



FINANCIAL REGULATIONS

Keele University is committed to providing financially proper and secure services based on sound financial information, secure and effective systems, demonstrable accountability and value for money. The University seeks the highest level of managerial and organisational performance.

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INDEX AND CONTENTS

	Page
Statements of Financial Policy	5
Status of Financial Regulations	7
Terminology	8
1.0 Financial and Risk Management	9
1.1 OfS Regulation	9
1.2 Constitution and Regulation	9
1.3 Council	9
1.4 Committee Structure	10
1.5 Business Review Committee	10
1.6 Audit & Risk Committee	10
1.7 Senior Remunerations and Promotions Committee	10
1.8 Senate	11
1.9 Subsidiary Boards	11
1.10 University Executive Committee	11
1.11 Senior Managers with Financial Responsibility	11
1.12 Risk Management	13
2.0 Audit	14
2.1 Internal Audit	14
2.2 External Audit	14
2.3 Value for Money	15
2.4 Audit Right of Access	15
3.0 Standards of Business Conduct	16
3.1 Business Conduct	16
3.2 Financial Irregularity	17
3.3 Whistleblowing	17
4.0 Corporate and Business Planning and Budgeting	19
4.1 Strategic Plan	19
4.2 Faculty, School and Directorate Business Plans	19
4.3 Resource Allocation	19
4.4 Budgets	20
4.5 Capital Schemes	20
4.6 Overseas Activity	21
4.7 Other Major Developments	21
4.8 Role of Council and its Committees	21
5.0 Commitments and Budgetary Control	23
5.1 General	23
5.2 Virement	24
5.3 Budget Holder's Responsibilities	24
6.0 Financial Administration	25
6.1 Financial Statements	25
6.2 Public Access	25
6.3 Accounting Returns	25
6.4 Accounting Records	25
6.5 Reports to Boards and Committees and External Bodies	26

6.6	VAT and Taxation	26
7.0	Income and Banking	28
7.1	General	28
7.2	Receipt of Cash, Cheques and other Negotiable Instruments	28
7.3	Collection and Recovery of Income	29
7.4	Students	30
7.5	Research Grants and Contracts	30
7.6	Other Income-generating Activity	31
7.7	Intellectual Property Rights and Patents	33
8.0	Non-Pay Expenditure	34
8.1	General	34
8.2	Authorities	34
8.3	Procurement	34
8.4	Procurement Cards	36
8.5	Tendering	36
8.6	EU Regulations	36
8.7	Major Projects	37
8.8	Contracts	37
8.9	Receipt of Goods	37
8.10	Payment of Invoices	38
8.11	Project Advances and Staff Reimbursement	38
8.12	Credit Cards	38
8.13	Other Payments	39
8.14	Late Payments Rules	39
8.15	Giving Hospitality	39
9.0	Employment of Staff and Contractors	40
9.1	Remuneration Policy	40
9.2	Appointment of Staff	40
9.3	Payment of Salaries, Fees and Expenses	41
9.4	Pensions	41
9.5	Staff Loans	41
9.6	Travel, Subsistence and Other Allowances	42
9.7	Severance and Other Non-Recurring Payments	42
10.0	Financial Systems	43
10.1	General	43
10.2	Financial Systems	44
11.0	Assets	46
11.1	Capital Assets	46
11.2	Asset Registers	47
11.3	Inventories	47
11.4	Stocks, Stores and Consumable Goods	47
11.5	Removal or Disposal of Property	47
11.6	Treasury Management, Investments and Borrowings	48
11.7	Banking Arrangements	49
12.0	General	
12.1	Security	50
12.2	Funds Held on Trust	50
12.3	Insurance	51

12.4	Petty Cash	52
12.5	The Students' Unions	52
12.6	University Companies and Joint Ventures	53
12.7	Use of the University's Seal	54
12.8	Indemnities and Legal Liabilities	54

13.0 Annexes

Annexe A	Principles of Professional & Ethical Standards	55
Annexe B	Summary of Protocols for Proposed Capital Expenditure	56

STATEMENTS OF FINANCIAL POLICY

1. Council, as the supreme governing body, is responsible for the financial affairs of the University and shall ensure that funds are used for their proper purpose, that the University exercises sound financial and risk management control and is financially viable.
2. All activities for which the University is responsible are subject to audit. The auditors shall be given any information, explanations and access they require.
3. The University requires its staff and other stakeholders to be of the highest integrity and to conduct their business at all times in a financially proper manner; they must not allow their private interests to conflict with their official duties and shall register any pecuniary or other interests.
4. Officers who suspect fraud or financial irregularity shall immediately consult with the Director of Finance and shall thereafter handle any matters in accordance with the University's approved Fraud Response Procedure. Suspicions in relation to the Director of Finance must be reported to the Vice-Chancellor.
5. The Director of Finance shall report through the Business Review Committee to Council on the financial implications of the University's strategic plan, revenue budget, capital programme and other developments.
6. Budget Holders will be responsible for achieving approved income and expenditure budgets, and for the overall financial performance of the areas under their control.
7. The Director of Finance is accountable to the Vice-Chancellor, the Accountable Officer responsible to the Office for Students (OfS), for the proper administration of the University's financial affairs and will maintain the accounts and advise Council, its Members and Officers on all financial matters.
8. Budget Holders shall ensure that proper and safe systems operate for the determination and collection of income.
9. It is the responsibility of all staff to ensure that all payments made and commitments entered into are legally due, are reasonable, demonstrate value for money and are within their spending levels.
10. Council is responsible for the oversight of the University's People Strategy and shall ensure that pay and conditions of employment are properly determined

and implemented. Budget Holders shall only appoint staff and independent contractors necessary for the delivery of their service.

11. The University's Chief Information Officer shall identify the key systems required for the University to achieve its strategic and operating plans and its primary information needs. The systems shall be reviewed regularly and assessed in context of technological change.
12. Subject to the authority of the Director of Finance, Budget Holders shall maintain systems that are secure and ensure value for money.
13. Budget Holders shall control the use and ensure the safe custody of all assets, cash and funds entrusted to them.

STATUS OF FINANCIAL REGULATIONS

1. This document sets out the University's financial regulations, which form part of its overall system of financial and management control. It translates into practical guidance the University's broad policies relating to financial control and aims to facilitate devolved financial management responsibility within strong corporate financial parameters.
2. The financial regulations are approved by Council, on the recommendation of the Audit & Risk Committee, and apply to the University and all its subsidiary undertakings. They should also be read in conjunction with the [Schedule of Delegation](#).
3. These financial regulations are subordinate to the University's Charter and Statutes and to any restrictions contained within the Office for Students (OfS) Conditions of Registration and Terms & Conditions of Funding.
4. The purpose of these financial regulations is to provide control over the totality of the University's resources and provide management with assurances that the resources are being properly applied in the delivery of the strategic plan, financial sustainability plan, and business objectives and ensure -
 - financial viability
 - achieving value for money
 - provision of effective financial controls over the use of public funds
 - ensuring compliance with all relevant legislation
 - the safeguarding of assets
5. Compliance with the financial regulations is compulsory for all employees and 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 disciplinary policy.
6. The Audit & Risk Committee will have oversight of the financial regulations, and for advising Council of any additions or changes necessary. In exceptional circumstances, the Audit & Risk Committee may authorise a departure from these provisions, which must be reported to Council at the earliest opportunity.
7. The University's detailed financial policies and procedures set out how these regulations will be implemented and have the same status and authority. They are published within the Policy Zone of the University's website <https://www.keele.ac.uk/policyzone/>
8. In so far as they conflict, these Financial Regulations and then the financial procedures will apply. The Director of Finance must be consulted over any matters of financial principle or practice not covered by these regulations, or where staff or other stakeholders are unclear as to their application.
9. Budget Holders shall ensure that all their staff are made aware of the existence and content of the University's financial regulations.

TERMINOLOGY

In developing this document, the following general terms have been used.

OfS

The Office for Students, the independent regulator of higher education in England.

Council

The supreme governing body of the University. It has a collective responsibility to promote the University's well-being and, in particular, for the proper management and financial solvency of the institution. Council approves the annual accounts of the University.

Vice-Chancellor

The person with the ultimate executive responsibility for the management of the University in accordance with the OfS Conditions of Registration. The Vice-Chancellor is the Accountable Officer of the University.

Director of Finance

The Financial Officer of the University.

Subsidiary Board

The board of directors responsible for the affairs of a subsidiary company.

University Executive Committee

The executive team of the Vice-Chancellor, which collectively advises on strategic and policy objectives and takes responsibility for the University's operational and financial performance.

Budget Holder

The person formally designated by the Vice-Chancellor to have budgetary responsibility. Budget Holders will generally be Deans and Directors of the University.

Delegated Officer

A person authorised by the Budget Holder to have delegated authority for managing specific budgets within Faculties or Directorates. The Delegated Officer is accountable to the Budget Holder.

1.0 FINANCIAL AND RISK MANAGEMENT

Council, as the supreme governing body, is responsible for the financial affairs of the University and shall ensure that funds are used for their proper purpose, and that the University exercises sound financial and risk management control and is financially viable.

1.1 OfS Regulation

1.1.1 The regulatory advice sets out guidance about the information that a higher education provider is required to submit as part of its financial monitoring returns to the Office for Students (OfS). These returns include the Annual Financial Return. The advice also sets out the terms and conditions on which the OfS grant is made and provides a financial framework within which the University must operate. It requires the University to provide assurances that:

- Funds are being used for the purpose for which they were given;
- Risk management, control and governance are in effective operation;
- Value for money is being achieved.

The University must be able to demonstrate its financial sustainability to OfS on an ongoing basis.

1.2 Constitution and Regulation

1.2.1 The University is a public body incorporated by Charter. Its structure of governance is laid down in the instruments of its incorporation (Charter and Statutes), which can be amended by Council, subject to final approval by the Privy Council. These prescribe the role of the Council and the Senate, the powers and duties of the Vice-Chancellor and other specified staff.

1.2.2 The University of Keele (trading as Keele University) is a charity but it is not a "Registered Charity". Instead it holds charity status as one of the exempt charities listed in Schedule 3 of the Charities Act 2011 (An exempt charity enjoys all the tax exemptions and other benefits of a charity, but is exempt from certain requirements, notably the need to register with the Charity Commission). The University preserves its exempt status under the Charities Act 2006 (which requires certain other exempt charities to register) and the OfS is the University's principal regulator.

1.3 Council

1.3.1 Council is responsible for the finance, property, investments and general business of the University. It is responsible for ensuring the establishment and monitoring of financial systems of control and accountability within the University and its subsidiaries, and for ensuring that public funds are used for their prescribed purposes.

1.3.2 Council shall ensure that proper books of account are kept in respect of the University and its subsidiaries, and has responsibility for approving the annual budget and financial statements of the University group. Arrangements for monitoring and reporting on the activities of the University and subsidiary undertakings, together with the process involved in forming a company, are documented in the University's financial regulations.

1.3.3 Council shall approve the strategic direction, financial objectives and policies of the University, as recommended by the Vice-Chancellor, normally on the advice of the Business Review Committee, together with the financial implications of academic and management decisions and shall ensure the University's continuing financial viability. It shall regularly monitor the performance of the University against its planned strategies and operational targets.

1.3.4 Council shall ensure the University's sound financial and risk management and, through the Audit & Risk Committee, the effectiveness and integrity of the internal control, performance and management systems (both financial and non-financial).

1.4 Committee Structure

1.4.1 Council has ultimate responsibility for the University's finances, but delegates its specific powers and processes to the Committees detailed below. These Committees are accountable to Council. An organization chart of the University Committee structure can be found at [Committee Structure](#). Further outline of delegated authorities to committees are set out within the University's [Schedule of Delegation](#).

1.5 Business Review Committee

1.5.1 The Business Review Committee provides detailed scrutiny on behalf of Council on matters concerning the operation and financial sustainability of the University. Further detail can be found within its [Terms of Reference](#).

1.6 Audit & Risk Committee

1.6.1 The Audit & Risk Committee's role is to advise and assist the University Council in respect of the entire assurance and control environment of the institution.

1.6.2 The University adopts the Committee of University Chairs (CUC) Audit & Risk Committees Code of Practice, including the model terms of reference for its Audit & Risk Committee – these can be found on the [ARC webpage](#) along with a link to the Code of Practice.

1.7 Senior Remuneration and Promotions Committee

1.7.1 The Senior Remuneration and Promotions Committee determines the remuneration of the most senior academic and executive staff, including the Vice-Chancellor.

1.8 Senate

1.8.1 The Senate is the academic governing body of the University. Its responsibility is to direct academic policy in relation to teaching and research and to assure itself that the University's academic standards are properly observed. The Senate shall advise Council on all academic matters and shall bring to the attention of Council the requirement for approval of the financial consequences of its proposals prior to their implementation.

1.9 Subsidiary Boards

1.9.1 A Subsidiary Board has responsibility for the general business and for the stewardship of funds of the subsidiary company and shall account to the Council. It shall approve the plans and budget and shall recommend them to Council. It shall regularly monitor performance against planned strategies and operational targets and shall ensure the company's viability. Subsidiaries must submit an annual report and statutory accounts for approval by Council.

1.10 University Executive Committee

1.10.1 The University Executive Committee supports the Vice-Chancellor in his role as Accountable Officer and for the general management of the University. It is responsible for the formulation of overall policy, proposing and implementing the strategic direction of the University, managing the planning processes, overseeing the resource allocation process, monitoring and evaluating performance and facilitating effective management of University activities. This Committee determines priorities and signs off new developments except where further approval is required. The Committee may be supported in this role through a number of sub-groups, which carry out detailed operational reviews and report back to it. Further detail on the role and responsibilities of the executive groups can be found on the webpage for the [Vice-Chancellor's Office](#).

1.11 Senior Managers with Financial Responsibility

1.11.1 **The Vice-Chancellor** is the University's Accountable Officer responsible for the financial administration of the University. In this capacity the Vice-Chancellor must ensure that all statutory, legal and regulatory conditions are complied with, and must inform Council and, as necessary, OfS in writing if, at any time, the University proceeds with a course of action which is incompatible with the OfS Conditions of Registration. The Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by Council and for the management of budgets and resources within the estimates approved by Council. As the Accountable Officer, the Vice-Chancellor may be required to justify any of the University's financial matters to the Public Accounts Committee at the House of Commons.

1.11.2 **The Director of Finance** is responsible to the Vice-Chancellor for the financial administration of the University and its subsidiary companies, and for ensuring that there are satisfactory systems of financial control and management. The Director of Finance will co-ordinate planning, budgeting and financial reporting across the University and its subsidiaries, monitor and approve the financial systems in operation, and determine the form in which financial records are kept.

1.11.3 **Budget Holders** are responsible to the Vice-Chancellor 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 their departments, including the form in which accounts and financial records are kept. Budget Holders are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters. Where resources are devolved to Delegated Officers, they are accountable to the Budget Holder for the control of the delegated budget.

Budget Holders shall provide the Director of Finance with such information as may be required to enable:

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

1.11.4 **Delegated Officers** are accountable to their appropriate Budget Holder for the control of their budget and for financial administration within their designated areas.

1.11.5 **All members of staff** shall make themselves 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 shall ensure that they are aware of the University's financial authority limits and the values of purchases for which quotations and tenders are required.

They shall make available any relevant records or information to the Director of Finance or authorised representative in connection with the implementation of these financial regulations, policies and procedures and the system 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 Council.

They shall immediately notify the Director of Finance whenever any matter arises which involves, or is thought to involve, irregularities concerning, as examples cash or property of the institution. The Director of Finance shall take such steps as considered necessary by way of investigation and report. Fraud shall be dealt with in accordance with the Fraud Response Plan which can be viewed on the University's website.

1.12 Risk Management¹

1.12.1 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. Detailed guidance on the level of risk considered to be acceptable/unacceptable by the institution will be set out in a separate risk management strategy.

1.12.2 Council's role is to determine the overall policy for risk management within the University. It should review the University's approach to risk management and approve changes or improvements to key elements of its processes and procedures, in line with the requirements of OfS. The University Risk Register

¹ Risk is defined as the threat or possibility that an action or event will adversely or beneficially affect an organisation's ability to achieve its objectives. Universities should therefore view risk management techniques as central to all their key activities.

details the salient risks, such as changes in funding and other key risks affecting University business operations.

1.12.3 Audit & Risk Committee are responsible for ensuring that the University has a robust process of Risk Management in place. The Risk Management Policy can be found here [Risk Management Policy](#)

2.0 AUDIT

All activities of the University and its group companies are subject to audit. The auditors shall be given any information, explanations and access they require.

2.1 Internal Audit

2.1.1 The University is required by OfS to have an internal audit function. The audit arrangements shall comply with the OfS Conditions of Registration and the CUC Audit & Risk Committee Code of Practice. Where the service is provided on a contract basis, it should be for a fixed term, or be capable of termination with due notice, and subject to market testing. The Audit & Risk Committee terms of reference can be found at [ARC Terms of Reference](#)

2.1.2 The internal auditor shall be appointed by Council on recommendation of the Audit & Risk Committee. The prime responsibility of internal audit is to provide Council and Subsidiary Boards, the Vice-Chancellor and University management with assurances on the adequacy and effectiveness of the risk management, control and governance arrangements. Responsibility for these arrangements remains fully with management. Internal audit should follow a risk based approach.

2.1.3 The internal audit service remains independent in its planning and operation and has direct access to the Audit & Risk Committee, Vice-Chancellor and Chair of Council. It will carry out a continuous and independent appraisal of all of the University's activities and internal control and risk management systems (both financial and non-financial), in accordance with a planned programme of work approved by the Audit & Risk Committee. The programme shall incorporate a rolling review of all organisations and activities for which the University is responsible.

2.2 External Audit

2.2.1 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. Their report should also state whether grants received from OfS (and other bodies and restricted funds where appropriate) have been properly applied for the purposes provided, and in accordance with the OfS regulatory framework. Their Management letter, together with management responses, is submitted annually to the Audit & Risk Committee and a copy must be sent to OfS.

2.2.2 Council is responsible for appointing external auditors, although it will normally delegate the detail of the process to the Audit & Risk Committee. External auditors are formally re-appointed each year. The Audit & Risk Committee will recommend the auditors' reappointment to Council on evidence of suitable performance and price, and periodically will carry out a comprehensive review of the service provided. OfS require that market testing is considered at least every seven years and that the engagement partner holds office for no longer than this period.

2.2.3 The duties of external auditors will be in accordance with advice set out in the OfS regulatory framework and the Auditing Practices Board's statements of auditing standards.

2.3 Value for Money

2.3.1 The OfS regulatory framework requires that Council is responsible for achieving value for money from public funds. It shall 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 OfS, the National Audit Office, and other relevant bodies.

2.4 Audit Right of Access

2.4.1 The University may, from time to time, be subject to audit or investigation by OfS, other government auditors and agencies, or by external bodies such as HM Revenue and Customs, who have statutory rights of access. Their review may comprise a financial or a non-financial audit.

2.4.2 All such auditors or officials have rights of access to the Chairs of Council and Audit & Risk Committee and to the Vice-Chancellor. They are authorised to visit University premises and to gain reasonable access to assets, minutes, books, documents, records or information.

2.4.3 Staff will provide any information or explanations required by the auditors to perform their duties. Staff providing information or explanations shall refer requests to their manager where there is any doubt or query. Any significant matters will be referred to the Director of Finance.

3.0 STANDARDS OF BUSINESS CONDUCT

The University requires its staff to be of the highest integrity and to conduct their business at all times in a financially proper manner; they must not allow their private interests to conflict with their official duties and shall register any pecuniary or other interests.

Officers who suspect fraud or financial irregularity shall immediately consult with the Director of Finance and shall handle any matters in accordance with the University's approved Fraud Response Plan and Anti-Bribery Policy.

3.1 Business Conduct

- 3.1.1 The University is committed to the highest standards of openness, integrity and accountability and will conduct its business and operations in accordance with the highest professional and ethical standards, having regard to the principles established by the Committee on Standards in Public Life, which members of staff at all levels are expected to observe. These principles are set out at Annexe A.
- 3.1.2 The University and its staff are accountable for the proper use of public monies and funds entrusted to them by other external agencies. The University's financial regulations and procedures set out the approved arrangements for the conduct of business and must be observed by all members of staff, including those staff holding honorary contracts with associated NHS Trusts.
- 3.1.3 All officials and staff shall promote sound financial administration and control, and shall conduct themselves at all times in a manner which is, and is seen to be, financially proper. They shall report to University management any instances of financial maladministration or activities likely to cause loss or to danger the reputation of the University.
- 3.1.4 It is the responsibility of all staff to ensure that they do not place themselves in a position where their private interests and their duties conflict.
- 3.1.5 Members of Council, senior management and are required to disclose interests in the register of interests maintained by the Secretary to Council. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the financial procedures. In particular, no person shall be a signatory to a contract where that person also has an interest in the activities of the other party.
- 3.1.6 Budget Holders must ensure that offers to staff of any gifts, hospitality, sponsorship, or other consideration, from third parties are detailed in a register. Significant offers of consideration must not be accepted. Offers must not be accepted where they may be deemed to, or have, influenced their business or professional conduct. Further details can be found at [Hospitality Policy](#)
- 3.1.7 The University is committed to compliance with the Bribery Act 2010. The Act outlines four corporate offences;

- Paying or offering a bribe
- Receiving or requesting a bribe
- Bribing a foreign public official
- Failing to prevent bribery

These offences apply regardless of where in the world the bribe is offered or received. The University can also be held liable under the Act for the actions of a connected party, such as an agent or third party. All persons acting on behalf of the University must not be involved in any activity that breaches the terms of the Bribery Act 2010. The policy document can be found at [Anti-Bribery Policy](#)

3.1.8 In cases where there is any question as to whether a given course of action complies with applicable laws, regulations, policies or with the ethical standards of the University, or where any doubt exists as to the integrity of actions being contemplated, the advice of the Secretary to Council shall be sought, who shall consult with the Vice-Chancellor and Chair of Council as necessary.

3.2 Financial Irregularity

3.2.1 Any person who becomes aware of or suspects that irregularities, including fraud, corruption, theft or any other impropriety are occurring shall immediately notify their suspicions to the Director of Finance or other designated officer of the University, who will take steps as necessary by way of investigation and/ or involvement of internal audit in accordance with the University's Fraud Response Plan. Suspicions in relation to the Director of Finance must be reported to the Vice-Chancellor.

3.2.2 The Vice-Chancellor must inform without delay the Chairs of Council and Audit & Risk Committee of any significant weakness, fraud, or major accounting breakdown and will report the matter to OfS in accordance with the OfS Reportable Events Procedure.

3.3 Whistleblowing

3.3.1 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence and breach of contract), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential. Whistleblowing can extend to malpractice occurring in the UK or anywhere in the world.

3.3.2 Normally, any concern about a workplace matter at the University shall be raised with the line manager. However, the University recognises that the seriousness or sensitivity of some issues, or the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.

3.3.3 A member of staff may therefore make the disclosure to one of the staff designated for this purpose, for example the Secretary to Council. If the member of staff does not wish to raise the matter with this person, or with the Vice-Chancellor or Chair of Council, it may be raised with the Chair of the Audit

& Risk Committee.

3.3.4 The full procedure for whistleblowing is set out in the Whistleblowing Policy, which is available at [Whistleblowing Policy](#)

4.0 CORPORATE AND BUSINESS PLANNING AND BUDGETING

The Director of Finance shall report through the Business Review Committee to Council on the financial implications of the University's strategic plan, revenue budget, capital programme and other developments.

4.1 Strategic Plan

4.1.1 Council, as advised by the Vice-Chancellor and Business Review Committee, will set the overall strategic direction and planning framework.

4.1.2 The Vice-Chancellor will submit to Council for approval a corporate strategic plan, which sets out the aims and objectives of the University and identifies the financial and physical resources necessary to achieve this. This strategic plan shall cover a minimum period of five years. It will be supported by a clearly articulated financial strategy, which will set the context for the development of both financial forecasts and budgets and will reflect the strategic plans and estates strategy approved by Council. The financial forecasts will be prepared in accordance with the requirements of and submitted annually to OfS.

4.1.3 Significant or material opportunities or unforeseen circumstances or initiatives requiring action that are not contained within current plans must be assessed against the strategic plan and financial forecasts. The financial implications of such initiatives must be agreed with the Director of Finance, who will indicate how resources are to be provided. If resources are available and the initiatives are approved by Council or the Business Review Committee, dependent on delegated limits, the plans will be revised as appropriate.

4.1.4 Investment appraisal procedures shall be followed as part of the decision-making process before committing to material capital and revenue investments.

4.2 Faculty, School and Directorate Business Plans

4.2.1 Individual Faculties, Schools and Directorates will prepare business plans on an as required basis. These plans will reflect the overall five year strategic plan for the University, and will feed into the budget process outlined in section 4.4.

4.2.2 Expenditure by Faculties, Schools and Directorates should be against approved annual budgets.

4.3 Resource Allocation

4.3.1 The University's resource allocation system (RAS), which involves the distribution of total income and expenditure, including allocation of central services, is subject to annual review by the Director of Finance as part of the budget setting and review process.

4.3.2 Budget Holders are responsible for the economic, effective and efficient use of resources allocated to them. Within the agreed allocations, Faculties and Directorates may develop their own sub-systems of internal resource allocation provided these meet the guidelines and other criteria laid down by the University Executive Committee and these Regulations.

4.4 Budgets

- 4.4.1 The Director of Finance is responsible for preparing in advance of each financial year a three-year revenue budget and capital programme for consideration by the Business Review Committee before submission to Council for approval. The budget will include for the next financial year a cash flow forecast and a projected year-end balance sheet.
- 4.4.2 The Director of Finance must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to Budget Holders as soon as possible following their approval by Council.
- 4.4.3 The three-year budget will comprise three years of the financial forecast and will be in accordance with the financial strategy and performance targets of the strategic plan.

4.5 Capital Schemes

- 4.5.1 The Director of Finance, having regard to the OfS Regulatory Framework and generally accepted accounting principles, shall advise on the types of expenditure and groups of items to be treated as capital or minor works, and how such items are to be treated in the budget and for accounting purposes.
- 4.5.2 The Director of Finance will establish protocols for the inclusion of capital projects in the capital programme for approval by Council. These will set out the information that is required for each proposed project as well as the financial criteria that it is required to meet. They are summarised at Annexe B.
- 4.5.3 The University senior management team, including the Director of Finance and Director of Estates and Development, will carry out an options appraisal into the need for and proposed design of any major capital project and will identify the resources required both in terms of capital costs and continuing revenue and running costs. The options appraisal will compare potential benefits with known costs to determine the option with the highest ratio of benefits to costs.
- 4.5.4 Capital expenditure requirements will be prioritised, and the effect of each one on the strategic plan, financial forecast, annual budget updates and University cash requirements assessed. Even where capital investment is included in the budget, approval to undertake a project will only be granted after proper authorisation within the University has been obtained (including any necessary approval by OfS), and after confirmation that resources are still available to finance all revenue consequences at the time the project is due to commence, in accordance with financial procedures.
- 4.5.5 Business Review Committee will be provided with the capital information that is used to support the financial forecasts, which will include the capital programme and supporting commentary.
- 4.5.6 The Director of Estates and Development shall ensure that effective management arrangements exist for approved capital projects so that schemes are delivered on time and to cost. Regular statements concerning all capital

expenditure will be provided to University Executive Committee and Business Review Committee for monitoring purposes.

- 4.5.7 Proposals to use an external finance partner such as a Private Finance Initiative, must be approved by Council, after consideration and on recommendation by the Business Review Committee. The proposal must clearly evaluate the apportionment of project risk between the University and the partner organisations.
- 4.5.8 Following completion of a capital project, the University Executive Committee shall receive a final report on the success or otherwise of the capital scheme and on its impact compared against the business case. The report shall include a comparison of actual and budgeted spend and an explanation of any variance. Additionally any external funding received should be noted, and the report should cover any other issues affecting completion of the project. Business Review Committee will be notified by exception of any capital project that needs further discussion.

4.6 Overseas Activity

- 4.6.1 In planning and undertaking overseas activity, the University must have due regard to the relevant guidelines issued by OfS and other government agencies.

4.7 Other Major Developments

- 4.7.1 Any new activity which will require a significant investment in buildings, resources or staff time shall be presented for approval to the Business Review Committee, after review by the University Executive Committee. Major capital schemes will require the approval of Council.
- 4.7.2 Each major project and development is subject to a business case, which will need approval by the Director of Finance.

4.8 Role of Council and its Committees

- 4.8.1 Council will approve the revenue and capital budgets and financial forecasts of the University, on recommendation from the Business Review Committee, having regard to the proposed activity levels and resources required.
- 4.8.2 Budget Holders must inform the Director of Finance of the full implications of any changes to budgeted activity levels or anticipated deviations to budgeted income and expenditure. Major changes and deviations will be reported by the Director of Finance to Business Review Committee, at the earliest opportunity and incorporated within the latest annual forecast. Significant changes to budget may also need to be reported to OfS in accordance with the OfS “reportable events” procedure.
- 4.8.3 Prior approval from the Business Review Committee must be obtained where the change in activity generates a significant net increase in expenditure relative to income in any year, or where the activity is substantial, sensitive, or represents a change in policy or future financial commitment.

- 4.8.4 Should the Director of Finance or members of UEC become aware of or concerned by events which could put the University's reported financial position at risk or which may be unlawful, then the proposals shall be stopped and a report will be made to Business Review Committee of those issues, concerns and risks.
- 4.8.5 Discussions should take place at University Executive Committee, or the relevant sub-committee before any budget and/or forecast reports are submitted to Council or Business Review Committee.

5.0 COMMITMENTS AND BUDGETARY CONTROL

Budget Holders will be responsible for achieving approved income and expenditure budgets, and for the overall financial performance of the areas under their control.

5.1 General

- 5.1.1 Budget Holders shall be accountable for the financial performance of their services and, as necessary, shall identify the Delegated Officers responsible for the management and control of each budget area. The Delegated Officer must ensure that day to day monitoring is undertaken effectively.
- 5.1.2 No expenditure shall be incurred, no commitments entered into and no liabilities established without there being sufficient and appropriate budgetary provision in the year (or years) of account. All funds shall be used for their designated purpose. Any budgeted funds not so required revert back to the University, and may be the subject of a bid to Business Review Committee for virement.
- 5.1.3 Staff are only to be appointed against approved budgets and in accordance with University procedures. All relevant approvals must be obtained through the completion of the appropriate post approval form. The financial consequences must be considered and the Director of Finance consulted in advance where posts are not contained in approved staffing budgets. Such cases shall be taken to the University Executive Committee, or delegated Sub Committee for final approval. The relevant Dean or Director, after consultation with the Chair of the Committee and the Director of Finance may make minor changes to proposed terms and conditions when filling a vacant post, after ensuring that sufficient funds are available within the budget and financial forecast.
- 5.1.4 The approval of the Director of Finance must be sought before non-recurrent budgets may be used to finance recurring expenditure.
- 5.1.5 The Director of Finance will advise on, devise and maintain the systems and procedures by which Budget Holders monitor and control actual income or expenditure against the budget. These will include regular performance reports to the University Executive Committee and to Budget Holders in an approved form. Significant departures from agreed budgetary targets must be reported immediately to the Director of Finance by the Budget Holder concerned and, if necessary, corrective action taken. Where necessary, an assessment shall be made of the impact on the Strategic Plan and financial forecast.
- 5.1.6 The Director of Finance is responsible for the preparation of management accounts showing financial performance against budget and for submission to the University Executive Committee, or its delegated sub committees, on a regular basis. The management accounts will report on actual results and budget to date, annual budgets and annual forecast results under the appropriate Generally Accepted Accounting Principles. The relevant extracts from the overall position shall be reported to each Faculty and Directorate so that they are aware of their own financial performance against budget and forecast. The approved management accounts are presented to Council, which has overall responsibility for the University's financial position.

5.1.7 The Director of Finance will ensure that continuous training and advice is provided to Budget Holders to help them manage their budgets appropriately. Budget Holders shall ensure that finance and other officers supporting them understand both the academic and the financial context of their activities.

5.2 Virement

5.2.1 Where responsibility is held by the same person for more than one budget, virement (the movement of budget allocations from one budget head to another) is permitted. Significant recurrent virements between pay and non-pay, or between different departments, will require approval by the University Executive Committee or delegated sub-committee.

5.3 Budget Holder's Responsibilities

5.3.1 Budget Holders will prepare strategic and annual operating plans which shall identify the financial consequences and associated risks. Based on the operating plans budget holders shall also update three-year budgets for the activities under their control and submit them to the Director of Finance on a timely basis. The operating plan should ensure that all income and costs are fully identified. The budget shall reflect the first year of the operating plan.

5.3.2 Budget Holders shall allocate revenue budgets and determine spending levels within the department as so authorised. The approved budget must not be exceeded. The budget shall be phased to allow for regular monitoring.

5.3.3 Budget Holders will manage, control and monitor the budget in a prudent manner, and use funds for authorised and prescribed purposes. They shall seek to achieve value for money and will ensure the application of the University's approved procurement arrangements. Income received and expenditure incurred shall be allocated to the appropriate general ledger account code.

5.3.4 The Director of Finance must be consulted at an early stage on the financial implications of projects or schemes which involve significant resource commitments, or where budgets are likely to be exceeded, and shall be provided with such financial information as may be required.

5.3.5 Any material breakdown in financial control must be reported in full to the Director of Finance, who will notify the Audit & Risk Committee and/ or Vice-Chancellor, as appropriate.

6.0 FINANCIAL ADMINISTRATION

The Director of Finance is answerable to the Vice-Chancellor, the Accountable Officer responsible to OfS, for the proper administration of the University's financial affairs and will maintain the accounts and advise Council and University staff on all financial matters.

6.1 Financial Statements

6.1.1 The Director of Finance will maintain the official financial records and accounts of the University, and will prepare the financial statements and returns for the University and its subsidiaries. The University's consolidated financial statements will be prepared in accordance with the OfS Regulatory Advice 9: Accounts Direction, the Statement of Recommended Practice: Accounting for Further and Higher Education, applicable law and UK Accounting Standards (FRS102).

6.1.2 The financial statements of the University and its subsidiary companies prepared annually to 31 July must be approved by Council, on recommendation by Business Review Committee, and Subsidiary Boards as necessary, before 30 November each year or any such date prescribed by OfS. The University's approved accounting policies are contained within the financial statements.

6.1.3 Year-end procedures prepared by the Finance Directorate and issued to Budget Holders must be complied with.

6.2 Public Access

6.2.1 The University holds charity status as one of the exempt charities listed in Schedule 3 of the Charities Act 2011 (exempt from registration with the Charity Commission), with the OfS as the University's principal regulator. The University is required to supply any person with a copy of the University's most recent financial statements upon request. The audited Group financial statements are published on the University website.

6.3 Accounting Returns

6.3.1 The Director of Finance is responsible for consolidating and dispatching financial returns and other periodic financial reports to OfS and to other agencies as required.

6.4 Accounting Records

6.4.1 The Director of Finance will record financial information in sufficient detail to enable the proper financial management and control of current and planned activities.

6.4.2 The Vice-Chancellor, Director of Finance and auditors have rights of access to all information relating to the financial management of the University.

6.4.3 The University is required by law to retain prime financial documents. They should be kept in a form and for a period acceptable to the relevant authorities.

6.5 Reports to Boards and Committees and External Bodies

- 6.5.1 The Director of Finance will advise Council, Committees and relevant staff on all financial matters. The financial implications of a subject should be included in every Council and Committee report. Where a decision would lead to new or increased commitments, the Director of Finance will report on its future revenue and/or capital consequences.
- 6.5.2 The Director of Finance shall approve all significant financial returns prior to their submission to OfS and other funding or external bodies. Such approval will only be given after the financial implications have been properly assessed and appropriate approvals sought.

6.6 VAT and Taxation

- 6.6.1 VAT and taxation are complex areas with frequent changes and amendments to relevant legislation and guidance. The Director of Finance shall develop appropriate taxation procedures to ensure that the University operates tax efficiently, and shall undertake the administration of all tax matters and maintain the University's tax records.
- 6.6.2 The Director of Finance is responsible for advising Budget Holders and Delegated Officers on all taxation issues in the light of guidance issued by the appropriate bodies and the relevant legislation as it applies, and will issue periodic instructions to Budget Holders on compliance with statutory requirements.
- 6.6.3 Any inquiries in relation to VAT and taxation must be directed through the Finance Directorate and must not be taken up directly with HM Revenue and Customs (HMRC).
- 6.6.4 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.
- 6.6.5 The University is registered for VAT. The collection or payment of VAT is administered through the Finance Directorate. All VAT returns for the University and subsidiary companies will be submitted by the Finance Directorate on a timely basis.
- 6.6.6 The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011. It is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation and Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The Director of Finance will provide guidance on taxation matters as required.
- 6.6.7 HMRC has established criteria to define trading in the areas of research and consultancy and non-student lettings, such as conference and vacation lettings. The Director of Finance shall, on an annual basis, determine whether the

University's activities fall within the relevant criteria and shall submit an annual corporation tax return to HMRC as necessary.

7.0 INCOME AND BANKING

Budget Holders shall ensure that proper and safe systems operate for the determination and collection of income.

7.1 General

- 7.1.1 The Director of Finance is responsible for ensuring that appropriate systems and procedures are in operation to enable the University to receive all income to which it is entitled. All receipt forms, invoices or other official documents in use must have the approval of the Director of Finance.
- 7.1.2 All contracts and agreements entered into in the name of the University, including the lease of any University property to a third party, must be approved in accordance with the Contract Signature Processes and the University Schedule of Delegation. A risk assessment must be undertaken for all contracts of significant amount and/ or duration before the contract is signed or a commitment is given. Any implications for the use of internal resources should be assessed and approved before any contract is signed. Where appropriate, checks must be undertaken to ensure the credit worthiness of customers.
- 7.1.3 Levels of charges for tuition fees and student rents are determined by procedures approved by the University Executive Committee or relevant sub-committee, and are approved by Council.
- 7.1.4 It is the responsibility of all staff to ensure that revenue to the University is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to the Director of Finance of sums due so that collection can be initiated. Staff shall ensure that the levels and basis for all discretionary fees, charges and other sources of income within their designated areas are realistic and are regularly reviewed.
- 7.1.5 The Director of Finance is responsible for:
- the prompt collection, security and banking of all income received
 - ensuring that all grants notified by OfS and other bodies are received and appropriately recorded in the accounts
 - ensuring that all claims for funds, including research grants and contracts, are made by the due date.

7.2 Monies Receivable

- 7.2.1 Budget Holders must inform the Director of Finance without delay of money due from the transactions which they initiate or manage, including all contracts, lettings, and other transactions.
- 7.2.2 All monies received must be recorded on a daily basis together with the form in which they were received, for example cash, cheques, card payments, online payments and bank transfers. Payments by debit or credit card, including payments made online, shall be made in accordance with PCIDSS guidelines. The University PCIDSS policy can be found [here](#)

- 7.2.3 All cash and cheques received by a Department must be promptly delivered to the Income Office and an authorised receipt obtained or, with the prior agreement of the Director of Finance, deposited via a local bank or collection agency. Budget Holders should seek to minimise cash receipts and encourage the use of more efficient payment methods, such as online or bacs payments. Where possible, there should be adequate segregation of duties in place and/or two members of staff involved in the receiving and counting of cash. The University no longer accepts cash payments in respect of student fees.
- 7.2.4 The Director of Finance shall be responsible for the prevention and detection of money laundering activity, in accordance with the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 (MLR 2017) and the University Anti-Money Laundering Policy.
- 7.2.5 All sums received must be paid in and accounted for within the period specified in the financial procedures, and must not be used to meet miscellaneous departmental or other expenses or used to top up cash floats. Personal or other cheques must not be cashed out of money received on behalf of the University or its subsidiaries.
- 7.2.6 The custody and transit of all monies received and banked must comply with the requirements of the University's insurers. The holders of safe keys shall not deposit unofficial funds in the safe unless such deposits are in sealed envelopes or locked containers, and depositors acknowledge in writing that the University will not be held liable for any loss. Monies shall be held in University safes for the minimum period, until such time as monies can be banked.

7.3 Collection and Recovery of Income

- 7.3.1 The Director of Finance shall ensure prompt collection of income and shall facilitate recovery of all outstanding debts, including overpayments, on behalf of Budget Holders, in accordance with approved procedures.
- 7.3.2 The Director of Finance will ensure the validity of debtors information, will monitor outstanding debts and will make prudent provision for bad or doubtful debts (on advice from Budget Holders as appropriate).
- 7.3.3 Prior approval, acting on recommendation from the Director of Finance, shall be obtained before debts are written off. This will occur where recovery has proved or is likely to prove ineffective or costly. The Financial Services Manager shall maintain a record of all debts written off, and income not recovered. Debt write-offs less than £250k will be approved through University Executive Committee, providing no single debt is over £100k. Debts write-offs in excess of these levels will be subject to approval by Business Review Committee.

7.4 Students

- 7.4.1 The Director of Finance will ensure that all student fees due to the University are received, and any outstanding debts are pursued in accordance with University procedures.
- 7.4.2 Any student who has not paid an account for academic fees may not receive

the certificate for any degree, diploma or other qualification awarded by the University until all such debts have been cleared. Students may be prevented from re-enrolling at the University and from using any of the University's facilities unless appropriate arrangements have been made.

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

7.5 Research Grants and Contracts

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

7.5.2 Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Budget Holder to ensure that the financial implications have been appraised by the Head of School or Faculty Executive Dean and the RaISE Project Lead in the Directorate of Research, Innovation and Engagement. This will include obtaining a set of grant terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance.

7.5.3 The Director of Research, Innovation and Engagement and the Head of School or Faculty Executive Dean are responsible for examining and approving every formal application for grant or contract and shall ensure that there is adequate provision of resources to meet all commitments. The Director of Research, Innovation and Engagement should ensure that the full cost of research contracts is established. The research agreement must be in line with the University's policy with regard to indirect costs and other expenses and take account of different procedures for the pricing of research projects depending on the nature of the funding body.

7.5.4 The Director of Finance shall maintain all financial records relating to research grants and contracts and shall initiate all claims for reimbursement from sponsoring bodies by the due date along with any required financial reporting.

7.5.5 Each grant or contract will have a named supervisor or grant holder. Any overspend of project budgets is to be the clear responsibility of the relevant Budget Holder with any loss being a charge against departmental funds.

7.5.6 The University will seek to recover full economic costs for all research activity wherever possible. Where full economic cost recovery is not possible, an assessment will be made as to whether the benefits to be derived justify the research being undertaken at less than full cost recovery. Approval to proceed with project not recovering full economic cost will be required from the Faculty

Executive Dean and Head of School.

- 7.5.7 Overheads and surpluses on research projects will be accounted for in accordance with the “Policy for Accounting for Research Project Overheads and Surplus”.
- 7.5.8 The University has agreed to adopt the principles on costing and pricing recommended by the Financial Sustainability Strategy Group and the TRAC Development Group. Staff undertaking research activity will maintain the records specified by the Director of Finance to enable compilation of returns to OFS which meet the requirements of the Transparency Review.
- 7.5.9 Many grant-awarding bodies and contracting organisations stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. It is the responsibility of the Director of Research, Innovation and Engagement to ensure that the grant conditions are reasonable and that the University is able to meet them. If any negotiation of grant or contract terms is necessary then the Directorate of Research, Innovation and Engagement will undertake this with input where appropriate from the grant holder and /or Faculty Research Dean. Failure to respond to these conditions, once agreed and signed, often means that the University will suffer a significant financial penalty. It is the responsibility of the named supervisor or grant holder to ensure that conditions of funding are met. Any loss to the University resulting from a failure to meet conditions of funding is the responsibility of the budget holder, and will be charged against school funds.

7.6 Other Income-Generating Activity

7.6.1 Private Consultancies and other Paid Work

Private consultancies and other paid work is governed by the University policy “Additional earnings and consultancy policy and procedure”. This policy is managed by the Directorate of Research, Innovation and Engagement.

7.6.2 Short Courses and Services Rendered

Staff wishing to run a short course must have the permission of their Head of School and have the costings approved by the Finance Directorate. The course organiser will be responsible to the Head of School for day-to-day management of the course.

7.6.3 Off-site Collaborative Provision (franchising)

Any contract or arrangement defined within the financial procedures as franchising or validation, whereby the University provides education to students away from University premises, or with the assistance of persons other than the University’s own staff or with independent contractors (partner organisations), must be subject to the following procedure.

Before any provision is made there shall be a contract in place signed by the designated signatory at Keele and on behalf of any partner organisation that shall comply at least with the OfS model contract (as amended from time to time). The contract shall comply with guidance provided by the University's legal team and has to be signed in advance of the commencement of programme delivery. The impact of the contract(s) shall be subject to scrutiny by the University Executive Committee, who shall consider the risk factors associated with the proposed partnership and assess the financial consequences against the University's financial forecast.

Where the partnership would represent a significant departure from the University's strategic plan, Council shall approve the departure, and the Vice-Chancellor may be required to inform OfS in accordance with the OfS Reportable Events Procedure.

Contracts for significant changes in franchising activity shall be approved in advance by the University Executive Committee and confirmed by contract.

7.6.4 European Union (EU) and other Matched Funding

Any such project requires the approval of the University Executive Committee prior to any commitment being entered into. Such approval shall be dependent upon the relevant Budget Holder being able to demonstrate that eligible matching funds are available and that the project is financially viable.

Individual applications for funds shall be the subject of a report by the Budget Holder to Business Review Committee, or to Council as required, which will set out, amongst other things, the potential risks generated by the project.

7.6.5 Profitability and Recovery of Overheads

All other income-generating activities must be self-financing or surplus-generating unless otherwise approved by the University Executive Committee. 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 direct and indirect costs in accordance with the University's costing and pricing policy, in particular for the recovery of overheads.

7.6.6 Surpluses and Deficits

Distribution of surpluses on other income-generating activity between central funds of the University and individual departments will be in accordance with policies approved by the University Executive Committee. Any unplanned deficits incurred on other income-generating activities will be charged to departmental funds.

7.6.7 Additional Payments to Staff

In line with established sector practice, the University will offer the opportunity

for staff and students to share any net revenues arising from IP commercialisation. Further details on the policy can be found at [IP Management Code of Practice](#), specifically in Annexe 1

7.7 Intellectual Property Rights and Patents

7.7.1 Certain activities undertaken within the University including research and consultancy may give rise to ideas, designs, copyright and inventions; these are collectively known as intellectual property (IP).

7.7.2 The University maintains a dedicated policy for the administration and management of IP generated by its staff and students. This policy details the ownership and processes for disclosure, protection and exploitation of all such IP. The policy is managed by the Directorate of Research, Innovation and Engagement.

8.0 NON PAY EXPENDITURE

It is the responsibility of all staff to ensure that all payments made and commitments entered into are legal, reasonable, demonstrate value for money and are within their spending levels.

8.1 General

- 8.1.1 All contracts and agreements entered into in the name of the University require approval in accordance with the Contract Signature Processes and the University Schedule of Delegation. Major expenditure of a non-recurrent nature on the construction, adaptation or purchase of property may only be incurred with the prior approval of the University Executive Committee, Business Review Committee or Council, based on approved delegated limits as agreed by Council. The approval process will include submission of a written report showing the expenditure together with the benefits, costs, payback period and financial risks.
- 8.1.2 The Director of Finance will design, maintain and ensure compliance with systems for the proper authorisation, ordering, supply, verification, payment, recording of and accounting for all financial commitments and expenditure incurred by the University. Budget Holders shall adhere to such systems.
- 8.1.3 The Director of Finance is responsible for making payment to suppliers for goods and services provided to the University.

8.2 Authorities

- 8.2.1 Budget Holders are responsible for purchases within their Department and may only commit expenditure provided that sufficient funds are available. Purchasing authority may be delegated provided that approved procurement policies and financial procedures are observed.
- 8.2.2 The Director of Finance shall maintain a current register of authorised signatories and authority limits. Budget Holders must supply the Director of Finance with specimen signatures of those authorised to certify hard copy documents for payment. For purchases through the University e-procurement system, the Budget Holders must supply the Director of Finance with a list of staff who are authorised to approve Purchase Orders. Amendments to the list must be notified immediately.
- 8.2.3 The Delegated Officer certifying the invoice for payment must be different from the member of staff responsible for approving the order. Authorisation must be in strict accordance with levels specified within the University's register of authorised signatories. The Finance Directorate will reject any request for payment not properly authorised and will reserve the right to withdraw or disallow any signatory or transaction.

8.3 Procurement

- 8.3.1 Budget Holders shall procure only those goods and services necessary to meet the requirements of the Strategic Plan and approved budgets, and will obtain them at the lowest possible cost consistent with the required quality,

sustainability and delivery, and in accordance with sound business practice. Factors to be considered in determining the lowest cost are noted in the financial procedures.

- 8.3.2 Budget Holders shall order goods and make purchases in accordance with the University's approved procurement procedures. Official orders must be placed except those made using procurement cards, company credit cards or petty cash, and only after ensuring that the cost can be met from within the budget or other approved source. In exceptional circumstances, urgent orders may be given verbally, but must be confirmed by an official purchase order endorsed 'confirmation order only' not later than the following working day.
- 8.3.3 Orders must not be split or placed in a manner devised to avoid financial thresholds. When transferring goods or services between departments, an interdepartmental transfer form must be used. All interdepartmental transfers must be approved and enacted by the end of the financial year within which they are raised.
- 8.3.4 Letters of intent must not be issued to suppliers without first obtaining the written consent of the Director of Finance. Goods must not be taken on trial or loan in circumstances which commit the University to a future uneconomic purchase.
- 8.3.5 Budget Holders will utilise suppliers on the University's approved list unless expressly agreed by the procurement office. New suppliers will be approved in advance of any orders being placed. Wherever possible, collaborative arrangements will be developed to maximise economies. Before making significant purchases (as identified in the procurement policy and procedures), Budget Holders will consult with the University's Head of Procurement, or lead buyers for specialist products, whose advice will be followed.
- 8.3.6 No orders shall be issued to any organisation which has made an offer of gifts (unless of low value such as pens or diaries), reward or benefit or is otherwise in contravention of the University's standards of business conduct.
- 8.3.7 The Director of Finance, through the Head of Procurement, shall ensure that all purchase orders refer to the University's conditions of contract. The University will only accept liability for payment of goods and services supplied where an official order has been issued, purchases made agreed to contracts, orders or quotations, invoices have been properly checked and expenditure approved by an authorised signatory, in accordance with the University's procedures.
- 8.3.8 Payments will be made in advance of delivery only in exceptional circumstances on the prior written approval of the Director of Finance, or delegated authority.
- 8.3.9 Budget Holders shall regularly check monthly financial reports received from the Finance Directorate against their records and ensure that the purchase ordering system reflects an accurate commitments position.

8.4 Procurement Cards

- 8.4.1 The operation and control of the University's procurement card scheme is the responsibility of the Director of Finance.

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

8.4.3 Details of the operation of the scheme are set out in the financial procedures.

8.5 Tendering

8.5.1 The Director of Finance will determine and regularly review the thresholds above which quotations or tenders must be obtained, and will devise procedures incorporating these thresholds, which must be followed. Changes to thresholds require approval by the Business Review Committee.

8.5.2 Quotations for the supply of goods or services are not normally required where the supply has already been subject to a formal tendering process by the University, the North West Universities Purchasing Consortium (NWUPC) or any other public sector arrangement. In all other cases quotations and / or tenders will be necessary where the value of the supply exceeds the limits specified by the University's procurement policy.

8.5.3 Post tender negotiations with a view to improving price, quality, delivery or other tender terms may be entered into in strict accordance with approved procedures once contracts have been let.

8.6 UK Public Procurement Regulations

8.6.1 The Head of Procurement is responsible for ensuring compliance with UK Public Procurement legislation. UK Public 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.

8.6.2 The Head of Procurement will advise Budget Holders on the thresholds that are currently in operation. A breach of these UK Public Procurement regulations is actionable by a supplier or potential supplier.

8.6.3 It is the responsibility of Budget Holders to ensure that their members of staff comply with UK Public Procurement regulations by notifying the Head of Procurement of any purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements in publications such as Find a Tender.

8.7 Major Projects

8.7.1 Major projects shall be considered by the University Executive Committee, Business Review Committee or Council based on agreed limits of approval. All proposals should be in sufficient detail to allow full consideration of the financial and risk implications, and will be tabled by the Project Sponsor (see Schedule 3).

8.7.2 Proposals shall be presented in the form of a business plan. Investment appraisals shall comply with best practice guidance, for example the OfS guidelines. Following approval by the relevant Committee, the submission shall be forwarded to OfS, if required under OfS regulations. Guidance on best practice shall be followed even when OfS approval is not required.

8.8 Contracts

8.8.1 Building contracts are administered by the Directorate of Estates and Development. A contract pro-forma is completed by Estates, which is signed off by Estates and the Director of Finance. Contracts should be signed in accordance with the Contract Signature Processes and the Use of the University Seal Procedure.

8.8.2 Consultants may be appointed to the project, as determined by approved capital procedures. Appointments shall be subject to appropriate procurement procedures.

8.8.3 Conditions of contract for the purchase of goods will be followed as described in the University's financial procedures.

8.8.4 Following completion of a capital project, documentary evidence concerning the decision-making process should be retained for audit purposes in relation to each contract where it is above the level of University materiality for non-grant funded projects (currently £100k), or any value for those projects where grant funding is received.

8.8.5 Budget Holders may lease office equipment within guidelines provided by the Director of Finance and the University's procurement procedure. The Director of Finance will maintain an up to date register of all lease agreements.

8.9 Receipt of Goods

8.9.1 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.

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

8.10 Payment of Invoices

8.10.1 The procedures for making all payments shall be in a form specified by the Director of Finance who is responsible for deciding the most appropriate method of payment for categories of invoice. Payments will only be made against invoices which have been properly certified for payment.

8.10.2 Payments to UK suppliers will normally be made by BACS. Cheques will only be issued in exceptional circumstances, or where payment by BACS is not possible.

8.10.3 Certification of an invoice must be made in accordance with the University's financial procedures. Payments will only be made by the Director of Finance against invoices that are properly certified and can be matched to a receipted order. Care must be taken by the Budget Holder / Delegated Officer to ensure that all discounts receivable are obtained where this is beneficial to the University.

8.11 Project Advances and Staff Reimbursement

8.11.1 The University's procurement and payments procedures are in place to enable the majority of non-pay supplies to be procured through the accounts payable system without staff having to incur any personal expense.

8.11.2 On occasions, staff may incur expenses on University business, most often in relation to travel and, provided such expenditure is in accordance with financial procedures and is properly approved, such expenditure will be reimbursed.

8.11.3 By exception the Director of Finance may approve, following a request from the relevant Budget Holder, cash advances for projects carried out away from the University where cash expenditure may be unavoidable. Receipts or paid invoices shall be retained for all sums expended in this way. Wherever possible other forms of payment are expected to be used, such as an official purchase order and subsequent payment or by using a University credit card.

8.11.4 Upon completion of the travel or project to which the advance relates, within one month 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 an individual is still outstanding.

8.12 Credit Cards

8.12.1 Where appropriate, the Vice-Chancellor or the Director of Finance may approve the issuing of University credit cards to senior staff. Such credit cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. The Director of Finance will be responsible for setting in place a system to monitor the use of institution credit cards and account for expenses charged through them.

8.13 Other Payments

8.13.1 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 Budget Holder.

8.14 Late Payment Rules

8.14.1 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. In view of the penalties under this Act, subject only to cash flow considerations, invoices for small businesses must be passed for payment as soon as they are received.

8.15 Giving Hospitality

8.15.1 Staff involved in entertaining guests from external organisations are expected to use the University's catering facilities where possible. More details are provided in the procedures for the Reimbursement of Travel Subsistence and Other Allowances.

8.15.2 Staff should refer to the Gifts and Hospitality policy when entertaining guests from external organisations.

9.0 EMPLOYMENT OF STAFF AND CONTRACTORS

Council is responsible for the University's People Strategy and shall ensure that pay and conditions of employment are properly determined and implemented.

Budget Holders shall only appoint staff and independent contractors necessary for the delivery of their services, and where there is sufficient budget to support the appointment.

9.1 Remuneration Policy

- 9.1.1 All University staff will be appointed to salary scales approved by Council or its authorised committees and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Directorate of Human Resources.
- 9.1.2 Council will determine what other benefits are available and the staff to whom they are to be applicable, and the basis of their provision (contributory or not).
- 9.1.3 Salaries and other benefits for senior management will be determined by the Senior Remuneration Committee and Promotions Committees, set up by Council.

9.2 Appointment of Staff

- 9.2.1 The efficiency and effectiveness of all University services rely on the quality and commitment of the people employed.
- 9.2.2 All new staff appointments are subject to prior approval. Authorisation of the appropriate form must be obtained from the Budget Holder, and delegated authorities from Human Resources and Finance. All staffing approval forms must also be reviewed and approved by the Deputy Vice-Chancellor unless the post is externally funded. New appointments will only be approved where there is sufficient budget available, unless prior approval has been obtained from the University Executive Committee or its delegated sub committees.
- 9.2.3 All offers of employment with the University shall be made in writing by the Director of Human Resources. All contracts of service shall be concluded in accordance with the University's approved HR procedures.
- 9.2.4 Budget Holders shall ensure that the Directors of Finance and Human Resources are provided promptly with all information they may require in connection with the appointment, resignation, secondment or dismissal of employees, or other changes in employment arrangements.
- 9.2.5 Managers appointing staff to posts with financial responsibilities shall ensure as far as possible that candidates are suitably experienced and shall establish wherever possible that there is no history of financial impropriety.
- 9.2.6 Budget Holders shall ensure that duties, particularly those of a financial nature, are conveyed to and are clearly understood by their staff, who shall be adequately trained in the financial duties and procedures attaching to their posts.

9.3 Payments of Salaries, Fees and Expenses

- 9.3.1 The Director of Human Resources is responsible for the payment of all salaries, fees and other remuneration due to staff and all other individuals. All payments must be made in accordance with the University's financial procedures and comply with HMRC regulations. All casual and part-time employees will be included on the payroll.
- 9.3.2 The Director of Finance is responsible for the payment of staff expenses, which will be paid as part of the monthly payroll run.
- 9.3.3 Payments will only be made in accordance with contracted terms of employment or other properly authorised arrangements at rates approved by Council. All time sheets 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.
- 9.3.4 The Director of Human Resources is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All non-recurrent payments to staff or other individuals will be subject to deduction of income tax and national insurance, unless exemption in writing has been obtained from HMRC.
- 9.3.5 Budget Holders and the Directorate of Human Resources shall promptly notify the Director of Finance where employees receive expenses or other benefits in kind in addition to their remuneration, which may be taxable.
- 9.3.6 The Director of Human Resources shall be responsible for keeping all records relating to payroll including those of a statutory nature.

9.4 Pensions

- 9.4.1 Council is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.
- 9.4.2 The Director of Human Resources is responsible for administering eligibility to pension arrangements and for informing the Director of Finance when there is a change to such arrangements.
- 9.4.3 The Director of Human Resources, through the Payroll & Pensions Office, is responsible for ensuring the effective administration of approved pension arrangements.

9.5 Staff Loans

- 9.5.1 In exceptional circumstances loans may be made to staff on application to the Director of Human Resources. Any implications for tax or NI will be borne by the employee. Prior approval of the University Executive Committee or its delegated sub committees will be required for all significant loan schemes, which will be repaid, usually by deduction from salaries, over an approved period.

9.6 Travel, Subsistence and Other Allowances

- 9.6.1 All claims for payment of subsistence allowances, travel and incidental expenses shall be completed in a form approved by the Director of Finance.
- 9.6.2 Claims by members of staff must be certified by an authorised signatory. The certification shall be taken to mean that the journeys were authorised, the expenses properly and necessarily incurred, the allowances are properly payable by the University, and that consideration has been given to value for money in choosing the mode of transport.
- 9.6.3 Arrangements for travel by the Vice-Chancellor shall be approved by the Chair of Council.
- 9.6.4 Arrangements for overseas travel must be in accordance with the University approved scheme. Authorisation from line managers must be obtained in advance of committing the University to those arrangements or confirmation of any travel bookings.
- 9.6.5 Where spouses, partners or other persons unconnected with the University intend to participate in a trip, this must be clearly identified in advance and arrangements approved by the line manager and Director of Finance.
- 9.6.6 Where submitted, expense claims for members of Council will be authorised by the Vice-Chancellor or Deputy Vice-Chancellor. Only reasonable expenses can be reimbursed and must be evidenced by receipts, vouchers or other supporting documentation.

9.7 Severance and Other Non-Recurring Payments

- 9.7.1 Any major scheme for severance payments shall be approved by Council on the recommendation of Business Review Committee. Professional advice shall be obtained where necessary. The introduction of such schemes may require reporting to the OfS in accordance with the Reportable Events Procedure.
- 9.7.2 Severance payments shall be approved by the Vice-Chancellor or Deputy Vice-Chancellor, the Director of Human Resources and the Director of Finance. Payments made in respect of Senior Executives must be referred to the Senior Remuneration Committee for further approval.
- 9.7.3 All matters referred to an industrial tribunal shall be notified to the Director of Human Resources and the Director of Finance at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

10.0 FINANCIAL SYSTEMS

The University's Chief Information Officer shall identify the key systems required for the University to achieve its strategic and operating plans and its primary information needs. The systems shall be reviewed regularly and assessed in context of technological change.

Subject to the authority of the Director of Finance, Budget Holders shall maintain systems that are secure and ensure value for money.

10.1 General

10.1.1 All systems and procedures, whether or not they are directly concerned with financial transactions, have an impact on the use of money, material or human resources and their efficiency and effectiveness is essential. In particular, this Regulation shall apply to all systems which record, contain or lead to the production of, financial information or the payments or receipt of money or which interface with such systems.

10.1.2 All primary financial systems and supporting records (including feeder systems) shall be evaluated and approved by the Director of Finance, and shall be in accordance with best financial practice. The use of corporate administrative computer systems is mandatory, unless prior approval has been sought from the Director of Finance.

10.1.3 Budget Holders will seek the prior approval of the Director of Finance for any material change to their financial, accounting, stores or inventory systems or for the introduction of any new system.

10.1.4 Budget Holders should use University systems, or systems approved by the Director of Finance, in their designated areas and should implement the following safeguards -

- The Director of Finance shall be consulted on the design or amendment of major systems.
- Each system shall be controlled by a named officer who shall ensure and monitor its continuing relevance and effectiveness.
- Systems shall be properly documented and accompanied by written procedures which shall be kept up to date. These procedures shall include a requirement to retain financial records for a period specified by relevant legislation, HMRC or the University's appointed auditors.
- There is adequate separation of duties.
- Suitable back up arrangements for IT-based systems are maintained on advice from the Chief Information Officer.

10.1.5 The Chief Information Officer will maintain policies and procedures including a disaster recovery plan for critical computing areas within the University.

10.2 Financial Systems

- 10.2.1 The Director of Finance, in conjunction with the Chief Information Officer, is responsible for the accuracy, completeness, timeliness and security of the computerised financial data of the University, and shall aim to
- Devise and implement any necessary procedures and controls to protect the University's financial data, programs, and computer hardware from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard to the Data Protection Act;
 - Ensure that adequate controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of data, and the efficient and effective operation of the system.
 - Ensure where systems are not integrated, that information is consistent between systems and as far as possible, information is only created once by the most appropriate source and is available to all relevant users.
 - Ensure the separation of the computer operation from its development, maintenance and amendment.
 - Ensure that an adequate management (audit) trail exists through the computerised system and that computer audit reviews are carried out as necessary.
- 10.2.2 New financial systems and amendments to existing systems must be evaluated and developed in a controlled manner and thoroughly tested prior to implementation, having obtained appropriate undertakings from external organisations involved, where appropriate.
- 10.2.3 Primary systems shall be regularly reviewed and tested for reliability and robustness. Where another organisation provides a computer service for financial applications, the Director of Finance shall periodically seek assurances that adequate controls are in operation.
- 10.2.4 Detailed knowledge of operating systems shall not rest with only one individual.
- 10.2.5 Contracts for computer services for all financial applications shall clearly define the responsibilities of all parties during processing, transmission and storage. The contract shall also ensure rights of access for audit purposes.
- 10.2.6 Systems acquisition, development and maintenance shall be in accordance with University policies and must be compatible where any system impacts upon corporate financial systems.
- 10.2.7 All staff will be responsible for the physical security of their computing equipment. Staff shall not use systems for unauthorised access, disclose passwords or use passwords allocated to other people. Any attempts to gain

unauthorised access shall be reported via the staff intranet system for data breaches.

- 10.2.8 The Director of Finance is responsible for ensuring all confidential financial information is appropriately controlled in accordance with the University's Data Protection and Freedom of Information Policies.

11.0 ASSETS

Budget Holders shall control the use and ensure the safe custody of all assets, cash and funds entrusted to them for the better performance of their services.

11.1 Capital Assets

- 11.1.1 The acquisition or disposal of land and buildings, including long leasehold agreements, must be approved by Council and in accordance with OfS requirements. Other capital asset transactions may be approved in accordance with properly delegated authority from Council. Proposals will normally form part of an approved Estates Strategy and capital programme.
- 11.1.2 All staff shall ensure that physical assets are managed properly, and are protected from theft, misuse and undue deterioration. Wherever possible assets shall be marked as University property.
- 11.1.3 The Director of Estates and Development maintains a register of all leases and titles to property and is responsible for the storage of all deeds and agreements in hard copy and / or electronic form. All such documents retained by the University should be kept in a secure and fireproof location. Where documents are held by a third party, a record of such documents and their location must be kept.
- 11.1.4 Signed copies of deeds, leases and contracts relating to land and buildings must be forwarded to and retained by the Director of Estates and Development.
- 11.1.5 The Director of Estates and Development shall prepare long and short-term maintenance plans and annual estimates of the costs of repair and maintenance of the University property and shall ensure, wherever possible within the resources available, that all University buildings and infrastructure are adequately maintained. If resources are insufficient, the Director of Estates and Development shall inform the Business Review Committee, and as necessary, Council, of the implications and funds required.
- 11.1.6 Council carries ultimate responsibility for the health and safety of employees, residents and other individuals whilst on University premises or undertaking University activities. The Director of Estates and Development shall ensure, wherever possible, that the land and buildings utilised by the University comply with legislative requirements and that the University's activities are managed in accordance with an approved health and safety policies and procedures. The financial implications of carrying out such policies shall be assessed on a regular basis and the Director of Finance consulted over significant issues arising. Where resources are insufficient to meet legislative requirements, the Director of Estates and Development shall inform the Business Review Committee, and as necessary, Council, of the implications and funds required.

11.2 Asset Registers

- 11.2.1 The Director of Finance is responsible for maintaining the Fixed Asset Register of the University. The Director of Finance will determine the form and data set

of the register, and the method of updating. Budget Holders will provide the Director of Finance with the necessary information to maintain the register. A physical check of assets against the register will be conducted periodically.

- 11.2.2 All assets over a specified limit will be classed as capital and depreciated using methods and rates in line with the Accounting Policies of the University Group. The Director of Finance shall approve procedures for reconciling balances in the finance ledger against those on the asset registers.

11.3 Inventories

- 11.3.1 In addition to the asset register, Budget Holders will ensure that inventories of equipment, furniture and stores are compiled, maintained and periodically checked in accordance with financial procedures. The inventory must include items donated or held on trust.

- 11.3.2 A transfer record must be kept of assets transferred between departments and inventory records changed accordingly.

- 11.3.3 All consumables and items of equipment purchased out of income arising from research or work for outside bodies, or donated by a sponsor, belong to the University unless otherwise specified.

11.4 Stocks, Stores and Consumable Goods

- 11.4.1 The Director of Finance will determine the systems of control and related procedures, including the identification and treatment of slow moving, unserviceable and obsolete items. Stores will be kept to a minimum, subject to annual stock-take in accordance with financial procedures, and valued at the lower of cost and net realisable value.

- 11.4.2 Budget Holders are responsible for establishing adequate arrangements for the care, custody, and security of stocks and stores under their control.

- 11.4.3 Budget Holders shall ensure that regular inspections and stock checks are carried out to confirm the continuing need for, viability and existence of such goods. Stocks and stores of a hazardous nature should be subject to appropriate security checks. Any evidence of significant overstocking and any negligence or malpractice shall be reported without delay to the Director of Finance.

11.5 Removal or Disposal of Property

- 11.5.1 The written procedures on the recording of, accounting for and disposal of property must be followed. Disposals of interests in land and buildings will be conducted in accordance with OfS regulations and must only take place with the prior authorisation of Council.

- 11.5.2 Budget Holders shall ensure that University property is disposed of in a secure and appropriate manner and that the disposals are recorded. Budget Holders will ensure the safe custody of all University property (including documents and official correspondence files) under their control. Budget Holders must ensure that all data files have been removed from PCs, laptops and other such devices

before being disposed of. Losses caused by theft, fraud, arson, neglect of duty or gross carelessness, must be notified to the Director of Finance, who will take appropriate action.

11.5.3 Budget Holders will advise the Director of Finance of any item to be disposed of, including details of estimated market value, proceeds of sale, and reason for disposal.

11.5.4 Property shall not be subject to personal use without proper authorisation and after making necessary insurance arrangements. University property must not be removed from the premises without written authority of the Budget Holder, who must ensure that a record of any such removals is maintained (including a signed receipt by the borrower) and that the property is returned in due course.

11.5.5 The Director of Finance shall be authorised to take any necessary steps to safeguard the University's interests in bankruptcies and company liquidations.

11.6 Treasury Management, Investments and Borrowings

11.6.1 The treasury and investment management policy, setting out a strategy and policies for cash management, long term investments and borrowings, shall be approved by Business Review Committee, which shall monitor and review its implementation. The policy will require compliance with OFS rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the OfS Conditions of Registration and Terms and Conditions of Funding.

11.6.2 All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Director of Finance who will ensure that cash balances, investments and funds of the University and subsidiaries are only invested in accordance with approved arrangements. All borrowing and investments shall be in the name of the University and shall conform to any relevant regulatory requirements.

11.6.3 The Director of Finance will ensure an appropriate reporting system is established and will maintain records of investments, loans and Trust Funds and ensure safe custody of all relevant documents. Trust Funds will be operated in accordance with any relevant legislation and the specific requirements of each Trust.

11.6.4 Business Review Committee will approve all overdraft facilities and borrowings in accordance with OfS regulations, and University procedures, after considering the implications for the University's Strategic Plan. Prior consent of OfS shall be sought as necessary. Any application for a loan or overdraft may only be made by the Director of Finance in accordance with approved procedures.

11.7 Banking Arrangements

11.7.1 The Business Review Committee is responsible for the appointment of the University's bankers. The appointment shall only be tendered where necessary, in the light of treasury management considerations, cost and service of the bank. This position will be reviewed annually by Business Review Committee.

- 11.7.2 The Director of Finance is responsible, on behalf of Business Review Committee, for liaising with the University's bankers in relation to the University and subsidiary company bank accounts and the issue of cheques. All bank accounts shall be in the name of the University, or one of its subsidiary companies.
- 11.7.3 Business Review Committee is responsible for the approval of any additions to the signing mandate for all University bank accounts.
- 11.7.4 Only the Director of Finance may open or close a bank account for dealing with the University's funds. Bank or financial services may only be used, or financial investments lodged on behalf of the University after obtaining prior approval in writing from the Director of Finance.
- 11.7.5 The Director of Finance shall ensure that all bank accounts are properly and regularly reconciled, including the timely resolution of any reconciling items, and that adequate procedures exist for the ordering and security of cheques and for transferring University funds.
- 11.7.6 All cheques drawn on behalf of the University must be signed in the approved form and in accordance with the bank mandate. Approved arrangements for and details of authorised persons and limits for all types of payment shall be provided in the University's financial procedures.
- 11.7.7 All income due to the University must be paid into an authorised bank account and made payable to the name of that account.

12 GENERAL

12.1 Security

- 12.1.1 Budget Holders are responsible for maintaining proper security at all times for all assets including buildings, equipment, stock, furniture and monies under their control. They shall consult the Director of Estates and Development or the Director of Finance as appropriate where security is thought to be defective or where it is considered that special security arrangements may be needed. The loss of safe keys must be reported to the Director of Finance immediately.
- 12.1.2 Budget Holders are also responsible for maintaining proper security and privacy of information in accordance with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018. Guidance will be provided jointly by the Data Protection Officer and the Information Security Manager. Access to areas where data is stored will be restricted to authorised persons. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act 2018.
- 12.1.3 The University must maintain compliance with PCI DSS (Payment Card Industry Data Security Standard) which governs security of cardholder data. The Director of Finance shall be responsible for managing compliance in accordance with the University's PCI DSS policy.

12.2 Funds Held on Trust

- 12.2.1 The Director of Finance is responsible for maintaining financial records in respect of gifts, benefactions, endowments and donations made to the University and for initiating claims for recovery of tax where appropriate.
- 12.2.2 The Director of Finance will prescribe the format for recording the use of student welfare funds. Records of hardship funds will be maintained according to any OfS requirements.
- 12.2.3 The Director of Finance shall be informed as appropriate, based on the terms of reference on which the fund is held, 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 such funds shall be audited by an independent external person and submitted with a certificate of audit to the appropriate body. The Director of Finance shall be entitled to verify that this has been done.

12.3 Insurance

- 12.3.1 The Secretary to Council, in conjunction with the University Executive Committee, is responsible for maintaining and monitoring the University's risk management policy and procedures. As part of the overall risk management strategy all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets.

- 12.3.2 The Director of Finance, Director of Estates and Development and the Financial Services Manager will approve the insurance arrangements to be made. The Director of Finance has responsibility for arranging and maintaining the appropriate insurance policies and register of insurances, and for managing all insurance matters, including negotiation of claims. The University's insurance position will be reported to Business Review Committee on an annual basis.
- 12.3.3 Budget Holders must ensure that any contracts or agreements negotiated within their Departments with external bodies cover any legal liabilities to which the University may be exposed. Advice shall be sought from the Head of Legal, Governance & Compliance, and external professional advice will be provided as appropriate.
- 12.3.4 Budget Holders shall inform the Director of Finance of the assets and interests under their control to be covered by the policies in force, and shall consider whether assets and risks within their services are adequately insured. They must give prompt notification to the Director of Finance of any potential new risks and additional property and equipment which may require insurance, and of any alterations affecting existing risks.
- 12.3.5 Budget Holders shall inform the Director of Finance of any material fact that may affect insurances. It should be noted that some insurance policies are on a claims made basis, failure to disclose a material fact will invalidate the policy in the event of a subsequent claim.
- 12.3.6 Budget Holders shall maintain such records for their operations as are required by the Director of Finance for insurance purposes. They shall seek to minimise the risk of losses occurring and must advise the Director of Finance immediately, of any event or circumstances 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 Budget Holders for transmission to the insurers.
- 12.3.7 The Director of Finance must be consulted if goods are to be removed from the University's premises or imported or exported permanently or temporarily, to ensure that appropriate insurance cover is in place.
- 12.3.8 The Director of Estates and Development is responsible for keeping suitable records of plant, which is subject to inspection by an insurance company and for ensuring that inspections are carried out in the periods prescribed.
- 12.3.9 All staff using their own vehicles on behalf of the University shall maintain appropriate insurance cover for business use. The University will not accept responsibility for the personal loss of goods or possessions and it is the responsibility of all staff and residents to ensure that they have adequate personal insurance cover.
- 12.3.10 Staff who drive a University vehicle must complete a driver declaration and will be subject to driver licence checks on a regular basis. See <http://www.keele.ac.uk/finance/insurance/> for more details.
- 12.3.11 Staff travelling abroad on University business must first complete the Risk Assessment form. Travel is only permitted in accordance with guidance

issued by the Foreign and Commonwealth Office. Refer to the webpages <http://www.keele.ac.uk/finance/insurance/> for more details.

12.4 Petty Cash

- 12.4.1 Petty cash will be controlled through the Imprest system. Detailed guidance will be issued by the Director of Finance and is contained in the University's financial procedures.
- 12.4.2 Each advance shall be issued to a named Delegated Officer, who shall ensure its safe custody and use, and shall account for it in accordance with the Financial Procedures. At the end of the financial year a certificate of the balances held shall be completed by the Delegated Officer and counter-signed by the Budget Holder for audit purposes.
- 12.4.3 The Director of Finance shall make available to departments the minimum number of petty cash floats as considered necessary for the disbursements of petty cash expenses.
- 12.4.4 Disbursements from petty cash shall not exceed prescribed limits. Requisitions for reimbursements must be sent to the Director of Finance before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed. Claims shall be supported by appropriate receipts or vouchers, and must be properly described and authorised.
- 12.4.5 Petty cash must not be used to meet personal expenditure, loans or advances to employees, for cashing personal cheques, or for regular payment of wages or salaries, or payment of invoices in respect of which an approved order has been issued.
- 12.4.6 The petty cash box must be kept locked in a secure place in compliance with the requirements of the insurers when not in use and will be subject to periodic checks by the Budget Holder or nominee.

12.5 The Students' Union

- 12.5.1 The Students' Union, including Keele University Students' Unions (KeeleSU) and Keele Postgraduate Association (KPA), is recognised to fulfil a valuable role in relation to the University's students.
- 12.5.2 The Council may take such steps as are reasonably practical to ensure that the Students' Union operates in a fair and democratic manner and is accountable for its finances in accordance with Section 22 of the Education Act. Subject to any constraints imposed by OfS, Council shall determine the level of grant to be paid annually to the Students' Union. Council requires the Union to provide for information details of its proposed budget to assist in determining the appropriate level of grant.
- 12.5.3 The Students' Union is responsible for maintaining its own bank account and financial records and preparing its own annual financial statements.

- 12.5.4 In accordance with a Financial Memorandum agreement between the University and the Students' Union, the Union will provide details of their budget and regular financial monitoring reports to the Director of Finance.
- 12.5.5 At the year end the Students' Union financial statements will be audited by an appropriately qualified firm of auditors and will be presented to the Students' Union Finance Committee together with the management letter from the auditors for information. The Board of Trustees shall approve the Union's financial regulations. The annual financial statements will be presented to Council for approval in accordance with the Financial Memorandum between the University and the Students' Union.
- 12.5.6 In accordance with the Financial Memorandum 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.

12.6 University Companies and Joint Ventures

- 12.6.1 In certain circumstances it may be advantageous to the University to establish a company or a joint venture to undertake services on behalf of the University. Any member of staff considering the use of a company or a joint venture shall first seek the advice of the Director of Finance, who shall have due regard to guidance issued by OfS.
- 12.6.2 Council is responsible for approving the establishment of all companies and joint ventures and the procedure to be followed in order to do so. The process for approval must have due regard to the business reasons for the establishment of a company or joint venture, and will follow any guidance issued by OfS.
- 12.6.3 It is the responsibility of Council to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the University.
- 12.6.4 The Directors of companies where the University is the majority shareholder must submit, via the Business Review Committee, an annual report to Council. They will also submit business plans or budgets as requested to enable the Business Review Committee to assess the risk to the University. The University's internal and external auditors shall also be appointed to such companies, unless Council approves an alternative appointment.
- 12.6.5 Where the University is the majority shareholder in a company, that company's financial year shall be consistent with that of the University.

12.7 Use of the University's seal

- 12.7.1 Where a deed or document requires the University's seal, it must be sealed in accordance with the Use of the University Seal Procedure.
- 12.7.2 The Secretary to Council is responsible for reporting to Council on the use of the University's seal since the last meeting.

12.8 Indemnities and Legal Liabilities

- 12.8.1 Any member of staff asked to give a University indemnity as part of their role in the University, for whatever purpose, shall consult the Director of Finance before any such indemnity is given.

ANNEXE A

Principles of Professional and Ethical Standards

These standards are often referred to as the **Nolan Principles**. The Nolan Principles of Public Life are a set of broad measures and behaviours which Council Members and officers of the University with financial responsibility are expected to observe.

Selflessness

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

Integrity

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

Objectivity

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

Accountability

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

Openness

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

Honesty

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

Leadership

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

More information on corporate governance can be found on our webpages at -

<https://www.keele.ac.uk/sas/legalgovernancecompliance/governance/>

ANNEXE B

Summary of Protocols for Proposed Capital Expenditure

Proposed capital projects should be supported by:

- a statement that demonstrates the project's consistency with the strategic plan and financial sustainability plan approved by the governing body.
- an initial budget for the project for submission to the University Executive Committee (or appropriate sub-committee) or Business Review Committee in accordance with the delegated financial limits for approval of capital schemes. The budget should include a breakdown of costs including professional fees, VAT and funding resources.
- a financial evaluation of the plans together with their impact on revenue plus advice on the impact of alternative plans.
- an investment appraisal in an approved format which complies with funding body guidance on option and investment appraisal.
- a demonstration of compliance with normal tendering procedures and funding body regulations. This will require careful consideration where partnership arrangements are in place.
- a cash flow forecast