

FINANCIAL REGULATIONS

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FINANCIAL REGULATIONS

A GENERAL PROVISIONS

1 Background

- 1.1** The University is a chartered corporation. Its structure of governance is laid down in the Charter and Statutes. The Charter and Statutes can only be amended by the Privy Council. The University is accountable through its Council which has ultimate responsibility for the University's management and administration.
- 1.2** The University is an exempt charity by virtue of the Charities Act 1993.
- 1.3** The Financial Memorandum between the Higher Education Funding Council for England (HEFCE) and the University sets out the terms and conditions on which grant is made. The Council is responsible for ensuring that the conditions of grant are met. As part of this process, the University must adhere to HEFCE's Code of Practice for Audit and Accountability, which requires it to have sound systems of financial and management control. The financial regulations of the University form part of this overall system of accountability.

2 Status of Financial Regulations

- 2.1** This document sets out the University's financial regulations. It translates into practical guidance the University's broad policies relating to financial control. This document is to be submitted for approval by the Council on 14th July 2014. It applies to the University, its subsidiary undertakings, branches and other entities where the University has management control.
- 2.2** These financial regulations are subordinate to the University's Charter and Statutes and to any restrictions contained within the University's Financial Memorandum with HEFCE and HEFCE's Code of Practice for Audit and Accountability.
- 2.3** The purpose of these financial regulations is to provide control over the totality of the University's resources and provide management with assurances that the resources are being properly applied for the achievement of the University's strategic plan and business objectives:
 - financial viability
 - achieving value for money
 - fulfilling its responsibility for the provision of effective financial controls over the use of public funds
 - ensuring that the University complies with all relevant legislation
 - safeguarding the assets of the University.
- 2.4** The Director of Finance shall ensure that updated copies of the financial regulations are available to all members of Council, Budget Holders and all persons connected with the finances of the University.
- 2.5** Compliance with the financial regulations is compulsory for all officers, staff and students connected with the University. Refusal to comply with the financial regulations will be grounds for disciplinary action under the University's disciplinary procedures. The Council will be notified of any such breach through the Audit Committee. It is the responsibility of Deans, Heads of School and Heads of Service to ensure that their staff are made aware of the existence and content of the University's Financial Regulations and supporting financial procedures.

- 2.6** The Strategy and Finance Committee is responsible for maintaining a continuous review of the financial regulations for internal management and for advising the Council of any additions or changes necessary.
- 2.7** In exceptional circumstances the Strategy and Finance Committee may authorise a departure from the detailed provisions herein; such departure to be reported to the Council at the earliest opportunity.
- 2.8** The University's detailed financial procedures set out precisely how these regulations will be implemented. They are contained in the Financial Manual (incorporating Financial Policies and Procedures) and Finance Practical Guides, which are maintained by the Director of Finance and made available to all staff via the Finance website.

B CORPORATE GOVERNANCE

3 The Court

3.1 The Court has no direct responsibility for the University's financial administration, but the Court's members at its meetings are entitled to ask questions on the Annual Accounts or any other financial matter.

4 Council

4.1 The Council of the University is the governing body of the University. It has its powers and duties conferred upon it by the Statutes and is responsible for the management and administration of the revenue and property of the University and has general control over the conduct of all the affairs of the University. Its financial duties are to:

- ensure the solvency of the University
- safeguard the University's assets
- ensure the effective and efficient use of resources
- ensure that the funds provided by the Funding Council are used in accordance with the terms and conditions specified in the University's financial memorandum with the Funding Council
- ensure that financial control systems are in place and are working effectively
- ensure that the University complies with the Funding Council's Code of Practice for Audit and Accountability
- approve the University's strategic plan
- approve annual budgets and the annual financial statements
- appoint the external auditors to the University

4.2 The Council is empowered to:

- appoint bankers, and to cause proper books of account to be kept in respect of money received and expended by the University, and for the assets and liabilities of the University, provided that before determining any question of finance which affects the academic policy of the University, the Council shall take into consideration any recommendation by the Senate
- invest any monies belonging to or held by the University
- acquire and dispose of real and personal property on behalf of the University, whether freehold or leasehold
- enter into, vary, carry out and cancel contracts on behalf of the University
- determine all University fees
- appoint members to the Audit Committee

The full powers of the Council are given at Statute XV.

4.3 The Council discharges its financial responsibilities by delegating duties to Committees, particularly the Strategy and Finance Committee and the University Executive Board and senior officers and by maintaining an overview of general financial policy with adequate reporting structures to ensure that the agreed policies are being implemented.

4.4 All members of Council must be aware that they have a responsibility for the University's finances and must ensure that they have sufficient information made available to them to fulfill their responsibilities.

5 Senate

- 5.1** The Senate has no direct responsibility for finance, but receives in advance of Council meetings reports from the Strategy and Finance Committee and the University Executive Board and is able to comment on these to Council.

6 Committee Structure

6.1 Strategy and Finance Committee

The Strategy and Finance Committee is responsible to Council for the financial management of the University. The Committee will examine and recommend approval to the Council of budgets in line with agreed plans and ensure that those budgets are followed. It will also consider other matters relevant to the financial duties of the Council and make recommendations thereon. In addition to being responsible for all other aspects of financial management, the Committee must ensure that sufficient information is given to the Council for it to be satisfied that it is discharging its financial responsibilities.

6.2 University Executive Board

Chaired by the Vice-Chancellor, the University Executive Board considers strategic, operational and policy issues and reports to the Strategy and Finance Committee.

6.3 Audit Committee

The Audit Committee is independent of Strategy and Finance Committee and the University Executive Board and reports directly to the Council. It is responsible for maintaining an overview of the internal and external audit functions, the internal control system, the risk management strategy and the arrangements for ensuring economy, efficiency and effectiveness. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors, and may require information, either written or oral from any University member or officer. The audit requirements of the University are set out in the HEFCE's Code of Practice on Audit and Accountability.

6.4 Remuneration Committee

The Remuneration Committee is responsible for the determination of pay and conditions for the University's senior executive management, the Professoriate and equivalent non-academic staff. It has the power to make recommendations to Council on their remuneration, including pay and other benefits, as well as contractual arrangements.

6.5 Other Committees

All other Committees which have been allocated a budget for any purpose are responsible ultimately to the Strategy and Finance Committee for all income and expenditure within those budgets.

7 University Members and Officers with Financial Responsibility

7.1 Vice-Chancellor

The Vice-Chancellor is the chief academic and administrative officer of the University and is answerable to the University Council for the financial administration of the University's affairs. He is also accountable, as the "accountable officer" under the Financial Memorandum with the Higher Education Funding Council for England (HEFCE) and the National College for Teaching and Leadership (NCTL) for the use of public funds received by the University.

In his capacity as the accountable officer, the Vice-Chancellor must advise the Council if, at any time, any action or policy under consideration by them appears to the Vice-Chancellor to be incompatible with the Financial Memorandum. If the Council decides nevertheless to proceed, the Vice-Chancellor must immediately inform the Chief Executive of the Funding Council in writing. As the accountable 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.

In the absence of the Vice-Chancellor from the University for more than three consecutive working days, the Vice-Chancellor's delegated powers are assumed in full by the Deputy Vice-Chancellor until the Vice-Chancellor's return.

7.2 Chief Operating Officer

The Chief Operating Officer has responsibility for the development of University strategy, medium term financial and business planning, and responsibility for the University's financial and investment strategies.

7.3 Director of Finance

Day-to-day financial matters are the responsibility of the Director of Finance, who is responsible to the Chief Operating Officer for:

- preparing annual capital and revenue budgets and financial plans
- preparing accounts and management information for the monitoring and control of expenditure against budgets and all financial operations
- preparing the University's annual accounts and other financial statements and accounts which the University is required to submit to other authorities
- ensuring the University has satisfactory systems of financial control and administration
- providing professional advice on all matters relating to financial policies and procedures
- day-to-day liaison with internal and external auditors, bankers and other financial advisers

7.4 Head of Internal Audit Services

The Head of Internal Audit Services is responsible for providing the Council, the Vice-Chancellor and other senior managers with reasonable assurance on the adequacy and effectiveness of risk management, control and governance arrangements. The Head of Internal Audit Services has direct access to the Chair of the Audit Committee, the Vice-Chancellor and senior officers where required.

The Head of Internal Audit Services reports to the Secretary to the Council on a day-to-day basis.

7.5 Director of Estates and Facilities

The Director of Estates and Facilities is responsible for the buildings and estates functions within the University, which will include accountability and control of staff, the security, custody and control of all University buildings and other resources, such as materials, cash and stores relating to this function. The Director of Estates and Facilities has the right of access to any part of the University.

7.6 Budget Holders

Heads of School, Heads of Service, and other Budget Holders are responsible to the Vice-Chancellor,

through the University Executive Board, for financial control and management in their areas of responsibility. They are advised by the Director of Finance in executing their financial duties, and must ensure the proper use of funds in accordance with these financial regulations and any procedural notes issued to Budget Holders.

Heads of School and Service are responsible for establishing and maintaining clear lines of responsibility for all financial matters within their School or Service and for ensuring that these regulations are publicised and observed within their School or Service. Where resources are devolved to Budget Holders, they are accountable to their Head of School or Service for their own budget.

7.7 All members of Staff

All members of staff should be aware of and have a general responsibility for the security of the University's property, for avoiding loss and for due economy in the use of resources.

They should ensure that they are aware of the University's financial authority limits and the values of purchases for which quotations and tenders are required.

They shall make available any relevant records or information to the Director of Finance or his or her authorised representative in connection with the implementation of the University's financial policies, these financial regulations and the system of financial control.

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

8 Risk Management

- 8.1** 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.
- 8.2** The Council, through the Strategy and Finance Committee, has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the University through the development, implementation and embedment within the organisation of a formal, structured risk management policy. The Council requires an annual review of the implementation of risk management arrangements.
- 8.3** The University, through the Risk Management Group, a sub-committee of the University Executive Board, has developed a corporate risk register to identify key corporate risks. Responsibility for monitoring each risk has been assigned to senior officers of the University. The Chief Operating Officer has day-to-day responsibility for risk management within the University.
- 8.4** Schools and Central Services are also required to maintain risk management registers for their own activities and are required to report on their risk management arrangements to the Risk Management Group.

9 Code of Conduct

- 9.1** The institution 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, which members of staff at all levels are expected to observe. These principles cover:

- integrity and accountability
 - selflessness, objectivity and honesty
 - openness and leadership
- 9.2** Additionally, members of the Council, senior members of staff or those involved in procurement are required to disclose interests in the University's register of interests maintained by the Secretary to the Council. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly.
- 9.3** In particular, no person shall be a signatory to a University contract where he or she also has an interest in the activities of any other party to the contract.
- 9.4 Receiving gifts or hospitality**
It is an offence under the Prevention of Corruption Act 1906 for members of staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all members of staff must be:
- the conduct of individuals should not create the suspicion of any conflict between their official duty and their private interest
 - the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.
- Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the University would be likely to provide in return.
- Guidance on acceptable hospitality is contained in the University's Expenses and Hospitality Policy which is available on the University's website.
- 9.5 Accepting or offering inducements**
In its commitment to upholding ethical standards of business conduct, the University adopts a zero tolerance approach to bribery and corruption in all jurisdictions. Staff should be mindful of the provision of the Bribery Act 2010 and the University's Corporate and Social Responsibility Business Conduct policy.

C FINANCIAL MANAGEMENT AND CONTROL

10 Financial Planning and Budgetary Control

10.1 The Director of Finance is responsible for preparing a five year rolling Financial and Financing Strategy.

10.2 The Financial and Financing Strategy is published on the Finance website and addresses:

- how the financial strategy is developed and integrated within the University's corporate plan
- how the corporate plan is translated into an operating plan and annual budget
- how the University's resources are managed, controlled and protected
- how the University's assets are identified, safeguarded and utilised
- how the University ensures that all liabilities are identified and properly managed

10.3 The Strategy and Finance Committee is responsible for preparing plans for resource allocation and for long-term financial forecasts for submission to the Council.

10.4 The Director of Finance is responsible for ensuring proper procedures exist for the control of income and expenditure against approved budgets. Regular information will be provided to Budget Holders, the University Executive Board, the Strategy and Finance Committee and the Council.

10.5 The Director of Finance is responsible for preparing each year an annual budget, incorporating income and expenditure account, balance sheet and cash flows, and capital programme for consideration by the Strategy and Finance Committee, before submission to the Council.

10.6 Deans, Heads of School and Head of Service are responsible for the economic, efficient and effective use of resources allocated to them.

10.7 No capital expenditure on land and buildings, information technology infrastructure, or major corporate systems can be incurred unless a scheme has been approved by the Strategy and Finance Committee (or by committees, boards or other officers authorised by the Strategy and Finance Committee) and the source of funds has been agreed. The Director of Finance shall maintain detailed records of those with the authority to incur expenditure on behalf of the University.

Where the acquisition is of investment property using investment funds, the Investments Committee is empowered to authorise projects up to £3M and the Chief Operating Officer can authorise projects up to £1M.

For all other capital scheme expenditure the Vice-Chancellor has delegated authority for projects up to £1M and the Chief Operating Officer can authorise projects up to £250K, subject to a cap at the budgetary approval for "small schemes" and with retrospective reporting to the Vice-Chancellor when the delegation has been exercised.

The Strategy and Finance Committee is responsible for seeing that a Project Committee is appointed for each major capital project (those with an estimated cost in excess of £1 million) and that a budget is duly prepared for their approval.

11 Accounting arrangements

11.1 Financial year

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

11.2 Basis of accounting

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

11.3 Format of the financial statements

The financial statements are prepared in accordance with the Statement of Recommended Practice *Accounting for Further and Higher Education*, subject to any specific requirements of the Funding Council, and in accordance with the provisions of the Companies Act 2006, if that is appropriate.

11.4 Provision of Financial Statements and financial management information

The Director of Finance is responsible for providing to the Strategy and Finance Committee as soon as is practicable at the end of the year Financial Statements for that year and in-year reports at intervals and in a format to be determined by the Strategy and Finance Committee.

11.5 Accounting Systems and Records

All accounting systems and records within the University shall be in accordance with the requirements of the Director of Finance. Schools and Central Services should avoid setting up duplicate financial systems and records where the main accounting system meets their requirements.

11.6 Retention of accounting records

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

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

- purchase orders
- paid invoices
- paid cheques
- payroll records, including part-time lecturers' and sessional contracts
- sales invoices
- receipts
- banking records

Members of staff should also ensure that retention arrangements comply with any specific requirements of funding organisations.

11.7 Public access

Under the terms of the Charities Act 2006, the Council is required to supply any person with a copy of the University's most recent financial statements within two months of a request and the Freedom of Information Act requires any request to be dealt with within 20 working days. These Acts enable the Council to levy a reasonable fee and this will be charged at the discretion of the Chief Operating Officer. The University will make a copy of the accounts available to the public on the University's website once they have been approved by Council.

11.8 Taxation

The Director of Finance is responsible for providing advice, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the University and its subsidiary companies and Trusts. The Director of Finance will issue instructions and guidance on

compliance with statutory requirements including those concerning VAT, corporation tax and import duty.

The Director of Human Resources is responsible for ensuring that the statutory requirements concerning PAYE and National insurance are adhered to.

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

12 Audit Requirements

12.1 General

External auditors and internal auditors shall have authority to:

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

12.2 External audit

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

The primary role of external audit is to report on the University's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the HEFCE's Code of Practice on Audit and Accountability and the Auditing Practices Board's statements of auditing standards.

12.3 Internal audit

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

The University's Financial Memorandum with the Funding Council requires that it has an effective internal audit function whose duties and responsibilities are in accordance with advice set out in HEFCE's Code of Practice for Audit and Accountability. The main responsibility of internal audit is to provide the Council, the Vice-Chancellor and senior management with assurances on the adequacy and effectiveness of risk management, control and governance arrangements.

The internal audit service remains independent in its planning and operation but has direct access to the President of the Council, Vice-Chancellor and Chair of the Audit Committee. The Head of the Internal Audit Service reports directly to the Secretary to the Council on a day-to day basis.

12.4 Value for money

It is a requirement of the Financial Memorandum that the University's Council is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by HEFCE, the National Audit Office, the Public Accounts Committee and other relevant bodies.

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

12.5 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.

13 Treasury Management

13.1 Treasury management policy

The Strategy and Finance Committee is responsible for approving a Treasury Management Policy setting out a strategy and policies for cash management, long-term investments and borrowings. This will require compliance with Funding Council's rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the Financial Memorandum. The Strategy and Finance Committee has a responsibility to ensure implementation, monitoring and review of such policies.

13.2 Banking arrangements

The University's banking arrangements shall be decided by the Council on the advice of the Strategy and Finance Committee from time to time. All arrangements with the University's bankers concerning the University's bank accounts, and those of its subsidiaries, and the issue of cheques shall be made by the Chief Operating Officer and Director of Finance on behalf of the Strategy and Finance Committee.

The Chief Operating Officer and Director of Finance are empowered to open and close bank accounts in the name of the University or its subsidiaries and branches. No other part of the University shall be empowered to open or operate a bank account in the name of the University or its subsidiaries and branches and all cheques or financial instruments made payable to the University shall be credited to the University's account.

Arrangements for the signature and countersignature on University cheques, the authorisation of electronic banking transactions and the arrangements for bank account reconciliations are set out in the University's Financial Manual.

13.3 Borrowing

All arrangements for exercising the borrowing powers of the Council, as defined in the Charter and Statutes, shall be made by the Strategy and Finance Committee.

13.4 Investments

The Strategy and Finance Committee is responsible for the investment of the University's long-term endowment funds, as advised by the Investments Committee. It may seek such external advice as it considers necessary and may employ managers for the University investment funds.

No investments may be made in securities, limited or public companies, or other investments (including land and buildings) without the approval of the Strategy and Finance Committee.

14 Income

14.1 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 must have the prior approval of the Director of Finance.

Arrangements for the prompt collection, security and banking of all funds received shall be made under the direction of the Director of Finance.

14.2 Receipt of cash, cheques and other negotiable instruments

All monies received must be banked promptly, and in accordance with a timetable prescribed by the Director of Finance and set out in financial procedures. The custody and transit of all monies received must comply with the requirements of the University's insurers.

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

The University does not accept cash payments for goods when the value of the payment is the equivalent of 15,000 Euros or more for any single transaction.

14.3 Receipts by credit or debit card

The University may only receive payments by debit or credit card using procedures approved by the Director of Finance. All procedures must be compliant with PCI DSS regulations.

14.4 Sales invoicing and the collection of debts

The Director of Finance shall ensure that:

- debtors invoices are raised promptly on official invoices, in respect of all income due to the University. The only exception to this regulation is where research council and EU grants are managed centrally, as described under 15.1
- invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account
- processes are in place to perform credit checks on customers where appropriate
- any credits granted are valid, properly authorised and completely recorded
- VAT is correctly charged where appropriate, and accounted for
- monies received are posted to the correct debtors account
- swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the financial procedures
- outstanding debts are monitored and reports prepared for management
- where appropriate and proper, debt collection costs are recovered from the debtor

All credit arrangements must be approved by the Director of Finance.

14.5 Student fees

The procedures for collecting tuition and residence fees must be approved by the Director of Finance.

14.6 Write offs

Amounts properly due to the University shall only be written off when all reasonable steps have been taken to recover the debt and all debt write offs must go through an approval process

Tuition fee and academic related debts must first be approved by the Director of Student Learning and Teaching Services before being referred to the Chief Operating Officer. All other requests to write off debts must be referred in writing to the Chief Operating Officer for consideration. Write-offs in Trusts and Subsidiary companies must be approved by the relevant Board.

All write off proposals over £50,000 will be forwarded to the Strategy and Finance Committee for approval, and all write offs between £10,000 and £50,000 will be notified to Strategy and Finance Committee as memorandum items.

14.7 Credit notes

All credit notes over £250 require the prior approval of the Director of Finance, or nominated representative and all credit notes must first be approved by the Head of School or Service.

Under delegated authority from the Director of Finance, the Director of Student Learning and Teaching Services approves all tuition fee credits processed via the student record system.

15 Research Grants and Contracts

15.1 Acceptance of research grants and contracts

Research grants and contracts shall be accepted on behalf of the University by the Chief Operating Officer or other duly authorised officers. Under no circumstances should applications be submitted without prior approval of the Chief Operating Officer, through Research and Enterprise Services.

The Director of Finance is responsible for examining every formal application for grant and shall ensure that there is adequate provision of resources to meet all commitments. The Director of Finance should ensure that the full cost of research contracts is established. The research agreement must be in line with the University's policy with regard to full economic costing (FEC) taking account of different procedures for the pricing of research projects depending on the nature of the funding body.

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. These claims may be in the form of cost statements and may not necessarily be recorded as a debtors invoice.

15.2 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 supervisor or grant holder to ensure that conditions of funding are met.

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

16 Other Income-Generating Activity

16.1 Short Courses and other services rendered

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

The term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information. It also includes any University consultancy work performed for external customers.

All short courses and other services (including consultancies) rendered must be costed in accordance with the University's costing and pricing policy and the financial provisions approved by the Director of Finance before any commitments are made.

Before any University consultancy is undertaken written permission must be sought from the Head of School. Guidelines are given in the University's Consultancy Policy available on the University's website.

16.2 New income generating or trading activity

The Director of Finance must be informed, in advance, of any new discrete income-generating activity which would generate income in excess of £20,000.

The Director of Finance may direct that transactions be undertaken through a subsidiary company.

16.3 Private consultancies and other private work

The regulations governing private work undertaken by University staff are set out, where necessary, in the appropriate conditions of service and within the University's Consultancy Policy.

The main provision in the regulations is that staff undertaking private work must ensure that it does not impair the performance of their University duties. Staff must not hold themselves out as acting on behalf of the University, or use University headed stationery.

The permission of the Head of School or Service and of the Vice-Chancellor is required for any private work whether or not it involves the use of University resources. If it does involve the use of University resources an economic charge will be made for these.

The University accepts no responsibility for any work done, advice given or activity undertaken by staff in their private capacity.

17 Intellectual Property Rights and Patents

17.1 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.

17.2 Patents

The Strategy and Finance Committee is responsible for establishing procedures to deal with any patents accruing to the institution from inventions and discoveries made by staff in the course of their research.

17.3 Intellectual property rights

In the event of the University deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property procedures contained within the University's Code of Practice on Intellectual Property.

17.4 Commercial exploitation of Intellectual property

The Strategy and Finance Committee shall approve procedures to encourage and assist staff to maximise the commercial exploitation of inventions and procedures resulting from research within the University.

17.5 Disposals of Intellectual Property

All disposals of intangible assets will require the prior approval of the Strategy and Finance Committee, on the advice of the Chief Operating Officer.

18 Expenditure and Purchasing

18.1 General

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

18.2 Scheme of delegation/financial authorities

The Head of School or Service is responsible for purchases within his or her area of responsibility. The Head of School or Service may delegate up to 50% of his or her purchasing authority to named individuals within the School or Service. In exercising this delegated authority, Budget Holders are required to observe the University's procurement policies and financial procedures.

The Director of Finance shall maintain a register of all staff authorised to approve purchase orders, receipt goods and services, and certify invoices to payment.

Staff are not permitted to authorise any payment to themselves, their spouses, partners or relatives, or any organisation with which they, their family or relatives have a connection or permit any member of their staff to do so.

18.3 Procurement

The University requires all Budget Holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with the University's Procurement Policy and Procedures.

Heads of Schools and Services should ensure that Budget Holders are aware of the University's Procurement Policy, which is available on the Procurement Department's website.

The Head of Procurement shall be responsible for arrangements and procedures for all official orders issued for supplies of services required by the University.

All orders may be placed only if they are in compliance with the requirements of the Head of Procurement and the tendering procedures have been carried out

18.4 Capital Expenditure

All capital expenditure on land, buildings, furniture, equipment and associated costs must only be incurred if it is part of an approved budget and detailed financial procedures for such financial transactions are followed.

The Director of Finance shall be responsible for providing regular statements relating to all capital expenditure to the Strategy and Finance Committee.

18.5 Purchasing Cards

The operation and control of the University's purchasing cards is the responsibility of the Director of Finance.

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

Details of the operation of the scheme are set out in the University's Financial Manual.

18.6 Payment of invoices

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

Heads of Schools and Service are responsible for ensuring that expenditure within their Schools and Service does not exceed agreed budgets without prior approval from the Director of Finance.

Invoices must go direct to Finance and care must be taken to ensure that all available discounts are obtained.

Payments will only be made by the Director of Finance against invoices that have been approved for payment by those with the appropriate delegated authority.

The Director of Finance will automatically pay invoices that quote a valid purchase order number and have been duly receipted in the purchase to pay system.

18.7 Reimbursement of expenses

The University's procurement and payments procedures are in place to enable the majority of non-pay supplies to be purchased through the creditors system without anyone having to incur any personal expense. However on occasion, staff, students or visitors may incur expenses, most often in relation to travel, and are entitled to reimbursement.

Such expenditure must be claimed using the University's expense claim form, and the claim must be in accordance with the University's Expenses and Hospitality and Procurement policies.

Anyone using their own vehicles on behalf of the University shall maintain appropriate insurance cover for business use and a full valid licence.

18.8 Advances

Advances may be given to staff and students for projects carried out away from the University. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment, or purchasing card.

The amount advanced to one person should not normally exceed £5K. Advances must always be approved in advance by the Head of School or Service. Any advances in excess of £2,000 must also be approved in advance by the Director of Finance.

Receipts or paid invoices must be retained for all amounts spent.. Within one month of completion of the project to which the advance relates an expense claim form giving a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no

circumstances will a second advance be approved when the final accounting for an earlier advance is outstanding.

18.9 Giving hospitality

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

The limits concerning acceptable expenditure for entertaining guests are set out in the Expenses and Hospitality Policy.

18.10 Making donations

Donations (in cash or in kind) must not be made without the prior approval of the University Executive Board. Donations will not be made in lieu of payments for services and will not normally be made to organisations that do not share the University's charitable objects.

19 Pay Expenditure

19.1 Remuneration policy

All institution staff will be appointed to the salary scales or spot salary approved by the Council and in accordance with appropriate conditions of service.

All letters of appointment or variations in conditions of service must be issued by the Director of Human Resources through the HR Operations Team.

All payments of salaries must be made through the HR Operations Team, except where staff are employed by one of the University's overseas subsidiaries or established branches, when payment will be made through an approved payroll bureau.

Salaries and other benefits for senior management will be determined by the Remuneration Committee. In addition, the Remuneration Committee is responsible for approving all severance payments for senior staff and those in excess of £50,000. Lay members of Council will have their reasonable travelling expenses reimbursed by the University.

19.2 Appointment of staff

All contracts of service shall be concluded in accordance with the University's approved personnel practices and procedures.

All centrally funded academic posts and professorial posts, however funded, are subject to approval by the Deputy Vice-Chancellor.

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

19.3 Superannuation schemes

The eligibility of staff for membership of the Universities Superannuation Scheme (USS), the University of Reading Employees Pension Fund (UEPF) or the University of Reading Pension Scheme (URPS) will be detailed in individual contracts of employment.

The Strategy and Finance Committee shall be responsible for undertaking the Council's role as employer in relation to all superannuation matters.

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

- paying contributions to various authorised superannuation schemes
- preparing the annual return to various superannuation schemes
- administering the University of Reading Employees Pension Fund and the University of Reading Pension Scheme.

20 Assets

20.1 Land and buildings

The purchase, lease, rental or disposal of land or buildings can only be undertaken with authority from the Strategy and Finance Committee or the Investments Committee or their nominated representative on behalf of the Council.

All such decisions will be recorded in full in the minutes of the relevant committee.

20.2 Fixed asset register

The Director of Finance is responsible for maintaining the University's register of land, buildings, fixed plant and machinery and other assets costing over £10,000. Heads of School and Service will provide the Director of Finance with any information required to maintain the register.

Subsidiary companies will also be required to maintain fixed asset registers using capitalisation thresholds separately approved by the Director of Finance.

20.3 Inventories

The Procurement Department, in conjunction with the Information Technology Services Department, will maintain an inventory of personal electronic devices, particularly mobile phones and related items, purchased for the use of staff.

20.4 Stocks and stores

Heads of School and Service are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their Schools and Service. The systems used for stores accounting must have the approval of the Director of Finance.

Heads of School and School 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.

Those Heads of School and Service whose stocks require valuation in the University's balance sheet at the financial year end must ensure that the stock-taking procedures in place have the approval of the Director of Finance and that instructions to appropriate staff within their Schools are issued in accordance with advice contained in the University's detailed financial procedures.

20.5 Safeguarding assets

Heads of School or Service 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 Estates and Facilities in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

No property should be removed from University premises without prior permission of the Head of School or Service.

20.6 Personal use

Assets owned or leased by the University shall not be subject to personal use.

The personal use of mobile phones provided by the University must be refunded to the University in accordance with the procedures set out in the Expenses and Hospitality Policy.

20.7 University owned vehicles

University owned vehicles may only be used by authorised personnel on University business. They should not normally be used for travel to and from work and they should be left on University premises overnight.

20.8 Asset disposal

Disposal of inventory items must be in accordance with the procedures issued by the Head of Procurement.

Disposal of fixed assets and their removal from the fixed asset register must be in accordance with the University's Fixed Asset Accounting Policy.

The Investments Committee has delegated authority to dispose of land and buildings from within the investment portfolio of the University and its Trusts. The Chief Operating Officer is empowered to authorise investment property disposals up to a value of £1M, subject to notifying the Investments Committee at its next scheduled meeting. All disposals approved outside of the Strategy and Finance Committee must be notified to that Committee at its next scheduled meeting.

All other disposals of land and buildings must only take place with the authorisation of the Strategy and Finance Committee on behalf of the Council.

20.9 All other assets

Heads of School and Service are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the University, whether tangible (such as stocks or inventoried items) or intangible (such as intellectual property), including electronic data.

20.10 Loss of assets or damage to property

Heads of Schools or Service must advise the Insurance Officer immediately of any event that may give rise to an insurance claim. The Insurance Officer will notify the University's insurers and, if appropriate, prepare a claim in conjunction with the Head of School or Service for transmission to the insurers.

20.11 Leasing property

All lease agreements or licenses for third parties to occupy University property shall be signed by the Chief Operating Officer or the Director of Estates and Facilities.

21 Funds Held on Trust

21.1 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.

21.2 Student Welfare and Access Funds

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

Records of Access Funds will be maintained according to funding body requirements.

21.3 Trust funds

The Strategy and 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.

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

22 Other

22.1 Insurance

The Insurance Officer, through the Director of Finance, is responsible for the University's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy 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 Insurance Officer is responsible for effecting such insurances as are determined from time to time by the Strategy and Finance Committee. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Insurance Officer 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.

The Director of Estates and Facilities is responsible for keeping suitable records of plant which is subject to an inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

Heads of Schools and Service must ensure that any agreements negotiated within their School or Service with external bodies cover any legal liabilities to which the University may be exposed. The Insurance Officer's advice should be sought to ensure that this is the case.

Heads of Schools or Service are responsible for ensuring that the Insurance Officer is immediately notified of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks.

22.2 Travel Insurance

Staff and students travelling on University business are covered under the University's travel insurance policy, and will not normally be reimbursed for any expenditure on a personal travel insurance policy. Travellers should however check the policy details on the Insurance website to ensure the University's policy offers an appropriate level of cover for any personal possessions taken on each trip.

22.3 Establishing new companies, branches or associates.

No University company, associate or branch shall be formed for any purpose without the specific approval of the Strategy and Finance Committee.

22.4 Appointments to the Boards of subsidiary and associated companies

Where a University subsidiary company is established or the University takes a shareholding in a third party company, the appointment of University representative directors to these companies is a matter for the Strategy and Finance Committee.

22.5 Memoranda of understanding with subsidiary companies

University subsidiary companies shall enter into and keep under review a memorandum of understanding with the University. Each company shall operate in accordance with such memorandum and within the framework provided by these Financial Regulations, and any additional procedural requirement imposed by their Boards of Directors.

Any permitted departures from these Financial Regulations will be encompassed in the memorandum of understanding.

22.6 Associated company reporting requirements

The directors of companies where the University is the majority shareholder must submit, via the Strategy and Finance Committee, an annual report to the 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.

22.7 Security over data and information

The Chief Operating Officer 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 Secretary shall have responsibility for implementing and monitoring policies for the protection and management of data.

22.8 Safeguarding funds against misuse

Heads of School and Service are responsible for the proper application of funds at the disposal of their School or Service. In exercising their responsibility Heads of School and Service must have regard to security measures to safeguard University funds and assets against misuse or misappropriation. They must consult with the Insurance Officer to see that appropriate insurance is arranged.

22.9 Fraud Policy and Response Plan

The University's Fraud Policy and Fraud Response Plan are contained within the Financial Manual, available on the University's website.

All members of the University staff or students must notify immediately the University Secretary or the Head of Internal Audit Services of any financial irregularity, or any circumstance suggesting the possibility of irregularity, affecting the financial procedures, cash, stores or other property of the University. Due respect will be given for the confidentiality of those raising such concerns.

It is a disciplinary matter if anyone knowingly makes a false or malicious allegation against another member of the University.

Further information about "whistleblowing" and the duty of employees and students under the Public Interest Disclosure Act 1998 can be found on the University's website.

22.10 Safekeeping of legal documents

The University Secretary has responsibility for the safekeeping of legal documents relating to the University. Details of the University's property ownership are maintained by the Director of Estates and Facilities .

22.11 Students' Union

The financial responsibilities of the Students' Union are set out in the Students' Union Code of Practice in the Calendar.

The Students' Union is a separate legal entity from the University. It shall maintain its own bank account and financial records and prepare its own annual accounts.

Subject to any constraints imposed by the funding body, the Strategy and Finance Committee shall determine the level of grant to be paid annually to the Students' Union. The Committee requires the Union to provide for information details of its proposed budget to assist in determining the appropriate level of grant.

The Director of Finance and the Head of Internal Audit Services have the right of access to the financial records of the Students' Union in so far as they relate to the payment by the University of the annual Block Grant.

22.12 Signing of official documents

The Council shall approve arrangements for the delegation to senior officers of the University to sign official documents on its behalf

22.13 Use of the University Seal

All Deeds and documents requiring to be sealed by the University shall be sealed in the presence of two persons one of whom shall be a member of the Council and the other an authorised officer.

A report shall be submitted to each meeting of the Council recording the Deeds and documents to which the University Seal has been affixed since the last meeting of the Council.

The University Secretary shall be responsible for the security and use of the University Seal. The Chief Operating Officer shall keep records of the Seal's use.

22.14 Provision of indemnities and guarantees

Any member of staff asked to give an indemnity or guarantee, for whatever purpose, should consult the Chief Operating Officer before any such indemnity is given. Any document or contract committing the University to any indemnities or guarantees can only be signed with the express prior approval of the University Executive Board.

22.15 Disclosure of Interests

A member of Council, or a member of staff, having a material, personal, financial or other beneficial interest in any transaction between the University and third parties shall disclose his or her interest in writing in advance of any discussion or decision regarding that transaction. In the case of a member of the Council the disclosure should be made to the University Secretary and, in the case of a member of staff, to their Head of School or Service.

Any member of any Committee, having a personal interest in any matters (whether or not recorded in the Register of Interests) shall declare that interest, and such declaration shall be recorded. The member shall withdraw from the meeting in question unless this requirement is waived by the Chairperson.

22.16 Disclosure of outside directorships and partnerships

Any member of Council or member of staff who is about to accept a new directorship or partnership which may result in a conflict of interest, should discuss this in advance with the Secretary to the Council.