



## Financial Regulations

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## **1 FINANCIAL REGULATIONS**

These new financial regulations supersede all previous regulations and procedures and derive their authority from Council and Aberystwyth University's Ordinances.

### **1.1 Purpose**

1.1.1 This document sets out the University's Financial Regulations. The University's Financial Regulations set out the fundamental principles that underpin all transactions undertaken by or on behalf of the University. They are supported by the Financial Procedures that set out how the Regulations are implemented.

1.1.2 The purpose of these Financial Regulations is to provide control over the totality of the institution's resources and provide management (and the Governing Body) with assurances that the resources are being properly applied for the achievement of the institution's strategic plan and business objectives, these being:

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

### **1.2 Scope Status and Authorisation**

1.2.1 The Financial Regulations comprise part of the laws of the University and compliance with them is mandatory.

1.2.2 The Regulations are approved by Council and

- are binding on all officers and staff of the University;
- apply to all parts of the University; and
- apply to all the University's subsidiary undertakings, unless otherwise agreed in writing by the Resources & Performance Committee.

1.2.3 These Financial Regulations are subordinate to the University's Charter and Statutes and to any restrictions contained within the Financial Memorandum with HEFCW and HEFCW's Audit Code of Practice.

1.2.4 The Director of Finance & Corporate Services will review the Financial Regulations annually and all proposed changes will be submitted to the Resources & Performance Committee (RPC) as well as the Audit, Risk & Assurance Committee (ARAC) for onward recommendation to the Council. Amendments may be proposed by RPC and approved by Council.

1.2.5 The Financial Procedures do not require formal Committee approval but any changes must be submitted by the Director of Finance & Corporate Services to the University Executive Meeting for approval.

1.2.6 Should there be an apparent conflict between the Regulations and the Procedures, the Regulations shall take precedence.

### **1.3 Aberystwyth University Charitable status**

1.3.1 Aberystwyth University is a Registered Charity (No 1145141) in accordance with the terms of the Charities Act 2011 and must comply with charity laws. The Financial Regulations help to ensure that charity funds are handled appropriately.

As a Welsh Higher Education Institution, the University is registered with the Charity Commission.

As a charity with an annual income over £10,000, we send the Charity Commission an Annual Return within 10 months of the end of our financial year which must comply with the Commission's requirements.<sup>1</sup>

### **1.4 Compliance**

1.4.1 Compliance with the Financial Regulations is compulsory for all staff connected with the University. It is the responsibility of Line Managers and colleagues from Finance Department (for the provision of relevant training),

to ensure that their staff are made aware of the existence and content of the University's Financial Regulations and of the importance of compliance.

1.4.2 All staff must ensure that they:

- Are conversant with, and adhere to, these Financial Regulations and the associated Procedures, including procurement policies and procedures.
- Seek appropriate guidance and are aware of the institution's financial authority limits and the values of purchases for which quotations and tenders are required.
- Use the University's resources economically, efficiently and effectively.
- Properly record and report on all transactions which they originate or control.
- Provide the Director of Finance & Corporate Services with such financial and other information as he deems necessary, from time to time, to carry out the requirements of the University Executive and/or Council committees.
- Immediately notify the Director of Finance & Corporate Services whenever any matter arises which involves, or is thought to involve, irregularities concerning, inter alia, cash or property of the institution. The Director of Finance & Corporate Services shall inform the Vice-Chancellor and agree such steps considered necessary by way of investigation and report.
- Inform the Director of Finance & Corporate Services of any other matters which come to their attention which could have a material effect on the institution's financial position or accounts.

<sup>1</sup> Charity Commission - <https://www.gov.uk/guidance/prepare-a-charity-annual-return>

1.4.3 A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the University's disciplinary policy. Council will be notified of any such breach through the Finance Department or through the Human Resources Department.

1.4.4 If you have any concerns or are unsure about any particular Regulation or Procedure please ask the Finance Department for advice.

1.4.5 If any individual or department within the University is about to undertake a new activity which they do not feel is adequately covered by the existing Financial Regulations or Procedures, they should contact the Finance Department prior to undertaking, so appropriate guidance and advice can be provided.

## **2 CORPORATE GOVERNANCE**

### **2.1 Governance Structure**

#### **2.1.1 The Council**

The Council is the governing body of the institution and responsible for the oversight of the management and administration of the University by the University Executive. Its strategic duties of governance include:

- ensuring the solvency of the University;
- safeguarding the University's assets;
- ensuring the effective and efficient use of resources;
- ensuring that the funds provided by HEFCW are used in accordance with the terms and conditions specified in the Financial Management Code between the University and HEFCW;
- ensuring that financial control systems are in place and are working effectively;
- ensuring that the University complies with HEFCW's Audit Code of Practice;
- approving the University's strategic plan;
- approving the annual budget incorporating financial allocations to departments and sections;
- approving annual estimates of income and expenditure and the annual financial statements;
- appointing the University's internal auditors;
- appointing the University's external auditors;
- appointing the University's bankers;

- overseeing money belonging to or held by the University; and
- approving any borrowings made by the University.

The Council has ultimate responsibility for the University's finances, but delegate's specific powers and processes to the Vice-Chancellor or a committee Appendix B.

Where no delegated authority already exists within these regulations, Council may remit delegated authority to an individual or a group of members to conclude a matter on its behalf. Where this is done, Council shall receive reports on progress until the matter has been concluded.

### 2.1.2 Designated Officer

The Vice-Chancellor is the University's designated officer responsible for the financial administration of the University's affairs. In this capacity, the Vice-Chancellor must advise the Council if, at any time, any action or policy under consideration by them appears to the Vice-Chancellor to be incompatible with the HEFCW Financial Management Code. If the Council decides nevertheless to proceed, the Vice-Chancellor must immediately inform the Chief Executive of HEFCW in writing. The Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by the Council. As the designated officer, the Vice-Chancellor may be required to justify any of the University's financial affairs to the Welsh Government.

### 2.1.3 Financial Governance Committees

The following committees have functions and responsibilities for financial control within the University as sub-committees of the Council:

- The Resources & Performance Committee (RPC)
- The Audit, Risk & Assurance Committee (ARAC)
- The Investment Committee
- The Remuneration Committee

These Committees are accountable to the Council.

<http://www.aber.ac.uk/en/media/departmental/governance/documents/2018-12-18---structure-chart.pdf>

## 2.2 Execution of Documents on Behalf of Aberystwyth University

All documents to be executed as deeds shall be affixed with the University's Common Seal in line with the procedures outlined in Ordinance.

Individuals are encouraged to seek advice from the University Secretary, as Clerk to the Council, where they are uncertain whether a document should be executed as a deed.

Any documents which do not need to be executed as deeds may be signed on behalf of Aberystwyth University by the appropriate individual, as outlined in Appendix C of the Financial Regulations – Secondary Delegations.

The Financial Procedures contains a checklist of the necessary information that must be provided before the Seal can be affixed. This will include details of budgets, reference to Financial Regulations and authorisation given.

## 2.3 Audit

- 2.3.1 The audit framework for the University within which the internal and external auditors operate is set out in the HEFCW Financial Memorandum and the HEFCW Accountability and Audit Code of Practice (HEFCW W08/36HE). These are described in Appendix A of this document.

## 2.4 Other Senior Managers with Financial Responsibility

- 2.4.1 The Director of Finance & Corporate Services

Day-to-day financial administration is controlled by the Director of Finance & Corporate Services, who is responsible to the Vice-Chancellor and whose responsibilities are set out in sections 3.1.2 and 3.1.3.

#### 2.4.2 University Pro Vice-Chancellors

The four main budget holders in the University are the Pro Vice-Chancellors for the three Faculties and the Director of Finance & Corporate Services for the Professional Services areas whose responsibilities are set out in section 3.1.3.

#### 2.4.3 Faculty/Departmental Heads

Heads of Faculties/Directors of Professional Services are responsible to the relevant University Pro Vice-Chancellor/Director of Finance & Corporate Services for financial management for the areas or activities they control whose responsibilities are set out in section 3.1.4.

Heads of Faculties/Directors shall provide the Director of Finance & Corporate Services with such information as may be required to enable:

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

#### 2.4.4 All Members of Staff

All members of staff should be aware of, and have a general responsibility for, the security of the University's property, for avoiding loss and for due economy in the use of resources.

They should ensure that they are aware of the University's financial authority limits as indicated in this document together with the values of purchases for which quotations and tenders are required.

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

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

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

### 2.5 Risk Management

2.5.1 The University Executive is responsible for managing risk within the University. The Audit, Risk & Assurance Committee is responsible for overseeing the risk management process within the University. Corporate risk registers are regularly reported to the Audit, Risk & Assurance Committee, to Resources & Performance Committee and to Council.

2.5.2 The University acknowledges the risks inherent in its business and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. A separate Risk Management Policy Statement outlines the University's underlying approach to risk.

2.5.3 The Council has overall responsibility for ensuring that there is a risk management strategy and a common approach to the management of risk throughout the University through the development, implementation and the embedding of a formal, structured risk management process.

2.5.4 Heads of Faculties/Directors must ensure that within their Faculties/Department any agreements negotiated with external bodies cover any legal liabilities to which the University may be exposed. The advice of the Director of Finance & Corporate Services' should be sought to ensure that this is the case.

## **2.6 Whistleblowing**

- 2.6.1 Whistleblowing in the context of the Public Interest Disclosure Act 1998 is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can raise concerns about crime, civil offences (including negligence, breach of contract, etc), miscarriage of justice, academic misconduct, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether the information is confidential or not and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.
- 2.6.2 The University has a Code of Practice for Public Interest Disclosure (Whistleblowing) which can be accessed via the Website. Normally, any concern about a workplace matter at the University should be raised with the relevant member of staff's immediate line manager or Head of Faculty/Professional Service Dept. However, the University recognises that very occasionally the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.
- 2.6.3 A member of staff may, therefore, make the disclosure to one of the individuals designated for the purpose within the Code of Practice. If a member of staff does not wish to raise the matter with those individuals, provision is also made within the Code for the disclosure to be made to the Chair of the Audit Committee.

## **2.7 Code of Individual Conduct**

- 2.7.1 The Code of Conduct applies to all individuals working at all levels and grades, and includes all employees (whether permanent, fixed-term or temporary), honorary staff, consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with the University, or any University subsidiaries or their employees, wherever they are located, and all members of all University Committees.
- 2.7.2 Staff should always seek to uphold and enhance the standing of the University. They must never use their authority or office for personal gain, but always maintain high standards of ethical behaviour, foster high standards of professional competence, optimise the use of resources which they influence and for which they are responsible to provide the maximum benefit to the University. They must comply both with the letter and the spirit of the law of the UK and contractual obligations.
- 2.7.3 The University's policy is to conduct its business in an honest and ethical manner. University business shall be conducted in accordance with the Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty, and leadership. The Financial Procedures expands on this further.
- 2.7.4 University Business shall be conducted in accordance with the Bribery Act 2010. The University has an approved Anti-Bribery Policy with which staff should familiarise themselves. The policy can be accessed at <https://www.aber.ac.uk/en/media/departmental/finance/pdf/pdf/Anti-bribery-Policy.pdf>
- 2.7.5 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all staff working for the University or under its control. All staff members are required to avoid any activity that might lead to, or suggest, a breach of the policy.

## **2.8 Conflicts of Interest**

### **2.8.1 General Principles**

The general principle on registering conflicts of interest is to consider whether the circumstances could reasonably be perceived to affect the judgment of the individual making a decision affecting the University. This includes any interest in a business which may supply or trade with the University which might reasonably be thought by others to influence their actions or decisions as employees.

Any member of staff or external committee member who has a connection with any outside organisation which sells to or buys from the University must declare his/her interest in writing to the Director of Finance & Corporate Services or to any member of the University Executive, and should not in any circumstances have any implicit or explicit contact with such an organisation concerning transactions or discussion involving the University.

These interests are required to be recorded in the University's Register of Interests. Further guidance can be found in the University's policies on Conflict of Interest and Outside Professional Activities available from the Vice-Chancellor's Office and the Director of Human Resources & Organisational Development.

## 2.8.2 Conflicts of Interest (Staff Members)

Staff members are reminded of the duty to disclose personal interests:

- Employees becoming aware of any personal financial or other beneficial interest in a transaction or financial arrangement of the University shall immediately disclose the fact and nature of the interest to their line manager, to the Director of Finance & Corporate Services, or to any member of the University Executive.
- Employees shall declare to the Director of Finance & Corporate Services any interest in a business which may supply, or trade with, the University and any other matter which might reasonably be thought by others to influence their actions or decisions as employees.
- A member of staff who is in doubt whether a declarable interest exists should consult the Director of Finance & Corporate Services.

A close and co-operative relationship with a supplier is often mutually beneficial. Staff must, however, maintain impartiality and not compromise fair competition. Further details are included in the commercial Ethics Policy Financial Procedures.

Goods, vouchers, payments etc. received from suppliers or agents (other than goods officially ordered) must be declared to the Director of Finance & Corporate Services. This rule is waived in respect of small items such as diaries provided that they do not exceed £30 in value. Further guidance on gifts and hospitality are in the Financial Procedures.

## 2.8.3 Disclosure of Interest for External Committee members

Any members of University committees must declare any relevant interest, financial or otherwise, in matters under discussion and should, if requested by the Chairperson, withdraw from such discussion.

Any external committee member who has a connection with any outside organisation which sells to or buys from the University must declare his/her interest in writing to the University Secretary, and should not in any circumstances have any implicit or explicit contact with such an organisation concerning transactions or discussion involving the University.

These interests are required to be recorded in the University's Register of Interests. Further guidance can be found in the University's policies on Conflict of Interest and Outside Professional Activities available from the University Secretary.

## 2.8.4 Receiving/Offering Gifts or Hospitality

The University Council has approved a Bribery Act Policy Statement which applies to all staff and other persons associated with the University. It is an offence under the Bribery Act 2010 for members of staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all members of staff must be:

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

<https://www.aber.ac.uk/en/media/departmental/finance/pdf/pdf/Anti-bribery-Policy.pdf>

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

## 2.8.5 Modern Slavery Act

Modern Slavery is a term used to encapsulate offences defined in the Modern Slavery Act 2015 covering slavery, servitude, forced or compulsory labour and human trafficking. Business organisations (universities are included within this definition) have a responsibility to ensure that workers are not being exploited, that they are safe and that relevant employment, health and safety and human rights laws and international standards are adhered to, including freedom of movement and communications. Aberystwyth University fully accepts these responsibilities and is committed to meeting its obligations under the Modern Slavery Act.

<https://www.aber.ac.uk/en/media/departmental/humanresources/pdfs/2018-Modern-Slavery-English.pdf>

## 2.9 Confidentiality

2.9.1 Staff must respect the confidentiality of information received in the course of employment. Similarly, information given out should be true and not intended to mislead. Staff should not discuss matters confidential to the University with outside parties.

## 2.10 Fraud, Irregularity & Malpractice

2.10.1 The University is committed to preventing fraud and corruption and to promoting the detection of fraudulent activity, which might be attempted from within the University, or from outside. The main responsibility for preventing and detecting fraud lies with the University Executive, with the assistance of the Resources & Performance Committee, Audit, Risk & Assurance Committee, Council and auditors.

The University is also committed to taking prompt action to investigate fully and address any suspected fraudulent act. The University has an approved Fraud, Irregularity & Malpractice policy. It can be found at [www.aber.ac.uk/en/media/departmental/finance/pdf/Counter-Fraud-and-Malpractice-Policy.pdf](http://www.aber.ac.uk/en/media/departmental/finance/pdf/Counter-Fraud-and-Malpractice-Policy.pdf)

## 3. FINANCIAL MANAGEMENT AND CONTROL

### 3.1 Roles and Responsibilities

#### 3.1.1 Vice-Chancellor

The Vice-Chancellor is the Chief Executive of the University and is the Accountable Officer as required by HEFCW's Financial Memorandum. As such, the Vice-Chancellor is responsible to the Council and HEFCW for the University's financial management and for the protection of its assets. The specific financial responsibilities of the Vice-Chancellor listed in the Financial Memorandum are as follows:

- To satisfy the Council that the conditions upon which funding council grants are made to the University are in compliance with the Financial Memorandum.
- To advise the Council of any action or proposal that is incompatible with the terms of the Financial Memorandum, and to report to HEFCW in writing if such advice is ignored.
- To sign the financial statements of the University.

The Vice-Chancellor exercises financial responsibilities by delegation to the Director of Finance & Corporate Services and Accountable Budget Controllers, who may in turn delegate aspects of their authority. See the Schedule of Financial Delegations of Authority at Appendix C. For the avoidance of doubt, delegated authority does not remove any job holder's responsibilities.

#### 3.1.2 The Director of Finance & Corporate Services

The Director of Finance & Corporate Services is responsible, under the general direction of the Vice-Chancellor, for controlling the day to day financial administration of the University. These responsibilities include:

- Promulgating the Financial Regulations (in conjunction with Senior Budget Managers) to ensure that all staff who have financial responsibilities are aware of the content and of the importance of compliance.
- Development of a financial strategy for the University as part of the overall strategy with appropriate involvement of Resources & Performance Committee and Council.
- Preparing annual capital and revenue budgets, financial plans and cash flow forecasts.

- Preparing quarterly finance reports, monthly management information for budget holders, monitoring of expenditure against budgets and all financial operations.
- Preparing the University's annual financial statements and other financial statements and accounts which the University is required to submit to other authorities.
- Seeking professional advice where necessary.
- Ensuring that the University maintains satisfactory financial systems for controlling and reporting.
- Providing professional advice to the Vice-Chancellor and Accountable Budget Controllers on all matters in relation to income, expenditure, planning and reporting and cost controls including taxation related matters.
- The production and maintenance of Financial Regulations and Financial Procedures and other detailed instructions to supplement the Financial Regulations and to update them on an annual basis.
- Ensuring a cost effective, value for money approach is taken to procurement throughout the University.
- Liaising with internal and external auditors in order to achieve efficient processes.
- Managing all personnel in the Finance Department.
- Investing the University cash in line with Treasury Management Policy.

The Director of Finance & Corporate Services is responsible for consolidating and dispatching financial returns and other periodic financial reports to HEFCW and other agencies as required. The Director of Finance & Corporate Services is responsible for ensuring that all grants notified by the HEFCW and other bodies and all student fees are received and appropriately recorded in the University's accounts.

The Director of Finance & Corporate Services is responsible for advising the Vice-Chancellor on issues connected with financial risk and for ensuring that these are discussed by the appropriate University committee.

Having regard to the responsibilities outlined above it is a requirement that all financial reports produced by Academic and Support sections for purposes of formal governance meetings of the University are approved by the Finance Department.

### 3.1.3 Accountable Budget Controllers

The Accountable Budget Controllers are the University Pro Vice-Chancellors and the Director of Finance & Corporate Services. They are responsible to the Vice-Chancellor and Resources & Performance Committee for the financial management of their areas by achieving the financial targets established during the budget process. Accountable Budget Controllers together with other supporting Senior Budget Managers will be called upon to attend the budget and forecasting review meetings. These meetings will consider financial performance and any variations to the University budget or to the portion of that budget allocated to budget holders. Accountable Budget Controllers are required to develop strategic plans for their respective areas within the framework of the University Strategic Plan and Financial Strategy.

Accountable Budget Controllers are responsible for the economic, effective and efficient use of resources allocated to them, and are required to establish and maintain clear lines of delegation for all financial matters within their areas of responsibility.

Accountable Budget Controllers are responsible for supervision of the financial systems within their respective areas and should seek advice on all financial matters from the Finance Department, wherever necessary.

Accountable Budget Controllers may delegate responsibility (but not accountability) within their area with the approval of the Director of Finance & Corporate Services.

### 3.1.4 Senior Budget Managers

The Senior Budget Managers are the Heads of Department. They are responsible overall to their Accountable Budget Controller for the financial management and administrative functions in their own areas. Key responsibilities are as follows:-

- managing their Cost Centre finances within the budget year;

- consulting with their Accountable Budget Controller prior to entering any financial commitment which may affect their ability to operate within their budgetary targets for the current period or which may have an effect on future periods;
- taking steps to ensure the security of buildings, equipment, money and other University assets under their control; and
- providing an appropriate level of guidance and instruction to all their staff to ensure they are fully aware of the application of the Financial Regulations and the importance of compliance.

#### 3.1.5 Budget Holders

Senior Budget Managers may, with the consent of their Accountable Budget Controller, delegate responsibility for defined parts of their Cost Centre finances to Budget Holders. Where this is the case, it will not reduce the responsibility of the Accountable Budget Controller or Senior Budget Manager concerned.

### 3.2 Financial Planning

3.2.1 The Vice-Chancellor has a responsibility to provide HEFCW with rolling five-year financial forecasts. Financial plans and forecasts must be consistent with the University's Strategic Plan and the Financial Strategy. They will be reviewed by Resources & Performance Committee before submission to Council for approval.

3.2.2 Each Senior Budget Manager is responsible for completing a five year plan which forms part of the overall consolidated University Financial Plan.

### 3.3 Accounting Arrangements

#### 3.3.1 Financial Year

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

#### 3.3.2 Basis of Accounting

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

#### 3.3.3 Format of the Financial Statements

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

#### 3.3.4 Capitalisation and Depreciation

Newly acquired land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated remaining useful life. 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.

Freehold buildings are depreciated on a straight line basis over their expected useful life according to their constituent parts as follows:

- long term (eg foundations & structure) 40 to 60 years
- medium term (eg services) 10 to 30 years
- short term (eg internal fittings) 5 to 10 years

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost is £10,000 or more. Depreciation will be over a period of 3 years for Research assets and 5 years on University funded assets unless otherwise advised by the department and agreed by the Director of Finance & Corporate Services.

### 3.3.5 Accounting Records

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

The University is required by law to retain prime documents for six years (plus current year). Retention periods for European grant documentation will be significantly longer and specific requirements should be checked with the Director of Finance & Corporate Services.

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

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

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

### 3.3.6 Taxation

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

The Director of Finance & Corporate Services is responsible for maintaining the University's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

## 3.4 Resource Allocation

3.4.1 The University shall have a Resource Allocation Model, which shall determine the allocation of resources across the Academic Departments of the University.

3.4.2 The variables within the Resource Allocation Model will be agreed annually by the University Executive.

3.4.3 Academic Faculties and Trading Departments are held accountable for income and expenditure and the financial contribution they make to the University. Heads of Faculties should ensure that the projections used for income are reliable. Inaccurate projections will lead to adjustments to Faculty budgets when actual student numbers are known. Any adjustments will be reported by the Resources & Performance Committee.

3.4.4 Professional Service Departments are treated as cost centres. The Senior Budget Manager is accountable for ensuring that the costs incurred remain within agreed budgets.

## 3.5 The Budget Setting Process

3.5.1 The Director of Finance & Corporate Services proposes the parameters for the budget setting process incorporating any targets which have been adopted by the Council. These parameters will be arrived at through consultation with the University Executive.

3.5.2 Each Senior Budget Manager is responsible for completing a budget which forms part of the overall consolidated University Budget. Budget holders must budget for all income and all expenditure on a gross basis. Netting off is not permitted. All income and expenditure must be fully declared in the budget and in financial forecasts.

## 3.6 Capital Expenditure Programmes

3.6.1 Capital Expenditure programmes are developed with reference to the University's Strategic Plan and Finance and Estates Strategies as appropriate. All such programmes once agreed must be included in the five year plan and budget.

3.6.2 Updated authority limits for capital expenditure are contained within the schedule of Financial Delegations of Authority, Appendices B and C.

### **3.7 Budgetary Control**

- 3.7.1 Financial performance is also monitored regularly by the University Executive who receive monthly information on capital and revenue expenditure and cash flow against target. The University Executive, including specifically the Director of Finance & Corporate Services, shall have the right of access to information and explanation from any employee with budgetary responsibilities on all financial matters at all times.
- 3.7.2 The control of income and expenditure, within an agreed budget, is the responsibility of the Senior Budget Managers in accordance with the schedule of Financial Delegations of Authority.
- 3.7.3 Accountable Budget Controllers are required to conduct a quarterly review of the anticipated financial out-turn of their areas and to consider any potential impact on delivery against the University Strategic Plan.
- 3.7.4 Accountable Budget Controllers and the Senior Budget Managers must regularly monitor the financial performance of their areas during the year and must report any significant overspend or projected overspend to the budget holder's line manager with an explanation of the cause and appropriate measures to be taken. Significant departures from agreed budgetary limits, incurred or prospective must be reported immediately to the Director of Finance & Corporate Services by the relevant Senior Budget Manager concerned and, if necessary corrective action taken. A significant departure is the lower of 10% of the total budget or £50k.
- 3.7.5 Senior Budget Managers are not authorised to commit the University to expenditure which exceeds their allocated budget. Prior approval is required from the University Executive through the monthly financial monitoring process.
- 3.7.6 If a Senior Budget Manager appears not to be taking steps to avoid overspending, the Director of Finance & Corporate Services, after consulting the relevant Management Accountant, may give notice that the Senior Budget Manager must not incur or authorise further expenditure until adequate evidence has been given that appropriate action is being taken to protect the University's financial position.

### **3.8 Budget Amendments and Virements**

- 3.8.1 During the year, the University Executive has authority to approve additions to the revenue budget up to the value of £250k.
- 3.8.2 Virements between budget headings within an Academic Faculty or a Department should be approved by the Senior Budget Manager for that Faculty or Department.
- 3.8.3 Budget virements that affect multiple academic departments or Professional Service Departments should be agreed by the Senior Budget Managers for the affected centres, or must be approved by the University Executive.
- 3.8.4 In all cases, virements between budget headings are subject to the restriction that movements from non-pay to pay budgets in excess of £50k must be approved by the Director of Finance & Corporate Services.

### **3.9 Reserves and Carry Forward of Balances**

#### **3.9.1 Academic Departments**

Academic Faculties will have a surplus or deficit at the end of the year based on the tuition fee, HEFCW grant and Research grant income received less the expenditure incurred. Faculty surpluses or deficits will not be carried forwards to future financial years but will be monitored against the approved budget for the respective year. The University operates an annual budget setting process, with a further indicative three year planning horizon, however each financial year is approved exclusively on an annual basis by Council.

### **3.10 Other Departments**

Any budget not spent by the end of the Financial Year will be retained by the University unless otherwise agreed by the Director of Finance & Corporate Services.

## **4. RECORD KEEPING**

The Finance Department retains invoices and expenses records for a six-year period (plus current year) as defined by HM Revenue & Customs (HMRC).

Senior Budget Managers, together with the Research Office, must ensure that files are retained for all research and other grants, including European Union grants in line with the requirements of funders. These files must evidence a clear audit trail, capable of retrospective interpretation, to support all claims and expenditure, and must be retained for whatever period is stipulated by the funder, but in any case for not less than six years.

The University's records management policies and procedures are developed and maintained by its Records Manager and Freedom of Information Officer. The policies are set out on the University's intranet at <http://www.aber.ac.uk/en/infocompliance>

## **5 TREASURY MANAGEMENT**

### **5.1 Treasury Management Policy**

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

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

The Director of Finance & Corporate Services will report to the Resources & Performance Committee on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him or her.

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

The Council is responsible for the appointment of the University's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Resources & Performance Committee. The appointment shall be for a specified period after which consideration shall be given by the Resources & Performance Committee to competitively tendering the service.

### **5.3 Banking Arrangements**

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

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

All payments on behalf of the University, such as cheques and automated transfers (BACS or CHAPS), must be authorised in the appropriate manner and on the basis approved by the The Resources & Performance Committee. Details of authorised persons and limits shall be provided for in the University's detailed Financial Procedures.

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

## **6 INCOME**

### **6.1 Income Arrangements**

- 6.1.1 The Director of Finance & Corporate Services is responsible for ensuring that procedures and systems are in operation to enable the University to receive all income to which it is due. This responsibility includes ensuring that systems are in operation for the timely issue of invoices, prompt collection, recording, security and banking of all income when received.

6.1.2 All staff are individually responsible for ensuring that revenue to the University is maximised by the efficient application of agreed procedures and only standard University invoices and receipts are to be used (section 6.4). Staff receiving income on behalf of the University must ensure that it is recorded promptly and passed to the Finance Department for banking.

## **6.2 Granting of Credit**

6.2.1 The Director of Finance & Corporate Services, in consultation with the University Executive, is responsible for monitoring the University's credit management exposure.

6.2.2 If there is a reasonable doubt that payment for goods and services provided shall not be received, or shall be received only after a long delay and much effort on the part of the University, staff must consult the Income Section of the Finance Department as soon as possible, and before further goods and services are provided. The Finance Department will consider whether any further credit shall be granted and whether any such debts should be fully or partially provided for within the Financial Statements.

6.2.3 Where doubts exist about the creditworthiness of a customer, e.g. with a customer whom no previous experience has been gained, or where an existing customer is requesting a higher than normal level of credit, further enquiries must be made with the Income Section before any goods or services are provided. To avoid doubt, all new customers must be approved by the Finance Department.

6.2.4 Entering into any credit agreement as lender is regulated by the Financial Conduct Authority. The University holds a limited permission Consumer Credit Licence to engage in certain regulated activity including receiving payment for goods or service in instalments. Staff should not enter into any credit agreement without the prior approval of the Director of Finance & Corporate Services.

## **6.3 Invoices and Collection of Debts**

6.3.1 Where goods and services are supplied by the University, an appropriate charge must be made in accordance with the policies outlined above by raising an invoice on the University's finance systems. Invoices must include VAT where applicable. Advice on VAT can be obtained in advance from the Finance Department.

6.3.2 The Director of Finance & Corporate Services is responsible for the implementation of debt recovery processes. Senior Budget Managers are required to provide whatever information is needed to assist this process.

6.3.3 Should legal action be required to recover monies due, any costs incurred will be borne by the Cost Centre originating the invoice. Similarly, if the invoice becomes uncollectable, the amount owing will be written back to the Cost Centre concerned.

6.3.4 The Director of Finance & Corporate Services must ensure that debt write-offs are in accordance with the schedule of Financial Delegations of Authority and are reported to Resources & Performance Committee in all cases.

6.3.5 Only the Director of Finance & Corporate Services can implement credit arrangements and indicate the periods over which different types of invoice must be paid.

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

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

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

All requests for refunds, whether due to withdrawal or for other reasons, must be approved by the Director of Finance and Corporate Services

- All Undergraduate Home/EU students who are funded by an SLC tuition fee loan will not receive a tuition fee refund should their account be in credit. For more detail please refer to the financial web page: <https://www.aber.ac.uk/en/undergrad/before-you-apply/fees-finance/loans/>

- Only in exceptional circumstances will refunds be granted. In these cases students will normally be charged, less any non-refundable deposits, on a pro rata basis on the number of weeks of attendance from the start of the scheme, and an appropriate refund made if necessary.
- There are occasions where specific courses will have different rules on the refund of tuition fees to that shown above. In these circumstances the appropriate rules will be clearly notified to students prior to starting the course.

6.3.7 Where internal processes have failed to recover other debt, these will be referred to debt collection agencies subject to deminimis levels. Court orders will be sought if the debt collectors are not successful.

## **6.4 Online and Card Receipts, plus Cash and Cheque Receipts**

### **6.4.1 On-line Receipts**

Aberystwyth University has invested in tools and systems to facilitate the on-line booking of courses, conferences and other teaching activities, including accommodation. This is linked to an online payment portal which is the preferred method of payment for both on-line and more traditional bookings. Payment by bank transfer, with the exception of funding/commercial activities is discouraged. Only in rare cases where unavoidable, payments for these types of transactions may be made by cash/cheque.

### **6.4.2 Payment Card Industry Data Security Standards**

Procedures dealing with the controls required over the transmission, processing, and storage of all data and information received in respect of all card receipts accepted by the University can be obtained at <https://www.aber.ac.uk/en/finance/general-information/pci-dss>

6.4.3 On the rare occasion where payment in cash is unavoidable, the following principles apply in relation to cash and cheque handling:

- i) **Responsibility**  
Staff members involved in the handling of funds are responsible for ensuring safe custody of cash and cheques in accordance with cash handling procedures in the Financial Procedures.
- ii) **Prompt Recording and Banking**  
All monies must be recorded appropriately on receipt and paid within 24 hours of receipt to the Finance Department or direct to the bank (if prior arrangements have been made).
- ii) **Deductions**  
In every case the full amount of cash collected must be banked or handed over. No part of the cash collected is to be retained by the collecting employee or department for any purpose whatsoever.
- iii) **Insurance Limits**  
Custody of all cash holdings must comply with the requirements of the University's insurers.
- iv) **Internal Mail**  
Internal mail must not be used to remit cash or cheques to the Finance Department.
- v) **Account Payee**  
All parties should be instructed that cheques should always be payable to Aberystwyth University, account payee only.
- vi) **Suspected Loss**  
Any actual or suspected losses of income must be reported to the Director of Finance & Corporate Services immediately.

## **6.5 CASH FLOATS**

6.5.1 It may be necessary for some academic and service units to carry an amount of cash as a float for operational purposes. The amount of float should be requested by the Senior Budget Manager concerned and sent to the Director of Finance & Corporate Services for authorisation. Senior Budget Managers must confirm in writing to

the Finance Office at the end of each accounting period that they have checked the balance of the float and reconciled it to expenditure incurred. Such reconciliations must be retained for inspection by the Finance Department if required.

## **7 RESEARCH GRANTS, CONTRACTS AND OTHER INCOME GENERATING ACTIVITIES**

### **7.1 Research Grants and Research Contracts**

- 7.1.1 Research can be defined as original investigation, undertaken to gain new knowledge and understanding which may be directed towards a specific aim or objective.
- 7.1.2 The term "Research Grant" is restricted to research projects funded by the UK Research Councils, Charities and the Higher Education Funding Councils and EU Funding Councils.
- 7.1.3 Externally funded research projects which are funded from any source not mentioned in paragraph above, are classified as "Research Contracts".
- 7.1.4 On occasions where both UK and EU funding councils issue financial regulations concerning research project expenditure, then these regulations will supersede these Financial Regulations, unless the Research, Business and Innovation Department can receive confirmation in writing from the relevant funder that Aberystwyth University Financial Regulations will apply. Any such instances must be reported to the Director of Finance & Corporate Services.
- 7.1.5 When approaches are made to outside bodies for support for research projects, or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Senior Budget Manager to ensure that the financial implications have been appraised by the Director of Finance & Corporate Services.
- 7.1.6 The Research, Business & Innovation department is responsible for examining every application for Research Grant and Research Contract funding, and shall ensure that there is adequate provision of resources to meet all commitments. The Director of Finance & Corporate Services must ensure that the full cost of Research Grants or Contracts is established. The relevant Senior Budget Manager is responsible for ensuring that the Director of Finance & Corporate Services is kept informed of all matters pertaining to the financial administration of their Research Grants and Contracts. The responsibility for confirming indirect resources (i.e. space) is delegated to the Senior Budget Manager who signs off the Grant Application.
- 7.1.7 Any overspend or under-recovery of overheads is the responsibility of the Faculty/Department with any loss being a charge on departmental funds.
- 7.1.8 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 University will suffer a financial penalty. It is the responsibility of the named supervisor or grant holder to ensure the conditions of funding are met. Any loss to the University resulting from a failure to meet conditions of funding will be charged against departmental funds.

### **7.2 Additional payments to staff arising from research grants and contracts**

- 7.2.1 Any proposal which involves a payment, or payments, to members of staff, in addition to their salary payment, that arises from work associated with a Research Grant or Contract must be approved by the Accountable Budget Controller. It must be reported to the Director of Human Resources & Organisational Development to take such action as necessary to ensure that only approved payments are made to the relevant members of staff. All staff wages and salary payments must conform to these regulations.

### **7.3 Other Income Generating Activities**

- 7.3.1 All other income-generating activities, including academic collaborations and franchise agreements, must be self-financing or surplus-generating.
- 7.3.2 When staff members are determining prices, this should be in the context of understanding:
- a) the full economic cost of the goods or services being provided; and
  - b) where applicable the market rate for these goods and services.

Where a price is proposed to be charged that falls below a) or b) the Senior Budget Manager must submit a fully costed business case clearly identifying the anticipated benefits to the Director of Finance & Corporate Services for approval.

7.3.3 Other Income Generating activities include, but are not limited to:

- Short Courses
- Conferences
- Consultancy
- Use of facilities
- Any other activities that are not teaching or research, including commercial activities
- Documents / letters which bind the University to a set of terms and conditions

7.3.4 Any loss to the University resulting from a failure to meet conditions of funding, tax legislation or arising from exchange rate differences is the responsibility of the Senior Budget Manager and will be charged to the associated Faculty/ Departmental budget.

## **7.4 Intellectual property rights and patents**

7.4.1 In this section “invention” means the making, development or modification of an invention, the making of a discovery, or the creation or development of any other intellectual property including copyrights and registerable designs. The expression covers inter alia scientific inventions which might be patentable, and literary and artistic works, including computer software, which are the subject of copyright.

7.4.2 Inventions by employees are assumed to have originated in the normal course of their employment and are the property of the University. Any inventions which appear suitable for patenting, registration, or commercial exploitation must be notified to the Accountable Budget Controller concerned in writing. The Accountable Budget Controller will in turn notify the Director of Finance & Corporate Services.

7.4.3 The Head of Research, Impact and Excellence will determine in each case whether an invention is to be patented, registered, or otherwise exploited, in accordance with separate policy guidelines. The Head of Research, Impact and Excellence will notify the Pro Vice-Chancellor Research, Knowledge Exchange & Innovation of all inventions and patent applications, and this will be reported formally to the University Executive.

7.4.4 Under those guidelines, employees responsible for inventions will normally receive a share in the benefits derived from the exploitation of their inventions. The employee’s share would be determined on an individual basis (refer to ‘Paid work outside the University’ 9.2). The Pro Vice-Chancellor Research, Knowledge Exchange & Innovation may in certain cases designate categories of inventions for which the University would not wish to exercise its rights as employer.

## **8 EXPENDITURE**

### **8.1 General**

8.1.1 The Director of Finance & Corporate Services is responsible for all payments due by the University and must approve all payment procedures. The University’s standard terms and conditions relating to payments must not be changed without prior authority from the Director of Finance & Corporate Services.

8.1.2 All individuals are responsible for ensuring that the University obtains good value for money and that all purchases are made in accordance with the purchasing policies described in the Financial Procedures. It is the University’s policy that all expenditure is through framework agreements where they exist and non-compliance is only acceptable in exceptional circumstances where there is a clear benefit to the University and where no adverse legal implications arise.

8.1.3 All requests to establish new Procurement Framework Agreements (outside of the public sector schemes to which the University is a member, for example the Higher Education Purchasing Consortium for Wales (HEPCW)), must be first subject to a value for money exercise, which should clearly demonstrate the benefits, risks and financial implications of the Agreements. Approval must be obtained from the University Procurement Manager or his nominee in all instances. ‘Establish’ in this context includes adopting/joining a framework to which the University is not a member, at any point during its lifetime.

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

- 8.2.1 Authorisation of expenditure must be in accordance with the schedule of Financial Delegations of Authority (see Appendices B and C).
- 8.2.2 Accountable Budget Controllers and Senior Budget Managers may further delegate authority to purchase goods or services to other appropriate members of staff. Any changes to these authorities must be immediately notified to Finance. The Finance Department maintains a register of staff authorised to commit expenditure on behalf of the University together with specimen signatures.
- 8.2.3 Authorised staff must ensure that sufficient funds are available within their budget prior to placing a purchase order.
- 8.2.4 Commitments to expend funds must be documented in advance of receiving any goods services or works, via an approved Purchase Order (and as appropriate additional written contract) with the specific exceptions listed below:
- Welsh Procurement Card purchases.
  - Single purchases totalling less than £1,000 in value.
  - Purchases where the University's liability is cited in law or are part of a signed University contract/agreement.
  - Purchases of a nature which do not lend themselves to the competitive procurement process or issuance of a purchase order/contract including, but not limited to:
    - Utility Bills
    - Postage, shipping charges, permits, fees, tolls and licenses
    - Expense claims
    - Transactions paid by Direct Debit
    - Emergency situations (e.g. veterinary emergencies lift entrapment & release etc.)
    - Memberships and contributions
    - Professional services based on hourly fees procured under a framework agreement
    - Conditional fees based on performance outcome
- 8.2.5 All purchase orders must be made using the system laid down by the Director of Finance & Corporate Services as detailed in the Financial Procedures section dealing with purchases. Personal purchases must not be made using University funds or the Welsh Procurement card.

## **8.3 European Union (EU) Procurement Directives**

- 8.3.1 It is the responsibility of Accountable Budget Controllers to ensure that their members of staff notify the Head of Procurement of any purchases likely to exceed £50,000 (ex VAT) either as a one-off, or over the applicable contract period if longer than 12 months, or otherwise over a minimum 12 month period. They must also ensure that an appropriate value for money procurement process is put in place. The notification must be made in advance of any commitments being made.
- 8.3.2 The Procurement Manager is responsible for ensuring that the University complies with its legal obligations concerning European procurement legislation for the supply of goods, works and services. EU Procurement Directives may apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) where the total value exceeds the threshold value. The current thresholds can be found on <https://www.ojec.com/thresholds.aspx>. A breach of these regulations is actionable by a supplier or potential supplier as well as by the EC. Perpetual contracts are calculated at 48 times their monthly value for threshold purposes. It is not permissible to split up a contract for the purpose of avoiding the application of the regulations. Contact the Procurement Manager for further details about how contract valuations should be calculated (the aggregation rules).
- EU procurement directives allow extreme emergency powers under unforeseen and exceptional circumstances. Legal advice must be sought in all such cases prior to using such powers, and permission must be sought from the University Executive.
- 8.3.3 It is the responsibility of the Accountable Budget Controllers to ensure that their members of staff comply by notifying the Procurement Manager of any purchases likely to exceed the thresholds noted above (this should already be happening as any procurements in excess of £50,000 excluding VAT should already be notified to the

Head of Procurement). This will need to be done well in advance in order to permit advertisements in the Official Journal, etc.

## 8.4 Competitive Tendering

- 8.4.1 Subject to any special rules imposed by the funding bodies (e.g. purchases using WEFO funding), the University's competitive tendering procedures contained in the Financial Procedures will apply to all expenditure on products, services and building work in excess of £50,000 (ex VAT) singularly or in aggregate unless appropriate pre-competited framework agreements are in place. If pre-competited framework agreements are in place, their specific call-off procedures should be followed and these can be found in the framework buyers guide in each case.
- 8.4.2 For expenditure above £50,000 (ex VAT) at least three competitive tenders must be received and the Procurement Manager must be advised of all such tender exercises at their inception and regularly updated as to progress thereafter, for onward regular progress reporting to the University Executive. Staff should refer to the procurement team in the finance department for advice in the event that fewer than three tenders are received.
- 8.4.3 Purchases using WEFO funding should be discussed with the Procurement Manager prior to ordering as different tendering thresholds and procedures apply to WEFO transactions.
- 8.4.4 Competition is good practice for all expenditure in excess of £5,000. However, as a minimum, written quotation(s) must be obtained for expenditure in excess of £1,000 as set out in the table below. It is recognised that there are sometimes occasions when a quote cannot be firmed up until, for example, after an initial site visit. In these circumstances an "initial price" must be agreed either as pre-approved hourly or daily rates with a capped cost or an initial lump sum charge should be agreed until a firm price can be provided. However, even in such circumstances, a Purchase Order must be raised and provided to the supplier for the "initial price" prior to the receipt of any goods or services, unless payment can be made by the Welsh Procurement Card or the exemptions in 8.2.4 apply.

<b>Total (NOT Annual) Contract Value excluding VAT (Contracts must not be split to avoid these limits)</b>	<b>Procurement Method</b>
£1,000 - £5,000	Minimum 1 written quotation received
£5,001 - £10,000	Minimum 2 written quotations received
£10,001 - 50,000	Minimum 3 written quotations received
£50,000 +	Minimum 3 competitive sealed bid tenders received

Please refer to Financial Procedures for further details including instances where fewer than the minimum number of quotations are actually obtained.

### 8.4.5 Procurement

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

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

The Director of Finance & Corporate Services is responsible for:

- ensuring that the University's procurement policy is known and observed by all involved in purchasing for the University;
- advising on matters of University's procurement policy and practice;

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

#### 8.4.6 Purchase Orders

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

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

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

#### 8.4.7 Purchase Cards

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

#### 8.4.8 Receipt of Goods

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

All goods received shall be receipted manually and/or on the ABW Goods receipt workflow on the day of receipt. If the goods are deemed to be unsatisfactory, the record shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified.

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

#### 8.4.9 Payment of Invoices

The financial procedures for making all payments shall be in a form specified by the Director of Finance & Corporate Services. The Director of Finance & Corporate Services is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by BACS transfer. In exceptional circumstances the Director of Finance & Corporate Services will authorise alternative arrangements for urgent payments.

Suppliers should be instructed to submit invoices for goods or services to the Accounts Payable Section. Care must be taken by the budget holder to ensure that discounts receivable are obtained.

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

Payment of an invoice or receipting of an order will demonstrate that:

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;
- where appropriate, it is matched to the order;
- invoice details (quantity, price discount) are correct;
- the invoice is arithmetically correct;

- the invoice is not a duplicate and has not previously been passed for payment;
- where appropriate, an entry has been made on a stores record or University inventory.

8.4.10 Where tenders are to be invited for expenditure which is expected to be in excess of £50,000 (ex VAT) the Procurement Manager must be notified in advance and involved as appropriate to ensure a value for money procurement process is followed.

8.4.11 In the above table, contract(s) also means purchase order(s) as well as any complementary contractual/legal documentation or award letters (if applicable). The procurement Manager can be contacted for further details about valuing contract(s) (aggregation) which reflect EU Procurement law and must be applied to all purchases. The Procurement Manager will issue a bi annual report to the University Executive on a sample of audited procurements over £5k (ex VAT) together with a summary as to compliance with financial regulations.

## **8.5 Use of Consortia Agreements**

8.5.1 All proposals to join purchasing consortia must be first reported to The Resources & Performance Committee for approval. The approval document must include value for money and compliance/legality considerations. Should such contracts require the use of the University seal, this must be carried out in accordance with Regulation 2.2.

## **8.6 Advance Payments to Suppliers**

8.6.1 Advance payments (pro-forma payments) for goods and services must not be entered into without the permission of the Director of Finance & Corporate Services. All advance payments in excess of £10,000 excluding vat must be referred to Procurement for credit checks to be undertaken. In addition, where reasonably required based on the risk profile of the transaction/s in question, purchasers must ensure appropriate security of pre-paid funds e.g. by a parent company or bankers' guarantee. Advance payments up to £10,000 excluding VAT can be approved by Accountable Budget Holders however the financial and business risks associated with such approvals rest with authorising department. There is no central fund to cover any financial loss, should problems occur.

## **8.7 Reimbursement of Travel, Subsistence and Other Allowances**

8.7.1 The University has an Expenses Manual giving full details of the regulations governing the reimbursement of expenses (see Financial Procedures). It is the intention of Aberystwyth University to maximize the benefits of utilising the framework agreement for travel.

8.7.2 Expense claims procedures for Council members and other non-staff members of University committees are set out in a separate document which is available from the University Secretary.

## **8.8 Subsidiary Companies**

8.8.1 Unless otherwise agreed in writing, purchases made by or on behalf of any University subsidiary organisations must be in accordance with these financial regulations and the complimentary University Financial Procedures. Additionally, where extra funding bodies are involved in such subsidiary undertakings the procurement procedures of those organisations must also be observed by the subsidiary undertaking unless any formal written dispensation or derogation to the contrary exists in this regard.

# **9 SALARIES AND WAGES PAYMENTS**

## **9.1 Responsibilities**

9.1.1 The Payroll Office is responsible, under the Director of Human Resources & Organisational Development, for all payments of salaries and wages to staff, including payments for overtime or services rendered. All time sheets and other pay documents, including modifications in respect of leaver processing, casual and occasional staff, should be in a form approved by the Director of Human Resources & Organisational Development and as set out on the Human Resources section of the intranet. <http://www.aber.ac.uk/en/hr>

9.1.2 All staff appointments have to be approved in accordance with the HR procedures published by the Director of Human Resources & Organisational Development. All staff, except honorary staff, must be appointed to the salary scales approved by the Council and in accordance with the appropriate conditions of service. All letters of appointment and employment contracts must be issued by the Director of Human Resources & Organisational Development. The Director of Human Resources & Organisational Development is responsible for informing the

Director of Finance & Corporate Services of all financial matters relating to staff for payroll purposes, for approving payments thereto and ensuring adherence to the University's payroll procedures.

9.1.3 Examiners' fees and expenses are dealt with by the Finance Department. All payments must be made in accordance with HMRC's regulations. The Director of Finance & Corporate Services is required by law to inform HMRC of any payment made to an individual for a service performed where there is either an actual or an implied contract of service. If a person is deemed to be self-employed, they will be liable for the deduction of tax and national insurance from fees. Any additional payment to an employee (e.g. for extra work performed out of hours) must be paid via the payroll.

9.1.4 No loans will be paid to members of staff under any circumstance, except Salary Sacrifice.

9.1.5 An advance may be requested for travel and subsistence expenses where it is demonstrated that this is essential.

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

Receipts or paid invoices will be retained for all sums expended in this way. Upon completion of the project to which the advance relates, and within 30 days, a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to a project or individual is outstanding. Advances issued will be for a minimum of £100.

9.1.6 Full information regarding employment matters can be found on the Human Resources section of the intranet. <http://www.aber.ac.uk/en/hr/>

## 9.2 Paid work outside the University

9.2.1 When undertaking paid work outside the University, whether the payment is made for the direct benefit of the member of staff or into a discretionary fund held in the University, members of staff must comply with the University's rules as set out in their terms and conditions of employment. Staff should also refer to the HR policy on this at <https://www.aber.ac.uk/en/media/departmental/humanresources/aberpoliciesprocedures/Secondary-Employment-Policy.pdf>

9.2.2 In accordance with the terms and conditions of employment, an employee is only entitled to be employed, engaged, concerned or interested in another business, occupation or appointment if:

- it does not interfere with the employee's normal duties for the University;
- there is no conflict of interest with the University; and
- if the employee has the express written consent of their Senior Budget Manager which will not be unreasonably withheld.

9.2.3 In all cases of paid work *outside* of the University's consultancy procedures, the member of staff undertaking work outside the University must make it clear to all relevant persons that:

- the work is undertaken in a private capacity;
- the University is not involved; and
- the University accepts no liability in connection with the work done.

## 9.3 Remuneration Policy

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

Salaries and other benefits for senior management will be determined by the Remuneration Committee set up by the Council.

## 9.4 Appointment of Staff

All contracts of service shall be concluded in accordance with the University's approved HR practices and procedures and all offers of employment with the University shall be made in writing by the Director of Human Resources & Organisational Development. Budget holders shall ensure that the Director of Human Resources & Organisational Development is provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

## **9.5 Salaries and Wages**

The Director of Human Resources & Organisational Development is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Director of Human Resources & Organisational Development.

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

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

The Director of Human Resources & Organisational Development shall be responsible for keeping all records relating to payroll including those of a statutory nature.

All payments must be made in accordance with the University's detailed payroll financial procedures and comply with HMRC regulations.

## **9.6 Superannuation Schemes**

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

The Director of Finance & Corporate Services is responsible for day-to-day superannuation financial matters, including:

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

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

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

Claims by members of staff must be authorised by their Head of Faculty/Director or authorised signatory Pro Vice-Chancellor or nominee in the case of Heads of Faculty/Director. The authorisation shall be taken to mean that:

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

Claims must be submitted within 30 days of the journey, no claims will be met after a 3 month period. The Director of Finance & Corporate Services may refuse to pay claims that are submitted outside this limit unless a suitable reason is given and is supported by the Head of Faculty/ Head of Professional Services.

## **9.8 Overseas Travel**

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

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

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

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

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

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

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

## **10 ASSETS**

### **10.1 Land, Buildings and Equipment**

#### **10.1.1 General**

The purchase, long term lease, rent or sale of land and buildings can only be undertaken with the permission in advance of Council and with reference to HEFCW requirements where exchequer funded assets or exchequer funds are involved.

The renewal of leases with a lifetime cost of up to £100k should be authorized by the Director of Finance and Corporate Services.

#### **10.1.2 Fixed Asset Register**

The Director of Finance & Corporate Services is responsible for ensuring that the University's register of land and buildings is up to date. Heads of Faculty/Professional Service Depts will provide the Director of Finance & Corporate Services with any information he or she may need to maintain the register.

The Director of Estates, Facilities & Residences is responsible for maintaining the University's complete register of land and buildings including leases and other documents of title.

#### **10.1.3 Responsibility for Inventories**

The Finance Department will maintain a fixed asset register of capitalised equipment and inventories greater than £10k in value.

Accountable Budget Controllers are responsible for maintaining inventories for all plant, equipment and furniture not maintained by the Finance Department or Aberystwyth University Computer Centre, and stores in their departments in accordance with the University's security policy.

#### **10.1.4 Loan of University Property**

No property is to be removed from the University premises without the prior permission of the Senior Budget Manager concerned.

Any private use of University owned assets (e.g. vehicles, computer equipment removed to home addresses) must be reported by the Accountable Budget Controller to the Finance Department and may result in a tax liability for the individual concerned (please refer to Financial Procedures Expenses Manual for further details).

Information Service procedures must be followed for the loan of library stock and IT equipment.

#### 10.1.5 Losses of University Property

Any losses must be notified immediately to the Director of Finance & Corporate Services so that an insurance claim can be made where appropriate.

#### 10.1.6 Disposal of Assets

Any assets procured through the University, using University funds are University assets.

Sales, scrapping and other disposals of any University fixed assets including land, buildings, stocks, stores, equipment, plant and furniture shall be strictly in accordance with the Fixed Asset Disposal Policy.

#### 10.1.7 Acquisition of land and buildings

All acquisition of land and building shall be approved in the first instance by Resources & Performance Committee and final approval will be granted by Council.

A full business case is required to support the acquisition of all land and buildings highlighting:

- Purpose of Acquisition
- A summary of heads of terms including warranties
- Statement of compliance with the 2011 Charities Act
- Full phased and costed business plan clearly identifying full cost including fees as well as full financial and non-financial benefits to the University
- A demonstration that the acquisitions are consistent with the latest version of the University's Strategic and Estates Plans
- Legal opinion on any risks or unusual features in the purchase

#### 10.1.8 Safeguarding Assets

Heads of Faculty/Professional Service Depts are responsible for the care, custody and security of the assets under their control. They will consult the Director of Finance & Corporate Services in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Assets owned by the University shall, so far as is practical, be effectively marked to identify them as University property.

#### 10.1.9 Personal Use

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

### 10.2 Stocks and Stores

10.2.1 Accountable Budget Controllers are responsible for establishing adequate arrangements for the recording custody and control of stocks and stores within their control and for ensuring that systems are commensurate with Health and Safety guidelines.

10.2.2 Those Accountable Budget Controllers whose units of stock require valuation in the University's Financial Statements must ensure that the stock-taking takes place on the appropriate date and that procedures have the approval of the Director of Finance & Corporate Services.

### 10.3 Estates

10.3.1 The University's estates must be managed in accordance with the latest version of the Estates Strategy. Planned expenditure must be supported by an approved budget before the expenditure can be authorised. Expenditure must be approved by the appropriate level of authority as set out in the Financial Delegated Authority levels (see Appendices B and C) and follow procurement procedures as outlined in Financial Procedures Handbook.

## **11 FUNDS HELD ON TRUST**

### **11.1 Gifts, benefactions and donations**

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

All staff members must refer to the Development and Alumni Relations Office Gift Policy when receiving gifts, benefactions and donations.

### **11.2 Student Hardship Awards**

The Director of Finance & Corporate Services will prescribe the format for recording the use of student hardship awards.

Records of access to these awards will be maintained by the Student Support Department.

### **11.3 Endowment funds**

The Director of Finance & Corporate Services is responsible for maintaining, monitoring and keeping a record of the requirements for each endowment fund and for advising the Investment Committee (reporting to Resources & Performance Committee) on the control and investment of fund balances.

The Resources & Performance Committee is responsible for ensuring that all the University's endowment funds are operated within any relevant legislation and the specific requirements for each trust.

The Investments Committee are responsible for the investment of endowment fund balances following advice from the University's Investment Advisors.

All funding of the University's general activities from Endowment income must be approved by Council.

### **11.4 Voluntary Funds**

The Director of Finance & Corporate Services must be informed of any fund that is not an official fund of the University which is controlled wholly or in part by a member of staff in relation to their function in the University.

The accounts of any such fund (subject to a deminimis of £10,000) shall be audited by an independent external person and shall be submitted with a certificate of audit to the appropriate body. The Director of Finance & Corporate Services shall be entitled to verify that this has been done.

## **12 STUDENTS' UNION**

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

The Student Union is responsible for maintaining its own bank account(s) and financial records, setting annual budgets and preparing its own annual financial statements.

The Student Union will provide monthly statements of income and expenditure to the Director of Finance & Corporate Services and the University Executive for information purposes only. In accordance with the 1994 Education Act (Part II), the Student Union's financial performance will also be regularly reported for information to the Resources & Performance Committee.

At year end the Student Union financial statements will be audited by an appropriately qualified firm of auditors and will be presented, along with the annual budgets, to the Resources & Performance Committee for information.

By virtue of not controlling or exerting significant influence over the operating and financial policies of the Aberystwyth University's Student Union is not considered to be a subsidiary or associate undertaking of the University and all other parts of the Financial Regulations do not apply to the Students' Union.

## **13 FINANCIAL IT SYSTEMS & COMMUNICATION TOOLS**

The use of the University's IT equipment and systems shall be in compliance with the Code of Conduct (refer to 2.7) which is set out in these Financial Regulations relating to the University's financial systems, including the Finance system and shall be operated within guidelines and regulations on the use of Information Technology facilities and systems. Access to the on-line financial systems shall be authorised by the designated Systems Manager. Any attempt to gain unauthorised access to the University's financial systems will be regarded as a disciplinary offence.

All users, with the exception of certain designated user names which have been given special profiles in order to perform specific authorised functions, shall access the financial systems under their own personal user name and password. They must not use the user name and password of another user, nor allow their own password to become known or to be used by anyone else. Terminals shall not be left unattended whilst logged into the financial systems, thus leaving them useable by someone else. Failure to observe these requirements will be regarded as a disciplinary offence.

The use of University communication tools for either private or University purposes, which are in any way excessive (i.e. outside of the limits defined above), defamatory, obscene or otherwise inappropriate, will be treated as misconduct under the appropriate disciplinary procedure. In serious cases this could be regarded as gross misconduct and may lead to dismissal.

## **14 INSURANCE**

### **14.1 University**

The Director of Estates, Faculties & Residences is responsible for ensuring that the University has appropriate levels of insurance cover. The Director of Estates, Faculties & Residences will provide an annual report to the Audit, Risk & Assurance Committee who will subsequently recommend the type of protection required to the Council.

Accountable Budget Controllers must ensure that they advise the Health & Safety team (Estates), immediately of any event which may give rise to an insurance claim, for example, fire, flood, lightning, malicious damage or any other major incident. The Health & Safety team must notify the University's insurers and, if appropriate, prepare a claim in conjunction with the appropriate Accountable Budget Controller for submission to the insurers. Accountable Budget Controllers must also inform the Health & Safety team of any new circumstances affecting risk in order that they can be accommodated from an insurance perspective.

### **14.2 Staff Insurance Issues**

#### **14.2.1 Travel Insurance**

Travel Insurance is available for University approved trips. Contact [trlstaff@aber.ac.uk](mailto:trlstaff@aber.ac.uk) no less than 48 hours prior to travel.

#### **14.2.2 Motor Insurance**

Staff should ensure that they have been added to the register of authorised drivers and have appropriate insurance for driving their own vehicle on University's business. Staff are reminded that the use of University pool cars or hire cars is restricted to authorised drivers and should be organized in the first instance. Further information can be found at

<https://www.aber.ac.uk/en/finance/information-for-staff/travel-fleet/>

For insurance issues relating to travel, use of private cars for business mileage and use of University equipment, please refer to the Insurance Services details of which can be found at

<https://www.aber.ac.uk/en/efr/insurance/>

### **14.3 Provision of indemnities**

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

## **15 UNIVERSITY COMPANIES & JOINT VENTURES**

In certain circumstances it may be advantageous to the University to establish a wholly or majority owned company to undertake services on its behalf. Establishing a University Company requires the approval of Council.

Council approval is required before the University can acquire a subsidiary, joint venture or associate or can become a member of a company limited by guarantee.

Details of other shareholders as well as any drag-along rights and compliance checks relative to the 2011 Charities Act will be required prior to final approval being given.

University subsidiaries will only be consolidated if the University is obligated under current Financial Regulations or Accounting Standards.

All subsidiary companies must provide the Finance Department with management reports at least on a quarterly basis, and must produce annual returns which must be approved annually by Resources & Performance Committee. The University Executive and Resources & Performance Committee reserve the right to request management reports on a more frequent basis.

University employees who sit on subsidiary boards as directors shall be appointed by Council for renewable terms of office not exceeding three years.

Shareholder agreements will be managed by the Research, Business & Innovation department, supported by the Finance Department.

Shareholder agreements must be approved by Resources & Performance Committee before final approval is sought from Council.

Any business placed with a University Company must be in accordance with the University Financial Regulations. Staff considering placing business with a University Company should contact the Procurement Manager for advice.

\*\*[link to Aberystwyth University Subsidiary Company Policy](#)\*

## Appendix A - Audit

The Council must ensure that the institution meets its responsibilities as set out in the HEFCW Financial Management Code:-

[http://www.hefcw.ac.uk/working\\_with\\_he\\_providers/he\\_wales\\_act\\_2015/financial\\_management\\_code.aspx](http://www.hefcw.ac.uk/working_with_he_providers/he_wales_act_2015/financial_management_code.aspx)

The following are mandatory requirements of the Financial Memorandum and the Accountability and Audit Code of Practice ('the Code'). HEFCW will assess compliance with these.

### A.1 External Audit

- a) The Council is required to appoint professional External Auditors to hold office on at least an annual basis, subject to necessary procurement procedures having taken place. The External Auditors are expected to report to the University at least once a year and this will normally take the form of an opinion on the Annual Statement of Accounts prepared by the Director of Finance & Corporate Services. The External Auditors have unrestricted rights of direct access to the Audit Risk & Assurance Committee, the Resources & Performance Committee and the Council, if in their opinion, the circumstances justify it.
- b) The External Auditors have the right of access to all accounting records and other relevant documentation. They are also entitled to request further information and explanations as they see fit from officers, staff, and any other constituent body of the University.

### A.2 Internal Audit

The Council is required to appoint professional Internal Auditors. The Internal Auditors should remain independent in the planning and operation of the University. The Internal Auditor will also comply with the Auditing Practices Board's auditing guidelines for Internal Auditors and HEFCW's Accountability and Audit Code of Practice. Their formal responsibilities and terms of reference are available from the Director of Finance & Corporate Services and are as follows:-

- a) The responsibility to report on:
  - I. the soundness, adequacy, and completeness of internal controls;
  - II. the extent to which such controls have been followed in practice and the effects or potential effects of any failure to do so;
  - III. the extent to which the University's assets and interests are accounted for and safeguarded from losses of all kinds arising from:
    - i. fraud and other offences,
    - ii. waste, extravagance and inefficient administration, poor value for money or other causes.
  - IV. the suitability and reliability of financial and other management data developed within the University; and
  - V. the extent of compliance with established policies.
- b) The Internal Auditor, or authorised representative, shall have a right of access at all times to property and such documents as appear necessary for the purpose of audit, and shall be entitled to request from any Officers of the University such information and explanation as deemed necessary for that purpose.
- c) The Internal Auditor shall give an opinion to the Audit Committee on the status and reliability of internal controls within the University for the areas selected for examination.
- d) Accountable Budget Controllers and Senior Budget Managers must respond to draft Internal Audit reports within 10 days of the date of issue of the relevant draft report.
- e) The internal audit programme is agreed by Audit Committee and cannot be varied without their consent.

### A.3 Other Auditors

The University may be subject to audit or investigation from time to time by external bodies such as RCUK, the National Audit Office, HEFCW, the European Court of Auditors and HMRC. Each body has statutory obligations to carry out their visits and, therefore, have similar rights of access that apply to the External and Internal Auditors.

## **Appendix B – Primary Financial Delegations of Authority**

1. The schedule covers those matters reserved by the Council for its own authorisation and those matters delegated to the Vice-Chancellor. It is for the Vice-Chancellor (advised by the Director of Finance & Corporate Services) to ensure that there is a schedule of secondary delegations in place reflecting the authority of individual managers. This schedule of secondary delegations should be updated on an annual basis and reported to the Council.
2. Where the Council is required to give approval in principle, it is for the Vice-Chancellor and University management to arrange the operational details of the transaction. In these circumstances it would be normal practice for a group of specified officers to be charged by The Council with completing the transaction (within a set of guidelines).
3. If expenditure on any Capital Programme is expected to exceed the approved amount by more than 5% of the budget originally approved, a supplementary Capital Proposal needs to be authorised at the same authorization level e.g. Council, Resources & Performance Committee or Vice-Chancellor as the original proposal. Such a proposal should be raised as soon as the likelihood of over expenditure is identified.
4. From time to time, management may wish to bring additional matters to the attention of the Council either because of their profile or the level of risk for the institution. This will inevitably be a matter of judgement and discussion between officers.
5. All disposals of assets should be in line with the Fixed Asset Disposal Policy.
6. Where authority is delegated by the body or individual with primary responsibility, it remains the responsibility of the body or individual to ensure that the matter in question has been properly addressed.

## Appendix B – Primary Financial Delegations of Authority

	<b>Council</b>	<b>Resources &amp; Performance Committee</b>	<b>Vice-Chancellor</b>
Finance Strategy	Approval	Recommends to Council for approval	Recommends to RPC for endorsement
Changes to borrowing arrangements	Approval	Recommends to Council for approval	Recommends to RPC for endorsement
Headline revenue budgets	Approval	Recommends to Council for approval	Recommends to RPC for endorsement
Amendments to revenue budget	Approval of all changes in priorities that involve changes from the original net budget surplus/deficit over £250k	Recommends to Council for approval	Approves changes up to £250k and if higher recommends to RPC for endorsement
Expenditure from revenue budgets (Individual revenue proposals)	Approval over £2.5m in budget	Approves £1m to £2.5m in budget.	Approves up to £1.0m that is in budget
Tuition Fees	Approval of Policy	Recommends to Council for approval. Receives recommendations from the Vice-Chancellor.	Recommends to RPC for endorsement
Purchase, sale or long term lease of land/property	Approval	Recommends to Council for approval	Recommends to RPC for endorsement
Sale of IPR	Approval	Recommends to Council for approval	Recommends to RPC for endorsement
Establishment of companies and trustees	Approval	Recommends to Council for approval	Recommends to RPC for endorsement
Appointment of Directors to University Companies	Approval, in all instances		Recommends to GCC for endorsement where the proposed Director is an employee of the University.
Joint ventures and commitments to fund external organisations	Approval		
Appointment of Auditors		ARAC	
Individual Third Party contracts for goods and services (including Research Contract Provision or consultancy, CPD or similar activity)		Approves over £1.0m	Approves £250k to £1.0m

	<b>Council</b>	<b>Resources &amp; Performance Committee</b>	<b>Vice-Chancellor</b>
Individual Capital Proposals (i.e. equipment or other capital assets costing more than £10,000) <b>within budget</b>	Approves over £2.5m	Approves £1m to £2.5m	Approves £250k to £1m
Individual Capital Proposals (i.e. equipment or other capital assets costing more than £10,000) <b>out of budget</b>	Approves over £250k	Over £250k recommends to Council for approval	Approves up to £250k
Contract Variations	Approves over £250k	Recommends variations over £250k to Council for approval	Approves up to £250k
Non Competitive contracts (i.e. single source procurements including capital goods and services)	Approves over £1m		Approves £50k to £1m
Purchase Orders / Contracts for purchase of goods and services awarded competitively ( <b>excluding consultancy services</b> )	Approves over £1m		Approves all up to £250k
Consultancy services	Approves over £1m		Approves over £50k
Single Tender Action (STA) specifically related to EDD activities and <b>within budget</b>	Approves over £1m		Approves £50k to £1m
Bad debts (individual accounts)		Approves over £100k	Approves up to £100k

## **Appendix C – Secondary Financial Delegations of Authority**

The schedule covers secondary delegations from the Vice-Chancellor to officers of the University. As such it is a management document, subject to review by the Vice-Chancellor and annual reporting to the Council.

1. The document should be read in conjunction with the Primary schedule of financial authorities approved by the Council.
2. Delegators must explain the terms of the delegation to the recipient and ensure that the recipient is familiar with the Financial Regulations. Delegators remain responsible for how delegated powers are used, and thus should maintain an oversight to ensure delegated powers are used appropriately. Delegators are responsible for the methodology employed to retain this oversight, which may include all or some of the following: random checking of expenditure, regular reporting, exception reporting, regular audits, and compliance monitoring methodologies.
3. Delegations by Accountable Budget Controllers to Senior Budget Managers (up to £50k) and by Senior Budget Managers to Budget Holders must be approved by the Director of Finance & Corporate Services before they may become effective.
4. From time to time, management may wish to bring additional matters to the attention of the Council and Resources & Performance Committee, either because of their profile, or the level of risk for the institution. This will inevitably be a matter of judgement and discussion between officers and the University Executive Team.
5. For the purpose of this document, the responsibilities of Accountable Budget Controllers are as set out at paragraph 3.1.3 and those of Senior Budget Managers are as set out at paragraph 3.1.4 of these Financial Regulations.
6. Supplementary process descriptions may exist or will be developed for many of the areas covered by this document. For example, while this document sets out financial limits for approval of research grant applications a number of other conditions need to be satisfied, such as minimum overhead requirements and an assessment as to the quality of the application.
7. If expenditure on any Capital Proposal exceeds the approved amount by more than 5%, a supplementary Capital Proposal needs to be authorised at the same level as the original proposal. The revised capital proposal must be approved at the appropriate authorisation level. Such a proposal should be raised as soon as the likelihood of over expenditure is identified.
8. Budget limits on travel and subsistence, expenses, overtime and teaching support fees relate to claims by a single individual in the course of a month.
9. Further delegations of authority are only possible with the written agreement of the Director of Finance & Corporate Services or the Vice-Chancellor.

## Appendix C – Secondary Financial Delegations of Authority

### Secondary Delegations

	Vice-Chancellor	Director of Finance & Corporate Services	Accountable Budget Controllers	Senior Budget Managers
Individual Third Party contracts for goods and services (including Research Contract Provision or consultancy, CPD or similar activity)	Approves £250k to £1m	Approves up to £250k		Approves up to £250k
Individual Capital Proposals (i.e. equipment or other capital assets costing more than £10,000) <b>within budget</b>	Approves £250k to £1m	Approves up to £250k	Director of Estates, Facilities & Residences (DoEFR) - Approves up to £250k	Approves £50k to £250k
Individual Capital Proposals (i.e. equipment or other capital assets costing more than £10,000) <b>out of budget</b>	Approves up to £250k			
Contract Variations	Approves to £250k	Approves to £50k (process only)		Approves up to £50k
Purchase Orders / Contracts for purchase of goods and services awarded competitively ( <b>excluding consultancy services</b> )	Approves all over £250k	Approves up to £250k	DoEFR Approves up to £250k	Approves £50k to £250k(except consultancy services & construction work)
All non-competitive i.e. single source procurements including capital goods and services	Approves between £50k and £1m. Single source procurements over £1m need to go to Council	Approves between £5k and £50k	Up to £5k	
Consultancy services	Approves over £50k	Approves all qualifying consultancy services £5k- £50k excl. vat	DoEFR Approves up to £50k	Approves all qualifying consultancy services below £5k excl. vat
Advance payments to suppliers		Approves in excess of £10k	Approve up to £10k	
Travel and subsistence expenses claims over limit	For approval	For approval		
Bad Debt write-off (individual debts)	Approves up to £100k.	Approves up to £5k		
Short-term investments	Managed in line with Treasury Policy	Managed in line with Treasury Policy		
Single Tender Action (STA) specifically related to EDD activities and <b>within budget</b>	Approves between £50k and £1m		DoEFR Approves up to £50k	

## Appendix D – Bank Signatories

### 1. Signatory Classes

#### a. A Signatories

Group consists of Vice-Chancellor, Director of Finance & Corporate Services and senior members of finance team.

#### b. B Signatories

Group consists of members of finance team.

### 2. Payroll Approval

The University Payroll schedules should be authorised by the University Director of Human Resources & Organisational Development or delegated deputy. The University payroll payments should be authorised by the Director of Finance & Corporate Services or, if not available, by the Assistant Director of Finance or another level 'A' bank signatory. The payroll manager should proactively ensure that there are 'A' signatories available to approve the payroll payment.

### 3. Urgent Payments

All payments up to £10,000 in value require at least two 'B' signatories. All payments greater than £10,000 in value require at least one 'A' signatory and one 'B' signatory.

### 4. Signing of cheques > £10,000

These require two manuscript signatories. Either two 'A' signatories or one from the 'A' list and one from the 'B' list (these cannot include the Vice-Chancellor or the Director of Finance & Corporate Services as these signatures are already pre-printed on to the cheques).

### 5. Weekly payment runs

Payment proposal should be authorised by an 'A' or a 'B' signatory. Whoever approves the payment proposal is also responsible for checking that there are sufficient funds available to cover the payment. If the payment proposal has been authorised in writing by an 'A' signatory, then a "B" signatory can send off the payment via BACSTEL-ip and agree the cheque register. A note should be made in the cheque register of who signed any cheques over £10,000 that have been physically signed.

If it is not possible to keep to this procedure then the documentation should be reviewed by the Director of Finance & Corporate Services.

## Appendix E - Definitions and Glossary

The following terms are among these found in the Financial Regulations and in financial reports generally.

- **Accounts**<sup>1</sup> comprise the statement of comprehensive income, the balance sheet, the cash flow statement and statement of changes in reserves.
- **Authorised Signatory** is the member of staff committing funds for and on behalf of the University.
- **Revenue Budget** is the annual allocation of funds to be spent on the operation of a Department.
- **Departments** are the major budget centres in the University. They include academic Faculties, administrative departments, service and trading facilities and self-financing centres.
- **Employee** is a person employed, whether part-time or full-time, by the University or a University Company under a contract of employment.
- **Endowments** are those bequests and gifts where the expression or implied intention of the benefactor is that the capital should be retained for the on-going benefit of the institution.
  - i. **Endowments (General)** are those endowments where the use of the capital and income, or only the income, is for the general purposes of the institution in line with the University's charitable objectives.
  - ii. **Endowments (Specific)** are those endowments where the use of the capital and income, or only the income, is for a specific purpose or activity so designated by the donor and which can only be used for that purpose or activity.
- **Financial Administration** is the preparation of accounts, management information, monitoring and control of expenditure against budgets and all financial operations.
- **Financial Memorandum** sets out the terms and conditions for the payment of grant by HEFCW to the University.
- **Financial Statements** comprise the accounts<sup>1</sup>, the statement of accounting policies and the notes to the accounts.
- **Fixed Assets** are those assets intended to be held for use on a continuing basis in the activities of the University, with a value greater than £10,000.
- **Financial Procedures** - set out precisely how the Regulations are implemented.
- **HEFCW** Higher Education Funding Council for Wales.
- **HEI** Higher Education Institution.
- **Income (General)** is that which can be applied to any activity of the institution at the discretion of the institution. Examples of such income are funding council recurrent grant, students' tuition fees and income from general endowments.
- **Income (Restricted)** is that which can only be applied to a specific purpose or activity so designated by the grantor or donor. Examples of such income are funding council grants for specific purposes, most research grants and contracts and income from specific endowments.
- **Intellectual Property** is a collective term covering inventions, discoveries, literary works, software, images, designs, trademarks, and plant varieties. Ownership of rights in IP generally provides the owner with a right to prevent others using it unless they have permission or a licence. The Copyright, Designs and Patents Act 1988 and the Patents Act 1977 are the principal relevant legislation.
- **Provisions** are amounts set aside as being reasonably necessary to provide for a liability or loss that is likely, or certain, to be incurred, but is uncertain as to amount or timing.
- **Reports and Financial Statements** comprise strategic review, the corporate governance and internal controls report, the public benefit statement, the responsibilities of the University's group council, the independent auditor's report and the financial statements.
- **Reserves** are the accumulated surplus of income over expenditure, including unspent departmental allocations. Some reserves are ear-marked for specific purposes.
- **Revaluation Reserve** is the sum of unrealised amounts arising from the revaluation of the institution's assets.
- **University Subsidiary** is any company over which the University has control.

**University Executive Group** The University Executive Group comprises of the Vice-Chancellor and the Senior Management Team including as below:

<b>Role</b>	<b>Reporting to</b>
Vice-Chancellor	Chair of Council
Director of Finance & Corporate Services	Vice-Chancellor
Pro Vice-Chancellor Research, Knowledge Exchange & Innovation	
Pro Vice-Chancellor Learning, Teaching & Student Experience	
Director of Welsh Language and External Engagement	
Pro Vice-Chancellor Faculty of Arts & Social Sciences	
Pro Vice-Chancellor Faculty of Business & Physical Sciences	
Pro Vice-Chancellor Faculty of Earth & Life Sciences	