



1 BACKGROUND

- 1.01 The College's structure of governance is laid down in the instruments of its incorporation (Charter and Statutes) The Charter and Statutes can only be amended by the Privy Council. The College is accountable through its governing body (Council), which has ultimate responsibility for the College's management and administration.
- 1.02 The College is an exempt charity under the Exempt Charities Order 1962.
- 1.03 The Financial Memorandum between the Higher Education Funding Council for England and the College sets out the terms and conditions on which grant is made. The Council is responsible for ensuring that conditions of grant are met. As part of this process the College must adhere to the Funding Council's Accountability and Audit Code of Practice which requires it to have sound systems of financial and management control. The Financial Regulations of the College form part of this overall system of accountability.

2 STATUS OF FINANCIAL REGULATIONS

- 2.01 This document sets out the College's Financial Regulations. It translates into practical guidance the College's broad policies relating to financial control. This document was approved by the Council on 10 December 2003. The latest amendments to this document were approved by the Council on 6 December 2006. It applies to the College and all its subsidiary undertakings suitably modified.
- 2.02 These Financial Regulations are subordinate to the College's Charter and Statutes and to the provisions of the College's Financial Memorandum with the Funding Council and the Funding Council's Accountability and Audit Code of Practice.
- 2.03 Compliance with the Financial Regulations is compulsory for all staff connected with the College. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the College's disciplinary policy. Any breach will be notified to the Council through the Audit Committee. It is the responsibility of Heads of Departments to ensure that their staff are made aware of the existence and content of the College's Financial Regulations and that an adequate number of copies are available for reference within their Department.
- 2.04 The Audit Committee is responsible for periodically reviewing the Financial Regulations and advising the Council of any additions or changes necessary.

3 FINANCIAL CONTROL

THE GOVERNING BODY (COUNCIL)

- 3.01 The Council is responsible for the management and administration of the College. Its financial responsibilities are to:
- ensure the solvency of the College
 - safeguard the College's assets
 - ensure the effective and efficient use of resources
 - ensure that the funds provided by the Funding Council are used in accordance

with the terms and conditions specified in the College's Financial Memorandum with the Funding Council

- ensure that financial control systems are in place and are working effectively
- ensure that the College complies with the Funding Council's Accountability and Audit Code of Practice
- approve the College's Corporate Plan
- approve annual budgets and to approve the annual financial statements
- appoint the College's internal and external auditors

COMMITTEE STRUCTURE

- 3.02 The Council has ultimate responsibility for the College's finances, but delegates this to the committees detailed below. These committees report to the Council. (Diagrams depicting the committee structure are included at Appendix A).

Finance Committee

- 3.03 Monitoring of the College's financial position and financial control systems is undertaken by the Finance Committee. The Committee will examine annual budgets and recommend their approval to the Council. It will ensure that short-term budgets are in line with agreed longer term plans and that they are followed. It will consider any other matters relevant to the financial duties of the Council and make recommendations accordingly. The Committee will also ensure that the Council has adequate information to enable it to discharge its financial responsibilities. A more detailed list of the responsibilities of the Finance Committee is shown at Appendix B.

Estates Committee

- 3.04 The Estates Committee's terms of reference are to formulate a strategy to develop and maintain the College's Estate to best support its academic programme. To produce an annual report of Estate Strategy related to and consistent with the College's Corporate Plan and the Financial Strategy and to recommend its adoption to Council. To inform the College's planning procedures of Estates matters and make recommendations to Council and/or Finance Committee on the College's capital programme, in terms of its cost, content and timing. To monitor the progress of capital projects from inception to conclusion and to provide advice and guidance to College staff engaged in managing such projects. To formulate, maintain and monitor progress in achieving a long-term maintenance plan for the College's estate.

Audit Committee

- 3.05 Institutions are required by their Financial Memorandum with the Funding Council and by the Funding Council's Accountability and Audit Code of Practice to appoint an Audit Committee. The Committee is independent, advisory and reports to the Council. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The Committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

- 3.06 The duties of the Audit Committee are set out at Appendix C.
- 3.07 The audit requirements of the College are set out in the Funding Council's Accountability and Audit Code of Practice.

AUDIT REQUIREMENTS

- 3.08 External auditors and internal auditors shall have authority to:
- access College premises at reasonable times
 - access all assets, records, documents and correspondence relating to any financial and other transactions of the College.
 - require and receive such explanations as are necessary concerning any matter under examination
 - require any employee of the College to account for cash, stores or any other property of the College under his/her control
 - access records belonging to third parties, such as contractors, when required
- 3.09 Whenever any matter arises which involves, or is thought to involve, irregularities or fraud concerning cash, stores or other property of the College or any other suspected irregularity in the exercise of the activities of the College, the head of department concerned shall notify the Secretary and Registrar who will take such steps as he/she considers necessary by way of investigation and involvement of internal audit.
- 3.10 The timetable for final accounts purposes is drawn up in conjunction with the external auditors.
- 3.11 Following consideration by the Finance Committee, the accounts will be reviewed by the Audit Committee. On the recommendation of Finance and Audit Committees they will be submitted to the Council for approval.

External Audit

- 3.12 The appointment of external auditors will take place annually and is the responsibility of the Council. The Council will be advised by the Audit Committee.
- 3.13 The primary role of external audit is to report on the College's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the Funding Council's Accountability and Audit Code of Practice and the Auditing Practices Board's auditing standards.

Internal Audit

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

- 3.15 The College's Financial Memorandum with the Funding Council requires that it has an effective internal audit function. The main responsibility of internal audit is to provide the Council, the Principal and senior management with assurances on the adequacy of the internal control system.
- 3.16 The internal audit service remains independent in its planning and operation and has direct access to the Council, Principal and Chairman of the Audit Committee.
- 3.17 The formal responsibilities of internal audit are detailed at Appendix D. The internal auditor will also comply with the *Government Internal Audit Standards (GIAS)* and the *Institute of Internal Auditors Code of Ethics and International Standards*.

Other Auditors

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

RESPONSIBILITIES

The Principal

- 3.19 The Principal is the academic and administrative Head of the College. As such he is the chief adviser to and executive officer of the Council. He has the twofold responsibility for preparing forward plans concerning the College for submission to the Council and of putting agreed policy into effect. He is a member of and is accountable to the Council for actions taken on its behalf. Under the provisions of the Financial Memorandum between the College and the Funding Council the Principal is the designated accounting officer and as such is responsible for the financial administration of the College's affairs and may be required to justify any of the College's financial matters to the Public Accounts Committee at the House of Commons.

The Secretary to Council

- 3.20 The Secretary to Council has a key role to play in the operation and conduct of the governing body, and ensuring that appropriate procedures are followed. It is the responsibility of the secretary to alert the governing body if he/she believes that any proposed action would exceed the governing body's powers or be contrary to legislation or to the Funding Council's Financial Memorandum.

The Director of Finance

- 3.21 The Director of Finance is responsible for the day-to-day financial administration of the College and is responsible to the Principal for:-
- preparing annual budgets and financial plans
 - preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations

- preparing the College's annual accounts and other financial statements and accounts which the College is required to submit to other authorities
- ensuring that the College maintains satisfactory financial systems
- providing professional advice in all matters relating to financial policies and procedures

A diagram indicating the structure of the finance office including all sections, staff and lines of responsibility are shown as Appendix E.

Heads of Department

- 3.22 Heads of Departments and where appropriate other senior managers are responsible to the Principal for the financial management of their Departments. 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, in order that accounting and audit requirements may be fulfilled.
- 3.23 Heads of Departments are responsible for establishing and maintaining clear lines of responsibility within their Department for all financial matters. Where control of resources is devolved to budget holders, they are accountable to their Head of Department for the management of those resources.

BUDGETING

Resource Allocation

- 3.25 Resources are allocated annually by the Council on the recommendation of the Finance Committee.
- 3.26 Heads of Departments are responsible for the economic, effective and efficient use of resources allocated to them.

Budget Preparation

- 3.27 The Director of Finance is responsible for preparing annually a revenue budget for consideration by the Finance Committee before submission to the Council. The Director of Finance will ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to Heads of Department as soon as possible following their approval by the Council.
- 3.28 During the year, the Director of Finance is responsible for submitting revised budgets to Finance Committee for consideration before submission to the Council.

Capital Programmes

- 3.29 Capital expenditure on land, buildings, equipment and associated costs is considered as part of the capital programme approved by the Council.

- 3.30 The Director of Finance is responsible for providing regular statements concerning all capital expenditure to the Finance Committee for monitoring purposes.
- 3.31 Proposed capital projects should be supported by:
- a statement which demonstrates the project's consistency with the corporate plan and academic strategy approved by the Council
 - an initial budget for the project for submission to the Strategic Planning and Resources Committee or other appropriate body. The budget should include a breakdown of costs including professional fees, VAT and funding sources
 - a financial evaluation of the plans together with their impact on revenue plus advice on the impact of alternative plans
 - an investment appraisal in an approved format which complies with Funding Council guidance on option and investment appraisal
 - a demonstration of compliance with normal tendering procedures and Funding Council regulations
 - a cash flow forecast
- 3.32 Following completion of a capital project, a final report should be submitted to the Finance Committee recording actual expenditure against budget and reconciling funding arrangements where a variance has occurred.

Financial Planning

- 3.33 The Director of Finance is responsible for preparing annually a rolling five-year financial plan for approval by the governing body and for preparing financial forecasts for submission to the Funding Council. Financial plans should be consistent with the corporate plan approved by the Council.

3.34 Budgetary Control

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder who must ensure that day to day monitoring is undertaken effectively. Budget holders are responsible to their Head of Department for the income and expenditure appropriate to their budget. The budget holder will be assisted in this duty by management information provided by the Director of Finance at monthly intervals.

- 3.35 Significant departures from agreed budgetary targets must be reported immediately by the Director of Finance to the Head of Department concerned and, if necessary, corrective action taken.
- 3.36 The Director of Finance is responsible for supplying budgetary reports on all aspects of the College's finances to the Finance Committee on a basis determined by the Finance

Committee. These reports or a summary thereof are presented to the Council.

Virement

- 3.37 Where a budget holder is responsible for more than one budget, virement is permitted between budgets, excluding staff budgets, only with the written approval of the Head of Department.
- 3.38 Virement between budgets other than staff budgets held by different budget holders is permitted only with the written approval of the transferring budget holder and the Head of Department.
- 3.39 In all cases Heads of Department should ensure that virement between budgets does not adversely affect the overall departmental position.

Treatment of Year End Balances

- 3.40 In the case of academic departments and certain academic and support services the carrying forward of credit or debit balances is normally permitted on the basis that any over-expenditure will represent the first charge on allocations for the following financial year.

In the case of balances representing under spends carried forward, any proposed expenditure in excess of £10,000 against these balances will require the authority of the Principal.

ACCOUNTING POLICIES

Basis of Accounting

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

Format of the Accounts

- 3.42 The accounts are prepared for the financial year ending 31 July in the format required by the Funding Council.

Basis of Consolidation

- 3.43 The consolidated financial statements consolidate the financial statements of the College and all its subsidiary undertakings for the financial year.

ACCOUNTING RETURNS

- 3.44 The Director of Finance is responsible for consolidating and despatching financial returns and other periodic financial reports to the Funding Council and other agencies as required. The Director of Finance is also responsible for ensuring that all grants notified by the Funding Council and other bodies are received.

ACCOUNTING RECORDS

- 3.45 The Director of Finance is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.
- 3.46 The College is required by law to retain prime documents for six years plus the current year. These include:
- paid invoices
 - accounts raised
 - bank statements
 - copies of receipts
 - paid cheques
- 3.47 Additionally, for auditing and other purposes, other financial documents should be retained for three years. Including:
- official orders
 - part time lecturer contracts

4 INCOME AND BANKING

GENERAL

- 4.01 The Director of Finance is responsible for ensuring that appropriate procedures are in operation to enable the College 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.
- 4.02 Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined by procedures approved by the Finance Committee and are approved by the Council.
- 4.03 The Director of Finance is responsible for the prompt collection, security and banking of all income received.
- 4.04 The Director of Finance is responsible for ensuring that all grants notified by the Funding Council and other bodies are received and appropriately recorded in the College's accounts.
- 4.05 The Director of Finance is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.
- 4.06 The Director of Finance shall receive full and timely assistance from Heads of Department, budget and grant-holders, and any other College staff whose activities give rise to the collection of income by the College.

APPOINTMENT OF BANKERS

4.07 The Council is responsible for the appointment of the College bankers on the recommendation of Finance Committee.

BANKING ARRANGEMENTS

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

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

4.10 All cheques drawn on behalf of the College must be signed in the form approved by the Finance Committee as follows:

- cheques for less than £25,000
 - Director of Finance or Assistant Director of Finance
- cheques in excess of £25,000
 - Director of Finance or Assistant Director of Finance plus one other from Principal, Secretary, Vice- Principal

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

CASH RECEIPTS

4.12 All monies received within Departments from whatever source must be recorded by the department on a daily basis together with the form in which they were received.

4.13 Money must be paid to the cashier and custody of all cash holdings must comply with the requirements of the College's insurers.

4.14 No deductions may be made from any cash collected on behalf of the College prior to paying into the cashier.

4.15 Personal or other cheques must not be cashed out of money received on behalf of the College, other than in accordance with procedures approved by the Director of Finance.

THE COLLECTION OF DEBTS

4.16 The Director of Finance shall ensure that:

- debtors invoices are raised promptly in respect of income due to the College

- debtors are raised on official College invoices, numbered sequentially and annotated with the cost centre to be credited
 - swift and effective action is taken to collect overdue debts in accordance with the College's formal procedures. Where, after the issue of standard reminders further action is deemed necessary this will involve the employment of a debt collection agency and, if unsuccessful, the initiation of legal proceedings
 - outstanding debts are monitored and relevant reports prepared
 - credit notes are clearly headed and refer to the original invoice by number and date
- 4.17 The Director of Finance is responsible for implementing credit arrangements and indicating a period in which different types of invoice must be paid.
- 4.18 If, after all reasonable steps have been taken, a debt is deemed irrecoverable then, after consultation with the Department concerned, the debt will be written-off against the appropriate Department's income.
- 4.19 All single debts over £30,000 which are written-off are to be reported to the Finance Committee at the next available opportunity. All debts written-off should be reported to the Finance Committee and Audit Committee on an annual basis.

STUDENT FEES

- 4.20 The procedures for collecting tuition and residence fees must be approved by the Director of Finance. He is responsible for ensuring that all student fees due to the College are received.
- 4.21 Any student who has not paid an account for fees or any other item owing to the College shall not be awarded a degree or any diploma, certificate and qualification from the College until all outstanding debts have been cleared. The name of such students shall not be included on any pass lists until all outstanding accounts have been settled in full. Such students shall be prevented from re-enrolling at the College and from using any of the College's facilities. Fees may only be waived with the express permission of the Principal.

GIFTS, BENEFACTIONS AND DONATIONS

- 4.22 The Director of Finance is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the College and initiating claims for recovery of tax where appropriate.

SECURITY OF DOCUMENTS

- 4.23 The Director of Finance is responsible for the safekeeping of official and legal documents relating to the financial function of the College. Signed copies of agreements and contracts must, therefore, be forwarded to the Director of Finance. All such

documents shall be held in an appropriately secure, fireproof location. A register of all official and legal documents will be maintained by the Director of Finance.

STOCKS AND STORES

- 4.24 Heads of Departments are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their Departments. The systems used for stores accounting in Departments must have the approval of the Director of Finance.
- 4.25 Heads of Departments are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.
- 4.26 Those Heads of Department whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Director of Finance who should be informed of any adjustments to stock levels where a write-off is required.

5 RESEARCH GRANTS AND CONTRACTS

GENERAL

- 5.01 Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective.
- 5.02 The term 'research grant' is restricted to research projects funded by the UK research councils, charities and the higher education funding councils.
- 5.03 All other externally financed research projects are classified as 'research contracts'.
- 5.04 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 Head of Department to ensure that the financial implications have been appraised by the Director of Finance.
- 5.05 The Director of Finance is responsible for examining every formal application for grant and shall ensure that there is adequate provision of resources to meet all commitments. The Director of Finance should ensure that the full economic cost of research grants and contracts is established. The research agreement must be in line with the College'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.
- 5.06 Research grants and contracts shall be accepted on behalf of the College by the Director of Finance.
- 5.07 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. [Research Office does this now]

- 5.08 Each grant or contract will have a named supervisor or grant holder and will be assigned to a specific budget centre.
- 5.09 Commitments may not be made against funds provided under a research grant or contract before the offer of the grant or contract has been formally approved.
- 5.10 Control of pay and non-pay expenditure will be contained within the budget centre. The head of the budget centre may delegate day-to-day control of the account to a supervisor or grant-holder, but any overspend or under recovery of overheads is to be the clear responsibility of the budget centre with any loss being a charge on departmental funds. The named supervisor or grant-holder shall be responsible for prompt submission of all financial and other information to enable full, accurate and timely final claims for reimbursement to be at the expiry of any grant or contract.
- 5.11 Further detailed information on College policy relating to research grants and contracts is contained in the 'Guidance Note for Academic Staff on Research Grants and Contract Applications from time to time issued by the Secretary.

ADDITIONAL PAYMENTS TO STAFF

- 5.12 Any proposal, which involves additional payments to members of staff, should be supported by statement of the reason for the payment and a schedule of names and values and must be approved by the Head of Department, and in the case of a Head of Department, the Principal. All such additional payments shall be in accordance with general policies promulgated by or on behalf of the Council.

PRIVATE CONSULTANCIES AND OTHER PAID WORK

- 5.13 Unless otherwise stated in a member of staff's contract:
- outside consultancies or other paid work may not be accepted without the consent of the Principal.
 - applications for permission to undertake work as a purely private activity must be submitted through the Head of Department to the Principal, and include the following information:
 - the name of the member(s) of staff concerned
 - title of the project and a brief description of the work involved
 - the proposed start date and duration of the work
 - full details of any College resources required (for the calculation of the full economic cost)
 - an undertaking that the work will not interfere with the teaching and normal institution duties of the member(s) of staff concerned.

INTELLECTUAL PROPERTY RIGHTS AND PATENTS

- 5.14 Certain activities undertaken within the College including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property and under the provisions of the Patents Act 1977 ownership resides with the College.
- 5.15 Finance Committee is responsible for establishing procedures to deal with any patents accruing to the College from inventions and discoveries made by staff in the course of their research and any assignments which may be applicable.

6 EXPENDITURE

GENERAL

- 6.01 The Director of Finance is responsible for making payment to suppliers of goods and services to the College.

AUTHORITIES

- 6.02 The Head of Department is responsible for purchases within his/her Department. Purchasing authority may be delegated to named individuals (or budget holders) within the Department.
- 6.03 The Director of Finance shall maintain a register of authorised signatories. Any changes to the authorities to sign must be notified to the Director of Finance immediately. Heads of Departments must supply the Director of Finance with specimen signatures of those authorised to certify invoices for payment.
- 6.04 Heads of Department and budget holders are not authorised to commit the institution to expenditure without first reserving sufficient funds to meet the purchase cost.
- 6.05 The authorised member of staff (or budget holder) certifying the invoice for payment must be different to the member of staff responsible for signing the order form.
- 6.06 Expenditure on a single item in excess of £5,000 shall require the approval of the Head of Department and that in excess of £10,000 requires countersignature by the Director of Finance.

PETTY CASH

- 6.07 Where a single item is for less than £100 it should be paid from departmental petty cash if possible. Receipts or vouchers must support it.
- 6.08 The Director of Finance shall make available to departments such imprests as are considered necessary for the disbursement of petty cash expenses.
- 6.09 Requisitions for reimbursement must be sent to the Director of Finance, together with appropriate receipts or vouchers, before the total amount held has been expended, in

order to retain a working balance pending receipt of the amount claimed.

- 6.10 The member of staff granted a float is personally responsible for its safekeeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the College's insurers when not in use, and will be subject to periodic checks by the Director of Finance or another person nominated by him or her.
- 6.11 Standard College petty cash forms are supplied by the Director of Finance and must be used for recording all imprest accounts.
- 6.12 Petty cash imprests should not be used for personal purposes, for cashing personal cheques, for the payment of salaries or wages or for travelling or subsistence expenditure.
- 6.13 At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float and countersigned by the Line Manager.

PURCHASE ORDERS

- 6.14 Budget holders must ensure that official College orders are completed using the Online Purchasing System (OPS) for the supply of all goods and services. Suppliers' own order forms should not be used.
- 6.15 Requisition forms, order books, receipt forms, receipt books, tickets and documents of a similar nature are ordered, controlled and issued under the authority of the Director of Finance who will arrange to supply the requirements of budget holders.
- 6.16 The most advantageous price available should always be made for purchases, taking into account price, quality, reliability, delivery, service standards, life cycle costing and any other appropriate factor. Goods and services should always be purchased through London University Purchasing Consortium contracts, unless more advantageous terms can be obtained from alternative suppliers.
- 6.17 An 'Estimated' price should be included on every order which should include VAT where applicable and be based either on a quotation or an up-to-date catalogue price with discounts.
- 6.18 No orders for radioactive materials shall be issued without the prior approval of the College's Radiation Protection Officer.
- 6.19 A member of the College having a pecuniary interest, personal or otherwise in a research contract, contract, requisition for purchase or proposed payment must disclose the fact and state the nature of his interest to the Director of Finance at the earliest opportunity. The Director of Finance shall draw the existence of the interest to the attention of the Principal to enable him to take appropriate action.
- 6.20 Unsolicited goods, vouchers or payments received from suppliers or their agents as a result of an official order being placed by the College belong to the College and not to the person placing the order.

- 6.21 Budget holders must ensure that goods have been received or services performed satisfactorily and that the prices are in accordance with the contract or order. A delivery note submitted by the supplier must be obtained in respect of every delivery of goods.
- 6.22 In matters of urgency a Reserved Order number may be obtained from the Departmental Administrator and an order placed by telephone with the supplier. This must be confirmed subsequently by the completion of an official College order.
- 6.23 Private purchases through College or departmental channels are not permitted.
- 6.24 Payment to suppliers before goods have been delivered or services performed should only be made after consultation with the Director of Finance. In such cases the Director of Finance will seek adequate guarantee against possible losses.
- 6.25 The Finance Office should be consulted at an early stage in the event of goods being subject to import or export, whether permanent or temporary, so that matters of duties payable, insurance, etc., can be determined.
- 6.26 It is the responsibility of the Director of Finance to ensure that all purchase orders refer to the College's conditions of contract (Appendix F).

TENDERING

6.27 CONTRACTS FOR GENERAL GOODS & SERVICES

1. Competitive tenders shall be obtained for the supply of goods and services generally, where individual orders exceed £25,000, or where the total value of repeat orders exceeds £25,000. A tender document shall be prepared which stipulates, inter alia
 - a) the number of organisations (not less than three) being invited to tender. If the required products or services are so specialised that less than three suppliers are in existence, or less than three quotations can be obtained, the matter should be referred to the Director of Finance, for approval to waive this regulation.
 - b) the College's specification, service standards and general requirements, etc., for the goods or services being purchased
 - c) the closing date for the submission of tenders
2. A formal record of all competitive tendering exercises shall be retained comprising, as a minimum the number and value of each tender received, the evaluation of the tenders made by the College staff concerned, and the outcome of the process. In particular a full record shall be kept if it is decided to accept a tender not at the lowest price. This record shall be signed by the Head of Department.
3. Where it is anticipated that the cost of the goods or services to be purchased by the College will exceed £100,000, the assistance of professional consultants in

the tendering process will normally be sought.

4. For the provision of goods and services priced at between £5,000 and £25,000, competitive quotations shall be sought, ordinarily from three suppliers. A formal record shall be kept if it is decided to accept a quotation not at the lowest price.
5. In all cases where goods and services are being ordered budget holders, in placing orders, shall have regard to the following:
 - a) value for money
 - b) reliability and workmanship of contract or manufacturer
 - c) the need to avoid undue dependence upon single suppliers.
6. For the purchase of goods and services for which London University Purchasing Consortium recommended suppliers are available, College orders shall not be placed with alternative suppliers without good and sufficient reason.
7. The Principal or his designated nominee shall have authority to waive the requirement for competitive tendering in cases of emergency, or where the goods or services to be supplied are of such a highly specialised nature that alternative suppliers are not available.
8. Tendering for Goods and Services above the EU Threshold - Contracts for supplies and services valued at over 211,129 Euro (approximately £144,459) and building works to a value in excess of 5,278,227 Euro (approximately £3.6m) must, under EU Directive 89/444 be advertised in the official journal of the EU. (<http://www.achilles.com/>) (Note: these rates are review every 2 years on 1 January; the next review will be January 2008).
9. A model Invitation to Tender for Consultancy Services is attached as Appendix G.

PAYMENT OF INVOICES

- 6.28 The Director of Finance is responsible for deciding the most appropriate method of payment for categorising of invoice. Payments to suppliers will normally be made by computer cheques (see 4.09), via the 'Royline' transfer or by way of BACS transfers. In respect of 'Royline' and BACS transfers the following authority limits apply:-
- single items greater than £5,000 and less than £25,000 to be inspected and annotated accordingly by the Director of Finance or his deputy.
 - single items in excess of £25,000 to be inspected and annotated accordingly by the Director of Finance or his deputy plus one other from Principal/Secretary/Vice-Principal.
- 6.29 Suppliers should be instructed by the budget holder to submit invoices for goods or services to the Department concerned.

- 6.30 Heads of Department are responsible for ensuring that expenditure within their Department does not exceed funds available.
- 6.31 Payments will only be made by the Director of Finance against invoices, which have been authorised for payment by the appropriate Head of Department or budget holder. Authorisation of an invoice will ensure that:
- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory
 - where appropriate, it is matched to the order
 - invoice details (quantity, price, discount) are correct
 - the invoice is arithmetically correct
 - the invoice has not previously been passed for payment
 - where appropriate, an entry has been made on a stores record or departmental inventory
 - an appropriate cost centre is quoted. This must be one of the cost centre codes included in the budget holder's areas of responsibility and must correspond with the types of goods or service described on the invoice
- 6.32 Invoices must be passed to the finance office as soon as they have been authorised. Care must be taken by the budget holder to ensure that discounts receivable are obtained.

7 SALARIES AND WAGES

GENERAL

- 7.01 The Director of Finance is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All time sheets and other pay documents, including those relating to fees payable to external examiners, guest lecturers or researchers, will be in a form prescribed or approved by the Director of Finance.
- 7.02 All College staff will be appointed to the salary scales approved by the Council and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Human Resources office. The Head of Human Resources will be responsible for keeping the Director of Finance informed of all matters relating to human resources for payroll purposes.

In particular these include:

- appointments, resignations, dismissals, supervisions, secondments and transfers

- absences from duty for sickness or other reason, apart from approved leave
 - changes in remuneration other than normal increments
 - information necessary to maintain records of service for superannuation, income tax, national insurance, etc
- 7.03 The Director of Finance is responsible for payment to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.
- 7.04 The Director of Finance shall be responsible for keeping all records relating to payroll including those of a statutory nature.
- 7.05 All payments must be made in accordance with the College's payroll procedures and comply with statutory regulations.

SUPERANNUATION

- 7.06 The governing body is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.
- 7.07 Staff paid on academic and academic-related scales who are eligible can acquire pension rights through the Universities Superannuation Scheme (USS), which is a scheme administered by a separate company on behalf of member universities. Other staff who are eligible can acquire pension rights through the Superannuation Arrangements of the University of London (SAUL) which is an independently managed and invested scheme for non-academic staff of the University and associated schools and organisations. Both schemes are 'contracted-out' under the Social Security Pensions Act 1975 and are subject to periodic actuarial valuations.
- 7.08 The Director of Finance is responsible for day-to-day superannuation matters including:
- paying of contributions to various authorised superannuation schemes
 - preparing the annual return to various superannuation schemes
 - advising specifically on matters relevant to the superannuation schemes in operation

TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES

- 7.09 All claims for payment of subsistence allowances, travelling and incidental expenses shall comply with the Travelling on College Business policy and be completed in a form approved by the Director of Finance.
- 7.10 Claims by members of staff must be certified by their Head of Department (or Principal in the case of Heads of Departments). The certification by the Head of Department shall be taken to mean that the journeys were authorised, the expenses properly and

necessarily incurred and that the allowances are properly payable by the College. All claims must be accompanied by all relevant documentation in support of such claims.

- 7.11 All travel for which reimbursement is sought shall be undertaken by the most economical and reasonably practicable means. Rail travel shall be reimbursed at the cost of standard class fares, except in the case of the Principal, Deputy and Vice-Principals, Heads of Department and lay members of Council who shall be entitled to travel first class. Air travel shall normally be by economy class: travel by business class shall be exceptional and shall be reimbursed only after prior written approval has been obtained from the Principal (or, in the case of the Principal, from the Chairman of the Council).

8 ASSETS

LAND, BUILDINGS, FIXED PLANT AND MACHINERY

- 8.01 The purchase, lease or rent of land or buildings or fixed plant can only be undertaken with authority from the Council and with reference to funding council requirements where exchequer funded assets or exchequer funds are involved.
- 8.02 The Head of Strategic Estate Development is responsible for maintaining the College's register of land and buildings.

INVENTORIES

- 8.03 In addition to the asset register, Heads of Departments are responsible for maintaining inventories for all plant, equipment and furniture and stores in their Departments with a value in excess of £500. This must be maintained on the inventory database within OPS. A fixed asset is automatically added to the inventory on OPS at order stage if it is coded to equipment (2380/B2380) and is over £100. If an equipment code is not used then the item must be flagged as an inventory item at order, delivery or invoice stage.
- 8.04 The inventory must include items donated or held on trust.
- 8.05 Inventories must be checked at least annually, retained in the form prescribed by the Director of Finance and should be made available for periodic audit checks.
- Each month departments will be sent a list of inventory changes recorded on OPS so that details can be updated.
 - Annually OPS inventory records are sent to departments for checking and updating where necessary and changes are input to OPS.

SAFEGUARDING ASSETS

- 8.06 Heads of Departments must arrange that all reasonable measures are taken to prevent loss.
- 8.07 In respect of property loaned to others outside the Department a dated receipt signed by the borrower must be obtained.

- 8.08 No asset belonging to the University may be removed for personal use without approval in writing from the person's Head of Department.
- 8.09 No property should be removed from the College premises without the prior authority of the Head of Department.
- 8.10 Where practicable portable items of equipment and furniture should be permanently marked to identify them as College property.
- 8.11 Losses of property should be notified to the Director of Finance as soon as possible.
- 8.12 Use of College vehicles must be in pursuance of College business with log sheets maintained recording the use of these vehicles for insurance and control purposes.
- 8.13 The Director of Finance is responsible for maintaining records of taxation, MOT inspections and other data relevant to College vehicles for licensing and insurance purposes, and also the College's group membership of an approved motoring organisation.
- 8.14 College vehicles must not be used for private purposes.
- 8.15 Disposal of land and buildings must only take place with the authorisation of the Council. Funding Council consent may also be required if exchequer funds were involved in the acquisition of the asset.
- 8.16 The Head of Department or budget holder is responsible for negotiations attendant upon the sale of equipment surplus to requirements. The best price possible must be obtained.
- 8.17 Prior to a sale being concluded the following need to be given relevant consideration:
- equipment purchased as part of a research project may remain the property of the sponsor who may need to be consulted
 - items of equipment originally imported from abroad may have qualified for relief from import duty when purchased
- Subsequent sale to a private or commercial buyer may result in the College having to account for an appropriate proportion of the duty waived. In such cases the Director of Finance must be consulted
- 8.18 All proceeds from the sale of surplus equipment will normally be credited to the department concerned.

All asset disposals must be recorded on the On-line Purchasing System (OPS).

TREASURY MANAGEMENT (Investments and Borrowings)

- 8.19 The Finance Committee is responsible for approving a treasury management policy statement setting out a strategy and policies for cash management, long term

investments and borrowings. It also has a responsibility to ensure implementation, monitoring and review of such policies.

- 8.20 All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Director of Finance and an appropriate reporting system set up. All borrowing shall be undertaken in the name of the institution and shall conform to any relevant funding council requirements.
- 8.21 The Director of Finance will report to the Finance Committee annually in each financial year on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him/her.

9 OTHER

COMPANIES

- 9.01 In certain circumstances it may be advantageous to the College to establish a company to undertake services on its behalf.
- 9.02 The Council is responsible for approving the establishment of companies and the procedure to be followed in order to do so. The process involved in forming a company and arrangements for monitoring and reporting on the activities of subsidiary undertakings will be documented at the time of the establishment of the company.
- 9.03 It is the responsibility of the Council to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the College.
- 9.04 The directors of companies where the College is the majority shareholder must submit, via Finance Committee, an annual report to the Council.

RISK MANAGEMENT

- 9.05 The Director of Finance is responsible for developing a risk management strategy in order to identify the risks facing the College and types of protection required to cover these risks. The strategy should include cover important potential liabilities such as terrorism and be sufficient to meet any potential risk to all assets. This will be considered and approved by Council on an annual basis.
- 9.06 The Director of Finance is responsible for effecting insurance cover as determined by Finance Committee. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. He/she will also deal with the institution's insurers and advisers about specific insurance problems.
- 9.07 Heads of Departments must ensure that any agreements negotiated within their Departments with external bodies cover any legal liabilities to which the College may be exposed. The Director of Finance's advice should always be sought to ensure that this is the case. Heads of Departments must give prompt notification to the Director of Finance of any potential new risks and additional property and equipment which may require insurance and any alterations affecting existing risks.

- 9.08 Heads of Department must advise the Director of Finance immediately, of any event which may give rise to an insurance claim. The Director of Finance will notify the institution's insurers and, if appropriate, prepare a claim in conjunction with the Head of Department for transmission to the insurers.
- 9.09 The Director of Finance will keep a register of all insurances effected by the institution and the property and risks covered.
- 9.10 The Director of Estates is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the period prescribed.
- 9.11 All staff using their own vehicles on behalf of the College shall maintain appropriate insurance cover for business use.

TAXATION

- 9.12 The Director of Finance is responsible for advising Heads of Departments in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the College. Therefore the Director of Finance will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.
- 9.13 The Director of Finance is responsible for maintaining the College's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

SECURITY

- 9.14 Heads of Department are responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, cash, etc., under his or her control. He or she shall consult the Director of Finance in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 9.15 Keys to safes or other similar containers are to be carried with the person responsible at all times. The loss of such keys must be reported to the Director of Finance immediately.
- 9.16 An officer shall be responsible for maintaining proper security and privacy of information held on computer. The restriction of access to computer areas to authorised persons only by the use of passwords are the types of security control available that will be used. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act. A data protection officer shall be nominated to ensure compliance with the Act.

SHORT COURSES AND SERVICES RENDERED

- 9.17 In this context a short course which does not form part of the award bearing teaching load of the department.

- 9.18 Any staff wishing to run a short course must do so through the College's CDP unit, with the permission of their Head of Department. The course organiser will be responsible to the Head of Department for day-to-day management of the course.
- 9.19 Courses or conferences organised by members of staff must be priced by the CPD unit to ensure that all costs are included and then agreed with the Head of Department before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the institution's policy. All courses must be self-financing or surplus generating.
- 9.20 The term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information.
- 9.21 The costing and pricing of such services must be in accordance with the College's costing and pricing procedures.
- 9.22 Any deficits on short courses or services rendered accounts will be a charge on departmental funds.

CONDUCT OF STAFF

- 9.23 The College expects that staff at all levels will observe the standards of conduct set out in the Nolan and other similar Reports. These reflect the three fundamental principles of openness, integrity and accountability, and covers
- probity and propriety
 - selflessness, objectivity and honesty
 - relationships.
- 9.24 Members of the Council and all senior members of staff are required to disclose interest in the College's register of interest.

HOSPITALITY

- 9.25 Staff entertaining guests from outside bodies at lunchtime should normally use the College's catering facilities. Where this is not the case reasons must be stated when submitting a claim for reimbursement.
- 9.26 The limits concerning acceptable expenditure for entertaining guests are to be in accordance with those from time to time approved by the Finance Committee.

STUDENTS' UNION

- 9.27 The students' union is a constituent part of the College and as such is responsible to the Council.
- 9.28 Subject to the constraints imposed by the Funding Council, the Council shall determine the level of grant to be paid annually to the student's union. This duty may be delegated

by the Council to the Finance Committee.

- 9.30 In accordance with arrangements approved by the Council the students' union shall submit annually both budgets and accounts to the Council for approval.
- 9.31 In accordance with an agreement between the College and the students' union, the College's internal auditor shall have access to records, assets and personnel within the students' union in the same way as other areas of the College.

USE OF THE INSTITUTION'S SEAL

- 9.32 Where a deed or document requires the College's seal, it must be sealed by the Secretary or, in his or her absence, the Director of Finance, in the presence of a member of the Council.
- 9.33 The Secretary is responsible for submitting a report to each meeting of the Finance Committee detailing the use of the College's seal since the last meeting.

TRUST FUNDS

- 9.34 The Director of Finance is responsible for maintaining a record of the requirements for each trust fund.
- 9.35 The Finance Committee is responsible for ensuring that all the institution's trust funds are operated within any relevant legislation and the specific requirements for each trust.