

# **Financial Regulations - Cardiff University**



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# FINANCIAL REGULATIONS

## A GENERAL PROVISIONS

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### A.1 Status of Financial Regulations

- 1.1 This document sets out Cardiff University's Financial Regulations. It translates into practical guidance the University's broad policies relating to financial control. This document has been approved by the Council. It applies to the University and all its subsidiary undertakings.
- 1.2 These Financial Regulations are subordinate to the University Charter and Statutes and to any restrictions contained within the University's Financial Memorandum with the Higher Education Funding Council for Wales (HEFCW) and the HEFCW audit code of practice.
- 1.3 The purpose of the 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. This includes:
  - financial viability;
  - achieving value for money;
  - the provision of effective financial controls over the use of public and other funds;
  - ensuring that the University complies with relevant legislation;
  - safeguarding the assets of the University.
- 1.4 Compliance with the Financial Regulations is compulsory for all staff connected with the University. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the University's disciplinary policy. The Council will be notified of any significant breaches through the Audit Committee. It is the responsibility of College Pro Vice-Chancellors, Heads of School, Chief Operating Officer and Heads of Professional Services Departments to ensure that their staff are made aware of the existence and content of the University's Financial Regulations.
- 1.5 In exceptional circumstances, the Director of Finance may authorise a departure from the detailed provisions herein. The Financial Regulations and supporting financial procedures will not cover every possible situation that might arise. In cases of doubt advice should be sought from senior officers in Finance who are expected to interpret the Financial Regulations and associated procedures reasonably and intelligently, with due regard to the interests of the University.
- 1.6 The University's detailed financial procedures set out how these Regulations will be implemented and are contained on the Finance Department web site.

## **B CORPORATE GOVERNANCE**

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### **B.1 Council**

1.1 The Council is responsible for the management and administration of the affairs of the University. Its financial responsibilities are to:

- ensure the financial viability of the University;
- safeguard the University's assets;
- ensure the effective and efficient use of resources;
- ensure that all funds are used in accordance with their terms and conditions and that HEFCW funds are used in accordance with the University's Financial Memorandum with HEFCW;
- ensure that financial control systems are in place and are working effectively;
- ensure that the University complies with HEFCW's audit code of practice;
- approve the University's strategic plan;
- approve annual estimates of income and expenditure and the annual financial statements;
- appoint the University's internal and external auditors.

### **B.2 Designated Officer**

2.1 The Vice-Chancellor is the University's designated officer responsible for the financial administration of the University's affairs. In this capacity, 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 HEFCW Financial Memorandum. If the Council decides nevertheless to proceed, the Vice-Chancellor must immediately inform the Chief Executive of HEFCW in writing. The Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by the Council. As the designated officer, the Vice-Chancellor may be required to justify any of the University's financial affairs to the Welsh Government.

### **B.3 Committee Structure**

3.1 The Council has ultimate responsibility for the University's finances, but delegates specific powers and processes to the Committees detailed below. These Committees are accountable to the Council.

#### **3.2 Policy and Resources Committee**

Consideration of the University's medium-term and strategic plans is undertaken by the Policy and Resources Committee (P&RC). It is responsible for ensuring that all the financial implications of such plans are taken into account before their approval by the Council. In addition, it is responsible for considering the University's capital programme before it can be recommended to the Council for approval.

### **3.3 Audit Committee**

The University is required by the Financial Memorandum with HEFCW and HEFCW's audit code of practice to appoint an Audit Committee. The Committee is independent, advisory and reports to the Council. It has the right both of access to all the information it considers necessary and to consult directly with the internal and external auditors. The Committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. The audit requirements of the University are set out in HEFCW's audit code of practice.

### **3.4 Remuneration Committee**

The Committee reviews and determines the salaries, terms and conditions and, where appropriate, severance conditions of the Vice-Chancellor and such other members of staff as the Council deems appropriate including non-clinical Professors and those on equivalent academic and related grades.

### **3.5 University Executive Board (UEB)**

UEB offers advice and guidance to the Vice-Chancellor on the management of the University in pursuing its vision, aims and objectives.

### **3.6 Governance Committee**

The Governance Committee will advise Council on all matters relating to the governance of the University, including compliance with, and development of, its own internal governance processes and procedures and with legislative and other external regulatory requirements. The Governance Committee will also act as a nominations committee and will seek out and recommend new lay members to serve on the Council and on its sub-committees, having regard to the balance of membership on the Council and the needs of the University in making its recommendations to the Council, taking into account the need to maintain an appropriate balance of skills and expertise.

The general work of the Committee will include ensuring that there are appropriate systems in place to identify and manage major business risks. The Committee will not involve itself directly with academic regulations and will complement rather than duplicate the work of the Audit Committee.

## **B.4 Other Senior Managers with Financial Responsibility**

### **4.1 The Director of Finance**

Day-to-day financial administration is controlled by the Director of Finance, who is responsible to the Vice-Chancellor for:

- preparing annual capital and revenue budgets and financial plans;
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
- preparing the 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 financial matters;
- liaison with internal and external auditors in order to achieve efficient processes.

#### 4.2 **College Pro Vice-Chancellors and Chief Operating Officer**

The four main budget holders in the University are the Pro Vice-Chancellors for the three Colleges and the Chief Operating Officer for the Professional Services. It is their responsibility to agree annual budgets for all academic Schools, academic Units and Professional Services Departments and to ensure that the overall College/Professional Services budgetary envelope is not exceeded.

#### 4.3 **Heads of School/Department**

Heads of School/Directors of Professional Services are responsible to the relevant College Pro Vice-Chancellor/Chief Operating Officer (COO) for financial management for the areas or activities they control. They are advised by the Director of Finance in executing their financial duties. The Director of Finance will also supervise and approve the financial systems operating within the Schools or Departments, including the form in which accounts and financial records are kept. Heads of School/Directors of Professional Services are responsible for establishing and maintaining clear lines of responsibility within their School/Department for all financial matters. Where resources are devolved to budget holders, such budget holders are accountable to their Head of School/Director for their own budget.

Heads of School/Directors shall provide the Director of Finance with such information as may be required to enable:

- compilation of the University's financial statements;
- implementation of financial planning;
- implementation of audit and financial reviews, projects and value for money studies.

#### 4.4 **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 as indicated in this document together with 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 Regulations and Procedures and systems of financial control.

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

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

## **B.5 Risk Management**

- 5.1 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. A separate Risk Management Policy Statement outlines the University's underlying approach to risk.
- 5.2 The Council has overall responsibility for ensuring that there is a risk management strategy and a common approach to the management of risk throughout the University through the development, implementation and the embedding of a formal, structured risk management process.
- 5.3 Heads of School/Directors must ensure that within their Schools/Department any agreements negotiated with external bodies cover any legal liabilities to which the University may be exposed. The Director of Finance's advice should be sought to ensure that this is the case.

## **B.6 Whistleblowing**

- 6.1 Whistleblowing in the context of the Public Interest Disclosure Act 1998 is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can raise concerns about crime, civil offences (including negligence, breach of contract, etc), miscarriage of justice, academic misconduct, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether the information is confidential or not and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.
- 6.2 The University has a Code of Practice for Public Interest Disclosure (Whistleblowing) which can be accessed via the Website. 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/Director. However, the University recognises that very occasionally 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.
- 6.3 A member of staff may, therefore, make the disclosure to one of the individuals designated for the purpose within the Code of Practice. If a member of staff does not wish to raise the matter with those individuals, provision is also made within the Code for the disclosure to be made to the Chair of the Audit Committee.

## **B.7 Code of Conduct**

- 7.1 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.
- 7.2 Additionally, members of the Council, Audit Committee, Policy and Resources Committee, Heads of Schools and Departments are required to declare interests in the Register of Interests maintained by the Strategic Planning and Governance Department. This register is publicly available. Other staff must disclose interests to the Director of Human Resources. All staff are responsible for ensuring that their entries are kept up to date regularly and promptly.
- 7.3 In particular, no person shall be a signatory to a University contract where he or she or a member of family also has an interest in the activities of the other party.

#### 7.4 **Receiving/Offering Gifts or Hospitality**

The Bribery Act 2010 came into force on 1 July 2011 and modernises the law on bribery. The Act prohibits:

- (i) offering, promising or giving of a bribe;
- (ii) requesting, agreeing to receive or accepting a bribe;
- (iii) bribery of a foreign public official in order to obtain or retain business or an advantage in the conduct of business.

The University Council has approved a Bribery Act Policy Statement which applies to all staff and other persons associated with the University.

It is an offence under the Bribery Act 2010 for members of staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all members of staff must be:

- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest;
- the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a decision as a consequence of accepting such gifts or hospitality. The frequency and scale of gifts or hospitality accepted should not be significantly greater than the University would be likely to provide in return. If an organisation or individual offers gifts, rewards or hospitality that is significantly greater than the University would be likely to provide in return, it should be reported to the Director of Finance even where it has been declined.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the relevant Head of School or the Director of Finance. Guidance on acceptable hospitality is contained in the detailed Financial Procedures. For the protection of those involved, Finance will maintain a register of gifts and hospitality received where the value is in excess of £50. Members of staff in receipt of such gifts or hospitality are obliged to notify Finance promptly.

## C FINANCIAL MANAGEMENT AND CONTROL

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### C.1 Financial Planning

1.1 The Director of Finance is responsible for preparing annually a financial budget for approval by the Council on the recommendation of the P&RC and for preparing financial forecasts for submission to HEFCW. Financial plans should be consistent with the University's strategic plan approved by the Council.

### 1.2 Resource Allocation

Budgets are allocated annually by the Council on the recommendation of the P&RC. Budget holders are responsible for the economic, effective and efficient use of resources allocated to them.

### 1.3 Budget Preparation

The Director of Finance is responsible for preparing each year an annual revenue budget, capital programme and balance sheet for consideration by P&RC before submission to the Council.

During the year, the Director of Finance is responsible for submitting regular monitoring reports to the P&RC for consideration before submission to the Council.

### 1.4 Capital Programmes

The capital programme includes all expenditure on land, buildings and associated costs whether or not they are funded from capital grants or capitalised for inclusion in the University's financial statements.

The following levels of authorisation relate to capital projects that is required for each proposed project:-

|             |  |
|-------------|--|
| Under K£250 | Vice-Chancellor (on recommendation from College PVC/COO) |
| Up to M£2   | University Executive Board                               |
| M£2-M£5     | Policy and Resources Committee                           |
| M£5 plus    | Council  |

The Director of Finance is responsible for providing regular statements concerning all capital expenditure to P&RC for monitoring purposes.

Following completion of a capital project [over M£2](#), a post-project evaluation or final report should be submitted to the P&RC, including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Post-project evaluations may also need to be sent to the relevant funding body, as laid down in funding body guidelines.

### 1.5 Overseas Activity

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

## 1.6 Other Major Developments

Any new commercial activity (excluding research), or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time of more than M£1 in total, should be presented for approval to the P&RC.

## C.2 Financial Control

### 2.1 Budgetary Control

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively. Budget holders are responsible to their Head of School/Directors for the income and expenditure appropriate to their budget. Heads of School/Directors are in turn responsible to their College PVC/COO.

Significant departures from agreed budgetary targets must be reported immediately to the Director of Finance by the relevant College PVC/COO and, if necessary, corrective action taken.

### 2.2 Financial Information

The budget holders are assisted in their duties by management information provided by the Director of Finance. The Director of Finance is responsible for supplying budgetary reports on all aspects of the University's finances to the UEB and P&RC.

## C.3 Accounting Arrangements

### 3.1 Financial Year

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

### 3.2 Basis of Accounting

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

### 3.3 Format of the Financial Statements

The financial statements are prepared in accordance with the Statement of Recommended Practice *Accounting for Further and Higher Education*, subject to any specific requirements of the funding body, and in accordance with the provisions of the Charities Act 2011 and Regulation 14 of the Charities Regulations 2008.

### 3.4 Capitalisation and Depreciation

Newly acquired land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated remaining useful life [which is currently](#) up to a maximum of 50 years. Land will not be depreciated.

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value. Where the work is capitalised it will be depreciated over 15 years.

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost is £10,000 or more (£50,000 if funded by research grants). Depreciation will be over a period of 4 years with a full year's charge in the year of acquisition except for assets funded by research grants where the depreciation will be over the lesser of 4 years and the remaining years of the grant.

### **3.5 Accounting Records**

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

The University is required by law to retain prime documents for six years. Retention periods for European grant documentation will be significantly longer and specific requirements should be checked with the Director of Research and Innovation Services.

The Director of Finance will make appropriate arrangements for the retention of electronic records including the nominal ledger and cash book.

Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as the European Union.

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

### **3.6 Taxation**

The Director of Finance is responsible for advising Heads of School/Directors on all taxation issues, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies to the University. The Director of Finance will issue instructions to Schools/Departments on compliance with statutory requirements, including those concerning VAT, PAYE, National Insurance, corporation tax, stamp 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.

## **C.4 Audit Requirements**

### **4.1 General**

External auditors and internal auditors shall have authority to:

- have access to University premises at reasonable times;
- have access to 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;
- have access to records belonging to third parties, such as contractors, when required.

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

Following consideration by the P&RC, the financial statements should be reviewed by the Audit Committee. On the recommendation of the P&RC and Audit Committee, they will be submitted to the Council for approval and to the Court.

#### 4.2 External Audit

The appointment of external auditors 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 HEFCW's audit code of practice and the [Auditing Practices Board Financial Reporting Council](#)'s statements of auditing standards.

#### 4.3 Internal Audit

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

The University's Financial Memorandum with HEFCW requires that the University has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in the HEFCW's audit code of practice. The role of internal audit is to provide management with an objective assessment of the adequacy of the framework of risk management, controls (financial and non-financial) and governance processes, and that these are working effectively, efficiently and economically in order that:

- a) The Council and senior management can judge the extent to which they may rely on the whole control system;
- b) Individual managers can judge how reliable the systems and controls are for which they are responsible.

It is the duty of management, not the internal auditor, to operate an adequate system of internal control. It is for management to determine whether to accept and implement audit recommendations or to recognise and accept the risks resulting from not taking action.

The internal audit service remains independent in its planning and operation but has direct access to the Council, Vice-Chancellor and Chair of the Audit Committee.

#### 4.4 Fraud and Corruption

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

The Chief Operating Officer shall immediately invoke the fraud response plan.

- the Chief Operating Officer will notify the Vice-Chancellor and the Audit Committee (through its chair) of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report;

- the Vice-Chancellor shall inform the police if a criminal offence is suspected;
- any significant cases of fraud or irregularity shall be reported to the funding body in accordance with their requirements as set out in the audit code of practice;
- the Audit Committee shall commission such investigation as may be necessary of the suspected irregularity by the internal audit service or others, as appropriate;
- the internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the Audit Committee on the suspected irregularity. Such report shall include advice on future preventative measures.

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

#### **4.5 Value for Money**

It is a requirement of the Financial Memorandum that the 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 HEFCW, the National Audit Office, the Public Accounts Committee or other relevant bodies.

#### **4.6 Other Auditors**

The University may, from time to time, be subject to audit or investigation by external bodies such as HEFCW, Wales Audit Office, European Court of Auditors and HMRC. These bodies have the same rights of access as external and internal auditors.

### **C.5 Treasury Management**

#### **5.1 Treasury Management Policy**

The P&RC, on the advice of the Investment and Banking Sub-Committee, is responsible for approving a treasury management policy statement setting out a strategy and policies for cash management, long-term investments and borrowings. This will require compliance with HEFCW rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the Financial Memorandum. The P&RC has a responsibility to ensure implementation, monitoring and review of such policies.

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

The Director of Finance will report to the P&RC on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him or her.

#### **5.2 Appointment of Bankers and Other Professional Advisers**

The 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 P&RC. The appointment shall be for a specified period after which

consideration shall be given by the P&RC to competitively tendering the service.

### **5.3 Banking Arrangements**

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

Only the Director of Finance or nominee may open or close a bank account for dealing with the University's funds. All bank accounts shall be in the name of the University or one of its subsidiary companies.

All cheques drawn on behalf of the University must be signed in the form approved by the P&RC. Cheques up to an agreed amount, specified in the University's detailed Financial Procedures, shall require one pre-printed signature. Cheques over the agreed amount must be signed by two authorised persons. Details of authorised persons and limits shall be provided for in the University's detailed Financial Procedures.

All automated transfers on behalf of the University, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the P&RC. Details of authorised persons and limits shall be provided for in the University's detailed Financial Procedures.

The Director of Finance is responsible for ensuring that all bank accounts are subject to regular reconciliation.

## **C.6 Income**

### **6.1 General**

The Director of Finance is responsible for ensuring that appropriate financial 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 any electronic collection systems must have the prior approval of the Director of Finance.

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

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

### **6.2 Maximisation of Income**

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

### **6.3 Receipt of Cash, Cheques and Other Negotiable Instruments**

All monies received within Schools or Departments from whatever source must be recorded by the Schools or Departments on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments.

All monies received must be paid to the cashier promptly. 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 School or Department expenses or be paid into the School or Department petty cash float. Personal or other cheques must not be cashed out of money received on behalf of the University.

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

**Bank transfers:** any member of staff wishing to arrange for payment to be made to the University by the internet should seek guidance from the Director of Finance at an early stage.

#### 6.4 **Collection of Debts and Invoicing**

The Director of Finance should ensure that:

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

Only the Director of Finance can implement credit arrangements and indicate the periods in which different types of invoice must be paid.

Requests to write off debts must be referred to the Director of Finance for approval.

#### 6.5 **Student Fees**

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

Any student who has not fully paid their tuition fees, or any other item relating to their education, to the University shall not receive the certificate for any degree, diploma or other qualification awarded by the University until all outstanding debts have been cleared. Such students shall be prevented from re-enrolling at the University and from using any of the University's facilities until appropriate arrangements have been made.

Requests to write off student debts must be referred to the Director of Finance for approval.

In the event of withdrawal, following a two week grace period at the start of a course when no tuition fees are charged:

- All Undergraduate Home/EU students who are funded by an SLC tuition fee loan will not receive a tuition fee refund should their account be in credit, but no fees will be charged should they have entered a debit period in their account (for more detail see the Finance web page: <http://www.cardiff.ac.uk/fince/students/undergraduate/index.html>).
- All other students will be charged, less any non-refundable deposit, on a prorated basis on the number of weeks in attendance from the start of the scheme, and an appropriate refund made if necessary.
- There are occasions where specific courses will have different rules on the refund of tuition fees to that shown above. In these exceptions the appropriate rules will be clearly notified to students prior to starting the course.

## 6.6 Student Loans

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

## 6.7 Emergency/Hardship Loans

The University's scheme for emergency/hardship loans must be approved by the Academic Registrar. This will include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made other than in accordance with the approved scheme.

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

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

## C.7 Research Grants and Contracts

### 7.1 General

The Frascati Manual is the internationally recognised methodology for collecting and using research and experimental development (R&D) statistics, including research income values submitted by universities in various statutory returns, such as those published by the Higher Education Statistics Agency. It defines research as follows:

Research and experimental development comprise creative work undertaken on a systematic basis in order to increase the stock of knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications. It includes basic research, applied research and experimental development.

**Basic research** is experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundation of phenomena and observable facts, without any particular application in view.

**Applied research** is also original investigation undertaken in order to acquire new knowledge. It is, however, directed primarily towards a specific practical aim or objective.

**Experimental development** is systematic work, drawing on existing knowledge gained from research and/or practical experience, which is directed to producing new materials, products or devices, to installing new processes, systems and services, or to improving substantially those already produced or installed.

Except when carried out solely or primarily for the purposes of a research and experimental development project, the definition of research excludes routine testing and analysis of materials, components, products, processes etc.; feasibility studies; routine software development; general purpose data collection.

For the purposes of statutory returns, such as those to HESA, 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 financial support for research projects is to be sought from outside bodies or where research contracts are to be undertaken on behalf of such bodies, it is the responsibility of Heads of School to ensure that the Research and Innovation Services Department has the opportunity to review thoroughly the financial implications of those projects.

The Director of Research and Innovation Services is responsible for ensuring that every formal application for external funding (both research grants and contracts) is examined in order to ensure that there is adequate provision of resources to meet all planned commitments. The Director of Research and Innovation Services must ensure that the full economic cost of research grants and contracts is established. The Director of Research and Innovation Services is responsible for reviewing the relevant research grant or contract terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance. The research agreement must be in line with the University's policy with regard to recovery of directly incurred, directly allocated and indirect costs and other expenses and taking account of the correct 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 Research and Innovation Services.

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

Control of pay and non-pay expenditure will be contained within the budget centre. The Head of the budget centre may delegate day-to-day control of the account to the principal investigator or grant holder, but any overspend or under-recovery of costs is the responsibility of the budget centre with any loss being a charge on the relevant College/School budget.

The Director of Research and Innovation Services shall ensure that all financial records relating to research grants and contracts are maintained in the form and for the duration required by funding bodies, that all claims for reimbursement from funding bodies are submitted by the due date and that all research income and expenditure data are prepared as required for the University's accounts and in accordance with the Code of practice for higher education data collections through HESA.

## 7.2 **Costing and Pricing**

The University has adopted the principles of full economic costing and pricing.

Staff will maintain the records specified by the Director of Finance to enable compilation of returns to HEFCW which meet the requirements of the Transparent Approach to Costing (TRAC).

### **7.3 Grant and Contract Conditions**

Grant-awarding bodies and contracting organisations stipulate terms and conditions under which their funding is given. These include procedures to be followed, such as submission of interim or final reports and the provision of other relevant information, including information required for audit, whether during the project or following its completion. Failure to meet these conditions can result in a significant financial penalty for the University. It is the responsibility of the 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/School budget.

### **7.4 Projects Requiring Matched Funding**

Research projects funded from a range of sources can require the University to provide a level of matched funding to meet a specific proportion of total project costs. Examples include EU-funded projects, such as those from European Structural and Innovation Funds (ESIF), and from Welsh Government sources such as the Division for Social Care and Health Research (DSCHR). The Director of Research and Innovation Services is responsible for ensuring that the project is financially viable by the application of the University's costing and pricing policy and that the relevant College Pro Vice-Chancellor and Head of School have authorised the availability of sufficient eligible matched funding for the project before any funding application is approved for submission.

In the case of European Structural and Innovation Funds, project proposals will be considered on behalf of the Vice-Chancellor by the Innovation System Steering Group and will only be approved for further development where the College Pro Vice-Chancellor and Head of School confirm that the particular proposal fits with the College's/School's strategic priorities. During the subsequent development of the proposal and before its final submission, the proposal must be approved by the Innovation System Steering Group, acting on behalf of the Vice-Chancellor, taking into account the benefits associated with involvement in the project versus the degree of financial risk.

## **C.8 Other Income-Generating Activity**

### **8.1 Staff Enterprise Services and Private Outside Work**

The detailed Policies and Guidelines for the conduct of Staff Enterprise Services and Private Outside Work are set out in the Financial Procedures. The following applies and further detailed advice can be obtained from the Director of Research and Innovation Services:

- consultancies or other paid work for external organisations, whether to be undertaken as Staff Enterprise Services under the aegis of the University or as Private Outside Work in a personal, private capacity, must comply with the University's Policies and Guidelines and may not be accepted without completion of the relevant documentation and the prior written consent of the Head of School (and in the case of a Head of School, the consent of the College Pro Vice-Chancellor);

- approval for Staff Enterprise Services activities will be given only when full economic costing has been applied and where the anticipated price to be recovered exceeds all costs of undertaking the activity;
- applications for permission to undertake work as a purely private activity (Private Outside Work) must be submitted to the Head of School (or College Pro Vice-Chancellor, as appropriate), supported by the documentation and information identified in the Financial Procedures.

## 8.2 **Self-Financing Short Courses and Conferences**

In this context, a “self-financing” event is one which receives either no or only minimal Funding Council support, e.g. continuing professional development courses, non-credit bearing courses, courses supported by the Welsh Government.

Any staff wishing to run a short course or conference must have the permission of their Head of School and provide the Director of Finance with a detailed course costing for approval. The course organiser will be responsible to the Head of School for day-to-day management of the course.

Further details are provided in the Financial Procedures.

## 8.3 **Services Rendered**

The term ‘services rendered’ is included within the definition of Staff Enterprise Services and includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information. The approval process is the same as outlined in Research Grants and Contracts above and is detailed further in the Financial Procedures.

## 8.4 **Profitability and Recovery of Overheads**

All other income-generating activities must be self-financing or surplus-generating unless it is intended that a new activity is to be introduced as a loss leader. Where that is the case, the justification for accepting a loss leader must be specified in writing, including a time limit, and agreed by the Head of School and the College Pro Vice-Chancellor.

Other income-generating activities organised by members of staff must be costed and agreed with the Director of Finance before any commitments are made. Provision must be made for charging both directly incurred, directly allocated and indirect costs in accordance with the University’s costing and pricing policy.

## 8.5 **Deficits**

Any unplanned deficits incurred on other income-generating activities will be charged to the relevant College/School/Department budget.

## 8.6 **Additional Payments to Staff**

Any proposal that involves additional payments to members of staff should be in accordance with current Human Resources rules and supported by a schedule of names and values and must be approved by the Head of School, and in the case of a Head of School, the College Pro Vice-Chancellor or the Director of Finance.

## **C.9 Intellectual Property Rights and Patents**

### **9.1 General**

Certain activities undertaken within the University including research and consultancy may give rise to new works, ideas, designs, software and inventions which may be patentable or otherwise protectable through registration. These are collectively known as intellectual property.

### **9.2 Patents**

The Council, acting through its P&RC, is responsible for establishing financial procedures to deal with any patents and other intellectual property accruing to the University from inventions and discoveries made by staff in the course of their research or other work.

### **9.3 Intellectual Property Rights**

Where the University decides to pursue the commercialisation of inventions and other outputs of research, the matter shall be progressed in accordance with the University's Policy for Intellectual Property Rights detailed in the Financial Procedures.

## **C.10 Expenditure**

### **10.1 General**

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

### **10.2 Scheme of Delegation/Financial Authorities**

The Head of School/Department is responsible for purchases within their budgetary control. Purchasing authority may be delegated to named individuals within the School. In exercising this delegated authority, budget holders are required to observe the purchasing policies and financial procedures.

The Director of Finance shall maintain an approved hierarchy for each College, School and Department as duly authorised.

Under financial procedures agreed by the Director of Finance, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits.

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

All budget holders are not authorised to commit the University to expenditure without first checking sufficient funds are available to meet the purchase cost.

Expenditure in excess of £50,000 shall require the approval of the Director of Finance or nominated deputy.

### **10.3 Procurement**

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

## Financial Procedures.

All procurement must conform to the University's Procurement Strategy and to any Welsh Government policy in this area.

The Director of Finance is responsible for:

- ensuring that the University's procurement policy is known and observed by all involved in purchasing for the University;
- advising on matters of University's procurement policy and practice;
- advising and assisting Schools where required on specific purchases including consultancy services;
- developing appropriate standing supply arrangements on behalf of the University to assist budget holders in meeting their value for money obligations;
- vetting all orders above £10,000 before they are committed;
- the drafting and negotiation of all large-scale purchase contracts undertaken by the University, in collaboration with the responsible School/Department;
- ensuring that the University complies with EU Procurement Directives, UK Public Procurement legislation and Welsh Government Procurement Policy.

### 10.4 **Purchase Orders**

The ordering of goods and services shall be in accordance with the University's financial procedures.

Official University orders must be placed for the purchase of all goods or services, except where exceptionally this is not practicable.

When transferring goods or services between Schools, an internal trade system must be used.

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

### 10.5 **Purchase Cards**

The operation of purchase cards is the responsibility of the School/Department concerned. Holders of purchase cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Purchase cards must not be loaned to another person nor must they be used for personal or private purchases. The Director of Finance will monitor management information on purchase card transactions to enable financial control to be maintained. Cardholders must ensure that management information is provided where requested.

### 10.6 **Tenders and Quotations**

Heads of School/Directors and delegated budget holders must comply with the University's tendering procedures, which are detailed in the Financial Procedures and summarised below.

- under £500 – the budget holder shall have the discretion to decide whether or

not to obtain quotations, but value for money must always be obtained;

- from £500 to £5,000 – the budget holder should normally obtain at least three written quotations to ensure competitiveness;
- from £5,000 to £30,000 – the budget holder shall be required to obtain at least three quotations;
- over £30,000 – all items will require at least three competitive sealed bid tenders.
- Over £172,000 – all goods and services over this financial limit must go through a full EU tender process.
- Over £4,300,000 – all capital works over this financial limit must go through a full EU tender process.

The above figures exclude VAT.

Only partnership arrangements for the supply of goods or services specifically approved by the Director of Finance will fall outside these arrangements for tenders and quotations.

#### 10.7 **Post-Tender Negotiations**

Post-tender negotiations (ie after receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms can be entered into, provided:

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

In each case, a statement of justification should be approved by the Director of Finance prior to the event, showing:

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

#### 10.8 **EU Regulations**

The Director of Finance 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. A breach of these EU regulations is actionable by a supplier or potential supplier.

It is the responsibility of Heads of School/Directors to ensure that their members of staff comply with EU regulations by notifying the Director of Finance of any purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements in journals such as the *Official Journal of the European Community* (OJEC).

## 10.9 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 receipted manually and/or on the Oracle EBS 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.

## 10.10 Payment of Invoices

The financial 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. In exceptional circumstances the Director of Finance will authorise alternative arrangements for urgent payments.

Suppliers should be instructed to submit invoices for goods or services to the Accounts Payable Section.

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

Payments will only be made by the Director of Finance against invoices that have been receipted by the appropriate budget holder.

Payment of an invoice or receipting of an order will demonstrate 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 is not a duplicate and has not previously been passed for payment;
- where appropriate, an entry has been made on a stores record or School inventory.

## 10.11 Petty Cash

The Director of Finance will, on request, provide Schools/Departments with a petty cash float to purchase small items where a single item should not exceed £50.

## 10.12 Other Payments

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

## 10.13 Late Payment Rules

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

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

In view of the penalties in this Act invoices must be passed for payment as soon as they are received. Further information can be obtained from the Finance Department.

## 10.14 Travel and Project Advances

Heads of School/Departments may request a cash advance for projects carried out away from the University where cash expenditure may be unavoidable. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment.

Receipts or paid invoices will be retained for all sums expended in this way. Upon completion of the project to which the advance relates, and within ninety days, a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to a project or individual is outstanding. Advances issued will be for a minimum of £100.

## 10.15 Giving Hospitality

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

The limits concerning acceptable expenditure for entertaining guests are set out in the University's detailed financial procedures.

## C.11 Pay Expenditure

### 11.1 Remuneration Policy

All University staff will be appointed to the salary scales approved by the Council and in accordance with appropriate conditions of service including superannuation schemes. All letters of appointment must be issued by the Human Resources (HUMRS) Department.

Salaries and other benefits for senior management will be determined by the

Remuneration Committee set up by the Council.

## 11.2 **Appointment of Staff**

All contracts of service shall be concluded in accordance with the University's approved HUMRS practices and procedures and all offers of employment with the University shall be made in writing by 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.

## 11.3 **Salaries and Wages**

The Director of Human Resources 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 Human Resources.

The Director of Human Resources will be responsible for maintaining all relevant information required for payroll purposes. In particular these include:

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

The Director of Human Resources 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 HMRC regulations.

## 11.4 **Superannuation Schemes**

The 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 financial matters, including:

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

## 11.5 **Travel, Subsistence and Other Allowances**

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

Claims by members of staff must be authorised by their Head of School/Director or

authorised signatory (or College Pro Vice-Chancellor/COO or nominee in the case of Heads of School/Directors). The authorisation shall be taken to mean that:

- the journeys were authorised;
- the expenses were properly and necessarily incurred;
- the allowances are properly payable by the University;
- consideration has been given to value for money in choosing the mode of transport.

Arrangements for travel by the Vice-Chancellor or members of the Council shall be approved by the Chair of the Council or delegated nominee. Expenses for Board members will be authorised by the Vice-Chancellor or nominee.

Claims must be submitted within ninety days of the journey. The Director of Finance may refuse to pay claims that are submitted outside this limit unless a suitable reason is given and is supported by the Head of School/ Director.

#### **11.6 Overseas Travel**

All arrangements for overseas travel must be in accordance with the appropriate financial procedures. All approvals required must be obtained in advance of committing the University to those arrangements or confirmation of any travel bookings.

Where spouses, partners or other persons unconnected with the University intend to participate in a trip, this must be clearly identified in advance. The extra costs associated with the travel of the spouse, partner et al should be paid directly by the member of staff.

#### **11.7 Allowances for Members of the Council**

Claims for members of the Council will be authorised by the COO. Claims for reasonable expenses for attendance on University matters will be reimbursed in line with University procedures.

#### **11.8 Severance and Other Non-Recurring Payments**

Severance payments shall only be made in accordance with relevant legislation and normally under a scheme and budget approved by UEB and Council. Any such scheme will be in compliance with value for money considerations and no amounts shall be expended that exceed the budget allocated for the purpose. Outside of such a scheme, and in exceptional circumstances, the University may need to enable staff to take voluntary severance, where such arrangements are clearly in the interest of the University. In such circumstances delegated authority may be given via the Vice-Chancellor to an appropriate nominee. The Directors of Finance and Human Resources will be responsible for overseeing any such arrangements. Amounts paid will be reported annually to UEB, Remuneration Committee (for senior staff) and Council and declared as appropriate in the financial statements.

11.9 All matters referred to an employment tribunal shall be notified to the Human Resources Committee at the earliest opportunity. All determinations of tribunals must be similarly notified.

## **C.12 Assets**

### **12.1 Land, Buildings, Fixed Plant and Machinery**

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

### **12.2 Fixed Asset Register**

The Director of Finance is responsible for maintaining the University's register of land and buildings. Heads of School/Directors will provide the Director of Finance with any information he or she may need to maintain the register.

### **12.3 Inventories**

Heads of School/Directors are responsible for maintaining inventories, in a form prescribed by the Director of Finance, for all relevant equipment, furniture and stores in their areas of responsibility. The inventory must include items donated or held on trust.

Inventories must be checked at least annually as described in the University's financial procedures.

When transferring equipment or other items between Schools, a transfer record must be kept and the inventories amended accordingly. Approval must be sought from the Director of RIS where equipment or other items funded from research grants are transferred outside of the University.

### **12.4 Stocks and Stores**

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

Heads of School/Directors are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.

Those Heads of Schools/Directors whose stocks require valuation in the balance sheet 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/Departments are issued in accordance with advice contained in the University's detailed financial procedures.

### **12.5 Safeguarding Assets**

Heads of Schools/Directors are responsible for the care, custody and security of the assets 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.

## **12.6 Personal Use**

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

## **12.7 Asset Disposal**

Disposal of equipment and furniture must be in accordance with procedures agreed by the Director of Finance and contained in the University's detailed financial procedures.

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

## **12.8 All Other Assets**

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

## **C.13 Funds Held on Trust**

### **13.1 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.

### **13.2 Trust Funds**

The University Council is the Trustee of all the University's trust funds.

The P&RC is responsible for ensuring that all the trust funds are operated within relevant legislation and the specific requirements for each trust. The committee is also responsible for the investment of fund balances.

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

### **13.3 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.

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.

## **C.14 Other**

### **14.1 Insurance**

The Director of Finance is responsible for the University's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified.

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

Heads of School/Directors must ensure that any agreements negotiated within their Schools/Departments with external bodies, including other educational establishments and bodies overseas, cover any legal liabilities to which the University may be exposed. The Director of Finance's advice should be sought to ensure that this is the case. Heads of School/Directors must give prompt notification to the Director of Finance of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. Heads of School/Directors must advise the Director of Finance immediately of any event that may give rise to an insurance claim. The Director of Finance will notify the University's insurers and, if appropriate, prepare a claim in conjunction with the Head of School/Directors for transmission to the insurers. Further details are provided in the financial procedures.

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

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

## 14.2 **Companies and Joint Ventures**

In certain circumstances it may be advantageous to the University to establish a company or a joint venture to undertake specific activities or services on behalf of the University or to commercialise the outputs and inventions arising from research. Any member of staff considering the establishment of a company or a joint venture must firstly seek the advice of the Director of Finance, who will have due regard to guidance provided by HEFCW.

The Council is responsible for approving the establishment of all companies or joint ventures and the procedure to be followed in doing so. The process involved in forming a company or a joint venture and arrangements for monitoring and reporting on the activities of these undertakings are detailed in the Financial Procedures and will include the assessment of risk associated with the venture.

It is the responsibility of the Council to approve the shareholding arrangements and 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 P&RC, an annual report to the Council. They will also submit business plans or budgets when requested to enable the P&RC and the Council 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.

## 14.3 **Security**

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

An 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 Strategic Planning and Governance Department is responsible for the safekeeping of official and legal documents relating to the University and signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Department. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

#### **14.4 Students Union**

The Students Union is a separate legal entity from the University but is recognised to fulfil a valuable role in relation to the University's students.

Subject to any constraints imposed by HEFCW, the Council, through the P&RC, shall determine the level of grant to be paid annually by the University to the Students Union. The 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.

In accordance with an agreement between the University and the Students Union, the Union will provide regular statements of income and expenditure to the Director of Finance and the P&RC for information purposes only.

At year end, the Students Union financial statements will be audited by an appropriately qualified firm of auditors and will be presented to the P&RC 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.

#### **14.5 Use of the University's Seal**

Where a deed or document requires the University's seal, it must be sealed by the COO or, in his or her absence, the Director of Finance.

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

#### **14.6 Provision of Indemnities**

Any member of staff asked to give an indemnity, for whatever purpose, should consult the Director of Finance before any such indemnity is given.