|  |
| --- |
| **Financial Regulations** |
| **Creator** | Director of Finance |
| **Approved By** | Court |
| **Approval Date(s)** | Amended November 2016 |
| **Review By** | June 2016 |
| **Version** | 2016-1 |
| **Document Type** | Regulation |
| **Activity/Task** | University governance / Financial compliance |
| **Retention Schedule** |       |
| **Document Location**  |       |
| **Keywords** | Accounting; treasury; finance |



**Version Control Table**

|  |  |  |  |
| --- | --- | --- | --- |
| **Version number** | **Purpose / Changes** | **Author** | **Date** |
| 2013-1 | Updated for changes to Sections 7.3/ 10 /18.1 / 19.3 / 19.5/ 19.9. | Deputy Head of Finance | 3 Oct 2013 |
| 2013-1A | Approved by Court | Head of Finance | 16 Oct 2013 |
| 2014-1 | Draft for Court | Deputy Head of Finance | 10 Jun 2014 |
| 2014-2 | Approved by Court | Deputy Head of Finance | 18 Jun 2014 |
| 2014-3 | Draft for Court | Deputy Head of Finance | 3 Dec 2014 |
| 2014-4 | Approved by Court | Deputy Head of Finance | 17 Dec 2014 |
| 2015-1 | Draft for Court – updated for proposed changes to Sections 16.4/ 19.9.1/ 19.11 | Deputy Head of Finance | 13 Apr 2015 |
| 2015-2 | Approved by Court | Deputy Head of Finance | 17 Jun 2015 |
| 2016-1 | Updated for changes to Section 19.2, 19.3 | Director of Finance | November 2016 |

**INDEX**

[A TERMINOLOGY 6](#_Toc392596361)

[B GENERAL PROVISIONS 7](#_Toc392596362)

[1 Background 7](#_Toc392596363)

[2 Status of Financial Regulations 7](#_Toc392596364)

[2.1 Purpose of Financial Regulations 7](#_Toc392596365)

[2.2 Duty of Compliance with Financial Regulations 7](#_Toc392596366)

[C CORPORATE GOVERNANCE 8](#_Toc392596367)

[3 Authority of University Court in respect of these Regulations 8](#_Toc392596368)

[4 University Court – Financial Responsibilities 8](#_Toc392596369)

[5 Designated (or ‘Accountable’) Officer 9](#_Toc392596370)

[6 Committee Structure 9](#_Toc392596371)

[6.1 Finance and Corporate Performance Committee 9](#_Toc392596372)

[6.2 Audit Committee 9](#_Toc392596373)

[6.3 Remuneration Committee 9](#_Toc392596374)

[7 Others with Financial Responsibility 10](#_Toc392596375)

[7.1 The Director of Finance 10](#_Toc392596376)

[7.2 Heads of School/Service 10](#_Toc392596377)

[7.3 All members of staff 10](#_Toc392596378)

[8 Risk Management 11](#_Toc392596379)

[9 Whistleblowing 11](#_Toc392596380)

[10 Code of Conduct 11](#_Toc392596381)

[10.1 Bribery Act 2010 – Gifts/Rewards/Hospitality 11](#_Toc392596382)

[D FINANCIAL MANAGEMENT AND CONTROL 12](#_Toc392596383)

[11 Financial Planning 12](#_Toc392596384)

[11.1 Financial Forecasts/ Budgeting 12](#_Toc392596385)

[11.2 Capital Expenditure 12](#_Toc392596386)

[12 Financial Control 13](#_Toc392596387)

[12.1 Budget Holder - Responsibilities 13](#_Toc392596388)

[12.2 Budget Review 13](#_Toc392596389)

[12.3 Virement Rules 13](#_Toc392596390)

[13 Accounting Arrangements 14](#_Toc392596391)

[13.1 Year End Responsibilities 14](#_Toc392596392)

[13.2 Retention of Financial Documents 14](#_Toc392596393)

[13.3 Statutory Responsibilities 15](#_Toc392596394)

[14 Audit 15](#_Toc392596395)

[14.1 General 15](#_Toc392596396)

[14.2 External Audit 15](#_Toc392596397)

[14.3 Internal Audit 15](#_Toc392596398)

[14.4 Value for money 16](#_Toc392596399)

[14.5 Other auditors 16](#_Toc392596400)

[15 Treasury Management 16](#_Toc392596401)

[15.1 Banking Arrangements and Borrowing Powers 16](#_Toc392596402)

[15.2 Borrowing 17](#_Toc392596403)

[15.3 Investments 17](#_Toc392596404)

[16 Income 17](#_Toc392596405)

[16.1 Maximisation of income 17](#_Toc392596406)

[16.2 Receipt of cash, cheques and other negotiable instruments 17](#_Toc392596407)

[16.3 Collection of debts 18](#_Toc392596408)

[16.4 Student Fees 18](#_Toc392596409)

[17 Research Grant and Contracts 18](#_Toc392596410)

[17.1 Responsibility of Head of School/Service 18](#_Toc392596411)

[17.2 Responsibility of Director of Finance 19](#_Toc392596412)

[18 Other income-generating activity 19](#_Toc392596413)

[18.1 Commercial activity/Consultancy 19](#_Toc392596414)

[18.2 Private consultancy 20](#_Toc392596415)

[18.3 Off-site collaborative provision 20](#_Toc392596416)

[18.4 European Union and other matched funding 21](#_Toc392596417)

[18.5 Intellectual Property 21](#_Toc392596418)

[18.6 Other income 21](#_Toc392596419)

[19 Expenditure 21](#_Toc392596420)

[19.1 Scheme of Delegation 21](#_Toc392596421)

[19.2 Procurement 22](#_Toc392596422)

[19.3 Tenders and quotations 22](#_Toc392596423)

[19.4 Purchase orders 23](#_Toc392596424)

[19.5 Purchasing cards 24](#_Toc392596425)

[19.6 Building contracts 24](#_Toc392596426)

[19.7 Receipt of goods 24](#_Toc392596427)

[19.8 Payment of invoices 25](#_Toc392596428)

[19.8.1 Manual Purchase Orders 25](#_Toc392596429)

[19.8.2 Computerised / Electronic Purchase Orders 25](#_Toc392596430)

[19.9 Staff reimbursement of Travel and Subsistence costs 26](#_Toc392596431)

[19.9.1 Advance of Expenses 26](#_Toc392596432)

[19.9.2 Claims for Reimbursement 26](#_Toc392596433)

[19.10 Goods and Services for Budget Holders 27](#_Toc392596434)

[19.11 Petty cash 27](#_Toc392596435)

[19.12 Payments to students 27](#_Toc392596436)

[19.13 Late payment rules 27](#_Toc392596437)

[19.14 Hospitality 27](#_Toc392596438)

[19.15 Payments to Consultants 28](#_Toc392596439)

[20 Pay Expenditure 28](#_Toc392596440)

[20.1 Remuneration policy 28](#_Toc392596441)

[20.2 Appointment of staff 28](#_Toc392596442)

[20.3 Salaries 28](#_Toc392596443)

[20.4 Superannuation schemes 29](#_Toc392596444)

[20.5 Allowances for members of the University Court 29](#_Toc392596445)

[20.6 Severance and other non-recurring payments 29](#_Toc392596446)

[20.7 Salary Advances / Loans to staff or students 30](#_Toc392596447)

[21 Property and Assets 30](#_Toc392596448)

[21.1 Property 30](#_Toc392596449)

[21.2 Equipment 30](#_Toc392596450)

[21.3 Stocks and stores 30](#_Toc392596451)

[21.4 Vehicles 31](#_Toc392596452)

[21.5 Security 31](#_Toc392596453)

[21.6 Personal use 31](#_Toc392596454)

[21.7 Asset disposal 31](#_Toc392596455)

[22 Endowment and Trust Funds 31](#_Toc392596456)

[23 Insurances 31](#_Toc392596457)

[24 Subsidiary Entities 32](#_Toc392596458)

[25 Students’ Association 33](#_Toc392596459)

[26 Corruption and Fraud 33](#_Toc392596460)

[APPENDIX 1 – Remit of Finance and Corporate Performance Committee 35](#_Toc392596461)

[APPENDIX 2 – Remit of Audit Committee 36](#_Toc392596462)

[APPENDIX 3 – Remit of Remuneration Committee 39](#_Toc392596463)

[APPENDIX 4 - THE SEVEN PRINCIPLES OF PUBLIC LIFE 40](#_Toc392596464)

[APPENDIX 5 – SCHEME OF DELEGATION 41](#_Toc392596465)

[A Authority reserved to Court 41](#_Toc392596466)

[B Authority to approve delegated to Court committees 42](#_Toc392596467)

[C Authority to approve delegated to the Principal 43](#_Toc392596468)

[D Authority to approve delegated to Senate and its committees 44](#_Toc392596469)

[E Delegated authority with regard to financial transactions 45](#_Toc392596470)

[APPENDIX 6 – COMMITTEE STRUCTURES 47](#_Toc392596471)

[Court 48](#_Toc392596472)

# TERMINOLOGY

In these Regulations the following references shall bear the following meanings:

 **"Financial Memorandum"** shall mean the Financial Memorandum entered into between the Scottish Further & Higher Education Funding Council (Scottish Funding Council) and Abertay University in force for the time being.

 **"Order of Council"** shall mean The University of Abertay Dundee (Scotland) Order of Council 1994.

 “**Governing body**” shall mean the Court of Abertay University.

 **"Head(s) of School/Service"** shall mean the Principal and Vice-Chancellor, Vice-Principal and Deputy Vice-Chancellor, University Secretary, Heads of Schools or Services and other Senior Managers.

 **"The Regulations"** shall mean these Financial Regulations.

 **"The Funding Council"** shall mean the Scottish Further & Higher Education Funding Council.

 **"Standing Orders"** shall mean the standing orders approved by the University Court for the conduct of its business and the management of its affairs.

 **"University"** shall mean Abertay University.

**"University Court"** shall mean the Court of Abertay University.

Throughout these Regulations gender references shall apply equally to male and female.

# GENERAL PROVISIONS

## Background

The University is a higher education institution created under the provisions of the Further and Higher Education (Scotland) Act 1992. Its structure of governance is laid down in the statutory instrument - The University of Abertay Dundee (Scotland) Order of Council 1994. The Order can only be amended by primary legislation and the articles of government by the Privy Council.

The University is registered with the Office of the Scottish Charity Regulator (SC016040).

The Financial Memorandum between the Funding Council and the University sets out the terms and conditions on which grant is made. The governing body (University Court) is responsible for ensuring that conditions of grant are met. The Financial Regulations of the University form part of this overall system of accountability.

## Status of Financial Regulations

This document sets out the University’s Financial Regulations. It translates into practical guidance the University’s broad policies relating to financial control.

This document was approved by Court on 17 June 2015 and updated in October 2016. It applies to the University and all of the University’s wholly-owned subsidiary entities.

These Financial Regulations are subordinate to the University’s Order of Council and to any restrictions contained within the University’s Financial Memorandum with the Funding Council.

### Purpose of Financial Regulations

The purpose of these Financial Regulations is to provide control over the totality of the University’s resources and provide management with assurances that the resources are being properly applied for the achievement of the University’s objects (see paragraph 4 (1) of the Order of Council) and of the University’s strategic plan and business objectives while:

* ensuring financial viability
* achieving value for money
* fulfilling its responsibility for the provision of effective financial controls over the use of public funds
* ensuring that the University complies with all relevant legislation; and
* safeguarding the assets of the University.

### Duty of Compliance with Financial Regulations

Compliance with the Financial Regulations is compulsory for all staff connected with the University. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the terms of the University’s Staff Disciplinary Procedure. University Court will be notified of any such breach through the Audit Committee. It is the responsibility of Heads of School/Service to ensure that staff are made aware of the existence and content of the University’s Financial Regulations.

The Finance and Corporate Performance Committee (FCPC) is responsible for maintaining a continuous review of these Financial Regulations, through the Director of Finance, and for advising University Court of any additions or changes necessary.

In exceptional circumstances, FCPC may authorise a departure from the detailed provisions herein, such departure to be reported to the University Court at the earliest opportunity.

The University’s detailed financial procedures set out how these Regulations will be implemented and are contained in separate documents available via the Finance intranet site.

# CORPORATE GOVERNANCE

## Authority of University Court in respect of these Regulations

The authority for (a) these Regulations, and (b) the Standing Orders shall be the University Court, which shall have sole responsibility for interpreting any of the matters set out herein or for approving any amendments to the said Standing Orders or to these Regulations.

The University Court may act through its Chairman's Committee and references to actings by the "University Court" imply actings by the Chairman's Committee as a surrogate for the University Court.

For the avoidance of doubt, where matters are referred to in these Regulations and in the Standing Orders, in cases of dispute the Standing Orders shall rule; but where matters appear only in these Regulations then such matters shall carry the authority of the University Court.

## University Court – Financial Responsibilities

The University Court is responsible for making such arrangements as are appropriate and as it thinks fit for the conduct of the financial affairs of the University, subject to any conditions which may be imposed as conditions of payment of grant (section 37 of the Order of Council refers). The scheme of delegation is provided in Appendix 5.

The primary financial responsibilities of the University Court\* are to:

* approve a financial strategy, long-term business plans and annual budgets, ensuring that these meet the interests of stakeholders and reflect the University’s strategic plan
* establish and monitor systems of control and accountability throughout the University, including financial controls
* act as the financial and business authority of the University and to ensure economical, efficient and effective delivery of services, by overseeing arrangements for internal and external audit and approving annual financial statements
* ensure the proper use of public funds awarded to the University
* observe the terms of the Financial Memorandum between the University and the Funding Council and any other conditions prescribed by the Funding Council
* act as a trustee for, or arrange for trusteeship of, any legacy, endowment or gift in support of the University’s activities

*\* derived from Court-approved Statement of Primary Responsibilites*

## Designated (or ‘Accountable’) Officer

The Principal is the designated officer of the University and as such will be required to satisfy the University Court that there is compliance with all such conditions as may be prescribed by the Funding Council. The designated officer may be required to appear before committees of the Scottish Parliament along with the Chief Executive of the Funding Council on any matter relating to grant to the University which arises before such committees.

The designated officer is responsible for advising the University Court if at any time in his opinion any action or policy of the University Court is incompatible with the terms of the Financial Memorandum with the Funding Council. In the event of the University Court deciding nevertheless to proceed with such action or policy, the designated officer is required to inform the Chief Executive of the Funding Council in writing.

The Principal shall, together with the Chairman of University Court and the Director of Finance, be required to sign the University’s annual financial statements.

The scheme of delegation in Appendix 5C, specifically details authorities delegated to the Principal.

## Committee Structure

The University Court has ultimate responsibility for the University’s finances, but delegates specific powers and processes to the committees detailed below. These committees are accountable to the University Court. The Committee structure for both Court and Senate are provided in Appendix 6.

### Finance and Corporate Performance Committee

The University Court shall appoint a Finance and Corporate Performance Committee whose terms of reference and membership are as set out in Appendix 1.

The Finance and Corporate Performance Committee shall *inter alia* be responsible to the University Court for the overall financial arrangements of the University. The Committee will consider the financial statements for each financial year and may recommend to Court that they be approved. The Committee will also consider and report to University Court on the development, implementation and review of financial strategy, policy and procedures and also consider and report on the annual estimates of income and expenditure and all proposals for the borrowing of money.

### Audit Committee

The University Court shall appoint an Audit Committee whose terms of reference and membership are as set out in Appendix 2.

The Audit Committee shall be responsible to the University Court for ensuring compliance with the relevant requirements placed on the University in terms of the Financial Memorandum with the Funding Council.

The Committee has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors.

### Remuneration Committee

The University Court shall appoint a Remuneration Committee, whose terms of reference and membership are set out in Appendix 3.

The Remuneration Committee considers and determines the pay and conditions of the senior officers of the University.

## Others with Financial Responsibility

### The Director of Finance

The Directorof Finance shall be responsible to the Principal, in the latter’s role as designated officer, for the administration of the financial affairs of the University and for ensuring that proper financial records are kept and that adequate and effective methods and procedures for financial control are followed.

The Director of Finance shall report to the Principal and shall provide regular reports on estimates, budgets, and interim and annual financial statements.

The Director of Finance shall keep the Principal and the Audit Committee informed of (i) any material changes in the University’s procedures and controls and (ii) any instance of material failure to comply with approved procedures and controls.

The Director of Finance shall advise the Principal and the University Court and its sub‑committees on relevant financial matters; and, on behalf of the Principal and as required by the Financial Memorandum, shall ensure that adequate financial and accounting arrangements are made within the University and throughout all Schools and Services.

The Director of Finance or the authorised representative shall have authority to (a) enter at all reasonable times any University premises, (b) gain access to all records, documents and correspondence relating to any financial or other transactions of the University, (c) require and receive such explanations as are, or as he deems to be, necessary concerning any matter under examination, and (d) require any employee of the University to produce money, goods or other University property under that employee’s control.

### Heads of School/Service

The Heads of School/Service are responsible 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 cost centres, including the form in which accounts and financial records are kept. Heads of School/Service are responsible for establishing and maintaining clear lines of responsibility within their School or Service for all financial matters. Where resources are devolved to budget holders, they are accountable to their Head of School/Service for their own budget.

Heads of School/Service will provide the Director of Finance with such information as may be required to enable (a) compilation of the University’s financial statements, (b) implementation of financial planning; and (c) implementation of audit and financial reviews, projects and value for money studies.

### All members of staff

All members of staff of the University and its wholly-owned subsidiary entities shall be aware of, and have a general responsibility for, the security of the University’s property, for avoiding loss and for due economy in the use of resources.

Members of staff shall ensure that they are aware of the University’s financial authority limits (see section 19.1 of these Regulations) and the values of purchases for which quotations and tenders are required (see section 19.3 of these Regulations).

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

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

Members of staff shall immediately notify the Director of Finance whenever any matter arises that involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the University. See also section 9 of these Regulations on whistleblowing.

## Risk Management

The University acknowledges the risks inherent in its business and is committed to managing those risks. University Court, through its Audit Committee, has overall responsibility for ensuring that there is a risk management policy and associated Risk Register and that there are appropriate processes for the identification, evaluation and monitoring of individual significant risks.

## Whistleblowing

Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace.

The full policy and procedures for whistleblowing are set out in the University’s Public Interest Disclosure (Whistleblowing) Policy, which is available from the University’s intranet.

## Code of Conduct

The University is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life, which members of staff at all levels are expected to observe. These principles are set out in Appendix 4.

Members of the University Court are required to disclose interests in the University’s Register of Members’ Interests maintained by the University Secretary, and for ensuring that entries in the Register are kept up to date.

No member of University Court or member of staff will be a signatory to a contract on behalf of the University where he also has an interest in the activities of the other party.

### Bribery Act 2010 – Gifts/Rewards/Hospitality

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

* the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest
* the action of individuals acting in an official capacity should not give the impression that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation

Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisations or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such gifts, rewards or hospitality. The frequency and scale of hospitality accepted should not be significantly greater that the University would be likely to provide in return.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the Director of Finance, who will maintain a register of gifts received where the value is £15 or more, and in relation to Hospitality (lunch) exceeding £15 and Hospitality (dinner) exceeding £25. Members of staff in receipt of such gifts or hospitality are obliged to notify the Director of Finance promptly.

See also section 26 below on corruption and fraud.

# FINANCIAL MANAGEMENT AND CONTROL

## Financial Planning

### Financial Forecasts/ Budgeting

The Director of Finance is responsible for preparing financial forecasts for submission to the Funding Council. These financial forecasts should be consistent with the University’s Strategic Plan and strategies approved by University Court, such as Estates, IT, Research, Quality Enhancement and Human Resources. They include Income & Expenditure, Balance Sheet and Cash Flow forecasts and their scope includes a projected out-turn for the current year along with forecasts for the following three years.

The Director of Finance is responsible for preparing a draft annual budget. This is built up to include Income, Pay, School/Service Non-pay costs and Other Costs (Overheads). The resulting draft budget is reviewed as the University aims to generate a surplus in line with the aims of the Strategic Plan. The Director of Finance is responsible for submitting the draft budget for consideration by Finance and Corporate Performance Committee before submission to University Court for approval.

The Director of Finance must ensure that detailed budgets are communicated to Heads of School/Service as soon as possible following their approval by University Court. Heads of School/Service are responsible for the economic, effective and efficient use of budgets allocated to them.

### Capital Expenditure

Capital expenditure includes all expenditure on land, buildings, equipment, vehicles, furniture and associated costs, whether or not they are funded from capital grants or from internally generated resources. Expenditure of this type will form part of the capital programme which will be subject to approval by University Court, subject to the delegated approval of the Principal as set in Appendix 6C

The Principal has delegated authority to purchase/lease/dispose of Land and Property up to £200,000 outwith the approved budget and also spend on Other estates and infrastructure capital projects up to £200,000 outwith the approved budget.  The Director of Finance is responsible for reporting all use of the delegated authority to the next committee of FCPC after this authority has been exercised, for submission to Court.

Proposed capital projects should be supported by:

* a statement that demonstrates the project’s consistency with the University’s Strategic Plan and subsidiary strategies;
* a full risk assessment and project plan;
* a capital budget for the project, which should include a comprehensive statement of costs and proposed funding sources;
* a financial evaluation of the project, including investment appraisal, cash flow forecast, and impact on revenue budgets;
* a demonstration of compliance with tendering procedures and Funding Council requirements.

Following completion of a capital project, a final report should be submitted to Finance and Corporate Performance Committee at the next meeting (and within 6 months of the completion) including actual expenditure against budget, both for costs and for funding sources, along with other issues affecting completion of the project including details on lessons learnt.

Any new aspect of business, or proposed establishment of a company or joint venture, which will require an investment of more than £500,000 should be submitted for consideration by Finance and Corporate Performance Committee before submission to University Court for approval.

Proposals should be supported by:

* a statement that demonstrates consistency with the Strategic Plan and subsidiary strategies;
* details of the business and what product or service will be delivered;
* details of the business case, including market assumptions;
* details of all resources required to deliver the business;
* a financial evaluation of the proposal, including its impact on revenue, sensitivity analysis, and consideration of taxation issues.

In planning and undertaking overseas activity, the institution must have due regard to the relevant guidelines issued by the Funding Council, the Quality Assurance Agency and the University’s collaboration policy.

## Financial Control

### Budget Holder - Responsibilities

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder (Head of School/Service) , who must ensure that day-to-day monitoring is undertaken effectively. Significant departures from agreed budgetary targets must be reported immediately to the Director of Finance and, if necessary, corrective action taken.

The budget holders are assisted in their duties by management information provided by the Director of Finance. The types of management information available to the different levels of management are described in the detailed financial procedures, together with the timing at which they can be expected.

The Director of Finance is responsible for supplying budgetary reports on all aspects of the institution’s finances to Finance and Corporate Performance Committee. These reports are presented to University Court, which has overall responsibility for the institution’s finances.

### Budget Review

The Director of Finance will commence a budget review each year to take account of major variations against the original budget for the year, in particular tuition fees and staff costs. Proposals for a revised budget where necessary will be presented to Finance and Corporate Performance Committee for submission to University Court for approval.

### Virement Rules

The following virement rules apply:

* Budget-holders can vire between non-pay codes within a cost centre without restriction.
* Budget-holders will usually be able to vire within non-pay between cost centres once they have notified the Director of Finance, along with an indication as to whether or not this is a permanent change.
* Approval from the Director of Finance is required for virement from pay to non-pay.
* Virement from non-pay to pay is not normally allowed outwith the budget-setting process. Any requests to vire in this way would have to be submitted to FCPC for approval. This is because pay commitments are long-term and would affect budgets.
* Unless required by the funding source, hypothecation of income is not normally allowed. If the generation of additional income for the University requires the deployment of additional resources, for instance a new programme, collaborative venture, or commercial opportunity, approval would be sought from FCPC.
* The Principal can authorise the virement of budgets within the Financial Frameworks approved by Court. (Appendix 5C).

At the year end, budget holders will not normally have the authority to carry forward a balance on their recurrent budget to the following year. Any such requests would be considered in the context of the setting and review of the subsequent year’s budget.

Non‑recurrent funds allocated to budget holders for equipment shall be disbursed or committed within a specified period of time, failing which any funds not committed shall be reallocated.

## Accounting Arrangements

The University’s financial year will run from 1 August until 31 July.

### Year End Responsibilities

The Director of Finance shall be responsible at the end of each financial year for the preparation of the Annual Report and Financial Statements which, after consideration by the Finance and Corporate Performance Committee, shall be submitted by the Principal as designated officer to the University Court for approval.

The Annual Report and Financial Statements shall be audited by an independent external auditor appointed by the University Court as provided for in section 14.2 below and in accordance with the requirements of the Funding Council. The financial statements are prepared in accordance with the Statement of Recommended Practice, “Accounting for Further and Higher Education”, subject to any specific requirements of the Funding Council.

New land and buildings will be recorded in the balance sheet at actual build or acquisition cost. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Land will not be depreciated. Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

With the introduction of FRS102, the University followed the transitional arrangements and revaluated its Teaching Estate Land and Buildings, Commercial Estate and assets held for disposal at 31 July 2014. It does not intend to carry out regular revaluations of these assets in the future.

### Retention of Financial Documents

The Director of Finance is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities. The institution is required by law to retain prime documents for six years, including invoices, bank statements and payroll records. The Director of Finance will make appropriate arrangements for the retention of electronic records. Retention arrangements must also comply with specific requirements of funding organisations, for instance EU bodies, which typically exceeds six years.

### Statutory Responsibilities

The Director of Finance is responsible for advising Heads of School/Service on all taxation issues and will issue instructions on compliance with statutory requirements including those concerning VAT, import duty, corporation tax, PAYE and National Insurance. The Director of Finance is responsible for maintaining the institution’s tax records, making tax payments, receiving tax credits, and submitting tax returns by their due date as appropriate.

## Audit

### General

The University Court in making arrangements for internal audit and external audit shall comply in full with the requirements of the Funding Council.

External and internal auditors shall have authority to:

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

### External Audit

The Audit Committee shall, after consideration and on advice received, appoint an independent external auditor. The Audit Committee shall keep under review its external audit arrangements and conduct a formal review at least every three years. University Court shall be invited by the Audit Committee to formally reappoint the external auditor each year.

The primary function of the external auditor will be to report on the annual financial statements of the University and to carry out such examination of the statements and underlying records and control systems as is necessary to reach their opinion on the statements. The external auditor's report shall also cover the regularity of transactions (in other words, whether the terms and conditions attached to the funds provided to the University have been completed). Their duties will be in accordance with advice set out in the Auditing Practice Board’s statements of auditing standards. The external auditor’s report shall be reviewed by the Audit Committee.

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

### Internal Audit

The Audit Committee shall, after consideration and on advice received, appoint an internal auditor or an internal audit service for the purpose of providing the University Court with assurance on the adequacy and effectiveness of the University’s system of internal control.

The responsibility for the maintenance and operation of the systems of internal control shall remain fully with officers of the University.

The terms of reference for internal audit shall be in accordance with the guidelines contained in the CUC Handbook for Members of Audit Committees in Higher Education Institutions. The internal auditor will also comply with the Auditing Practices Board’s auditing guideline *Guideline for Internal Auditors*.

The internal audit service remains independent in its planning and operation but has direct access to Court, the Principal and the Chair of the Audit Committee.

### Value for money

It is a requirement of the Financial Memorandum that the governing body of the institution is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice from time to time by the Funding Council, Audit Scotland, or other relevant bodies. This is set out in more detail in the Value for Money Strategy and Policy.

Internal audit is to have regard to value for money in its programme of work. This will be used to enable the Audit Committee to refer to value for money in its annual report.

### Other auditors

The institution may, from time to time, be subject to audit or investigation by external bodies such as the Funding Council, Audit Scotland, the Scottish Executive, European Court of Auditors and HM Revenue & Customs. They have the same right of access as external and internal auditors.

## Treasury Management

The University’s treasury management policy shall be determined by the University Court on the advice of the Finance and Corporate Performance Committee, which shall take into account current advice issued by the Funding Council or other relevant public bodies.

### Banking Arrangements and Borrowing Powers

The University's bankers shall be appointed by the University Court on the recommendation of the Finance and Corporate Performance Committee. The appointment shall be for a specified period after which consideration shall be given by the Committee to competitively tendering the service.

No member of staff of the University other than the Director of Finance acting on the authority of the University Court, shall open a bank account either in the name of the University or otherwise into which shall be paid any monies which belong to the University or which may be due to the University.

Cheques and other documentation issued by the University’s bank shall be held in safe custody as directed by the Director of Finance.

All cheques shall bear the signatures of authorised officers from a list of such officers as shall be approved by the University Court. Two signatures shall be required to operate

University bank accounts.

All automated transfers on behalf of the University, such as BACS or CHAPS, must be authorised in the appropriate manner. Details of authorised persons and limits shall be set out in financial procedures.

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.

The bank accounts shall not be overdrawn in excess of a sum approved by the University Court and the University’s bankers.

### Borrowing

The University’s borrowing powers are set out in the governing Order and the Financial Memorandum. Authority to borrow, lease or enter into other appropriate financial instruments shall only be granted by the University Court acting within the said powers.

### Investments

The Director of Finance, shall be responsible for placing funds for investment in accordance with the investment policies approved by the University Court and shall provide, as required, reports on such investments to the Finance and Corporate Performance Committee.

In advising the University Court, the Finance and Corporate Performance Committee shall take account of advice from investment advisers and managers as may be appointed from outwith the University by the University Court.

## Income

### Maximisation of income

The Director of Finance is responsible for ensuring that appropriate procedures are in operation to enable the institution to receive all income to which it is entitled.

It is the responsibility of all staff to ensure that revenue to the institution 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. In the event of services that the University are providing such as Room Bookings; External visitors staying in the Residences; or attendance at Courses or Conferences run by the University, it is the responsibility of the Head of School/Service providing the service to ensure that the University obtains payment before the individual/company has the benefit of the service.

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 University’s accounts.

The Director of Finance is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

### Receipt of cash, cheques and other negotiable instruments

The Head of Information Services is responsible for the prompt collection, security and banking of all income received by Student Enquiry Zone (SEZ). All monies received by and for the University shall be passed promptly to the SEZ team for immediate lodging in the University's bank account. The Head of Information Services shall keep accurate chronological records of such deposits, with income sheets passed to Finance on a daily basis in order that timely reconciliations can be made.

The Director of Operations/Head of Estates and Campus Services is responsible for the prompt collection, security and banking of all income received by the Student Centre, and shall keep chronological records of such deposits, with income sheets passed to Finance on a daily basis in order that timely reconciliations can be made.

Receipts shall normally be issued in acknowledgement of all sums received, unless some other form of control is in operation with the consent of the Director of Finance. All receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the Director of Finance.

All payments shall be paid over gross and no payments shall be set off against receipts. Under no circumstances shall income be used to make petty cash disbursements, borrowed by staff for personal use, or used for the cashing of personal cheques.

### Collection of debts

In accordance with the University’s Debt Policy, the Director of Finance shall ensure that:

* debtor invoices are raised promptly on official invoices
* invoices are prepared with care, showing the correct amount due with VAT correctly charged where appropriate
* monies received are posted to the correct debtor account
* swift and effective action is taken in collecting overdue debts, in accordance with financial procedures
* overdue debts are monitored and reports prepared for management.

In addition, all Heads of School/Service must assist in minimising the risk to the University of the non-collection of debts and must help with the collection process where appropriate.

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

Requests to write off debts in excess of £5,000 must be referred in writing to the Director of Finance for submission to Finance and Corporate Performance Committee for consideration. Debts below this level may be written off with the permission of the Director of Finance and subsequently reported to FCPC by the Director of Finance. Any debts written off will be charged against the cost centre that received the income.

### Student Fees

The procedures for collecting tuition fees and residence fees must be approved by the Director of Finance, who is responsible for ensuring that all student fees due to the institution are received.

Any student who has any Tuition fee debt owing to the University shall not be allowed to graduate until all such debts have been cleared. Continuing students will not normally be allowed to register for the new session with any outstanding tuition fee debt. Continuing students with accommodation debt who do not adhere to an agreed payment plan will be referred to one of the Debt Collection Agencies which the University uses.

## Research Grant and Contracts

All income arising from research grants and contracts awarded to staff of the University shall be vested in the University. All expenditure on pay and non-pay items in respect of research grants and contracts shall be governed by the Regulations.

Where a member of staff is involved in any research contract or such other arrangement in which he has an interest, pecuniary or otherwise, such interest must be disclosed to the Director of Finance prior to the commencement of such contract or arrangement together with any regulations or conditions set by the sponsoring body.

The term “research grant” is used to refer to research funding from the UK research councils, charities or funding bodies. Most other externally financed research projects are classified as “research contracts”.

### Responsibility of Head of School/Service

Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of outside bodies, it is the responsibility of the Head of School/Service to ensure that the financial implications have been appraised by the Director of Finance. This will include checking the ‘credit-worthiness’ of the funder and obtaining a set of grant terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance.

Research grants and contracts shall be accepted on behalf of the University by the Head of School, once the requirements of 17.2 have been satisfied, including where there has not been full economic recovery.

### Responsibility of Director of Finance

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 contracts is established. The research agreement must be in line with the institution’s policy with regard to indirect costs and other expenses and taking into account of different procedures for the pricing of research projects depending on the nature of the funding body.

The Director of Finance shall maintain all financial records relating to research grants and contracts and shall initiate all claims for reimbursement from sponsoring bodies by the due date. Each grant or contract will have a named principal investigator and will be assigned a unique cost centre or project code within the School, although in certain cases, small projects may be amalgamated.

Control of pay and non-pay expenditure may be delegated by the Head of School/Service to the grant holder but any overspend or under-recovery of overheads is to be the clear responsibility of the School/Service, with any loss being a charge on it.

All staff must comply with any requirements of the Transparency Review, in particular the full economic costing of research activity.

Many grant-awarding bodies and contracting organisations stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information.

Failure to respond to these conditions often means that the institution will suffer a significant financial penalty. It is the responsibility of the named grant-holder to ensure that conditions of funding are met. Any loss to the University resulting from a failure to meet conditions of funding will be charged to the School.

## Other income-generating activity

### Commercial activity/Consultancy

All commercial contracts shall be subject to the University's standard terms of business. Close liaison with both the Research Office and the Finance Department is required throughout all stages of carrying out commercial activity including the initial costing of the project, distribution of income on commercial activity to central funds will be 35%. At an early stage, before contracts are entered, the Finance department must be given the opportunity to carry out a credit check of the client.

All activity must normally be intended to generate a surplus; however, a decision may be taken by the Head of School/Service to approve the activity based on other valuable non-tangible benefits. The costing of inputs and the pricing of outputs must be carried out in accordance with the University’s costing and pricing policy contained in the above procedural guidelines. For all contracts, costing and pricing must be agreed with the Director of Finance before any quotation is issued to the client.

The Director of Finance shall maintain all financial records relating to commercial activity. Each contract will have a named Project Leader and will be assigned a unique cost centre or project code within the School. Control of pay and non-pay expenditure may be delegated by the Head of School/Service to the lead consultant but any unexpected loss on the contract will be the responsibility of the School/Service.

It is the responsibility of the Project Leader approved by the Head of School/Service to request that the Finance Department issue an invoice for work completed. In respect of Courses and Conferences run by the University, the Head of School/Service should ensure that it obtains payment before the individuals are allowed to attend the Course or Conference in line with normal commercial practice.

Profits earned by the School/Service may be available to fund investment in capital assets or other strategic activities. Approval must be sought from the Principal or Vice-Principal in his absence for such expenditure and this expenditure must then be reflected by the Director of Finance in the University’s capital or revenue budget and obtain the necessary approval by Court.

### ****Private consultancy****

**Private consultancy** is when the member of staff acts entirely in a private (personal) capacity, so that the client has no link to Abertay. The employment contract for academic staff states that Abertay will be prepared to consider giving its consent to private consultancy work or collaborative arrangements with external organisations provided that any such arrangement is entered into in accordance with the terms of the Abertay’s Intellectual Property Policy, and that it does not generate a conflict of interest e.g. the client is a preferred supplier to the University.

The consultant must **not** use any Abertay address (mailing or email) in any communication with the client nor make use of any University resources (staff, facilities) in the course of the consultancy or do anything that might lead the client to believe that the consultant is acting in his Abertay capacity.

Members of staff must seek consent through their Head of School/Service and the Vice-Principal before agreeing to undertake private consultancy. All such consents will be subject to compliance with Abertay’s Intellectual Property Policy and its Financial Regulations.

When undertaking private consultancies, it is encumbent upon the consultant to have a [**Disclaimer Letter**](http://www.ucl.com/uclbusiness/pages/info_academics/consultants/disclaimer.pdf) signed between him and the client in such terms as has previously been approved by the Vice-Principal. This documents the fact that the client acknowledges the consultant is acting in an individual capacity, which is in no way connected or associated with Abertay, thereby releasing Abertay from all responsibilities and/or liabilities for the services rendered. A copy of this signed letter should be lodged with both the Head of School/Service and the Director of Finance.

### Off-site collaborative provision

Any contract or arrangement whereby the University provides education to students away from institution premises and in collaboration with a partner, or with the assistance of persons other than the University’s own staff, must be subject to the following procedures.

There shall be a Memorandum of Agreement signed by the Principal and on behalf of the partner organisation before any provision is made. The contract shall comply at least with the Funding Council model contract, as amended from time to time. The form of the contract shall be scrutinised in advance of its operation by Quality Assurance Committee and Planning & Resources Committee and approved by Senate.

The impact of the contract shall be subject to scrutiny by the University Court. They shall consider the risk factors associated with the proposed partnership and agree an appropriate entry in the University’s Risk Register.

Where the partnership would represent a significant departure from the University’s strategic plan, the governing body shall approve the departure, and the Principal shall inform the Funding Council.

### European Union and other matched funding

Any such project requires the approval of the Director of Finance prior to any commitment being entered into, the application will then be approved on behalf of the University by the Head of School. Such approval shall be dependent upon the Head of School/Service being able to demonstrate that eligible matching funds are available and that the project is financially viable.

### Intellectual Property

The procedures to deal with the ownership and exploitation of intellectual property are contained in the Intellectual Property Policy approved by the University Court.

### Other income

This covers a variety of projects and initiatives. Very similar rules and procedures are applied to those of Research and Commercial projects. Cost centres are set up and project expenditure is booked directly to these. Where possible, project costings should be undertaken.

## Expenditure

### Scheme of Delegation

Each Head of School/Service is responsible for expenditure within his area of responsibility. Authority to incur expenditure may be delegated to named individuals within the School/Service. In exercising this delegated authority, budget holders are required to observe these financial regulations and all related procedure manuals.

The following duties must be appropriately segregated:

* placing orders or awarding contracts
* receiving goods
* checking invoices
* certifying invoices.

In the absence of the Vice Principal (VP) or University Secretary (US) to approve expenditure, instead of the authorisation going to the Principal another VP or US has the delegated authority to approve the expenditure.

In the absence of the Principal for approving expenditure for the VPs or US, instead of authorisation going to the Chair of Court another VP or US has the delegated authority to approve the expenditure.

(Paper-based systems) The Director of Finance shall maintain a register of authorised signatories and Heads of School/Service must supply him with specimen signatures of those authorised to certify orders, invoices, payroll instructions etc.

(Electronic systems) The Director of Finance shall control the creation of requisitioners and authorisers and their respective financial limits.

The Director of Finance must be notified immediately of any changes to those authorised to commit expenditure.

Single orders made via the electronic system (approved University suppliers) which exceed £15,000 shall require the prior approval of the Director of Finance. All orders made via the paper-based system shall require the approval of the Director of Finance.

### Procurement

The University requires all budget holders, irrespective of the source of funds, to obtain supplies, goods and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with best value principles. Factors to be considered in determining lowest cost are noted in the detailed financial procedures.

The Procurement Manager is responsible for:

* ensuring that the University’s procurement policy and procedures as contained in the Procurement Manual are known and observed by all involved in purchasing for the institution
* advising on matters of procurement policy
* advising Schools and Services where required on specific purchases
* developing appropriate contracts and approved supplier arrangements to assist the Head of School/Service in meeting their value for money obligations
* securing all contracts with a value over £50,000, in collaboration with the responsible School/Service, and ensuring that appropriate competitive procedures have been followed for purchases below £50,000.
* ensuring that the University complies with EU regulations on procurement policy. (As detailed in the Procurement Manual Section 2.7).

### Tenders and quotations

Heads of School/Service must comply with the University’s Procurement Manual as follows:

* Purchase orders should be placed on the University’s approved electronic purchasing system, using University or APUC contracts or approved suppliers.
* Orders for certain commodity groups should always be placed via the relevant University lead buyer.

The following thresholds and processes shall be observed.

|  |  |  |  |
| --- | --- | --- | --- |
| **Contract Value (must be considered over contract period or 48 months of contract period unknown)** | **Process** | **Competitive Action Required** | **Timescale from initial Procurement involvement (approx.)** |
| Any value | Direct Award from existing framework agreements/contracts | Where Buyers Guides allow, place purchase order with contracted suppliers on PECOS. | Purchase Order and delivery timescales. Contact Procurement for advice. |
| Any value | Mini competitions from existing framework agreements | Invite suitable framework suppliers to bid using Quick Quote on Public Contracts Scotland (PCS) | 2-8 weeks \*Contact Procurement for advice. |
| Up to £5,000, where no contract exists to meet the need | 2-3 informal quotations | Invite 2-3 suppliers of choice (attempting at least 2 local where possible) to quote by email (PCS may be used but is not necessary) | 2-3 weeks \* |
| >£5,000 but less than £50,000 | Low Value Quotation | Invite at least 3 quotes using Quick Quote on PCS | 2-8 weeks \* |
| ≥ £50,000 but less then £164,176 | Tender | Advertise opportunity on PCS | 2-6 months \* |
| ≥ £164,176 (EU threshold @ 01/01/16) | EU Tender | Advertise opportunity on PCS and Official Journal of the EU  | 3-9 months \* |
|  |

* All timescales estimated and are dependent on complexity of requirement, end user’s market knowledge and resources available within Procurement, it is therefore crucial that tendering exercises are well planned, end users understand market availability and Procurement are involved as early as possible.
* All routes to purchase may require the supplier to be added to PECOS if not already available.
* Procurement will review regular spend with suppliers, and where it is apparent cumulative spend for similar commodities and services are not being procured in line with the process above, buyers will be contacted to discuss further.

#### Sole Supplier Justification (SSJ)

#### Public Sector Policy and legislation dictates that goods, services and works must be bought where feasible through genuine and effective competition. In exceptional circumstances, a SSJ may be necessary where competition is deemed impractical. Award of a contract directly to one supplier is allowable in a few exceptional circumstances, such as:

* Where a contract or framework allows direct award to one supplier
* where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to a competitive procedure.
* where the works, supplies or services can only be supplied by a particular supplier

The above are examples of allowable circumstances, however full details of all exemptions from competition are detailed in the Abertay University Procurement Manual which must be consulted prior to authorisation of a SSJ.

In these exceptional circumstances a SSJ form should be completed, taking account of the following:

* Where the total value exceeds £5,000 (ex VAT) and is below £50,000, a SSJ form should be completed, and where appropriate signed by Head of School / Service, under their delegated authority to approve and retained for audit purposes. Heads of School/Service should consult the Procurement Manual prior to giving their approval to a SSJ.
* Approval of a SSJ must follow sufficient market investigation by the buying school/service to conclude this is the most appropriate action to take.
* If the proposed purchase is equal to or above £50,000 (ex VAT), the form should be submitted to the Procurement Manager for approval. An order should only be placed on receipt of an approved SSJ. The approved SSJ should be retained by the buying school/service for audit purposes.

### Purchase orders

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

Official University orders must be placed for the purchase of all goods or services, except those made using purchasing cards or petty cash in advance of the commitment to purchase being made. In exceptional circumstances, urgent orders may be given orally, but must be confirmed by an official purchase order endorsed ‘confirmation order only’ not later than the following working day. All purchase orders must refer to the University’s conditions of contract.

### Purchasing cards

The operation and control of the institution’s purchasing credit cards is the responsibility of the Director of Finance.

Holders of purchasing cards must use them only for the purposes for which they have been issued and within the monthly and single transaction limits set by the Director of Finance. It is a disciplinary offence to lend cards to another person, nor should they be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant budget holder in advance and in writing except for purchases less than £500 which will be approved retrospectively when the monthly credit card statement is authorised. Cards should only be used for purchases in which the supplier will only accept credit cards as a payment or Purchase cards may be used for one off purchases not exceeding £500 where the supplier is not currently a University Supplier. Purchase cards may also be used where staff are required to carry out extensive overseas travel and other payment means are not available. The Director of Finance shall determine what information is required on purchases made with purchasing cards from cardholders to enable financial control to be maintained and cardholders must provide that information by the specified date.

In line with all other purchasing at the University, if the budget holder is receiving the benefit of the goods or services, then they must obtain their line manager’s written permission before the card is used for that particular purchase (section 19.10 refers).

Details of the operation of the scheme are set out in the relevant financial procedure.

### Building contracts

Building contracts are the responsibility of the FCPC (set out in Appendix 1) and are administered by the University’s Head of Estates & Campus Services.

Proposals will normally be initiated by the Head of Estates & Campus Services in respect of planned replacements, general improvement schemes, space planning or in response to requests from Schools/Services. See section 11 for details of capital expenditure approval.

Consultants may be appointed if the project, as determined by the FCPC, is too large or too specialised for internal resources. Appointments shall be subject to tendering and will comply with the University’s Procurement Manual.

Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the Director of Finance as appropriate for consideration by the Committee. Investment appraisals should comply with appropriate funding body guidance.

Where appropriate, following consideration by the Committee and approved by the University Court, submissions should be forwarded to the Funding Council. If the required agreement is secured, the Funding Council procedures should then be followed. The Funding Council guidance on good practice should be followed even when approval is not required.

### Receipt of goods

All goods shall be received at designated receipt and distribution points. They shall be checked for quantity and/or weight and inspected for quality and specification. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods.

If the goods are deemed to be unsatisfactory, the record shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified.

All persons receiving goods on behalf of the University must be independent of those who negotiated prices and terms and authorised the official order where appropriate.

### Payment of invoices

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

The Director of Finance is responsible for deciding the most appropriate method for payment for categories on invoice. Payments to UK suppliers will normally be made by BACS transfer (or cheques where necessary). Suppliers must notify the Finance department on their headed notepaper their bank account details. When there are changes made to this we seek the same notification as before but also check this by telephoning our usual contact.

Payment will only be made against goods/services receipted or invoices that have been certified for payment by an appropriate authorised signatory. By certifying the invoice, the authorised signatory is confirming that:

* the goods have been received, examined and approved with regard to quality and quantity or that services rendered are satisfactory
* the goods/services have been checked against the official purchase order
* invoice details are correct as regards quantity, unit price, discount etc
* 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 School/Service inventory
* he has specified an appropriate cost centre for which he is an authorised signatory and a subjective appropriate to the nature of the goods/services.

Where a discount is available for prompt payment, the invoice should be certified for payment and forwarded to the Finance Department immediately, with the discount clearly indicated. Otherwise, in line with our terms and conditions for ordering, suppliers will be paid within 30 days. In the case of goods/services that have been receipted in the system Accounts Payable should be notified of this available discount.

#### Manual Purchase Orders

Manual Purchase Orders should only be used for goods/services which require foreign currency payment. All suppliers should be instructed by the budget holder to submit invoices for goods or services to the Finance Department. Invoices from manual purchase orders will be logged by Finance, sent to the budget holder to be certified for payment, and returned for payment.

#### Computerised / Electronic Purchase Orders

The University operates a computerised / electronic purchase order system with a goods receipting system. All invoices should be submitted to the Finance Department where they will be logged onto the systems. Schools / Services must ensure they receipt the goods / services when they are received in a timely manner otherwise invoices / suppliers cannot be paid.

Where the purchase order has been placed via the electronic system, payment may be made against invoices that can be matched to a receipted order.

Internal charging from one School/Service to another will be by journal entry following satisfactory delivery of goods or performance of service.

### Staff reimbursement of Travel and Subsistence costs

The University’s purchasing and payment procedures are in place to enable the majority of goods and services to be procured without staff having to incur any personal expense. However, on occasion staff may incur expenses in relation to travel, and are entitled to reimbursement. All non-travel and Subsistence costs must be incurred via normal purchasing procedures and not claimed as Travel and Subsistence.

Where this is the case, the University’s financial procedures on Travel and Subsistence Expenses must be strictly adhered to. Members of staff and other persons authorised to travel on official University business shall do so in accordance with these procedures, with the general objective of using the most cost‑effective and convenient form of transport appropriate to the circumstances.

All arrangements for travel must be approved by the budget holder or the budget holder’s line manager in advance of committing the University to those arrangements or confirmation of any travel bookings. Where spouses, partners or other persons unconnected with the institution intend to participate in a trip, this must be clearly identified in advance and agreement to the reimbursement to the University of the expected costs shall be obtained in advance of travel.

Reimbursement of expenses shall be by BACS transfer on a weekly basis.

#### Advance of Expenses

An application for an advance of expenses may be made to the Director of Finance where it is considered necessary and authorised by the budget holder. The maximum amount of advance is 75% of expected subsistence expenditure (90% for overseas travel). With the prior approval of the Director of Finance, staff may receive advance for travel and/or accommodation, where it is clearly not practicable for the University to procure these. Staff can have only one advance outstanding at a time. Members of staff who receive such cash advances shall account fully for all actual expenditure supported by appropriate receipts as soon as possible and in any event within one month after their return to the University.

All reimbursement of expenses shall be based on the scales that at the time of the travel are approved by the University Court. In exceptional cases, claims which exceed the scales may be submitted where these have received prior approval by the Head of School/Service and the Director of Finance.

#### Claims for Reimbursement

All claims for reimbursement shall be counter-signed by a signatory other than the claimant. This will usually be the budget holder of the relevant cost centre. If the claimant is himself the budget holder, the claim should be counter-signed by his line manager. All claims shall be submitted to the Finance Department within one month of the claimant’s return to the University and claims submitted thereafter will not normally be accepted. Claims relating to previous financial years cannot be made once the ledgers are closed for that year.

Authorisation of an expense claim shall be taken to mean that:

* the travel was authorised
* the expenses were wholly, necessarily and exclusively incurred on the University’s business and receipts (not credit card vouchers) or other supporting documentation have been supplied as required
* consideration has been given to value for money in choosing the mode of transport.

Arrangements for travel by the Principal and Travel and Subsistence Expense Claims shall be approved by the Chairman of Court, or Vice-Chair when the Chair is not available.

Personal subscriptions and personal professional memberships will not be reimbursed to Staff. Subscriptions and memberships will only be paid where it is deemed by the Director of Finance that a membership is necessary for a particular function of the University.

### Goods and Services for Budget Holders

Where a budget holder would personally benefit from a purchase; e.g. car hire for themself, a conference they are to attend etc, then the budget holder must obtain the prior written approval of their line manager before ordering/committing to such expenditure.

### Petty cash

Where necessary, staff may purchase certain items under £40 and claim reimbursement from SEZ. A petty cash voucher should be completed, indicating the item purchased and the account code to be charged. It must be signed by the member of staff and an authorised signatory, and must be supported by a receipt. Approval for reimbursement for items exceeding £40 shall require prior written authorisation from the Director of Finance. Petty cash vouchers should not be used for expenditure covered by the Travel and Subsistence Policy. Staff can only have one advance of petty cash outstanding at a time and staff must return to SEZ within one week of the advance to produce the relevant receipt and authorised petty cash slip to either pay back the money or receive the balance.

Under no circumstance shall petty cash be borrowed or used for personal purposes for the cashing of personal cheques or for the payment of salaries.

Cash rolls from suppliers tills which do not give details of the items purchased are not acceptable as receipts for petty cash purposes and suppliers should be requested to supply an itemised receipt.

### Payments to students

Payments to students on behalf of sponsoring organisations shall be made on the authority of the Director of Finance, on the basis of detailed supporting documentation supplied by the relevant School/Service.

### Late payment rules

The Late Payment of Debts (Interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. It has now been extended to medium, large and public sector organisations. Interest can be charged at 8% above Bank of England base rate.

In view of the penalties in this Act, Schools and Services should ensure that suppliers are instructed to submit invoices to the Finance Department and that invoices forwarded for certification are returned immediately for payment (for manual orders) or are receipted in Aptos promptly by the School/Service when goods / services are received (for electronic orders).

### Hospitality

Staff entertaining guests from outside bodies at lunch time should normally use the University’s catering facilities. Where this is not the case, reasons must be stated when submitting a claim for reimbursement, as well as details of who attended, with external guests clearly indicated. For entertaining in the evening, details of who attended, with external guest(s) clearly indicated, is also necessary.

The limits concerning acceptable expenditure for entertaining guests are set out in the detailed financial procedure.

### Payments to Consultants

The Head of School/Service must get permission from the Director of Finance before entering into an agreement to pay a consultant without deduction of Tax and National Insurance (i.e. not being paid via Payroll). The Director of Finance will seek advice from HM Revenues and Customs as appropriate. When it is agreed to pay a consultant gross a copy of the signed contract for services must be passed to the Finance Department for their records.

## Pay Expenditure

### Remuneration policy

All University staff will be appointed to the salary scales approved by the University Court and in accordance with appropriate conditions of service. All letters of appointment shall be issued by the Human Resources Department.

Salaries and other benefits for senior management will be determined by the Remuneration Committee appointed by the University Court.

### Appointment of staff

All contracts of service shall be concluded in accordance with the institution’s approved personnel practices and procedures. Offers of employment of casual hourly‑paid temporary or part‑time staff must secure appropriate prior approval, with such offers being made in accordance with the procedures in force from time to time.

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

On occasion the University may pay Relocation Expenses when it is keen to complete the recruitment of exceptional candidates. Typically, staff may be eligible for a grant towards admissible removal expenses for furniture and personal belongings, including insurance thereof, and legal fees, equal to 75% of the actual expenditure incurred, subject to an upper limit which is determined by the University Court from time to time. For removal expenses, three quotations should be obtained and submitted to the Director of Finance for verification. Following removal the receipted invoice(s) in respect of relevant expenses, including legal expenses, should be submitted to the Finance Office to claim reimbursement of the appropriate sum.

### Salaries

The Director of Finance shall be responsible for the payment of all salaries and all appropriate deductions therefrom and shall account for all such payments and deductions to the appropriate authorities or agencies. Payment of salaries shall be made monthly in arrears through BACS.

All timesheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Director of Finance.

Heads of School/Service are responsible for ensuring that all episodes of sick leave are notified immediately to the payroll section of the Finance Department and other absences are reported on a monthly basis.

All payments must be made in accordance with the University’s detailed financial procedures and comply with HM Revenue & Customs regulations.

The Director of Finance shall be responsible for keeping all records relating to payroll, including those of a statutory nature.

### Superannuation schemes

The University Court is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

The University is a participating institution in the Scottish Teachers' Superannuation Scheme. The relationship is governed by the Teachers' Superannuation (Scotland) Regulations. The University also participates in the Tayside Local Government Superannuation Scheme. The relationship is governed by the Local Government Superannuation (Scotland) Regulations. The University also participates in the Universities Superannuation Scheme (USS). The scheme is a trustee scheme and USS Ltd are the sole corporate trustees of the scheme. The management committee comprises 4 directors appointed on behalf of Universities UK, 3 appointed by the University and College Union (UCU), and 1 appointed by the Funding Councils with additional members co-opted by the board (minimum of 2, maximum of 4). Any changes to the scheme are done by variation to the trust deeds.

The Director of Finance is authorised by members of staff who participate in the above Schemes to deduct from their monthly salary payments the appropriate percentage of income due to the Scheme. The University contributes for each participating member of staff at the rate laid down by the Scheme from time to time.

The Director of Finance is responsible for the management of pension arrangements, including:

* paying contributions to various authorised superannuation schemes
* preparing the annual return to various superannuation schemes
* administering eligibility to pension arrangements.

### Allowances for members of the University Court

Claims for members of the University Court will be authorised by the University Secretary. Claims for meeting attendance will be based on the rates approved from time to time by the University Court.

### Severance and other non-recurring payments

Severance payments shall only be made in accordance with the relevant legislation and when made for reasons of redundancy under any scheme that may be in place. Professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments shall be checked by the Director of Finance and authorised by the Principal.

When severance payments are made outside such approved schemes or made for other reasons (such as, under the terms of a Settlement Agreement), then the Severance Statement Internal process in relation to severance will be followed, and the payments should be checked by the Director of Finance and approved by the Principal. All such payments should be reported to the Remuneration Committee or its equivalent (such as the Chairman’s Committee).

When payments exceed the limit set by the Scottish Funding Council and relate to “senior officers” (based on an annual salary threshold specified by the Scottish Funding Council), all such payments should be approved by the Remuneration Committee and if considered necessary the University Court and justified according to the appropriate guidelines laid out by the Scottish Funding Council.

### Salary Advances / Loans to staff or students

No salary advances and / or loans to staff or students shall be made apart from those approved by the Director of Finance where material processing errors or omissions have been made. The only other advances that are made are in connection with Staff Travel (see section 19.9).

## Property and Assets

### Property

The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority from the University Court, which shall act on the advice of the FCPC and in accordance with the Funding Council requirements.

No member of staff shall commission alterations or additions to the University's property for any purpose whatsoever nor shall he authorise expenditure on such alterations or additions from whatever source without the express prior written approval of the Director of Finance, who shall, in giving any such approval, observe the requirements for competitive quotations and tenders stated elsewhere in the Regulations.

### Equipment

Heads of School/Service shall exercise responsibility and control on behalf of the University Court in respect of all equipment, furniture, goods, cash and other property within their School/Service and shall ensure that proper and effective inventories or records of them are maintained for audit and other inspection and in accordance with such guidelines as may be issued from time to time. Such exercise of responsibility and control is in appropriate circumstances subject to the over‑riding responsibility and control of the Director of Finance.

Heads of School/Service shall provide details of such inventories and stocks from time to time as may be required by the Director of Finance.

The University shall maintain an asset register, which shall form the basis for relevant entries within the University’s annual financial statements and for such other purposes as may be required. The Director of Finance shall ensure that the register is properly maintained, recording all additions and disposals, and reflecting any relocation or deterioration.

### Stocks and stores

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

Heads of School/Service 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.

Where stocks require valuation in the balance sheet, the Head of School/Service must ensure that the stock-taking procedures in place have the approval of the Director of Finance and that instructions to appropriate staff within their departments are issued in accordance with advice contained in the University’s financial procedures.

### Vehicles

All vehicles owned or operated by the University shall be used only in accordance with the regulations governing such use as are currently in force.

### Security

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

The Head of Information Services shall be responsible for maintaining proper security and privacy of information held on the University’s computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers.

Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act 1998. The Vice-Principal is the designated data protection officer for the University and is responsible for ensuring compliance with the Act and the safety of documents.

### Personal use

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

### Asset disposal

Disposal of equipment and furniture must be in accordance with procedures contained in the detailed financial procedures.

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

## Endowment and Trust Funds

The Director of Finance shall ensure the proper and safe custody of all funds administered by the University Court and shall make the necessary arrangements for the proper administration of each fund in accordance with the conditions laid down by the trust or other deed.

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

## Insurances

As part of the overall risk management strategy of the University, all risks will have been considered and those most effectively dealt with by insurance will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets.

The Head of Estates and Campus Services shall be responsible for maintaining adequate insurance for property, personal and other appropriate risks, whether statutory or otherwise, and shall deal with all claims on behalf of the University Court.

Heads of School/Service are required to immediately inform the Head of Estates and Campus Services of any alterations which will or might affect existing risks or require additional or new cover.

Heads of School/Service are responsible for all equipment, stock and other items under their control and shall ensure that, where there is a requirement for independent inspection for general safety or to comply with legislation, such inspections are carried out timeously and that suitable records are kept which shall record any defects noted at the time of inspection and the remedial measures taken.

Heads of School/Service shall immediately notify the Head of Estates and Campus Services of any loss, damage or injury which may give rise to an insurance claim. If a loss results from theft or other criminal offence, the Director of Finance shall be notified immediately irrespective of whether the loss or damage caused as a result thereof shall be a matter in respect of which an insurance claim may be made or not.

Items of equipment or stock shall not be removed from the University for official use without the prior permission of the Head of School/Service. Any such movement of items of equipment or stock should be notified to the Head of Estates and Campus Services for insurance purposes. No equipment or stock of whatever nature shall be removed from the University other than for approved University use.

Where large contracts are entered into, whose value is in excess of £100,000, then consideration should be given to insuring against the contracted company becoming insolvent and therefore being unable to complete the contract. Guidance should be sought from the Director of Finance, especially where the University had not had a prior relationship with the contracted company.

All staff using their own vehicles on behalf of the University shall maintain appropriate insurance cover for business use and will be required to produce the relevant records demonstrating such cover.

## Subsidiary Entities

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 subsidiary entity should first seek the advice of the Director of Finance, who should have due regard to guidance issued by the Funding Council.

The establishment of all subsidiary entities shall be subject to the approval of the University Court. The process involved in forming a subsidiary entity and arrangements for monitoring and reporting on the activities of these entities are documented in the financial procedures.

It is the responsibility of the University Court to establish the shareholding arrangements and appoint directors of companies wholly-owned by the University.

The Director of Finance shall report annually on subsidiary companies where the University is the sole or majority shareholder to the University Court, via the Finance and Corporate Performance Committee, except where they are dormant. He will also submit business plans or budgets as requested to enable the Committee to assess the risk to the University. The directors of such companies are responsible for appointing external and, where appropriate, internal auditors for the company.

Where the University is the sole or majority shareholder in a company, that company’s financial year shall be consistent with that of the University.

All companies and their subsidiaries in which the University has an interest shall be governed by the requirements of the Companies Acts. All wholly-owned companies shall also operate within the spirit of the Regulations, provided that such operation is not in conflict with the Companies Acts and is not specifically over‑ridden by a resolution of or separate guidelines issued by such a company.

## Students’ Association

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

The University Court shall determine the level of grant paid annually to the Students’ Association. The University Court requires the Students’ Association to provide details of its proposed budget to assist in determining the appropriate level of grant.

The Students’ Association is responsible for maintaining its own bank account and financial records and preparing its own financial statements. These will be audited by an appropriately qualified firm of auditors and will be presented to the Finance and Corporate Performance Committee for information.

In accordance with an agreement between the University and the Students’ Association, the University’s internal auditor shall have access to records, assets and personnel within the Students’ Association in the same way as other areas of the University.

## Corruption and Fraud

Misuse or misappropriation of the assets and funds of the University is a serious disciplinary matter which can ultimately lead to criminal proceedings.

Since direct contact between the University and external suppliers of goods and services is an area which is particularly vulnerable to accusations and acts of fraud, the University has established clearly auditable financial and procurement procedures as laid down in the Regulations and the Procurement Manual to govern such relations and protect individual members of staff and the University as a whole.

Staff shall have no commercial dealings with any company resorting to questionable sales tactics such as free holidays and similar inducements. Business gifts or hospitality which may be deemed by others to be calculated to influence business decisions should always be refused. As a working practice any gifts other than items of very low value such as diaries or pens should be returned to the supplier and any hospitality accepted from a supplier should not significantly exceed that which the University would be likely or able to provide in return.

It is the duty of all members of staff, management and University Court to notify the Director of Finance immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety. Staff should refer to the Anti Bribery and Corruption Code of Conduct and Policy as well as the Public Interest Disclosure (Whistle-blowing) Policy for more guidance.

The University’s procedures regarding fraud are set out, in full, in the Fraud Prevention, Detection and Investigation Policy. As a brief summary, the Director of Finance shall immediately invoke the fraud response plan, which incorporates the following key elements:

* he shall notify the Principal and the Audit Committee (through its Chair) of the suspected irregularity and shall take such steps as he considers necessary by way of investigation and report
* he shall inform the police if a criminal offence is suspected of having been committed
* any significant cases of fraud or irregularity shall be reported to the Funding Council in accordance with the Financial Memorandum
* the Fraud Response Group shall commission such investigations as may be necessary of the suspected irregularity, by the internal auditor or another officer of the University
* the officer investigating or internal auditor shall prepare a report for the Audit Committee on the suspected irregularity, which should include advice on preventative measures

If the suspected fraud is thought to involve the Director of Finance and/or the Principal, the member of staff shall notify the Chairman of the University Court of their concerns regarding irregularities.

##### APPENDIX 1 – Remit of Finance and Corporate Performance Committee

Remit - To consider and report to Court on:

1. The development, implementation and review of the Strategic Plan and associated enabling strategies including operational plans (where applicable to the remit) and associated policy, procedures and annual budgets.
2. Any significant financial deviation from such plans.
3. The key performance indicators for the University as agreed by Court
4. The annual financial statements for each financial year.
5. All proposals for the borrowing of money.
6. The financial projections prepared for submission to the Scottish Funding Council.
7. Oversight of the management and application of all funds of the University ensuring they are handled within the Financial Regulations.
8. Oversight of the University’s Financial Policies and Procedures.
9. Matters relating to the insurance of Court and its members and all employees of Court and all properties and other assets of the University against any appropriate risks.
10. The criteria for the selection, appointment and remuneration of insurance brokers and to recommend, following consideration of appropriate candidates, the appointment of such insurance brokers.
11. Oversight of the management of all activities of the University as they relate to the estate and the University’s Estate Strategy and to capital projects such as ICT infrastructure.
12. Oversight of the financial affairs of the University of Abertay Dundee Students’ Association.
13. Matters for approval delegated from Court as indicated in the Scheme of Delegation.

***Membership***

4 lay members of Court

UADSA President

Vice-Principal (University Services)

Director of Finance

Director of Operations/Head of Estates & Campus Services

The Committee may co-opt lay persons who are not members of Court but who have appropriate experience or expertise, provided there is always a majority of lay members of Court.

***In attendance***

Chair of Audit Committee

***Secretary***

Secretariat Officer

***Quorum***

A majority of Court lay members and a majority of *ex officio* members must be present.

##### APPENDIX 2 – Remit of Audit Committee

***Remit***

To provide Court with such advice as it considers appropriate on matters relating to audit and internal control to assist Court in ensuring the proper discharge of its responsibilities for proper financial management, for the effectiveness of the internal control and management systems, for the safeguarding of the assets of the University and public funds, for the economy, efficiency and effectiveness of the University’s activities, and in regard to risk management and corporate governance and the conduct of the University's operation.

To carry out the under-noted duties, namely:

To review the processes for ensuring the effectiveness of financial and otherinternal control systems, including monitoring arrangements for risk management within the University;

To review and comment upon the assessment carried out by the internal auditors and external auditors of the effectiveness of the University's financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness;

To ensure that where internal audit reports or other information indicate a failing in controls which have been identified as being part of the University’s risk management process, these failures or deficiencies are promptly acted upon and remedied by the Senior Management Group (SMG);

To monitor compliance with corporate governance requirements and good practice guidance in the context of the remit of the Governance & Nominations Committee to consider, and bring forward, recommendations in relation to best practice in institutional governance that it [i.e. Governance & Nominations Committee] considers relevant to Court’s current and future effectiveness;

To monitor compliance with the University’s risk management framework and report annually to Court;

**Internal audit**

To advise Court on the terms of reference for internal audit and the criteria for the selection, appointment and remuneration of internal auditors, and to recommend, following consideration of appropriate candidates, the appointment of such auditors;

To review the scope, efficiency and effectiveness of internal audit work, including the adequacy of the resourcing made available;

To initiate, consider and approve, and review as appropriate, the internal audit needs assessment;

To agree with the internal auditors the criteria for grading recommendations in reports, and to review the management responses and implementation of the agreed recommendations therein;

**External audit**

To advise Court on the criteria for the selection, appointment and remuneration of external auditors and the scope of their work, and to recommend, following consideration of appropriate candidates, the appointment of such auditors;

To consider and comment upon the University’s annual financial statements and the external auditors' report prior to their consideration by the Finance & Corporate Performance Committee;

To review the external auditors’ management letter and the response thereto of senior management, to monitor implementation of agreed recommendations with direct access to the external auditors, and to keep under review any salient issues arising therefrom;

To review and monitor on an appropriate basis the effectiveness of the external audit service;

**Value for money[[1]](#footnote-1)**

To ensure that appropriate liaison and co-ordination exists between external and internal auditors;

To evaluate the University's arrangements for securing the economical, efficient and effective management of its resources and the promotion of best practice in the light of experience and national studies;

To advise Court on potential topics for inclusion in any programme of value for money reviews and to provide a view on persons or bodies most appropriate to undertake assignments decided upon;

**Other duties**

To advise Court on any significant relevant reports from SFC (Scottish Funding Council) and Audit Scotland and other appropriate bodies;

To review the University's compliance with the SFC Financial Memorandum, and to advise Court thereon;

To review reported cases of impropriety to establish whether they have been appropriately dealt with;

To carry out such other duties as the Court may from time to time require;

To produce an annual report which shall incorporate any significant matters arising from the internal audit work and comment on the Committee’s assessment of its own effectiveness, for submission to Court and to SFC.

In carrying out its duties, to have authority to investigate any matters within its remit, and to have access as it requires to information and appropriate members of staff, and the resources necessary to carry out its remit.

1. ***Membership***

Not less than four lay members of Court, one to act as Convener. The Committee may co-opt lay persons who are not members of Court but who have appropriate experience or expertise, provided there is always a majority of lay members of Court.

1. ***In Attendance***

The Principal

The Vice-Principal (University Services)

The University Secretary

The Director of Finance

Representatives of the internal and external auditors.

*Note:* representatives of the internal and external auditors will be invited to attend all meetings where relevant matters are under consideration.

***Secretary***

Secretariat Officer

***Quorum***

Three members of the Committee. If, within ten minutes after the time appointed for a meeting, or if before the business of any meeting has been completed, the number of members present is less than three, the members present shall address urgent business only and thereafter adjourn the meeting. Any decisions reached at an inquorate meeting shall be submitted to the subsequent meeting of the Committee for approval.

***Meetings***

The Committee shall meet at least 3 times in each session. One meeting each year will be preceded by a private meeting of the Committee with the internal and external auditors without officers present.

##### APPENDIX 3 – Remit of Remuneration Committee

Remit

(i) To consider and determine the levels of salary and conditions of service (including severance arrangements if appropriate) of the senior officers of the University, namely the Principal & Vice-Chancellor, the Vice-Principal & Deputy Vice-Chancellor (Academic), the Vice-Principal & Deputy Vice-Chancellor (University Services) and the University Secretary.

(ii) To decide the principles for determining the salaries of all other University staff whose salaries are in the discretionary range above the nationally-determined salary scale.

***Membership***

The Chair of Court

The Vice-Chair of Court

The Chair of the Finance & Corporate Performance Committee

Two other lay members of Court (excluding the Chair of Audit Committee)

The chair of the Committee should be appointed by Court from amongst the independent members, excluding the Chair of Court

**In attendance**

The Principal (when the salary and conditions of service of the Principal are not the subject of discussion)

Director of HR & Organisational Development (as and when professional advice is required)

***Secretary***

University Secretary (except when his/her salary and conditions of service are being discussed)

***Quorum***

Normally all members, but exceptionally at least 3 members (to include Chair or Vice-Chair).

##### APPENDIX 4 - THE SEVEN PRINCIPLES OF PUBLIC LIFE

**FROM THE REPORT OF THE COMMITTEE FOR STANDARDS IN PUBLIC LIFE**

**(THE NOLAN REPORT)**

**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 all 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.

##### APPENDIX 5 – SCHEME OF DELEGATION

##### A Authority reserved to Court

A1 Appoint the Principal & Vice-Chancellor

A2 Appoint the Vice-Principal(s)

A3 Appoint a person to hold the office of Secretary

A4 Appoint a Chancellor to be the titular head of the University

A5 Appoint lay members of Court

A6 Appoint a Chair and Vice-Chair of Court

A7 Approve changes to the governing Order (subject to Privy Council ratification)

A8 Approve the Statement of Primary Responsibilities of Court

A9 Approve the Standing Orders of Court

A10 Approve Key Performance Indicators for the University

A11 Approve mission and vision statements for the University

A12 Approve the Strategic Plan for the University and operating plan

A13 Approve key University-wide strategies including those relating to:

* Estate strategy
* Financial strategy
* Human resources strategy
* Information strategy
* Research strategy (Court will be invited to endorse on recommendation of Senate)
* Teaching and learning strategy (Court will be invited to endorse on recommendation of Senate)

A14 Approve the annual report and financial statements for the University

A15 Approve annual budget and financial forecasts

A16 Approve the Outcome Agreement with the Scottish Funding Council

A17 Approve the establishment of new companies or joint ventures

##### B Authority to approve delegated to Court committees

When a committee has acted under delegated authority it should submit a written report to the Court on the decision that it has taken on Court’s behalf.

B1 Audit Committee

B1.1 Approve the appointment of external auditors

B1.2 Approve the appointment of internal auditors

B1.3 Approve the annual audit plan

B1.4 Approve the annual audit committee report

B2 Chair’s Committee (and Chair of Court)

B2.1 Approve the agenda for Court

B2.2 Appraisal and review of the Principal and the Secretary

B2.3 Act in the name of Court between meetings. *Action taken under delegated authority will normally consist of business that would not merit discussion at a Court meeting (such as signing of routine documents, and detailed implementation of matters already agreed by Court). Occasionally, matters may arise that are judged to be too urgent and important to await the next meeting. The Chair and/or Chair’s Committee should then consider either calling a special meeting, consulting members of Court via correspondence or dealing with the matter via Chair’s action – only when delaying a decision would disadvantage the University. Where such action is taken, a written report should be made at the next meeting of Court.*

B3 Finance & Corporate Performance Committee

B3.1 Approve the appointment of insurance brokers.

B3.2 Approve debt write-off over £5,000.

B4 Governance & Nominations Committee

B4.1 Advertise for new members of Court.

B5 People, Health & Equality Committee

None

B6 Remuneration Committee

B6.1 Approve the salary and conditions of service of the Principal, Vice-Principals and University Secretary

##### C Authority to approve delegated to the Principal

C1 Lead and manage the University

C2 Authorise capital and revenue expenditure within the limits approved by the University Court when setting the University’s annual budget.

C3 Authorise the virement of budgets within the financial framework approved by Court.

C4 Authorise the engagement of staff, determine their number and their terms and conditions of employment and vary any individual contract of employment.

C5 Authorise the University’s engagement with legal and other agreements and affiliations with academic and other partners.

C6 Oversee the processes associated with the maintenance of good order in the University, including those associated with staff and student discipline.

*Important decisions - involving, for example, major staffing changes or the commitment of significant funds such as large capital projects – that are border-line in terms of the delegated authority of Court should nonetheless be discussed with Court to ensure transparency. This may mean that the items are novel, potentially contentious or repercussive but may be just within delegated limits or involve contractual commitments to significant spending in future years for which plans have not been set or which could be seen as setting a potentially expensive precedent.*

#####

##### D Authority to approve delegated to Senate and its committees

D1 Senate

D1.1 Approve new programmes of study and academic qualifications

D1.2 Approve academic regulations and policies of the University

D1.3 Approve the academic calendar

D1.4 Approve the ongoing delivery of subjects

D1.5 Approve the nomination of a Senate representative to Court

D1.6 Establish *ad hoc* working groups

D2 Research & Knowledge Exchange Committee

D2.1 Approve the Code of Practice on Research

D2.2 Establish *ad hoc* working groups.

D3 Teaching & Learning Committee

D3.1 Establish *ad hoc* working groups.

D3.2 Appoint external examiners and approve changes to external examiner appointments

D4 Academic Appeals panel

D4.1 Authority to defer, uphold or not uphold academic appeals.

D5 Academic Regulations Editorial Board

D5.1 Publish approved Academic Regulations and associated Procedures.

D6 Honorary Awards Board

D6.1 Approve honorary degree nominations.

D6.2 Approve honorary fellow nominations.

D7 Student Disciplinary Board

D7.1 Authority to deal with academic and other misconduct by students.

D7.2 Authority to impose sanctions on students found guilty of misconduct

##### E Delegated authority with regard to financial transactions

|  |  |  |
| --- | --- | --- |
| **Area of Decision** | **Transaction Value** | **Delegated to** |
| Management of budget and resources within approved Budget  | As determined by approved Budget | Principal |
| Establishment of a new company or joint venture | Any value | Court, on recommendation of Finance & Corporate Performance Committee |
| Land and property purchase/lease/disposal (outwith approved Budget including associated capital expenditure programme)  | Up to £200,000Up to 10-year lease | Principal with agreement of Head of Estates and Director of Finance |
| Over £200,000Over 10-year lease | Court, on the recommendation of the Finance & Corporate Performance Committee |
| Other estates and infrastructure capital projects (outwith approved University Budget including associated capital expenditure programme) | Up to £200,000 | Principal with agreement of Head of Estates and Director of Finance |
| Over £200,000 | Court, on the recommendation of the Finance & Corporate Performance Committee |
| Placing funds for investment | Any value | Director of Finance in accordance with Court-approved investment policies. |
| Borrowing (this does not include rental/hire arrangements) | Any value | Any University financial borrowing requires the approval of Court on the recommendation of the Finance & Corporate Performance Committee  |
| Raising of donations | Any value | Principal authorised to accept donations advised by Head of Alumni & Development and Director of Finance. For the use of donations (or the income from an endowment), regulations for general expenditure will apply.  |
| Debt write-off | Up to £5,000 | Director of Finance |
| Over £5,000 | Finance & Corporate Performance Committee |
| Goods and services | Single orders up to £15,000 with approved supplier | Approved budget holder |
| Single orders over £15,000 with approved supplier | Prior approval of Director of Finance required |
| All manual orders | Director of Finance |

Audit Committee

Chair’s Committee

Finance & Corporate Performance Committee

Governance & Nominations Committee

People, Health & Equality Committee

**SENATE**

Teaching & Learning Committee

Research & Knowledge Exchange Committee

Boards:

* Academic Regs
* Academic appeals
* Honorary awards
* Student disciplinary

**PRINCIPAL**

Executive Group (P, VPs, Uni Secretary)

Senior Mgt Group

Research Executive

**Delegation to Senate**

**Delegation to Principal and managers**

**Delegation to Court committees**

**Reporting line**

**Line of delegation**

**COURT**

**Delegation to Senate committees**

Remuneration Committee

##### APPENDIX 6 – COMMITTEE STRUCTURES

**Senate**

**SENATE**

**RESEARCH & KNOWLEDGE EXCHANGE COMMITTEE**

**TEACHING & LEARNING COMMITTEE**

**BOARDS**

* **Academic regulations editorial**
* **Academic appeals**
* **Honorary Awards Board**
* **Student Disciplinary Board**

**RESEARCH DEGREES SUB-COMMITTEE**

**ONS EDITORIAL BOA**

**SENATE**

**RD**

**COLLABORATIVE PROVISION**

**SUB-COMMITTEE**

**Proposed Senate committee structure from session 2013/2014**

**RESEARCH ETHICS SUB-COMMITTEE**

**STUDENT EXPERIENCE SUB-COMMITTEE**

*Short-life working groups can be established by each committee and sub-committee as and when required.*

##### Court

1. The University’s strategy for VFM is to obtain explicit feedback from internal audit, which is then reported on to the Audit Committee via reports. [↑](#footnote-ref-1)