

**BRUNEL UNIVERSITY LONDON**

**Council Ordinance No. 10**

**Financial Regulations**

**AUGUST 2015**

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## A General Provisions

### 1. Background

- 1.1. Brunel University London (the University) is a chartered corporation. This status enables it to perform legal acts in its corporate name as if it was a person, and to sue and be sued in the name of the University. Its objects, powers and framework of governance are set out in the instruments of its incorporation ([Charter](#) and [Statutes](#)). The Charter and Statutes can only be amended by the Privy Council.
- 1.2. The Charter and Statutes require the University to have two separate bodies, the Council and the Senate, each with clearly defined functions and responsibilities, to oversee and manage its activities.
- 1.3. The Council is the governing body of the institution and in exercising its role and powers undertakes to meet the obligations placed upon the institution by the founding Charter of the University. This establishes the University as both a teaching and learning institution and as an examining body providing education in various branches of scholarship as determined by the University and also as an institution making provision for research and dissemination of knowledge. Council is responsible for setting the strategic direction of the University, and for the finance, property, investments and general business of the University.
- 1.4. The Senate is the academic authority of the University, and draws its membership entirely from the academic staff and the students of the University. Its role, subject to the Statutes and Ordinances, is to direct and regulate the teaching and research work of the University.
- 1.5. The University's [corporate governance overview](#) and the University's [committee structure](#) summarise the reporting lines through which Council and the Senate discharge their duties as set out in the Statutes. Further information on both Council and Senate and University sub-committees can be found at [Council Ordinances](#) and [Senate Regulations](#).
- 1.6. The University is an exempt charity as defined by the Charities Act 2011. Exempt charities are not subject to direct regulation by the Charity Commission in most respects, as the Charities Act 2011 (Principal Regulators of Exempt Charities) established that the Higher Education Funding Council for England ("[HEFCE](#)") is the

principal regulator of Higher Education Institutions as exempt charities.

- 1.7. This document contains the Financial Regulations as approved by Council of the University on the advice of the Finance Committee. The Financial Regulations apply to all financial business of the University, irrespective of the source of the funding. The purpose of the Financial Regulations is to set out policies and procedures which will ensure compliance with the internal and external controls of the University, and also fulfil any legal and financial requirement and obligations laid down by the Higher Education Funding Council for England ("[HEFCE](#)") and the National College for Teaching and Leadership ("[NCTL](#)"), which are the funding bodies.
- 1.8. The [HEFCE Memorandum of Assurance and Accountability](#) between HEFCE and the University sets out the terms and conditions on which its grant is made. Council is responsible for ensuring that conditions of the grant are met. As part of this process, the University must adhere to HEFCE's requirements, which require it to have sound systems of financial and management control. The financial regulations of the University form a core component of this overall system of accountability.

## **2. Status of Financial Regulations**

- 2.1. These financial regulations are subordinate to the University's Charter and Statutes and to any restrictions contained within the University's memorandum with HEFCE and HEFCE's Code of Practice.
- 2.2. This document defines the University's Financial Regulations. It translates into practical guidance for the University, and all its subsidiary identities, broad policies relating to financial control. Where applicable, separate procedures and detailed guidance is documented separately from the main policy sections, and linked accordingly.
- 2.3. The purpose of these financial regulations is to provide control over the totality of the University's resources and to provide management with assurances that the resources are being properly applied for the achievement of the University's [Strategic Plan](#).
- 2.4. Compliance with the financial regulations and financial procedures is compulsory for all personnel connected with the University. A member of personnel who fails to comply with the financial regulations or financial procedures may be subject to disciplinary action under the University's disciplinary policy. Council will be notified of any such breach through the Audit Committee. It is the responsibility of Deans of Colleges,

Directors of Institutes and Heads of Departments to ensure that their personnel are made aware of the existence and content of these regulations.

2.5. The Finance Committee is responsible for maintaining and continuously reviewing the financial regulations and, through the Director of Finance, for advising Council of any additions or changes that may be deemed necessary.

2.6. In exceptional circumstances, the Finance Committee or, in exceptional circumstances, the Chair of the Finance Committee acting on behalf of the Finance Committee, may authorise a departure from the detailed provisions herein, such departure to be reported to Council at the earliest opportunity.

2.7. This document applies to the University and all its subsidiary undertakings.

## **B Corporate Governance**

### **3. Overview and Structure**

3.1. As noted in Section A, the University's [Committee Structure](#) summarises the reporting lines through which Council and the Senate discharge their duties as set out in the Statutes. The primary responsibilities of Council and the governance of its membership, conduct and its meetings are set out in [Council Ordinances](#) 1 to 4. This summary sets out the key elements of the University's Corporate Governance procedures as they relate to financial matters.

3.2. The Court of the University has no responsibility for the University's financial administration.

### **4. Designated Officer**

4.1. The Vice-Chancellor is the University's Designated Accounting Officer under the [HEFCE Memorandum of Assurance and Accountability](#), responsible for the financial administration of the University's affairs. The Vice-Chancellor must advise Council if, at any time, any action or policy under consideration by them appears to be incompatible with the Financial Memorandum. If Council decides nevertheless to proceed, the Vice-Chancellor must immediately inform in writing the chief executive of HEFCE.

4.2. As the Designated Officer, the Vice-Chancellor may be required to justify any of the University's financial matters to the Public Accounts Committee at the House of

Commons.

## **5. Responsibility for Financial Matters**

5.1. Everyone connected with the University has a duty to ensure that the University's resources are used legitimately, wisely and effectively for the purpose and objectives of the University.

5.2. Council has ultimate responsibility for the University's financial matters. Delegation of specific powers and processes relating to financial matters is given to the Finance, Audit, Nominations and Remuneration committees. The membership of these committees and terms of reference are set out in Council Ordinance [5](#). The day to day responsibility for the financial affairs of the University is delegated to the Director of Finance.

### **5.3. Director of Finance**

The financial administration is controlled by the Director of Finance, who is responsible for:

- preparing annual capital and revenue budgets and financial plans;
- preparing management information, monitoring and reporting on expenditure against budgets and 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; and,
- achieving efficient financial processes by liaison with internal and external auditors.

### **5.4. Deans of Colleges, Directors of Institutes and Heads of Departments**

Deans of Colleges, Directors of Institutes and Heads of Departments are advised by the Director of Finance in executing their financial duties. Deans of Colleges, Directors of Institutes and Heads of Departments are ultimately responsible for:

- the monitoring of resources within their area in line with the agreed strategic and annual plans

- taking appropriate and prompt corrective action to control budget variances.
- ensuring members of staff are aware that they have a general responsibility for the security of the University's property,
- immediately notifying the Director of Finance whenever any matter arises that involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the University.
- The Director of Finance shall take such action as is considered necessary by way of investigation and report.

#### **5.5. All Members of Staff**

All members of staff should be aware that they have a general responsibility for the security of the University's property, for avoiding loss and for economic 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 Director of Finance or his or her authorised representative in connection with the implementation of the University's financial policies, these financial regulations and the system of financial control.

They shall provide the Director of Finance with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of Council.

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



## 6. Risk Management

- 6.1. 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.
- 6.2. The University has in place a [risk management framework](#), including detailed procedures for managing and monitoring identified University risks. A strategic risk manager is responsible for the promotion, support and oversight of the strategy's implementation across the University, and for maintenance of the risk register. The risk register is reported through the Executive Board, the Audit Committee and subsequently through Council. The Audit Committee advises the Council on the University risk management policy and procedures and reviews the effectiveness of the arrangements for managing and monitoring identified University risks. The principles of risk management are embedded in the University's operational procedures at all levels. Deans of Colleges, Directors of Institutes and Heads of Departments are responsible for risk management within their areas.

## 7. Whistleblowing

- 7.1. Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.
- 7.2. 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 School or Directorate. 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.
- 7.3. A member of staff may, therefore, make the disclosure to one of the staff designated for this purpose, for example the Secretary to Council. If the member of staff does not wish to raise the matter with this person, or with the Vice-Chancellor or the Chair of Council, it may be raised with the Chair of the Audit Committee.

7.4. The full procedure for whistleblowing is set out in the University's whistleblowing policy, which is available [here](#).

## **8. Code of Conduct**

8.1. 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. These principles are set out at Appendix A. In addition, the University expects that staff at all levels will observe the code of conduct that covers:

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

8.2. Additionally, members of Council, senior management or those involved in procurement are required to disclose interests in the University's register of interests maintained by the Secretary to Council. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the financial procedures.

8.3. 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. Receiving Gifts or Hospitality**

9.1. The Bribery Act 2010 has significant consequences for higher education institutions which make the following criminal offences:

- bribing another person;
- being bribed;
- bribing foreign public officials;
- failing to prevent bribery.

9.2. In order to address the implications of the Act, the University has developed an [anti-bribery policy](#) which details the principles that it will adhere to and includes guidance for staff concerning specific activities.

## **C Financial Management**

### **10. Financial Planning**

10.1. The Director of Finance is responsible for preparing annually a financial plan for approval by Council on the recommendation of the Finance Committee, and for preparing financial forecasts for submission to HEFCE. Financial plans should be consistent with the strategic plans and estates strategy approved by Council.

### **11. Resource Allocation**

11.1. Resources are allocated annually by Council on the recommendation of the Finance Committee, and are based on the annual financial plan. Deans of Colleges, Directors of Institutes and Heads of Departments are responsible for the economic, effective and efficient use of resources allocated to them.

### **12. Budget Preparation**

12.1. The Director of Finance is responsible for preparing each year an annual revenue budget and capital programme for consideration by the Finance Committee before submission to Council. The budget should also include cash flow forecasts for the year and a projected year-end balance sheet. The Director of Finance must ensure that detailed budgets are prepared in order to support the resource allocation process, and that these are communicated to Deans of Colleges, Directors of Institutes and Heads of Departments as soon as possible.

12.2. During the year, the Director of Finance is responsible for submitting revised forecasts to the Finance Committee for consideration before submission to Council for approval.

### **13. Capital Programme**

13.1. 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 Council.

13.2. Protocols for the inclusion of capital projects in the capital programme for approval by Council are summarised at Appendix B. These set out the information that

is required for each proposed project as well as the financial criteria that they are required to meet.

13.3. The Director of Finance is responsible for providing regular statements concerning all capital expenditure to the Finance Committee for monitoring purposes. The Finance Committee will review interim reports of actual and forecast outturns against the approved budgets, and draw Council's attention to any materially significant variations.

13.4. Following completion of a capital project, a post-project evaluation or final report should be submitted to the Finance 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 [HEFCE](#), as laid down in HEFCE guidelines.

#### **14. Other Major Developments**

14.1. Any new aspect of business, or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time should be presented for approval to the Finance Committee, with prior review by the Special Projects Committee, where appropriate.

14.2. In certain circumstances, consent for financial commitments must be obtained from [HEFCE](#), in accordance with Annex C of the [HEFCE Memorandum of Assurance and Accountability](#). These circumstances and requirements will be considered by the Finance Committee.

14.3. The protocols for these major developments to enable them to be considered for approval by Council are set out at Appendix C of these financial regulations. These summarise the information that is required for each proposed development as well as the financial criteria that they are required to meet.

## **D Financial Control**

### **15. Budgetary Control**

- 15.1. As noted within the section on resource allocation, allocations are made annually to Colleges, Institute and Department. Within each College, Institute and Department, 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 College, Director of Institute or Head of Department for the income and expenditure appropriate to their budget.
- 15.2. Significant departures from agreed budgetary targets must be reported immediately to the Director of Finance by the Dean of College, Director of Institute or Head of Department concerned and, if necessary, corrective action taken.
- 15.3. The Director of Finance is responsible for supplying budgetary reports on all aspects of the University's finances to the Finance Committee on a basis determined by the Finance Committee, but subject to any specific requirements of HEFCE.
- 15.4. The relevant extracts from the overall position are reported to each Dean of College, Director of Institute or Head of Department so that they are aware of their own financial performance against budget. The budget holders are assisted in their duties by additional management information provided on a monthly basis by the Director of Finance.
- 15.5. Changes proposed to the approved budget will be considered by the Finance Committee, which will report such changes to Council.

### **16. Accounting Arrangements**

#### **16.1. Financial Year**

The University's financial year will run from 1<sup>st</sup> August until 31<sup>st</sup> July the following year.

#### **16.2. Basis of Accounting**

The financial statements are prepared under the historical cost convention modified by the revaluation of certain fixed assets and investments.

### 16.3. **Basis of Preparation of the Financial Statements**

The financial statements are prepared in accordance with the Statement of Recommended Practice Accounting for Further and Higher Education, and applicable United Kingdom Accounting Standards.

### 16.4. **Accounting Policies**

A statement of the principal accounting policies that the University applies is set out within the [annual financial statements](#).

### 16.5. **Accounting Records**

The Director of Finance is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the applicable authorities. The University is required by law to retain prime documents for six years. These include:

- official purchase orders;
- paid invoices;
- bank statements;
- copies of receipts;
- paid cheques; and,
- payroll records, including part-time lecturers' contracts.

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

## 16.6. Taxation

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

The Director of Finance is responsible for maintaining the University's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

## 17. Audit Requirements

### 17.1. General

External auditors and internal auditors shall have authority to:

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

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

Following consideration by the Finance Committee, the financial statements should be reviewed by the Audit Committee. On the recommendation of the Audit Committees they will be submitted to Council for approval.



## 17.2. External Audit

The appointment of external auditors will take place annually and is the responsibility of Council, advised by the Audit Committee.

The primary purpose of the 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 for the auditors 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 Auditing Practices Board's Statements of Auditing Standards and, where appropriate, the applicable guidance contained within Annex A of the [HEFCE Memorandum of Assurance and Accountability](#).

## 17.3. Internal Audit

The arrangements for the provision of an internal audit service are approved by Council on the recommendation of the Audit Committee.

The University's financial memorandum with HEFCE requires that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in HEFCE's Audit Code of Practice, detailed in Annex A of the [HEFCE Memorandum of Assurance and Accountability](#). The main responsibility of internal audit is to provide 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 Council, the Vice-Chancellor and Chair of the Audit Committee.

The internal auditor will also comply with the Auditing Practices Board's auditing guideline *Guidance for Internal Auditors*.

## 17.4. Fraud and Corruption

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

The Director of Finance shall immediately invoke the [Fraud Response Plan](#), which incorporates the following key elements:

- he or she will notify the Vice-Chancellor, the Audit Committee (through its Chair) and the internal auditor of the suspected irregularity and shall take such steps, in consultation with the Chief Operating Officer and the Director of Human Resources, as he or she considers necessary by way of investigation and report;
- the Chief Operating Officer 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 HEFCE in accordance with their requirements as set out on page 12 of the [HEFCE Memorandum of Assurance and Accountability](#); and
- the internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the audit committee on the suspected irregularity. Such report shall include advice on preventative measures.

If the suspected fraud is thought to involve the Director of Finance and/or the Vice-Chancellor, the member of staff shall notify the Chair of the Audit Committee directly of their concerns regarding irregularities.

#### 17.5. **Value for Money**

It is a requirement stated within the [HEFCE Memorandum of Assurance and Accountability](#) that HEFCE must provide annual assurances to Parliament that value for money by the HEIs that it regulates is being achieved. The University should therefore keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the funding body, the National Audit Office, the Public Accounts Committee or other relevant bodies.

To fulfil this responsibility, Council will develop and revise each year a plan for value for money work that will provide evidence of compliance with HEFCE's requirements. It will be used to enable the Audit Committee to report on value for money in their annual report.

#### 17.6. **Other Auditors**

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

## 18. Treasury Management

### 18.1. Treasury Management Policy

The University has adopted and will maintain, as the cornerstones for effective treasury management:

- a [treasury management policy statement](#), stating the policies and objectives of its treasury management activities;
- suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The University delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Finance Committee, and for the execution and administration of treasury management decisions to the Director of Finance who will act in accordance with the [treasury policy statement and TMPs](#).

The Finance Committee will receive reports on its treasury management policy, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in the TMPs.

The treasury management policy will be reviewed annually.

All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Director of Finance and an appropriate reporting system set up. All borrowing shall be undertaken in the name of the University and shall conform to any relevant funding body requirements.

The Director of Finance will report quarterly in each financial year to the Finance Committee on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him or her.

### 18.2. Appointment of Bankers and Other Professional Advisers

Council is responsible for the appointment of the University's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Finance Committee. The appointment shall be for a specified period after which consideration shall

be given by the Finance Committee to competitively tendering the service.

### **18.3. Banking Arrangements**

The Director of Finance is the only person who may open or close a bank account in name of the University, or one of its subsidiary companies, for dealing with the funds of the University or subsidiary company. Such accounts may only be opened if they relate to activity that is to be accounted for in the University's consolidated financial statements.

All bank accounts shall be in the name of the University or one of its subsidiary companies, and all cheques and finance instruments made payable to the University or one of its subsidiary companies must be paid into an account that has been opened by the Director of Finance in the name of the University or the subsidiary company.

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

All cheques drawn on behalf of the University must be signed in the form approved by the Finance Committee. Cheques up to an agreed amount, specified in the applicable bank mandate, shall require one signature. Cheques over the agreed amount must be signed by two authorised persons, of which only one may be that of an authorised member of staff in the finance department. Details of authorised persons and limits are recorded in the University's applicable bank mandate.

All automated transfers on behalf of the University, such as BACS or CHAPS, must be authorised in accordance with the applicable banking mandate. Details of authorised persons and limits are recorded in the University's applicable bank mandate.

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

## **19. Income**

### **19.1. General**

The Director of Finance is responsible for ensuring that appropriate procedures are in operation to enable the University to receive all income to which it is entitled. All receipt

forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the Director of Finance.

Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined in accordance with the University's costing and pricing strategy.

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

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

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

#### **19.2. 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 timely notification to the Director of Finance of sums due so that collection can be initiated.

#### **19.3. Receipt of Cash, Cheques and Other Negotiable Instruments**

All monies received within Colleges, Institutes and Departments from whatever source must be recorded by the College, Institute and Department together with the form in which they were received, for example cash, cheques and other negotiable instruments.

Guidance for the receipt, storage, record keeping and banking of cash is included within the University's [cash handling procedures](#).

#### **19.4. Debit and Credit Cards**

All staff taking payments from customers using credit or debit cards are under a duty of care to ensure that card details are only retained where the taking of future payments from the card has been agreed by the customer, in accordance with the requirements of the Data Protection Act.

Card details are printed on the University's copy of the card voucher. These copy vouchers must be retained in the till along with cash and cheques pending delivery to the Cash Office

with the cash and cheques (see [cash handing procedures](#)).

#### 19.5. **Money Laundering Provisions**

The University has put in place an [anti money-laundering policy](#) to meet its obligations under the Money Laundering Regulations Act of 2007. The policy includes procedures for staff whose responsibilities include the recording of income receipts.

#### 19.6. **Management of Debtors**

The University has a [student debt management policy](#) and a [commercial and research activities debt management policy](#) which it uses to assist with the collection of debts.

If the procedures detailed in the policy are ultimately unsuccessful, requests to write off debts in excess of £10,000 must be referred in writing to the Director of Finance for submission to the Finance Committee for consideration. Debts below this level may be written off by the Director of Finance, who shall provide a report of any such write offs to the Finance Committee. All debts which are written off will be charged to the operating results of the College, Institute or Department responsible for the original invoice activity.

#### 19.7. **Emergency Loans and Access to Learning Fund**

The University's scheme for emergency and Access to Learning Fund loans must be approved by Council. This will include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made other than in accordance with the approved scheme.

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

- approving loans in accordance with the scheme;
- paying loans that have been approved; and,
- recovering loans that have been paid

The University's [policy and guidance for its Access to Learning Fund](#) is accessible from the University's intranet and within the Student Handbook.

## 20. Research Grants and Contracts

### 20.1. General

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

The term 'research grant' is restricted to research projects funded by the UK research councils, charities and the higher education funding bodies.

All other externally financed research projects are classified as 'research contracts'.

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

The Director of Finance is responsible for establishing a system for every formal application for grant that ensures there is adequate provision of resources to meet all commitments. The Director of Finance should ensure that the full cost of research contracts is established. The research agreement must be in line with the University's policy with regard to indirect costs and other expenses and taking account of different procedures for the pricing of research projects depending on the nature of the funding body.

Research grants and contracts shall be accepted on behalf of the University by the Director of the Research Support and Development Office. The Director of Finance shall maintain all financial records relating to research grants and contracts and shall initiate all claims for reimbursement from sponsoring bodies by the due date, with appropriate assistance from the Principal Investigator leading the research.

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

Control of pay and non-pay expenditure for a project will be the clear responsibility of the

budget holder. Any overspend or under-recovery of overheads is the responsibility of the budget holder, and will be charged against School or specialist research institute funds.

Additional information and guidance on policy and procedures for research activities is available in the [Research Support and Development Office intranet pages](#).

#### 20.2. **Recovery of Overheads**

Overheads will be charged to all research activity based on the relevant funding mechanism.

#### 20.3. **Costing/Transparency**

The University adopts the principles on costing and pricing recommended by the Joint Costing and Pricing Steering Group (JCPSG) and complies with current guidance as maintained by the British Universities Finance Directors Group (“BUFDG”).

Staff undertaking research activity will maintain the records specified by the Director of Finance to enable compilation of returns to HEFCE that meet the requirements of the Transparency Review.

#### 20.4. **Grant and Contract Conditions**

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

Any loss to the University resulting from a failure to meet conditions of funding is the responsibility of the budget holder, and will be charged against the College, Institute or Department.

### **21. Other Income-Generating Activity**

#### 21.1. **Private Consultancies and Other Paid Work**

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

- outside consultancies or other paid work, including additional paid work undertaken for



the University, may not be accepted without the consent of the Dean of College, Director of Institute or Head of Department and in the case of:

- the Head of Department – the Dean of College;
  - the Dean of College or Director of Institute – the Deputy Vice-Chancellor for Research;
  - the Pro-Vice Chancellors, the Deputy Vice-Chancellors, the Chief Operating Officer and the Director of Finance - the Vice-Chancellor; and
  - the Vice-Chancellor - the Chair of Council.
- applications for permission to undertake work as a purely private activity must be submitted to the Dean of College, Director of Institute or Head of Department, or Deputy Vice-Chancellor for Research or Vice-Chancellor, as appropriate, and include the following information:
    - the name of the member(s) of staff concerned;
    - the title of the project and a brief description of the work involved;
    - the proposed start date and duration of the work;
    - full details of any University resources required (for the calculation of the full economic cost); and,
    - an undertaking that the work will not interfere with the teaching and normal University duties of the member(s) of staff concerned.

Staff considering such consultancy or paid work are responsible for any personal taxation issues that may arise from non-University remuneration.

## 21.2. **Short Course Income and Services Rendered**

Short course income is defined as income generated within academic areas for seminars or short courses outside of the normal graduate programme. It will also include any conferences organised by the School.

Any member of staff wishing to run a short course must have the permission of their Dean of

College. The course organiser will be responsible to the Dean of College or Head of Department for day-to-day management of the course.

Short courses or conferences organised by members of staff must be costed and priced on a basis agreed with the Director of Finance before any public commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the University's costing and pricing strategy.

All courses must be self-financing or surplus-generating except in situations where the Director of Finance and Dean of College approve the launching of a new programme as a loss leader. In considering such a situation, the Director of Finance will take into account the provisions of the Finance Act 2006 that relate to the administration of Corporation Tax law in respect of universities. These provisions address the applicability of general corporation tax exemptions for universities' primary purposes and situations where such exemptions do not apply due to the activity being commercial in nature.

Any deficits incurred on short courses will be charged to the budget of the sponsoring College, Department or Institute.

### 21.3. **Off-site Collaborative Provision (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 following procedure:

- There will be a contract signed by the Vice-Chancellor, and on behalf of any partner organisation, that shall comply at least with the HEFCE model contract (as amended from time to time) in place before any provision is made.
- Contracts for significant changes in franchising activity shall be approved in advance by the Executive Committee.
- The form of the contract shall be scrutinised in advance of its operation by the Executive Committee.
- The impact of the contract(s) shall be subject to scrutiny by the Executive Committee and the Finance Committee. They shall consider the risk factors associated with the proposed partnership and agree an appropriate entry in the University's financial

forecast.

Where the partnership would represent a significant departure from the University's Strategic Plan, Council shall approve the departure and, where necessary, the Vice-Chancellor shall seek the views of and inform HEFCE.

#### **21.4. 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 College or Director of Institute 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 strategy.

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

- this is on the basis of a written contract that 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; and,
- payments are only made against detailed invoices.

#### **21.5. Profitability and Recovery of Overheads**

All other income-generating activities must be self-financing or surplus-generating unless it is intended that a new course is to be launched as a loss leader. The reason(s) for a loss-leader course must be specified and agreed in advance by the Dean of College or Director of Institute and the Director of Finance.

Other income-generating activities organised by members of staff must be costed and agreed with the Director of Finance before any commitments are made.

#### **21.6. Deficits**

Any unplanned deficits incurred on other income-generating activities will be charged to College or Institute.

### 21.7. **Additional Payments to Staff**

The University has an Enhanced Incentive Scheme policy which delivers a package of schemes to incentivise income generation in support of research. Any proposal that involves additional payments to members of staff should be supported by a schedule of names and values and must be approved by the Dean of College or Director of Institute, and in the case of a Dean of College or Director of Institute, the Deputy Vice-Chancellor for Research, and in the case of any of the Deputy Vice-Chancellors, the Vice-Chancellor.

## 22. Intellectual Property Rights and Patents

### 22.1. **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.

In the event of the University deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the [intellectual property procedures](#) issued by the University.

## 23. Expenditure

### 23.1. **General**

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

### 23.2. **Scheme of Delegation/Financial Authorities**

The Deans of Colleges, Directors of Institutes and Heads of Departments are responsible for purchases within his or her College, Institute or Department. Purchasing authority may be delegated to named individuals within the College, Institute or Department. In exercising this delegated authority, budget holders are required to observe the [detailed purchasing procedures](#).

For procurement via electronic means (“e-procurement”) central control under the authority of the Director of Finance will be exercised over the creation of requisitioners and authorisers on the e-procurement system. Deans of Colleges, Directors of Institutes and

Heads of Departments must supply the Director of Finance with the names of staff who may authorise orders and their respective financial limits.

For procurement through non-electronic procedures, the Director of Finance will maintain a register of authorised signatories, and Heads of Departments must supply him or her with specimen signatures of those staff who may authorise paper orders and certify invoices for payment.

The Director of Finance (or his nominee) must be notified immediately of any changes to the authorities to commit expenditure.

Deans of Colleges, Directors of Institutes, Heads of Departments and budget holders are not authorised to commit the University to expenditure without first reserving sufficient funds to meet the purchase cost.

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

### 23.3. **Procurement**

The University requires all budget holders, irrespective of the source of funds, to obtain value for money by purchasing supplies, equipment, works and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice. All procurement activity must be in accordance with the University's [detailed purchasing procedures](#).

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

- ensuring that the University's purchasing policy is known and observed by all involved in purchasing for the University;
- advising on matters of University purchasing policy and practice;
- advising and assisting Colleges, Institutes and Departments where required on specific purchases;
- developing appropriate standing supply arrangements on behalf of the University to assist budget holders in meeting their value for money obligations;

- arranging all large-scale purchase contracts undertaken by the University, other than contracts arranged by the Director of Estates, in collaboration with the responsible College, Institute or Department; and,
- ensuring that the University complies with EU regulations on public purchasing policy.

#### 23.4. **Purchase Orders**

The ordering of goods, works and services must be in accordance with the University's [detailed purchasing procedures](#) on the intranet.

Official University orders must be placed for the purchase of all goods, works and services, except those made using purchasing cards. In exceptional circumstances, urgent orders may be given orally, but must be confirmed by an official purchase order endorsed 'confirmation order only' not later than the following working day.

When transferring goods or services between Colleges, Institutes or Departments, an interdepartmental transfer form must be used.

It is the responsibility of the Director of Finance, through the University's Head of Procurement, to ensure that all purchase orders refer to the University's conditions of contract.

#### 23.5. **Purchasing Cards**

The operation and control of the University's purchasing cards is the responsibility of the Director of Finance. [Guidance on the use of purchasing cards](#) is accessible on the intranet.

Holders of purchasing cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Cards must not be loaned to another person, nor may they be used for personal or private purchases.

Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs. The Director of Finance will determine what information is required on purchases made with purchasing cards from cardholders and deadlines for receipt in the Finance Department to enable financial control to be maintained and cardholders must provide that information.

## 23.6. **Contracts**

Building contracts are administered by the University's Director of Estates. Proposals will normally be initiated by the Director of Estates in respect of planned replacements, general improvement schemes, space planning or in response to requests from Colleges, Institutes and Departments.

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

Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the Director of Finance as appropriate. Investment appraisals should comply with appropriate HEFCE guidance.

Following consideration by the Special Projects Committee and the Finance Committee, and approval by Council, submissions should be forwarded to HEFCE where appropriate. If the required agreement is secured from HEFCE, funding body procedural rules should be followed. HEFCE guidance on best practice should be followed even when HEFCE approval is not required.

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

The University has appropriate Conditions of Contract for the purchase of goods, works and services. The Director of Estates and the Head of Procurement are responsible for ensuring that these are to date and that they protect the University's interests.

## 23.7. **EU Regulations**

The Head of Procurement is responsible for ensuring the University complies with its legal obligations concerning EU procurement legislation. EU procurement regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a [threshold](#) value. Only the Director of Estates and the Head of Procurement are authorised to arrange contracts that are subject to EU regulations.

The Head of Procurement will advise Heads of Schools and Directorates on the [thresholds](#) that are currently in operation.

A breach of these EU regulations is actionable by a supplier or potential supplier, which potentially could result in a substantial cost to the University.

It is the responsibility of Deans of Colleges, Directors of Institutes and Heads of Departments to ensure that their members of staff comply with EU regulations by notifying the Head of Procurement of any purchase that is likely to exceed the thresholds. This will need to be done well in advance of any purchase as there lengthy statutory timescales which must be complied with.

### **23.8. Receipt of Goods**

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

All goods received shall be entered onto an appropriate goods received document or electronic receipting system on the day of receipt. If the goods are deemed to be unsatisfactory, the record shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible.

Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified.

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

### **23.9. Payment of Invoices**

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

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

Deans of Colleges, Directors of Institutes and Heads of Departments are responsible for ensuring that expenditure within their College, Institute or Department does not exceed



funds available.

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

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

Payments will only be made by the Finance Department against invoices that can be matched to a receipted order.

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

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;
- where appropriate, it is matched to the order;
- invoice details (quantity, price discount) are correct;
- the invoice is arithmetically correct;
- the invoice has not previously been passed for payment;
- where appropriate, an entry has been made on a stores record or departmental inventory; and,
- 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.

#### 23.10. **Staff Expenses**

The University's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement, in accordance with the University's [travel, subsistence and entertaining expenses policy](#).

It is the University's policy that no cash advances for expenses should be made and that there should be no petty cash floats in use.

### 23.11. **Project Advances**

The Director of Finance may approve cash advances for research projects carried which involve numbers of low value payments to individuals who participate in interviews, discussion groups or who complete questionnaires.

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

The University has detailed procedures for management and control of cash advances for research projects, which are detailed within Appendix A of its [travel, subsistence and entertaining expenses policy](#).

### 23.12. **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.

Guidance on acceptable expenditure for entertaining guests is set out in the University's [travel, subsistence and entertaining expenses policy](#).

## **24. Pay Expenditure**

### 24.1. **Remuneration Policy**

All University staff will be appointed to the salary scales approved by Council and in accordance with appropriate conditions of service. All letters of appointment must be issued by the [Human Resources Department](#). Full details of procedures to be followed during the recruitment process are accessible from the [Human Resources Department](#).

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 made available.

Salary and other benefits of the Vice-Chancellor will be determined by the Remuneration Committee set up by Council. The Vice-Chancellor shall not attend any part of a meeting at which his or her salary is being discussed. Decisions of the Remuneration Committee will be reported to the Independent Members of Council.

#### 24.2. **Appointment of Staff**

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

#### 24.3. **Salaries and Wages**

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

The Director of Human Resources will be responsible for keeping the Director of Finance informed of all matters relating to personnel for payroll purposes. In particular these include:

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

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

The Director of Finance shall be responsible for keeping all records relating to payroll including those of a statutory nature.

All payments must be made in accordance with the University's detailed payroll financial procedures and comply with HM Revenue and Customs regulations.

#### 24.4. **Superannuation Schemes**

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

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

- paying contributions to various authorised superannuation schemes; and,
- preparing the annual return to various superannuation schemes.

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

#### 24.5. **Travel, Subsistence and Other Allowances**

All claims for payment of subsistence allowances, travelling and incidental expenses shall be in accordance with the University's [travel, subsistence and entertaining expenses policy](#), and shall be completed in a form approved by the appropriate Head of School or Directorate or warrant holder .

All claims for payment of subsistence allowances, travelling and incidental expenses must be authorised in accordance with the University's [travel, subsistence and entertaining expenses policy](#). The certification of a claim 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; and,
- consideration has been given to value for money in choosing the mode of transport.

Arrangements for travel by the Vice-Chancellor and, where applicable, his or her spouse,

shall be approved by the Chair of Council. Detailed authorisation procedures for all of the Vice-Chancellor's travel and entertaining expenses are reviewed and approved by the Remuneration Committee on a periodic basis.

#### **24.6. Overseas Travel**

All arrangements for overseas travel must be in accordance with the University's [travel, subsistence and entertaining expenses 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 in an official capacity, this must be clearly identified in advance and must have the prior approval of the Vice-Chancellor.

Where spouses, partners or other persons unconnected with the University intend to participate in a trip in an unofficial capacity, no costs will be met by the University.

#### **24.7. Allowances for Members of Council**

Claims for members of Council must be authorised in accordance with the University's [travel, subsistence and entertaining expenses policy](#).

#### **24.8. Redundancy and Other Termination Payments**

Redundancy payments shall only be made in accordance with relevant legislation and under a scheme approved by Council. Professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments shall be authorised by the Vice-Chancellor or his nominee and calculations checked by the Director of Human Resources or the Director of Finance.

All matters referred to an employment tribunal shall be notified to the Equal Opportunities and Human Resources Committee and Finance Committee at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

## **25. Assets**

### **25.1. Land, Buildings, Fixed Plant and Machinery**

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

The protocols summarised at Appendix B and C will also apply to major items of a capital nature.

### **25.2. Fixed Asset Register**

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

### **25.3. Inventories**

Deans of Colleges, Directors of Institutes and Heads of Departments are responsible for maintaining inventories, in a form prescribed by the Director of Finance, for all plant, equipment, furniture and stores in their College, Institute or Department. The inventory must include items donated or held on trust.

Inventories must be checked at least annually.

When transferring equipment etc between Colleges, Institutes or Departments, a transfer record must be kept and the inventories amended accordingly.

### **25.4. Stocks and Stores**

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

Deans of Colleges, Directors of Institutes and Heads of Departments are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.

## 25.5. **Safeguarding Assets**

Deans of Colleges, Directors of Institutes and Heads of Departments are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc under their control. They will consult the Director of Finance in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

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

## 25.6. **Personal Use**

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

## 25.7. **Asset Disposal**

Disposal of equipment and furniture must be in accordance with procedures agreed by the Finance Committee and contained in the University's detailed financial procedures. A summary of the [financial procedures for recording the disposal of equipment](#) is available on the intranet.

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

## 25.8. **All Other Assets**

Deans of Colleges, Directors of Institutes and Heads of Departments are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the University, whether tangible (such as stock – see above) or intangible (such as intellectual property – see section on Intellectual Property Rights and Patents), including electronic data.

## **26. Funds Held on Trust**

### 26.1. **Gifts, Benefactions and Donations**

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

where appropriate.

#### **26.2. Student Welfare and Access Funds**

The Director of Finance will prescribe the format for recording the use of student welfare funds.

Records of access funds will be maintained according to HEFCE requirements.

#### **26.3. Trust Funds and Endowments**

The Director of Finance is responsible for maintaining a record of the requirements for each trust fund and for advising the Finance Committee on the control and investment of fund balances. A register of endowments analysed between capital and income, and by category (e.g. scholarships, chairs and lectureships, prize funds and other) will be maintained by the Director of Finance.

The Finance 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.

#### **26.4. Voluntary Funds**

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

The accounts of any such fund shall be audited by an independent external person and shall be submitted with a certificate of audit to the appropriate body. The Director of Finance shall be entitled to verify that this has been done.

### **27. Other**

#### **27.1. Insurance**

The University's Head of Risk 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, all risks will have been considered and those most effectively dealt



with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets.

The Head of Risk is responsible for effecting appropriate insurance cover in accordance with the University's risk management policy, which is approved by Council on the advice of the Executive Committee and the Audit Committee. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Head of Risk 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 insurers and advisers about specific insurance problems.

Deans of Colleges, Directors of Institutes and Heads of Departments must ensure that any agreements negotiated within their College, Institute or Department with external bodies cover any legal liabilities to which the University may be exposed. Deans of Colleges, Directors of Institutes and Heads of Departments must give prompt notification to the University's Head of Risk of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks.

Deans of Colleges, Directors of Institutes and Heads of Departments must advise the Head of Risk immediately of any event that may give rise to an insurance claim. The Head of Risk will notify the University's insurers and, if appropriate, prepare a claim in conjunction with the Head of School or Directorate for transmission to the insurers.

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

The University will accept no liability for loss or damage to personal property. This statement applies inter alia to vehicles and their contents parked on University premises.

## **27.2. Companies and Joint Ventures**

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

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 HEFCE.

It is the responsibility of the Vice-Chancellor, acting for Council, to 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 Committee, an annual report to 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.

### 27.3. **Security**

#### **Security of Safes and Contents**

Keys to safes or other similar containers are to be carried on the person of those responsible at all times. The loss of such keys must be reported to the Director of Finance immediately.

#### **Information Technology and Data Security**

The Director of the Computer Centre shall be responsible for maintaining proper security and privacy of information held on the University's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs, together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act 1998. A data protection officer shall be nominated to ensure compliance with the Act and the safety of documents.

The University's policy and procedures relating to Data Protection and Freedom of Information Act issues are set out [here](#).

#### **Document Storage and Security**

The Secretary to Council 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 Secretary to Council. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

**27.4. 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. It is an unincorporated charity established under the Education Act 1994.

Subject to any constraints imposed by HEFCE, Council shall determine the level of grant to be paid annually to the Students' Union. Council requires the Union to provide for information details of its proposed budget to assist in determining the appropriate level of grant.

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

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 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.

**27.5. Use of the University's Seal**

Where a deed or document requires the University's seal, it must be sealed by the Secretary to Council or, in his or her absence, the Director of Finance, in the presence of a member of Council. The Secretary to Council is responsible for the safe keeping of the University's seal.

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

**27.6. Provision of Indemnities and Guarantees**

The granting of indemnities and guarantees, for whatever purpose, will be subject to approval in accordance with the following:

Up to £25,000	Director of Finance or nominated deputy
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£25,001 to £250,000	Vice-Chancellor or nominated deputy as countersignature to Director of Finance or nominated deputy
Above £250,000	Vice-Chancellor or Director of Finance acting on a resolution of the Finance Committee

Indemnities and guarantees may only be given by wholly-owned subsidiary companies if approved by the relevant board of directors, and in accordance with the above requirements.

Staff should not sign any disclaimer, form of indemnity or other document having the effect of creating legal liabilities for the University. Staff must refer the terms of any indemnity or guarantee which they are being asked to give on the University's behalf to the Director of Finance.

## **APPENDIX A**

### **The Seven Principles of Public Life from the Report of the Parliamentary Committee for Standards in Public Life (The Nolan Report)**

#### **SELFLESSNESS**

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

#### **INTEGRITY**

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

#### **OBJECTIVITY**

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

#### **ACCOUNTABILITY**

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

#### **OPENNESS**

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

#### **HONESTY**

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

#### **LEADERSHIP**

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

## **APPENDIX B – SUMMARY OF PROTOCOLS FOR PROPOSED CAPITAL EXPENDITURE**

Proposed capital projects with budgets, including VAT, in excess of £1 million should be supported by:

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

## **APPENDIX C – SUMMARY OF PROTOCOLS FOR PROPOSED MAJOR EXPENDITURE**

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