



# Financial Regulations

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# Statement of Principles

## Purpose of the Financial Regulations

These Financial Regulations set out the principles of the financial control to be applied to the management of the University and its resources including all subsidiaries (“**University**”). The Financial Regulations are supported by financial policies on individual areas and may be further supplemented by departmental rules.

## Compliance with the Financial Regulations and Policies

For the purposes of these Financial Regulations, the **definition** of “**staff**” is all employees, workers and contractors including external examiners, visiting lecturers and fellows of the University, as well as for members of the Board of Trustees and other formal committees or boards of the University or departments insofar as they are acting on University business.

Compliance with the Financial Regulations is **compulsory** for all **staff**.

**Staff** are individually responsible for ensuring that they understand the University’s Financial Regulations and how they apply to the conduct of their role and all other staff in their departments. Further guidance and training is available from the Finance Department.

Anyone who fails to comply with the Financial Regulations may be subject to disciplinary action under the University’s Disciplinary Procedure (24 September 2008) including summary dismissal. Any breach resulting in disciplinary action will be notified to the Audit and Risk Assurance Committee.

Failure to adhere to any University financial policy may also constitute a disciplinary offence if approval to deviate from the policy has not been pre-obtained from the Director of Finance.

Departments are permitted to have specific department rules on the application of financial policies to their areas provided that: (i) no departmental rule contradicts or undermines the Financial Regulations; and (ii) they are agreed by the Director of Finance. **Staff** are also required to adhere to any departmental rules in relation to financial matters, as approved by the Head of Department.

Where a financial regulation or policy requires reporting to the Director of Finance, the Director of Finance is permitted to delegate receipt of such information to another member of University staff as detailed in the applicable financial regulation or policy.

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# Financial Regulations Applicable to all Staff

## 1. Conduct of All Members of Staff

The University expects that all staff will observe the following principles when undertaking their financial responsibilities:

- **Openness** – to be open as possible about all decisions and actions that they take
- **Integrity** – to be straightforward and honest in all academic, professional and business relationships
- **Accountability** – to take responsibility for their actions and submit themselves to whatever scrutiny is appropriate to their office
- **Selflessness** – to not act in order to gain financial or other benefits for themselves, their family or their friends
- **Objectivity** – to not allow bias, conflict of interest or undue influence of others to override academic, professional or business judgements
- **Professional Behaviour** – to comply with relevant laws and regulations and avoid any action that discredits the University

## 2. Prevention of Financial Malpractice (Fraud, Corruption, Bribery, Money Laundering, Modern Slavery and Facilitation of Tax Evasion)

All members of staff are responsible for protecting the University from financial malpractice.

A member of staff must be alert to potential financial malpractice (including but not limited to fraud, corruption, bribery, money laundering, modern slavery and facilitation of tax evasion), to prevent such malpractice taking place, and to report any evidence of malpractice to the Directors of Finance as a matter of the most serious urgency.

In cases where a member of staff believes that informing the Director of Finance would be inappropriate, they should consult the Director of Compliance and/or follow the procedures outlined in Ordinance 23 (Public Interest Disclosure which sets out the University's 'whistleblowing' procedure).

All staff are responsible for ensuring they understand and heed by the University's policies on fraud prevention, anti-bribery, anti-money laundering, anti-slavery and prevention of the facilitation of tax evasion.

As well as sanctions under the University's disciplinary procedures, staff and members of University committees may be personally liable to criminal prosecution if they do not comply with the anti-fraud, anti-bribery, anti-money laundering, anti-slavery and prevention of the facilitation of tax evasion legislation from which these policies derive. The University may also take legal action to recover any financial loss from the culprit.

## 3. Conflicts of Interest

The conduct of individuals should not create conflict, or the suspicion of conflict, between their official duty and their private interest. All staff must comply with the University's policy on conflicts of interest set out in Annex 1 of Ordinance 8.

Each individual must declare any private business and / or financial interests, and in particular any that would conflict with their role and duties with the University.

The action of individuals acting in an official capacity should not be influenced, or give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been influenced, by a benefit to show favour or disfavour to any person or organisation.

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#### **4. Income of the University**

All monies receivable by the University are to be regarded as income of the University. All University receipts must be paid into a University bank account promptly and be properly accounted for.

All sales, fees and income claims to funders (including student, library, housing fees, research grants, projects and consultancy fees etc) should be recorded in the University's financial system, be appropriately authorised and be subject to acceptable credit risks.

#### **5. Authorisation of Expenditure and Compliance with the University's Procurement Policy**

All staff are required to understand and comply with the University's procurement policy.

No staff member will commit the University to a financial obligation unless they have been given formal authority for that amount of expenditure under (a) the University's Scheme of Delegation or (b) financial policy on travel, hospitality and other expenses or (c) Annex 2 of Ordinance 6 setting out standing functions delegated to University staff.

#### **6. Donations to the University**

All staff receiving gifts, benefactions and donations (whether cash, shares or goods) to the University are required to follow the University's Policy on Acceptance of Gifts and Donations. Development Office, Legal Services and Finance will provide guidance on how such receipts can be used and recorded by the appropriate department or institute.

#### **7. Donations by the University**

No staff member will commit the University to making a gift, grant or other form of donation (whether in cash or in kind) to another charity or not-for-profit organisation, in the UK or outside the UK, without the approval of any two of (a) the Vice Chancellor, (b) the Pro-Vice Chancellor (Operations) and (c) the Director of Finance. This includes the provision of space in University buildings at a discount or for free. All donations will be documented in writing. Legal Services and Finance will provide guidance on any such donation. These arrangements do not apply to contracts for goods or services, or both, that may be in place between the University and other institutions, whether charities or not.

#### **8. Access to Records**

All staff must promptly provide access to any records, whether electronic or paper, when requested by the Director of Finance, External Auditor or Internal Auditor.

#### **9. Private Consultancy Work**

Full time members of staff may undertake consultancy work in a private capacity with the agreement of their Head of Department, providing this does not interfere with their duties to the University nor place any liability or reputational risk on the University.

Staff accepting such private commitments are responsible for their own insurance and personal taxation arrangements.

Where University materials or resources (including office and laboratory space) are consumed in the course of private work, payment at a commercial rate (inclusive of VAT) should be agreed prior to the work commencing with the Head of Department. The purchase by the University or one of its subsidiaries of new equipment that will only support external private consultancy is not permitted.

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# Additional Financial Regulations Applicable to Budget Holders

## 1. Efficient Use of Allocated Resources and Timely Reporting

Budget holders are responsible for the efficient and effective use of allocated resources. They must ensure that there is timely monitoring and control of spend against agreed budgets.

Budget holders must provide sufficient explanation of activity, both past and future, on a monthly basis to the Director of Finance to enable monitoring of performance of both the University and individual cost centres. See Financial Policy on Financial Planning, Reporting, Performance and Investment for details on budgeting, forecasting and reporting processes.

## 2. Ensure Compliance with the University's Procurement Policy

All budget holders must ensure that they and their staff understand and comply with the University's procurement policy as well as any additional requirements imposed by funding bodies.

No lease of property or equipment for any duration of period will be valid unless the terms of the transaction have been agreed in advance in line with the Ordinance 6, Annex 2 (Standing Delegations to University Staff) and/or with the Director of Finance as appropriate.

No advanced payment to a supplier will be authorised unless this payment has been agreed in advance with the Director of Finance.

## 3. Maximisation and Safeguarding of Revenue

It is the responsibility of all budget holders to ensure that revenue to the University is maximised by efficient costing, pricing and billing, and by the identification, collection and banking of income. In particular, this requires prompt notification to Financial Services of sums due so that collection can be initiated.

Each budget holder shall ensure that their teams are aware of the University's income collection strategy and to minimize the amount of cash and cheques received. Where the only option is cash or cheque, the budget holder shall make and maintain adequate arrangements for the collection, custody, control, disposal, and prompt and proper recording at the time of receipt, of all cash and cheques received, in such manner as advised to be appropriate by the Finance Department.

Budget holders are required to follow the agreed process for their area of revenue generation as detailed in the applicable financial policy and all budget holders are required to promptly notify Financial Services of all monies due to the University under agreements prepared by them (including contracts and any other agreement which involves the receipt of money by the University). At the earliest opportunity, they shall provide Financial Services with a copy of each completed document.

No agreement in relation to the sale or lease exceeding two years of any University property will be valid unless it is in line with the requirements of Ordinance 6, Annex 2 (Standing Functions Delegated to Staff) and/or, as appropriate, the terms of the transaction have been agreed in advance with the Directors of Finance and the Director of Legal Services.

## 4. Insurance and Safeguarding of University Assets

Budget holders shall ensure that all insurance cover requirements are arranged solely through the Finance Department. Claims for reimbursement of expenditure pertaining to any other insurance will only be paid at the discretion and with prior approval of the Finance Department.

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Budget holders shall immediately notify the Finance Department of any new types of risks, new premises, or equipment valued in excess of £100,000, to be insured, together with the amount of cover required, and, further, shall notify any change in circumstances which may affect existing risks and insurances. If you are unsure about whether this information is material, please check with the Finance Department.

Budget holders shall advise the Finance Department immediately of any loss or circumstance that may give rise to an insurance claim including those below the indemnity limit. All claims shall be prepared by the Finance Department, in conjunction with the Head of Department, for submission to the insurers.

Budget holders shall not give an indemnity to any person unless its terms have been approved by the Director of Finance.

## Responsibilities of the Director of Finance under the Financial Regulations

### 1. Ownership of the Financial Regulations and Policies.

The Director of Finance will ensure that the Financial Regulations and the supporting policies are up to date and fit for purpose.

The Director of Finance may authorise departures from the financial policies where this is unavoidable and where such departures adhere to the Financial Regulations. The Director of Finance will provide a summary of any such departures where the financial impact is £20,000 or more to the Audit and Risk Assurance Committee annually. Where the proposed departure from a financial policy has a financial impact of £250,000 or more, then pre-approval will be sought from the Audit and Risk Assurance Committee.

### 2. Financial Risk Management and Compliance

The Director of Finance is responsible for ensuring that risks relating to the University's financial operations are identified and managed appropriately.

The Director of Finance is responsible for ensuring that the University is compliant with all applicable law governing the financial operations of the University in the UK and overseas including tax and regulatory.

The Director of Finance is responsible for ensuring that action is taken to reduce the risk of fraud, corruption and money laundering within the operations of the University as outlined in the Fraud Response Plan set out in Annex 1 to Ordinance 27.

The Director of Finance shall ensure that: (a) there are adequate controls over the raising of invoices in respect of all University activities (including student accommodation, student fees, research projects, consultancy fees, etc.); (b) all debts are collected promptly; and (c) outstanding balances are reviewed regularly.

### 3. Financial Reporting, Planning and Administration.

The Director of Finance is responsible for ensuring that the University prepares and submits in a timely fashion, annual accounts and other financial statements required for governing authorities. The Audit and Risk Assurance Committee will review the audit aspects of the financial statements. On the recommendation of the Audit and Risk Assurance Committee, they will be submitted to the Board of Trustees for approval.

The Director of Finance is responsible for preparing annual budgets and monitoring in a timely fashion the University's performance against budget.

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# Auditors

## 1. Authority of External and Internal Auditors

The external auditors and the 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 member of staff of the University to account for cash, stores or any other University resource under their control

## 2. Other Auditors

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

# Status of Financial Regulations

These Financial Regulations apply to the University and its Central Academic Bodies, academic and other activities and departments including any subsidiary undertaking.

The Financial Regulations are subordinate to the University's Statutes and Ordinances and to any restrictions required by the Office for Students.

Where external funders' rules are more restrictive than the Financial Regulations, those rules will apply in addition to, or in place of, University processes.

Order of precedence within the Financial Regulations:

1. Specific rules in the Financial Regulations
2. General principles in the Financial Regulations
3. General financial policies
4. Departmental rules

Where there is an apparent inconsistency or contradiction between general principles, specific rules and other policies, guidance should be sought from the Director of Finance in advance of any action being taken.

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# Appendix A – Financial Policies and other Related University Policies

All financial policies are approved by the Finance Committee, with the exception of *FP01 – Scheme of Delegation*, which is approved by the Board of Trustees.

## Financial Policies

Document	Owner	Current Status (For info)
Scheme of Delegation	Director of Finance	<i>Approved annually</i>
Procurement	Director of Finance	<i>Approved</i>
Travel, Hospitality and Other Expenses	Director of Finance	<i>Approved</i>
No PO, No Pay	Director of Finance	<i>Approved</i>
Credit Control	Director of Finance	<i>Approved</i>
Tax Classification of Payments to Individuals	Director of HR Services and Associate Director of Tax	<i>Approved</i>
Research Grants and Contracts	Director of Finance	<i>Approved</i>
Consultancy	Director of Finance	<i>Approved</i>
Financial Planning, Reporting, Performance and Investment	Director of Finance	<i>Approved</i>
Tax Strategy	Director of Finance	<i>Approved</i>

NB: Other policies may be added as deemed necessary from time to time.

## Other Policies and Procedures associated with the Financial Regulations

Document	Department Owner	Approver	Last reviewed
Anti-Bribery Policy	Strategy, Planning & Partnerships	Board of Trustees	
Anti-Money Laundering Policy	Finance	Audit and Risk Assurance Committee	June 2018
Asset Management Policy	Property and Facility Management	Estates Committee	
Corporate Social Responsibility Policy	Strategy, Planning & Partnerships	Board of Trustees	March 2017
Conflicts of Interest Policy	Strategy, Planning & Partnerships	Board of Trustees	July 2013
Disciplinary Policy and procedures	HR	Vice-Chancellor in line with Statutory Requirements	April 2018
Fraud Action Plan	Strategy, Planning & Partnerships	Board of Trustees (previously included in Ordinance 27)	
Acceptance of Gifts and Donations to the University Policy	Development	Board of Trustees	March 2017
Acceptance of Hospitality and Gifts given to Staff Policy	Strategy, Planning & Partnerships	Audit and Risk Assurance Committee	June 2016
Intellectual Property	Strategy, Planning & Partnerships	Board of Trustees	March 2015
Insurance Policy	Finance	Audit and Risk Assurance Committee	Annually
Investments Policy	Finance	Board of Trustees	November 2017
Modern Slavery Statement	Strategy, Planning & Partnerships	Board of Trustees	November 2018
Prevention of the Facilitation of Tax Evasion Policy	Finance	Board of Trustees	Annually
Remuneration, Terms & Conditions	HR		Various
Risk Management Policy [Ordinance 22]	Strategy, Planning & Partnerships	Board of Trustees	July 2013
Treasury Management Policy	Finance	Board of Trustees	June 2018
Public Interest Disclosure (whistleblowing procedure) [Ordinance 23]	Strategy, Planning & Partnerships	Board of Trustees	

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