assurance’ and cannot provide any guarantee against material errors, loss or fraud. Internal audit also supports management in risk management, control and governance.

The internal audit service remains independent in its planning and operation but has direct access to the Board, Vice-Chancellor and Chair of the Audit Committee. The internal auditor will comply with the terms of the Financial Memoranda.

##### **Other auditors**

The University may be subject to audit or investigation by external bodies such as the funding bodies, the National Audit Office, UK Visas and Immigration, the Competition and Markets Authority and HM Revenue and Customs. Such bodies, subject to approval by the Chief Operating Officer, shall have the same rights of access as external and internal auditors.

#### Treasury Management

##### The Treasury Management Policy sets out the University’s strategy and policies for cash management, long-term investments and borrowings in compliance with good practice and the Financial Memoranda. The Director of Finance is responsible for updating and reviewing the policy and recommending any appropriate changes for approval by the Board.

The Board is ultimately responsible for the implementation, monitoring and review of the policy, to include final decisions on all new borrowings undertaken by the University. Day to day management (within given parameters) is delegated by the Board to the Vice-Chancellor’s Group and to the Director of Finance. The Director of Finance will report to the Vice-Chancellor’s Group and the Board in each financial year on the activities of the treasury management operation and on the exercise of the delegated treasury management powers.

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

The Board is responsible for the appointment of the University’s bankers and other professional financial advisers (such as investment managers) on the recommendation of the Chief Operating Officer. Appointments shall be made via an appropriate procurement process.

##### **Banking arrangements**

The Director of Finance is responsible for creation, maintenance and reconciliation of all bank accounts bearing the University’s title and all bank accounts of subsidiary undertakings of the University. No other person may open bank accounts in the name of the University or its subsidiaries.

All electronic transfers on behalf of the University, such as BACS or CHAPS, must be authorised as set out in the Scheme of Delegation.

Cheques may only be ordered on the authority of Director of Finance, who shall make proper arrangements for their safe custody.

#### Income

##### **General**

The Director of Finance shall ensure that appropriate procedures are in operation to enable the University to receive all income to which it is entitled. All financial processes and documents in use must have the prior approval of the Director of Finance.

Levels of tuition fees and accommodation charges shall be reviewed by the Vice-Chancellor’s Group and approved by the Board from time to time. The charges made by the University for the provision of other services (for example consultancy and research contracts) must be approved in accordance with the Scheme of Delegation.

The Director of Finance shall ensure:

###### the prompt collection, security and banking of all income received;

###### that all grants notified by the funding body and other bodies are received and appropriately recorded in the University’s financial statements; and

###### that all claims for funds, including research grants and contracts, are made by the due date.

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

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

##### **Cash, cheques and other negotiable instruments**

Unless otherwise authorised by the Director of Finance:

###### all payments received within the University must be recorded by the department in receipt on a daily basis including reference to the form in which they were received (e.g., as cash, cheques or other negotiable instruments);

###### all sums received must be paid in promptly and accounted for in full;

###### the custody and transit of all monies received must comply with the requirements of the University’s insurers;

###### sums received must not be used to meet miscellaneous departmental expenses; to cash cheques, or be paid into a petty cash float;

###### the University may only receive payments by debit or credit card using procedures approved by the Director of Finance; and

###### all accounts must be billed in sterling (GBP).

##### **Collection of debts**

The Director of Finance shall ensure that:

###### debts are raised promptly on official invoices in respect of all income due to the University and its subsidiaries;

###### invoices are prepared with care, recorded in the ledger, show the correct amount due, correct due date and are credited to the appropriate income account;

###### any credits granted are valid, properly authorised and recorded;

###### VAT is correctly charged and accounted for, where applicable;

###### 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 Student Tuition and Accommodation Fees Policy; and

###### outstanding debts are monitored and reports prepared for review.

No invoices or other requests for payment shall be issued by any member of the University outside of the Finance Department unless authorised in advance by the Director of Finance.

Only the Vice-Chancellor, the Chief Operating Officer and the Director of Finance can implement credit arrangements and indicate the periods in which different types of invoice must be paid.

Bad debt may be written off subject to the limits set out in the Scheme of Delegation.

##### **Gifts and donations**

The University Secretary's office shall maintain appropriate financial records in respect of gifts and donations made to the University and shall pass to the Director of Finance to initiate claims for the recovery of tax where applicable.

#### Research, grants and other income-generating activity

##### **General**

Staff preparing any bid to conduct research, for grants and/or to conduct any other income-generating activity must follow the University Bid Process. Before approaching outside partners, the Primary Budget Holder must ensure that the financial implications have been appraised by the Director of Finance.

Grants and contracts may only be formally accepted on behalf of the University in accordance with the Scheme of Delegation. Each grant or contract will have a named supervisor or grant holder and will be assigned a designated internal cost code.

The Director of Finance shall ensure that all financial records relating to research grants and contracts are maintained and that all claims for reimbursement from sponsoring bodies are initiated as appropriate.

The income and expenditure relating to a research project shall remain part of the finances of the relevant department, contributing to that department’s financial performance targets.

##### **Costings**

The Director of Finance is responsible for examining every formal bid and shall ensure that there is adequate provision of resources to meet all commitments.

The University has adopted the principles on costing and pricing recommended by the Joint Costing and Pricing Steering Group, which are incorporated into the University’s Costing and Pricing Model. The model is used to inform the decision making process by determining the ‘full Economic Cost’ of activities.

All projects should aim to recover the full economic cost of the project, as determined by the Director of Finance. Any bid, grant or contract offered to the University at a price below full economic cost must not be accepted without the approval of the Director of Finance or the Chief Operating Officer.

##### **Contracts and terms**

All research, grants and other income-generating activity will be the subject of contractual terms, which should specify the work to be done, the fees to be paid, any outputs required and any reporting requirements. The terms should also cover confidentiality, intellectual property, publications, insurance, VAT treatment and other standard legal provisions.

Contracts must be referred to the University Solicitor for review of the terms and conditions in accordance with Regulation 12 prior to any substantive work being undertaken.

It is the responsibility of the named supervisor or grant holder to ensure that the terms of any contracts are met. Any loss to the University resulting from a failure to meet conditions of funding is the responsibility of the Primary Budget Holder and will be charged against the relevant department’s finances.

All surpluses and deficits incurred on income generating activities will be recognised in the financial accounts of the University in accordance with applicable accounting rules.

Particular types of activity carry additional requirements, as set out below.

###### Consultancy

Staff who undertake consultancy or other paid work must comply with the University’s Consultancy Policy. Unless otherwise stated in a staff member’s contract, outside consultancy or other paid work must not be accepted without the consent of the Deputy Vice-Chancellor.

Any proposal that involves additional payments to members of staff for consultancy must be in line with the University’s Consultancy Policy and approved by the Deputy Vice-Chancellor. Such payments to the Deputy Vice-Chancellor must be approved by the Vice-Chancellor, and those to the Vice-Chancellor must be approved by the Chair of the Board.

###### Collaborative provision

For any 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), the Vice-Chancellor’s Group considers the financial and legal due diligence as part of consideration of the business case.

###### Intellectual property

The Vice-Chancellor’s Group is responsible for establishing procedures to deal with intellectual property arising as a result of the activities of the University and its staff.

The intellectual property rights that arise from work undertaken by a member of staff whilst employed by the University shall normally belong to the University. Further guidance is contained within the University’s Intellectual Property Policy.

#### Expenditure

##### **Responsibility**

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

##### **Financial authority and delegation**

The Primary Budget Holders are ultimately responsible for purchases within the remit of their budget.

All Primary and Secondary Budget Holders shall be recorded in the Annex to the Scheme of Delegation. The Director of Finance must be notified immediately of any delegation of authority by a Primary Budget Holder and any other changes thereto.

Primary and Secondary Budget Holders are not authorised to commit the University to expenditure unless sufficient funds are available in the relevant budget and there is an evidenced need for the purchase.

The exercise of authority by Primary or Secondary Budget Holders remains at all times subject to the application of the limits set out in the Scheme of Delegation.

##### **University purchase cards**

Holders of University purchase cards must only use them for the purposes for which they have been issued and within the approved levels. Card details must not be revealed or lent to another person, nor should they be used for personal purchases. Cardholders must obtain approval to purchase from the relevant Primary or Secondary Budget Holder and act in accordance with these Regulations and any other guidelines issued by the Director of Finance.

University purchase cards remain the property of the University and may be withdrawn at any time on the authority of the Director of Finance.

##### **Procurement**

The University requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the best value for money consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice.

The Chief Operating Officer is responsible for:

###### ensuring all staff involved in purchasing on behalf of the University are aware of the applicable purchasing procedures;

###### advising on purchasing matters;

###### advising and assisting departments where required on specific purchases;

###### developing appropriate pre-negotiated contracts on behalf of the University to assist Primary Budget Holders in meeting their value for money obligations;

###### the drafting and negotiation of all large-scale purchase contracts (those in excess of £25,000) undertaken by the University, in collaboration with the relevant department;

###### ensuring that the University complies with all applicable procurement regulations;

###### monitoring/maintaining the pre-negotiated contracts and all expenditure;

###### ensuring that all orders are raised in the name of the University or one of its subsidiary companies as appropriate.

##### **Purchase orders**

All expenditure on behalf of the University requires an official purchase order, with the exception of authorised purchases made using a University purchase card or through petty cash.

The purchase order must be raised prior to any binding commitment to purchase being made.

Purchase orders must be authorised in line with these Regulations, the Scheme of Delegation and any guidelines issued by the Director of Finance. The total value of the order must not be artificially broken down or spread over multiple instalments to circumvent these requirements.

There are some categories of expenditure where it may not be possible or appropriate to raise orders, for example, for utility services, rents or rates. Such purchases may proceed without a purchase order subject to the approval of the Director of Finance or the Chief Operating Officer.

It is the responsibility of all staff, and ultimately of the Director of Finance, to ensure that all purchases are made on the University’s terms and conditions of purchase or, where the University’s terms are not used, on terms that have been approved by the University Solicitor.

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

All Primary and Secondary Budget Holders must act in accordance with applicable procurement legislation and guidance. In particular, the following rules should be applied unless otherwise authorised by the Chief Operating Officer:

###### purchases must demonstrate value-for-money, and follow the University’s Tendering Code of Practice;

###### where pre-negotiated agreements exist for the supply of particular goods, services and works, these must be used;

###### where no pre-negotiated agreement exists, the following minimum processes must be used:

|  |  |
| --- | --- |
| *Total Value* | *Minimum Process* |
| **<£5,000** | Value for money must be ensured. |
| **≥£5,000 and <£25,000** | At least three written quotations must be obtained. |
| **≥£25,000 and <£50,000** | All items will require three formal competitive tenders, administered via the Finance Department. |
| **≥£50,000 and <£500,000** | All items will require not less than four competitive tenders, administered by the Finance Department. This provision will be overridden if the expenditure is subject to procurement regulations (see Regulation 24.7). The award of contracts **≥£250,000** must be reported to the Governors’ Finance and Resources Committee. |
| **≥£500,000 and <£1,000,000** | All items will require not less than five competitive tenders, administered by the Finance Department. The award of contracts shall be reported to the Governors’ Finance and Resources Committee. |
| **≥£1,000,000** | The requirements for purchases ≥£500,000 will apply, but all contracts over £1,000,000 must also be approved by the Board. |

These minimum process requirements are in addition to, not instead of, the application of the Scheme of Delegation.

##### **Procurement legislation**

The Chief Operating Officer is responsible for ensuring the University complies with all applicable procurement legislation.

The Chief Operating Officer will advise Primary and Secondary Budget Holders on the thresholds that are currently in operation. Any breach of the applicable legislation is actionable by a supplier or potential supplier, and can result in the entire process being overturned and damages being payable.

It is the responsibility of Primary Budget Holders to ensure that their members of staff comply with applicable regulations by notifying Chief Operating Officer of any purchase they are considering that is likely to exceed the specified thresholds. The processes required by legislation are complex, and so notice should be given to the Chief Operating Officer as soon as possible to avoid delays.

The Financial Memoranda also require the University to report on expenditure that exceeds the specified thresholds. Failure to do so may endanger the University’s funding.

##### **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 may affect the validity of the procurement process and so may only be entered into under the guidance of the Director of Finance.

##### **Receipt of goods and services**

All goods and services shall be received by the department which placed the order, and must be checked against the agreed specification for quality and quantity. If the goods and services are judged satisfactory, the relevant financial systems should be updated. If unsatisfactory, it is the duty of the recipient to notify the Finance Department and the supplier immediately so that remedial action may be taken.

##### **Payment of invoices**

The Director of Finance shall implement and oversee procedures and schedules for making payments.

All purchase orders instruct suppliers to submit invoices for goods or services to the Finance Department. If an invoice is received by another department, it must be forwarded to the Finance Department promptly.

Payments will normally only be made by Finance Department against invoices that can be matched to an authorised receipted order in accordance with the guidelines issued by the Director of Finance.

##### **Staff reimbursement**

The University’s purchasing and payments procedures enable the majority of non-staff supplies to be procured without staff having to incur any personal expense. Where staff incur allowable expenses in fulfilling their duties (most often in relation to travel or other sundry expenses) they are entitled to claim reimbursement under the University’s Expenses Policy.

The Director of Finance shall be responsible for implementing, operating and maintaining the University’s Expenses Policy.

##### **Petty cash**

The Director of Finance shall have discretion to make available to departments such petty cash floats as are necessary for the disbursements of petty cash expenses. Petty cash must be managed in accordance with these Regulations and any other guidelines issued by the Director of Finance.

##### **Staff entertainment**

Public funds should not normally be used to fund staff entertainment. If a department wishes to fund a celebration to reward a particular success, approval must be sought in advance from the Deputy Vice-Chancellor or the Chief Operating Officer.

##### **Payments to students**

The Vice-Chancellor’s Group shall be responsible for the management of bursaries and student welfare provision. The Director of Finance will make provision for the payment of funds as directed by the Vice-Chancellor’s Group and for the maintenance of records in accordance with the Financial Memoranda.

##### **Payment practices**

The Director of Finance shall ensure that invoices are processed for payment promptly and in line with industry best practice and that appropriate reports are made in accordance with applicable legislation.

#### Expenditure on Staff

##### **Remuneration policy**

All University staff shall be appointed on the basis of the salary scales approved by the Board and in accordance with appropriate conditions of service. Letters of appointment must be issued to all new staff.

The Governors’ Remuneration Committee shall determine salaries and other benefits for designated senior post holders on behalf of the Board.

##### **Appointment of staff**

All contracts of service shall be concluded in accordance with the University’s current Human Resources practices and procedures. All offers of employment, including promotions and re-gradings, shall be made in writing. All requests to recruit, promote or re-grade staff must be approved by the Vice-Chancellor’s Group.

##### **Salaries and wages**

The Director of Finance is responsible for payroll provision. All payments to staff must be made in accordance with all applicable laws and regulatory guidelines.

Advances to staff will only be made in exceptional circumstances. All advances of pay must be authorised by the Chief Human Resources Officer or the Director of Finance.

All line managers are responsible for keeping the Chief Human Resources Officer informed of all matters relating to personnel, including:

###### appointments, resignations, dismissals, supervisions, secondments and transfers;

###### absences from duty for sickness or other reason;

###### recommendations for changes in remuneration other than normal increments and pay awards; and

###### information necessary to maintain records of service for superannuation, income tax and national insurance.

The Director of Finance shall be responsible for keeping accurate and legally compliant records relating to payroll and pensions.

##### **Pension schemes**

The Director of Finance is responsible for management of all staff pension contributions, including compliance with all applicable legislation and the regulations of the relevant pension schemes.

##### **Allowances for members of the Board**

Members of the Board may claim reasonable expenses in connection with their attendance at meetings of the Board and other functions on behalf of the Board. Claims for members of the Board must be authorised by the University Secretary.

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

Severance payments to staff shall only be made in accordance with relevant legislation and the Financial Memoranda. Any scheme for redundancy or voluntary severance must be approved by the Board.

Professional advice should be obtained where appropriate. All such payments must be authorised by the Vice-Chancellor.

#### Assets

##### **Land and buildings**

Any purchase, sale, lease or charging of land or buildings must be authorised by the Board and must comply with the Financial Memoranda.

##### **Fixed asset register**

The Chief Operating Officer is responsible for maintaining the University’s register of land, buildings, major equipment and intellectual property (the Fixed Asset Register). Items shall be added to the register as they are purchased or completed and removed on disposal or impairment.

##### **Inventories**

Primary Budget Holders are responsible for maintaining inventories, in a form prescribed by the Chief Operating Officer, for all assets under their management with a value in excess of £10,000. The University’s Fixed Asset Register may fulfil this requirement provided the Primary Budget Holder accepts responsibility for maintaining the accuracy of all entries pertaining to assets under their control, and maintains a separate inventory of any assets not accounted for in the Fixed Asset Register.

##### **Safeguarding assets**

Primary Budget Holders are responsible for the care, custody and security of all assets under their management whether tangible or intangible (such as intellectual property or data). They will consult the Chief Operating Officer in any case where security is thought to be inadequate or where 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.

##### **Personal use**

Assets owned or leased by the University shall not be used for any non-University purpose without prior authorisation in writing from the Chief Operating Officer or the Director of Finance. Unless waived by the Chief Operating Officer or the Director of Finance, authorisation will require the payment of an appropriate contribution for the use of the asset concerned.

##### **Asset disposal**

Disposal of significant assets (market value >£20,000) must only take place with the authorisation of the Board. Under certain circumstances, consent may also be required under the Financial Memoranda or under other agreements that the University is party to (e.g., mortgages). Other assets must not be disposed of without the prior authority of the Vice-Chancellor’s Group.