

**Financial Regulations**

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# INTRODUCTION

## Background

The University is a company limited by guarantee, not having a share capital. Its structure of governance is laid down in the Memorandum and Articles of Association and Articles of Government which can be amended only with the approval of the Privy Council. The University is accountable through its University Council which has responsibility for the University’s management and administration. The registered number is 3285547.

The University is a registered charity and as such is a Charity within the meaning of Section 506(i) of the Taxes Act 1988. The registered number is 1060579.

The Office for Students (“OfS”) Regulatory Framework for higher education in England required under Section 75 of the Higher Education and Research Act 2017 (HERA) identifies the ongoing conditions of registration between the OfS and the University. The University Council is responsible for ensuring that the five components of the framework conditions are met. As part of this process the University must adhere to OfS’s four primary regulatory objectives:

All students, from all backgrounds, and with the ability and desire to undertake higher education:

1. Are supported to access, succeed in, and progress from, higher education.

2. Receive a high-quality academic experience, and their interests are protected while they study or in the event of provider, campus or course closure.

3. Are able to progress into employment or further study, and their qualifications hold their value over time.

4. Receive value for money.

The regulatory framework is designed to mitigate the risk that these primary objectives are not met.

The Financial Regulations of the University form part of the overall system of accountability and value for money.

## Scope

These Regulations apply to all University income, expenditure and business transactions, all University staff and all University schools and departments. These regulations will be reviewed every three years as a minimum.

## Code of Conduct

University business must be conducted in accordance with the following fundamental principles:

#### 1. probity and propriety

#### 2. selflessness, objectivity and accountability

#### 3. integrity, openness and honesty

#### 4. discretion and the respect of confidentiality

#### 5. 5teamwork, cooperation and fostering appropriate relationships

The University expects that staff at all levels will observe the University’s Declaration of Interests Policy. A copy of the Policy is available on the University’s web site. <https://www.hope.ac.uk/media/aboutus/governancedocuments/Declaration%20of%20Interests%20Policy.pdf>

Staff must not seek to make a personal gain by virtue of their position within the University. Any employee of the University who has any pecuniary, personal or other interest, direct or indirect, in any supplier of goods or services to the University shall be responsible for making a declaration of interest to the Vice Chancellor and Rector’s office, who shall maintain a record.

Any money or goods received by officers of the University by virtue of their official position, but not being official money or goods, must be reported to the Vice Chancellor and Rector’s office where an appropriate record will be kept.

Members of the University Council are required to annually disclose interests in the University’s register of interests of members of the University Council.

## Status of Financial Regulations

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

These Regulations are subordinate to the University’s Memorandum and Articles of Association and to any restrictions contained within the University’s access and participation plan and conditions of registration and funding with the OfS.

Compliance with the Financial Regulations is compulsory for all staff connected with the University. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the University’s disciplinary arrangements. Any such breach will be notified to the University Council through the Audit Committee. It is the responsibility of budget holders to ensure that their staff are made aware of the existence and content of these Regulations and that an adequate number of copies are available for reference within their area of responsibility. These Regulations may also be accessed via the University website:

<https://www.hope.ac.uk/gateway/staff/stafffinance/financeformspoliciesandprocedures/>

The Finance and General Purposes Committee is responsible for maintaining a continuous review of the Financial Regulations and advising the University Council of any additions or changes necessary. A formal review will be undertaken at least every three years at the final meeting of Finance & General Purposes Committee in the academic year.

# FINANCIAL CONTROL

## The Compliance Framework

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Due to constraints placed by stakeholders the University must operate within a compliance framework and develop systems for internal control which include financial regulation. This internal control framework is instrumental in ensuring:

* University governance responsibilities are satisfied
* Financial integrity is maintained
* The University is not exposed to intolerable levels of risk

## The University Council

The University Council is responsible for the overall management and administration of the University. Its financial responsibilities are to:

* ensure financial control systems are in place, documented and working effectively
* ensure the solvency and financial sustainability of the University
* safeguard the University’s assets
* ensure the proper, effective and efficient use of resources ensuring VFM
* ensure that the funds provided by OfS are used in accordance with the terms and conditions specified in the University’s conditions of registration with the OfS and that funds provided by the Department for Education (“DfE”) and other agencies are used in accordance with the conditions specified by them
* make arrangements to hold any loan for the purposes of the University, for the amortisation thereof and the payment of any interest
* determine the tuition fees and other fees payable to the University
* ensure that the University complies with OfS’s terms and conditions of funding and audit requirements and other agencies from which the University receives funding
* approve capital expenditure programmes and the annual estimates of income and expenditure and to approve the annual financial statements
* approve the University’s strategic plan
* appoint the University’s internal and external auditors

## Committee Structure

The University Council is responsible for the University’s finances, but asks the Committees detailed below to monitor and advise. These committees are accountable to the University Council.

### Finance and General Purposes Committee

Monitoring of the University’s financial position and financial control systems is undertaken by the Finance and General Purposes Committee. The committee will examine annual budget estimates and annual financial statements and recommend their approval to the University Council. It will ensure that short term budgets are in line with agreed longer term plans and that they are followed. It will consider any other matters relevant to the financial duties of the University Council and make recommendations accordingly. The committee will also ensure that the University Council has adequate information to enable it to discharge its financial responsibilities. See Appendix A

### Audit Committee

Universities are required by their terms and conditions of funding with the OfS and by audit code of practice to appoint an Audit Committee. The committee is independent, advisory and reports to the University Council. It has the right of access to obtain all the information it considers necessary to fulfil its duties. It may consult directly with the internal and external auditors. The committee is responsible for identifying and approving appropriate performance measures and risks and for internal and external audit and for monitoring performance and risk. It must also satisfy itself that appropriate arrangements are in place to promote economy, efficiency and effectiveness and to ensure value for money. See Appendix B

## Audit Requirements

The audit requirements of the University are set out in OfS’s regulatory framework for ongoing conditions of registration and terms and conditions of funding. External auditors and internal auditors shall have authority to:

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

The Chief Accountant and Head of Financial Services is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

### External Audit

The appointment of external auditors is the responsibility of the University Council on the recommendation of the Audit Committee.

The primary role of external audit is to report on the University’s financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion, and to report on the appropriate use of funds. Its duties will be in accordance with advice set out in OfS’s accounts direction and the Financial Reporting Council’s auditing standards.

### Internal Audit

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

The University’s agreement with OfS requires that it have an effective internal audit function. The prime responsibility of the internal audit service is to provide the University Council, the Vice-Chancellor and Rector and senior management with assurances on the adequacy of the internal control system including risk management and governance. The internal audit service remains independent in its planning and operation and has direct access to the University Council, Vice-Chancellor and Rector and chairperson of Audit Committee.

The Internal Audit Service’s work will be performed with due professional care, in accordance with appropriate professional auditing practice. It will have regard to the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors (IIA), and will comply with the OfS’s regulatory framework and terms and conditions of funding.

### Reviews by Other Agencies

The University may, from time to time, be subject to audit or investigation by external bodies such as OfS, DfE, National Audit Office, European Court of Auditors and HM Revenue and Customs. They have the same rights of access as external and internal auditors.

## Staff Responsibilities

### Vice-Chancellor and Rector

The Vice-Chancellor and Rector is the University’s designated accountable officer and is responsible to the University Council for the financial administration of the University’s affairs. As the designated officer the Vice-Chancellor and Rector may be required to justify any of the University’s financial matters to the Public Accounts Committee at the House of Commons.

### Executive Director of Finance, Services and Resources

The Executive Director of Finance, Services and Resources is accountable for all resource management across the University at University Senior Executive Committee (USET) level. Has responsibility for managing the financial performance of the University on behalf of the Vice-Chancellor and Rector and ensuring that the Vice-Chancellor and Rector and USET team are fully aware of the financial implications of the strategic decisions that they make.

###  Chief Accountant and Head of Financial Services

The Chief Accountant and Head of Financial Services reports directly to the Executive Director of Finance, Services and Resources. The Chief Accountant and Head of Financial Services is responsible for ensuring that the University complies with all relevant financial legislation.

Day-to-day financial administration is controlled by the Chief Accountant and Head of Financial Services who is responsible to the Executive Director of Finance and Resources and the Vice-Chancellor and Rector for;

#### preparing annual capital and revenue budgets and financial plans

#### preparing accounts and management information, monitoring the control of expenditure against budgets and all financial operations

#### preparing the University’s annual financial statements and other financial statements and financial information which the University is required to submit to other authorities

#### ensuring that the University maintains satisfactory financial systems

#### providing professional advice on all matters relating to financial policies and procedures

#### issuing and updating financial procedures that give detailed instructions on financial transactions and accounting records

#### reporting annually via the Audit Committee to the Vice-Chancellor and Rector on compliance with and the effectiveness of the financial procedures.

#### ensuring that the Financial Regulations are published on the University’s website and that electronic copies are distributed to all budget holders

### Authorised Financial Officers

An authorised financial officer of the University is defined as the Vice-Chancellor and Rector, the Executive Director of Finance, Services and Resources or the Chief Accountant and Head of Financial Services.

### Budget Holders

Financial management across all areas of the University is the responsibility of the Vice-Chancellor and Rector and the USET Team. The USET Team members are the Budget Holders. They may choose to delegate operational responsibility for financial management to senior staff within the school/department, but they remain directly accountable to the Vice-Chancellor and Rector for the University’s finances.

Budget Holders will be advised by the Chief Accountant and Head of Financial Services in executing their delegated financial duties. The Chief Accountant and Head of Financial Services will also supervise and approve the financial systems operating within their departments including the form in which financial records are kept.

Budget Holders shall be responsible for the economic, effective and efficient use of resources allocated to them. They shall be required to ensure:

#### clear lines of responsibility are maintained within their departments for all financial matters

#### funds are properly allocated within departmental budgets

#### adequate systems exist to provide financial control, such as proper procedures for authorisation and segregation of duties

#### income, expenditure, assets and liabilities are correctly recorded

#### departmental expenditure does not exceed budgeted departmental funds

#### departmental staff have adequate knowledge of these regulations and that they comply with them

#### information required by the University’s auditors is provided promptly

### All University Staff

All staff are required to comply with these Financial Regulations. In doing so, where necessary or applicable, staff shall:

#### take adequate advice

#### assess and manage risk

#### safeguard the University’s property

#### make best use of the University’s resources and obtain value for money

#### have regard to and comply with all legal and financial obligations to which the University is subject, such as obligations to HM Revenue and Customs, OfS, DfE, The Charity Commission and Companies House

## Budgeting

### Resource Allocation

Resources are allocated annually by the Vice-Chancellor and Rector within the budget agreed by University Council via the Finance and General Purposes Committee.

### Budget Preparation

The Executive Director of Finance, Services and Resources is responsible for preparing annually a revenue budget and capital programme for consideration by Finance and General Purposes Committee before submission to the University Council.

The Executive Director of Finance, Services must ensure that detailed budgets are prepared and that these are communicated to budget holders following their approval by the Vice- Chancellor and Rector.

All members of staff involved in the budgeting process, including budget holders, personnel advisors, departmental finance administrators and central finance staff, shall be aware of the budgeting timetable agreed in advance with the Vice-Chancellor and Rector and shall assist in every way possible with ensuring deadlines are met.

During the year, the Chief Accountant and Head of Financial Services is responsible for keeping the Finance and General Purposes Committee updated on actual performance against budget. Detailed budget reforecasts will be completed in November and March with the revised budgets being submitted to the Finance and General Purposes Committee for consideration before submission to the University Council for approval.

The Chief Accountant and Head of Financial Services will provide monthly variance reports to budget holders and/or delegated senior staff and the Finance representatives will meet on a monthly basis with each member of the USET Team or delegated senior staff to review performance against budget profiles.

### Capital Programmes

Capital expenditure on land, buildings, furniture, equipment and associated costs can only be considered as part of the capital programme which has been approved by the University Council.

The Chief Accountant and Head of Financial Services is responsible with the Director of Estates for providing regular statements concerning all capital expenditure to Finance and General Purposes Committee for monitoring purposes, and to Estates Strategic Planning Group (ESPG) and Operational Leadership Team (OLT). Proposed capital projects should be supported by:

#### a statement demonstrating the project’s consistency with the latest strategic plans and estates strategy approved by the University Council

#### an initial budget proposal for the project for submission to Finance and General Purposes Committee. The budget should include a breakdown of all costs including professional fees, VAT and funding sources. External funding sources will be monitored separately and subject to review in line with individual funding rules and regulations. Any additions or modifications to the initial proposal will require additional approval.

#### a financial evaluation of the plans together with their impact on revenue plus advice on the impact of alternative plans

#### an investment appraisal in an approved format which complies with OfS guidance (if available) on option and investment appraisal

#### a demonstration of compliance with normal tendering procedures and OfS regulatory framework

#### a cash flow forecast that also includes the timing and amount of any retentions

Following completion of a capital project, a final report should be submitted to the Estates Strategic Planning Group (ESPG) recording actual expenditure against budget and reconciling funding arrangements where a variance has occurred. The report must also include the impact on future revenue budgets.

### Financial Planning

In consultation with the Vice-Chancellor and Rector the Executive Director of Finance, Services and Resources is responsible for preparing annually a rolling four-year financial plan for approval by the University Council on the recommendation of Finance and General Purposes Committee and for submission to the OfS. Financial plans should be consistent with the strategic plans and estates strategy approved by the University Council.

### Budgetary Control

The control of income and expenditure within an agreed budget is the responsibility of the USET member as the budget holder. They may delegate the day-to-day financial activities and monitoring of the budget to senior staff, but must ensure that this is undertaken effectively.

The budget holder will be assisted in management of their budget by financial management information provided by The Chief Accountant and Head of Financial Services. The types of management information available to different levels of management are described in the University’s detailed financial procedures together with the timing at which they can be expected. In addition, budget holders and their delegated staff shall have access to relevant management information via an intranet link to the University’s finance system. This intranet link is capable of producing various management reports to facilitate budget control and is accessible with real time data at any time.

Following each month-end, a member of the finance department will send budget holders a selection of reports examining the variance between actual income/expenditure and budget, in various levels of detail. In collaboration with finance representatives, budget holders shall determine suitable month end cut-off adjustments, and provide explanations for cost centres displaying excessive variance. The level of variance requiring explanation is determined by the Vice- Chancellor and Rector.

Excessive variances (post adjustment) and any accompanying commentary must form part of the monthly report submitted by the Chief Accountant and Head of Financial Services to the Vice-Chancellor and Rector and USET. Updates are also given at OLT (Operational Leadership Team).

The Chief Accountant and Head of Financial Services is responsible for supplying budgetary reports on all aspects of the University’s finances to Finance and General Purposes Committee on a basis determined by Finance and General Purposes Committee. These reports are presented to the University Council.

### Virement

The University does not allow virement between staff and non-staff budgets. The Vice-Chancellor and Rector may choose to authorise virement in exceptional circumstances if the budget holder provides a compelling business case. However, this will only be approved by the Vice-Chancellor and Rector provided that;

1. the overall approved estimates will not be overspent during the then current financial year
2. there will be no continuing financial commitment, as a result, in subsequent financial years
3. compliance will be made with any limitations imposed in approving each year’s estimates

## Accounting Policies

### Accounting Convention

The financial statements are prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition), the Charities SORP (2019), applicable Accounting Standards including Financial Reporting Standard 102 (FRS 102) and the Companies Act where appropriate.

### Basis of Consolidation

The University has one dormant subsidiary company and therefore there is no requirement for consolidation.

### Accounting Returns

The Chief Accountant and Head of Financial Services is responsible for consolidating and despatching financial returns and other periodic financial reports to OfS and other agencies as required. The Chief Accountant and Head of Financial Services is also responsible for ensuring that all grants and other funds notified by OfS, the DfE and other bodies are received.

### Accounting Records

The Chief Accountant and Head of Financial Services is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.

The University is required by law to retain prime documents for the current financial year plus six years. These include:

#### official orders

#### paid invoices

#### accounts raised (sales invoices)

#### bank statements

#### copies of receipts and till total readings

#### purchasing card receipts

#### all payroll records

#### tender documents and quotations

#### agreements and contacts for the year of (termination of contract + 6 years) and contract under seal (by deed) for the year of (termination of contract + 12 years).

In every case, records should be sufficient to justify the action in each case in the event of an audit. It is preferable that an electronic file structure is established.

NB: Any documentation in connection with EU funded research projects and other EU funded activity must be kept for ten years or for the minimum period stated in the funding documentation plus three years, whichever is the longer; Till receipts and till rolls need only be kept for up to a maximum of twelve months but will depend upon the location and type of till outlet. These times are determined by the PCI DSS compliance within each area.

<https://www.hope.ac.uk/media/aboutus/governancedocuments/PCI%20DSS%20Policy.pdf>

# INCOME

## General

### Procedures

The Chief Accountant and Head of Financial Services is responsible for ensuring that appropriate procedures are in operation to enable the University to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use must have the approval of the Chief Accountant and Head of Financial Services.

### Charging Structure

Levels of charges for contract research, services rendered, goods supplied and rents and lettings must be reviewed annually by the budget holder in consultation with the Chief Accountant and Head of Financial Services.

### Accounting by Budget Holders

Budget holders are responsible for the timely issue of sales orders for work done, goods supplied, or services rendered on behalf of the University and all amounts accruing due, to enable the Chief Accountant and Head of Financial Services to ensure that there is prompt recording of all sums receivable by the University.

### Collection

The Chief Accountant and Head of Financial Services is responsible for the prompt collection, security and banking of all income received and for ensuring that all grants and other funds notified by OfS, DfE and other bodies are received and appropriately recorded in the University’s accounts.

### Funding Claims

The Chief Accountant and Head of Financial Services is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

## Banking

### Appointment of Bankers

The University Council is responsible for the appointment of the University’s bankers on the recommendation of Finance and General

Purposes Committee. The appointment must be for a period specified by the University after which consideration must be given by Finance and General Purposes Committee to competitively tendering the service.

### Banking Arrangements

The Chief Accountant and Head of Financial Services is responsible for, on behalf of Finance and General Purposes Committee, liaising with the University’s bankers in relation to the University’s bank accounts, authorisation cards and the issuing of payments (cheques, BACS, CHAPS and transfers). All authorisation cards and cheques may only be ordered on the authority of the Chief Accountant and Head of Financial Services who shall make proper arrangements for their safe custody.

Bank accounts in the name of the University may only be opened or closed with the written authority of the Chief Accountant and Head of Financial Services, who will advise on the name of the account where necessary. Authorised signatories will comply with University regulation and banking mandates.

All electronic payments and cheques drawn on behalf of the University must be signed in the form approved by Finance and General Purposes Committee. Any one authorised signatory may approve an unlimited value for electronic payments prior to payments being processed through the banking system. Cheques up to a value of £15,000, specified in the University’s detailed financial procedures, require one facsimile signature and one hand written signature. Cheques over £15,000 must be hand signed by two authorised signatories, this is a condition of the bank mandate.

The Chief Accountant and Head of Financial Services is responsible for ensuring that all bank accounts are subject to regular reconciliation with the University’s general ledger and are approved by an authorised signatory. Any unusual items are to be investigated and reported as appropriate.

### Receipts

All money received within Schools and departments from whatever source are to be regarded as University income and recorded immediately upon receipt indicating the form in which they were received.

Managers should be aware of all locations within their area where income is received or held.

Areas where cash is received or held should be reviewed The University has adopted a cashless environment, cash should not be held within any area within the University.

Systems have been developed to eliminate cash and reduce cheques in favour of electronic funds transfer. The Chief Accountant and Head of Financial Services can advise appropriately on these systems.

Where possible Schools and departments shall maintain separate duties for the receiving and recording of University income. Where this is not possible independent checks must be made.

Money must be paid into the Student Finance Office, as soon as possible and custody of all income must comply with the requirements of the University’s insurers.

If cash is received then no deductions should be made from any cash collected on behalf of the University prior to paying into the finance office or bank.

Personal or other cheques must not be cashed out of money received on behalf of the University.

Sales of university goods and services to members of staff will be at the standard price unless otherwise authorised by the Vice-Chancellor and Rector. Sales to members of staff at less than the standard price (or outright gifts) must be notified to the finance office as a taxable benefit in kind.

## Trade Credit and Debt Collection

The Chief Accountant and Head of Financial Services should ensure that:

* debtor invoices, with VAT charged where appropriate, are raised promptly in respect of income due to the University on official University invoices
* swift and effective action is taken to collect overdue debts in accordance with the University’s formal procedures and the student debt policy
* outstanding debts are monitored and reports are prepared for managers.

The Chief Accountant and Head of Financial Services is responsible for implementing credit arrangements and indicating a period in which different types of invoice must be paid.

Invoicing must be in Pounds Sterling unless otherwise authorised by the Chief Accountant and Head of Financial Services. Where invoicing in another currency is deemed appropriate, the Chief Accountant and Head of Financial Services will advise of any special arrangements that should be made. The cost of foreign currency transactions (exchange losses, bank charges etc.) will be a charge on the budget holder’s department.

The University will pursue all debtors rigorously and any requests to write off debts must be signed off by the Chief Accountant and Head of Financial Services. If the debt exceeds £15,000 the write-off must be countersigned by the Executive Director of Finance and Resources.

## Student Fees

The procedures for collecting tuition and residence fees must be approved by the Chief Accountant and Head of Financial Services who is responsible for ensuring that all student fees due to the University are received.

Any student who has unpaid academic debt greater than £200 owing to the University may not be awarded a degree or any diploma, certificate or qualification from the University until all outstanding debts have been cleared. Such students must be prevented from re-enrolling at the University and from using any of the University’s facilities. The University will consider each case on its own merits and not withhold the right to graduate unreasonably.

Students registering at the University are required to agree to a payment plan for their tuition fees. The first breach, or failure to agree to a plan, will result in a withdrawal of library loan and Hope network facilities until the situation is resolved. A second breach, or continued failure to reach an agreement, will result in the withdrawal of all rights as a Hope student and de-registration from the University, with one week’s notice given.

The University reserves the right to terminate an accommodation contract with a student if any payment falls more than 30 days past due. Outstanding accommodation charges will be pursued through an external debt collection agency.

## Online Store

The Online Store is a website and secure payment gateway for the University to sell its goods and services to students, staff and other customers (this is the preferred method in instances where it is suitable and practicable so to do). It is particularly appropriate for high volume, low value transactions, such as field trips and ticketing for events and conferences. It is also highly suitable for use as a booking facility for free-of-charge events such as staff training. Significant administrative time can be saved by choosing to use this facility over traditional invoicing.

The store is maintained centrally by the Finance Office and represents a significant investment for the University. All departments wishing to sell online must use this facility in preference to alternatives offered by third parties.

The Finance Office will offer support to any department wishing to create products and collect payment on the Store. The process involves the completion of product templates which can be accessed via the finance pages on the University website:

<https://www.hope.ac.uk/gateway/staff/stafffinance/onlinestoreinformationpage/>

## Benefactions, Donations or Gift

The Chief Accountant and Head of Financial Services is responsible for maintaining financial records in respect of monetary benefactions, donations and gifts. If required, to initiate claims for recovery of tax, other reliefs and supplements where appropriate. Accounting treatment will be determined by the terms and conditions of receipt.

Benefactions, donations or gifts will not be accepted where the specific conditions attached commit the University to expenditure or liabilities which cannot be met or are not in the strategic interests of the University. Equally, they will not be accepted if the terms attached to them would cause a breach of the University´s regulations or current UK legislation.

## Research Grants and Contracts

### General

#### **Definitions**

**Research** can be defined as original investigation undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective.

The term ‘**research grant**’ is restricted to research projects funded by the UK Research Councils and Charities.

All other externally financed research projects are classified as ‘**research contracts**’.

#### **Acceptance and Approval**

The Chief Accountant and Head of Financial Services is responsible for ensuring that the full cost of research contracts is established. The research agreement must be fully costed in accordance with the University’s policy regarding indirect costs and other expenses and take account of different procedures for the pricing of research projects depending on the nature of the funding body. No research bids can be submitted to external bodies without financial approval in accordance with the project approval policy which can be found on the Finance web pages.

Each grant or contract will have a named supervisor or project manager and will be assigned a specific project reference number to enable costs to be tracked.

Research grants and contracts may be accepted on behalf of the University by the budget holder of the cost centre if less than £25,000. If the project is worth £25,000-£50,000, it must be approved by the Chief Accountant and Head of Financial Services, £50,000-£150,000 approved by the Executive Director of Finance and Resources, anything over £150,000 must also be signed off by the Vice-Chancellor and Rector.

#### **Day-to-Day Management**

The grant holder is responsible for ensuring that the project is run in line with budget and in accordance with the terms of the contract.

The Chief Accountant and Head of Financial Services is responsible for monitoring all financial records relating to research grants and contracts and approving all claims for reimbursement from sponsoring bodies. The Chief Accountant and Head of Financial Services has the right of access at any time to the project’s financial records and may undertake an audit of the financials at any stage.

### Additional Payments to Staff

Any proposal which involves additional payments to members of staff must be supported by a schedule of names and values and be approved by the Vice-Chancellor and Rector.

### Private Consultancies and Other Paid Work

Unless otherwise stated in a member of staff’s contract:

#### outside consultancies or other paid work may not be accepted without the agreement of the Vice-Chancellor and Rector and must comply with HMRC Employment Status regulations.

#### applications for permission to undertake work as a purely private activity must be submitted to the Vice-Chancellor and Rector and include the following information:

##### the name of the member(s) of staff concerned

##### title of the project and a brief description of the work involved

##### the proposed start date and duration of the work

##### full details of any University resources required (for the calculation of the full economic cost)

##### an undertaking that the work will not interfere with the teaching and normal University duties of the member(s) of staff concerned.

Guidelines on outside work are contained within the University’s Declaration of Interests Policy.

### Intellectual Property Rights and Patents

#### **General**

Certain activities undertaken within the University including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property. Where members of staff believe that they have exploitable intellectual property they should, at the earliest possible opportunity, seek the advice of the Legal Services, Governance and Risk Officer to discuss the best approach to exploiting this.

#### **Patents**

Finance and General Purposes Committee is responsible for establishing procedures to deal with any patents accruing to the University from inventions and discoveries made by staff in the course of their research.

#### **Intellectual Property Rights**

In the event of the University deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property procedures issued by the University and contained in the University’s detailed financial procedures.

## Enterprise Activity

### General

Enterprise activity includes all income generating activity entered into on a commercial basis with the intention of generating a surplus. It excludes public grant-funded research projects but may include arm’s length commercial activity contracted with publicly funded organisations. Typical examples of such activity entered into by the University include the provision of short courses, consultancy services and commercially commissioned research activity.

### Enterprise Targets

The responsibility to initiate enterprise activity rests with the budget holders. Day-to-day responsibility for enterprise activity is delegated by budget holders to their enterprise representatives.

### Evaluation and Approval

All direct and indirect costs must be assessed in anticipating whether an enterprise activity is capable of generating a surplus necessary to allow it to proceed. Exceptions to this rule must be regarded as unusual and must be specifically approved by the Executive Director of Finance, Services and Resources. Such instances may include activity intended to be a “loss leader” or activity provided primarily from spare resources that generates a worthwhile contribution (a surplus of income over incremental costs) towards the University’s overheads.

The Chief Accountant and Head of Financial Services is responsible for ensuring that the full cost of each enterprise activity is established. No enterprise activity can be entered into without financial approval in accordance with the project approval policy which can be found on the Finance website.

Each activity or contract will have a named supervisor or project manager and will be assigned a specific project reference number to enable costs to be tracked. Only costs incurred in fulfilling the University’s obligations to the contracting party may be attributed to the project reference number.

Enterprise activity may only be accepted on behalf of the University by either; the Executive Director of Finance and Resources; or the Vice-Chancellor and Rector.

### Short Courses

In this context a short course is any course which does not form part of the award bearing teaching load of the department. Typical examples of this include management seminars and continuing professional development (CPD).

Any staff wishing to run a short course must have the permission of their budget holder and must be advertised and managed through the on-line store. The course organiser will be responsible to the budget holder for day-to-day management of the course.

### Consultancy, Commercial Research and Services Rendered

The term “services rendered” includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information.

# EXPENDITURE

## Suppliers and Contractors

### General

The Chief Accountant and Head of Financial Services is responsible for making payment to suppliers of goods and services to the University.

### Authority

The budget holders are responsible for review and approval of purchases within their area. They may choose to delegate purchasing authority to named individuals with specific levels of approval set up on the Unit 4 ERP (formerly Agresso) finance system. Where a purchase exceeds the approval level of the individual it is automatically redirected to a more senior person within the team.

The Unit 4 ERP Systems Accountant, under the authority of the Chief Accountant and Head of Financial Services, shall administer access and approval rights to the Unit 4ERP purchasing system. Any changes to the authorities must be notified to the Systems Accountant immediately using a Unit 4 ERP Access Form. Changes to approval rights must use the appropriate form, approved and countersigned by the budget holder responsible for that area. A report of access and approval rights will be supplied to budget holders annually for their review.

Budget holders are not authorised to commit the University to expenditure without first reserving sufficient funds to meet the purchase cost.

The member of staff (or budget holder) authorising the purchase requisition on Unit 4 ERP must be different to the member of staff who raised the requisition and who is responsible for receiving the goods. By authorising the purchase requisition, the authorised member of staff confirms that the goods or services to be supplied are bona fide University expenditure and that sufficient funds are available to pay for them at the agreed price.

All contracts for goods or services must be reviewed by the Legal Services, Governance and Risk Officer. Once approved the contract will be signed by the Executive Director of Finance and Resources. If the contract exceeds £50,000 the contract must be also be signed by the Vice-Chancellor and Rector.

**Value-for-Money** – The University is required to deliver value-for-money from public funds. The University requires that all purchases are undertaken in the manner that achieves value for money on a whole life basis, and which generates benefits not only to the University, but also to society and the economy, whilst minimising damage to the environment.

### Purchase Orders

Purchase orders must be placed through Unit 4 ERP (Agresso) by raising a requisition. The ordering of goods and services must be in accordance with the University’s detailed financial procedures. The Unit 4 ERP purchase requisitioning system must be used for the purchase of all goods or services, except those made using a purchasing card or out-of-pocket expenses.

Before a Purchase Order can be raised the supplier concerned must have been registered on Unit 4 ERP. The process to raise a new supplier can be found on the staff finance webpages.

Purchase orders should refer to the University’s standard terms and conditions. These conditions should be communicated to suppliers prior to placing an order.

Staff must not make commitments with suppliers without prior approval of an official purchase order.

Supplier invoices must state the official purchase order number.

### Purchasing Cards

Purchasing cards are available to be used and are issued by the finance department. The basic objective of using purchasing cards is to reduce the paperwork and administrative time involved in the ordering and invoicing of low value / one-off purchases. Holders of cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Such cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action.

### Internal Accounting Adjustments and Recharges (General Ledger Transfers/Journals)

Finance administrators must use Unit 4 ERP for the correction of accounting errors or for transferring income or costs from one area of the University to another in recognition of goods and services supplied internally.

The Unit 4 ERP General Ledger Transfer system incorporates a system of approval by all budget holders connected with the transaction and should be used wherever practicable. For some bulk transactions such as telephone usage, bulk loads may be permitted. For bulk loads a journal transfer template must be completed correctly in a timely manner and forwarded to the Finance Office.

### Goods Receipting

All goods shall be received at designated receipt and distribution points and should be accompanied by a delivery note and/or invoice. On receipt they should be checked for quantity and/or weight and inspected for quality. The checking of goods is not a job that can be done after taking the delivery and must be completed while the delivery driver is present (if possible). Any discrepancies must be noted on the delivery note and agreed with the driver before they leave. If this is not possible then the signature must include the wording “received unchecked”. Retain signed copies of delivery notes.

If the goods are deemed to be unsatisfactory, then the supplier should be immediately notified, preferably in writing, so 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 goods, services and works received shall be receipted on Unit 4 ERP on the day of receipt or as soon as practicable thereafter. Goods should only be receipted when they match what was ordered in terms of quantity and price, are of an appropriate quality and if relevant are in good working order. When goods, services and works are received, the authorised member of staff must record this on Unit 4 ERP. Note: goods may be partially or fully receipted on Unit 4 ERP. Failure to receipt will result in invoices being kept on hold.

### Payment of Invoices

Suppliers should be instructed to send invoices / credits directly to the University’s Finance Department (preferably in electronic format) to be registered on Unit 4 ERP. Unit 4 ERP will compare order details with goods receipted information and invoice charges. If these are matched, payment is made to the supplier. Where there is a discrepancy or the order has not been goods received, the invoice will not be paid and notification will be forwarded to the requisitioner for action.

The University makes all payments electronically either by; BACS (for UK payments), by bank transfer (foreign payments) each week or by direct debit / standing order. Payments outside of the weekly payments schedule is at the discretion of the Chief Accountant and Head of Financial Services. Cheques are issued on an exceptional basis.

Invoices MUST quote a valid purchase order number. Invoices submitted without a valid Purchase Order number shall be unpaid.

In the event of a complaint against a supplier that necessitates the withholding of payment, this complaint must be promptly and clearly communicated to the supplier in writing. Copies of any relevant correspondence should be sent to the Chief Accountant and Head of Financial Services for information. Telephone complaints do not constitute adequate notice to the supplier, who may continue to press for payment to the point of litigation.

Payment in advance is strongly discouraged prior to receipt and verification of goods, except by purchasing card, as it represents an unacceptable risk to University funds. Should this not be possible, appropriate due diligence must be carried out on the supplier before payment is made.

All requests for payments to be made in advance of receipt of the related goods, services and works require advance written authorisation from the Chief Accountant and Head of Financial Services. In addition, the Budget Holder should ensure that all items due under the advance payment are received, informing the Chief Accountant and Head of Financial Services immediately if problems are encountered.

### Contracts

#### **Building Contracts**

Building contracts are the responsibility of the Finance and General Purposes Committee and are administered by the University’s Director of Estates.

Construction contracts shall be let by Estates Services in conjunction with the University’s Procurement Manager. The Director of Estates shall be responsible for the management of construction contracts.

Proposals will normally be initiated by the Director of Estates in respect of planned replacements, general improvement schemes, space planning or in response to requests from departments.

Proposals must be presented in the form of costings or investment appraisals as appropriate for Finance and General Purposes Committee. Investment appraisals should comply with appropriate OfS regulatory framework.

Following consideration by the Finance and General Purposes Committee and approval by the University Council, submissions should be forwarded to OfS where appropriate. OfS guidance on best practice should be followed even when OfS approval is not required.

#### **Appointment of Consultants**

Specialist consultants may be appointed for a project, as determined by the Finance and General Purposes Committee, if there is a requirement e.g. for estates projects. Appointments shall be made in accordance to the University’s Procurement Policy.

#### **Proposal and Approval**

Proposals must be presented in the form of costings or investment appraisals as appropriate for Finance and General Purposes Committee. Investment appraisals should comply with appropriate OfS guidance.

Following consideration by the Finance and General Purposes Committee and approval by the University Council, submissions should be forwarded to OfS where appropriate. OfS guidance on best practice should be followed even when OfS approval is not required.

### Direct Debits / Standing Orders

The Chief Accountant and Head of Financial Services is responsible for setting up direct debits and standing orders for recurring payments on behalf of the University and must ensure the appropriate mandates are completed and authorised and retained within the Finance Department.

### Leases

All finance leases must be signed by the Executive Director of Finance, Services & Resources. All leases will be in the name of the University.

### Hospitality

Staff entertaining guests from outside bodies at lunchtime should normally use the University’s catering facilities. Where this is not the case, reasons must be stated when submitting a claim for reimbursement.

Staff that are being entertained by third parties or provided with gifts should ensure that they are familiar with the terms of the Declaration of Interests Policy (follow the link below) and comply with its requirements.

<http://www.hope.ac.uk/aboutus/governance/policiesandstrategies/>

## Salaries and Wages

### Payment of Staff

The Chief Accountant and Head of Financial Services is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All electronic time sheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Chief Accountant and Head of Financial Services.

The Chief Accountant and Head of Financial Services is 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 HM Revenue and Customs Regulations.

### Appointment of Staff

With the exception of senior University appointments that are on SPOT grades, all University staff will be appointed to the salary scales approved by the University Council on the advice of Staffing Committee and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Personnel Office on behalf of the Vice-Chancellor and Rector. The Director of Personnel will be responsible for keeping the Chief Accountant and Head of Financial Services informed of all matters relating to personnel for payroll purposes. In particular these include:

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

#### absences from duty for sickness or other reason, apart from approved leave

#### changes in remuneration other than normal increments and pay awards e.g. overtime payments, nursery voucher deductions etc.

#### information necessary to maintain records of service for superannuation, income tax, national insurance etc.

### Casual Staff

The Chief Accountant and Head of Financial Services is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll. The University deem all individuals who carry out work for the University to be paid via the payroll ensuring that payments made are subject to income tax and national insurance.

### Self Employed Staff/Consultancy Staff

In determining whether an individual can be treated as self-employed, or on a consultancy basis the University uses a tool supplied by HMRC in assessing individual’s employment status:

<https://www.gov.uk/guidance/check-employment-status-for-tax>

Since 6th April 2017 it is also necessary to use this tool to determine whether workers engaged via 3rd party personal service companies are to be considered “disguised employment” under the IR35 intermediaries’ legislation.

It is the responsibility of the Chief Accountant and Head of Financial Services to ensure that individuals who are paid for work outside of the payroll system are required to complete a supplier declaration indicating they are liable for their own individual income tax, national insurance and have professional liability insurance. This documentation is retained for both HMRC and audit purposes.

### Superannuation

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

The Chief Accountant and Head of Financial Services is responsible for day-to-day superannuation matters including:

#### paying contributions to the various authorised superannuation schemes

#### preparing the annual return to the various superannuation schemes

### Staff Expenses

All claims for payment of subsistence allowances, travelling and incidental expenses must be completed online through Unit 4 ERP and will be paid via monthly payroll. Claims must be authorised by the budget holder to confirm the expenses are properly and necessarily incurred.

Please refer to the University’s Staff Travel and Expenses Policy contains the rules and procedures for booking travel and claiming back expenses, mileage, subsistence and other associated expenses.

(web link to be included)

# ASSETS

## Acquisition of Land, Buildings, Fixed Plant, Vehicles and Machinery

The purchase, lease or rent of land or buildings or fixed plant can only be undertaken with authority from the University Council and with reference to OfS requirements where exchequer funded assets or exchequer funds are involved.

All IT purchases must be approved by the Director of IT in order to ensure that the equipment is compatible with the University network. The Executive Director of Finance, Services and Resources is responsible for the allocation of the Teaching Equipment Fund and the Research Equipment Fund in each year that such funds are set aside, these funds being used for the purchase of major items of equipment across the campus.

## Security

### Security of Documents

The Legal Services, Governance and Risk Officer is responsible for the safekeeping of official and legal documents relating to the University. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Legal Services, Governance and Risk Officer.

### Physical Security of Assets

Budget holders are responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, etc. under their control. They shall consult the Chief Accountant and Head of Financial Services in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Keys to safes or other similar containers are to be kept secure by the member of staff responsible for the office in which the safe or similar container is located. The loss of such keys must be reported to the Head of Estates immediately.

### Data Security

The Director of IT Services shall be responsible for maintaining the appropriate security of University IT assets and the policies covering the access / use of data held electronically.

The relevant documents are the “IT Facilities Acceptable Use Policy” and the “Information Security Policy”.

Access to data held on IT assets will be restricted to approved persons by the use of various mechanisms including:

* individual log-in username and password
* use of an access group linked to a specific piece of software or data repository
* where available, use of access controls built in to the software

Data relating to individuals held on computer will be subject to the provisions of the Data Protection Act 2018 and the Regulation (EU) 2016/679 (General Data Protection Regulation). A data protection officer shall be nominated by the Vice-Chancellor and Rector, the nominated person being responsible for the advising and education of staff on compliance.

The University seeks to be compliant with the Payment Card Industry Data Security Standard (PCI DSS), full details of which can be found within finance policies and procedures:

<https://www.hope.ac.uk/gateway/staff/stafffinance/financeformspoliciesandprocedures/>

As the University is committed to becoming fully PCI compliant, all cardholder data and payments received by the University from credit and debit cards must be subject to scrutiny by the internal PCI working group to ensure the requirements of the standard are being adhered to.

## Inventories, Stocks and Stores

Budget holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. Budget holders are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate safety checks.

## Risk Management

### The Identification of Risk

The University’s approach to risk management is to adopt best practice in the identification, evaluation and cost-effective control of risks. All staff must understand the nature of risk and accept responsibility for risks associated with their area of responsibility.

Budget holders are responsible for seeking advice from the Legal Services, Governance and Risk Officer if any risks are identified. Budget holders must give prompt notification to the Legal Services, Governance and Risk Officer of any potential new risks and additional property and equipment which may require insurance and any alterations affecting existing risks.

### Insuring Against Risk

Legal Services, Governance and Risk Officer is responsible for effecting insurance cover as determined by Finance and General Purposes Committee and is therefore responsible for obtaining quotes, negotiating claims, maintaining the necessary records and dealing with the University’s insurers and advisers about specific insurance problems.

Budget holders must advise the Legal Services, Governance and Risk Officer immediately of any event which may give rise to an insurance claim. The Legal Services, Governance and Risk Officer will notify the University’s insurers and, if appropriate, prepare a claim in conjunction with the budget holder for transmission to the insurers.

The Legal Services, Governance and Risk Officer will be responsible for keeping a register of all insurance’s affected by the University and the property and risks covered.

The Director of Estates is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

All staff using their own vehicles on behalf of the University shall maintain appropriate insurance cover for business use.

## Disposal of Assets

The University’s Senior Financial Accountant must be made aware in advance of the disposal of any item of plant, equipment and/or furniture with an individual value exceeding £1,000.

Disposal of land and buildings must only take place with the authorisation of the University Council and, where appropriate, Trustees. External funder consent may also be required if exchequer funds were involved in the acquisition of the asset.

## Treasury Management (Investments and Borrowings)

The Finance and General Purposes Committee is responsible for approving a treasury management policy, which sets out a strategy and policies for cash management, long-term investments and borrowings. The Finance and General Purposes Committee has a responsibility to ensure implementation, monitoring and review the treasury management policy.

The investment or utilisation of moneys and other accumulations may only be invested using a list of Institutions approved annually by the Finance and General Purposes Committee with a limit on deposits to any one account of

£10,000,000 and one banking organisation of £15,000,000. In the case of clearing banks and their subsidiaries then they count in total as one source for the purpose of University investment. All borrowing may only be undertaken in the name of the University and must conform to any relevant OfS requirements.

The Chief Accountant and Head of Financial Services will report to Finance and General Purposes Committee in each financial year on the activities of the treasury management operation and management powers.

## Subsidiaries and Affiliated Bodies

### Subsidiary Companies

In certain circumstances it may be advantageous to the University to establish a company to undertake services on its behalf.

The University Council is responsible for approving the establishment of companies and the procedure to be followed in order to do so. The process involved in forming a company and arrangements for monitoring and reporting on the activities of subsidiary undertakings are the responsibility of the Legal Services, Governance and Risk Officer.

It is the responsibility of the University Council to establish the shareholding arrangements and nominate directors of companies wholly or partly owned by the University.

The directors of companies where the University is the majority shareholder must submit, via Finance and General Purposes Committee, an annual report to the University Council.

### Students’ Union

The Students’ Union is a separate legal entity from the University but owing to the valuable service it provides to students, the University provides it with sufficient resources to enable it to function properly.

Subject to the constraints imposed by OfS, the University Council shall determine the level of grant to be paid annually to the Students’ Union and the University Council shall hold the Students’ Union responsible for the proper use of this grant.

The Students’ Union is responsible for maintaining its own bank account, financial records and for preparing its own annual accounts.

The Students’ Union should not enter into any contracts for building works or maintenance without approval by the Director of Estates.

At the year-end the Students’ Union accounts will be audited by an independent firm of auditors and will be presented to the Audit Committee.

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

##  Trust Funds

The Chief Accountant and Head of Financial Services is responsible for maintaining a record of the requirements for each trust fund and for advising Finance and General Purposes Committee on the control and investment of fund balances.

Finance and General Purposes Committee is responsible for ensuring that all the University’s trust funds are operated within any relevant legislation and the specific requirements for each trust.

##  Borrowing, Lending and Securitisation of Assets

No department may borrow outside the University nor may it lend money, for example to students. The University’s central Student Finance Office may loan money to students in temporary financial difficulty caused by delays in statutory government funding. Loans to alleviate other short-term crises are approved at the discretion of the Student Funds Manager.

In some circumstances it will be permissible to make an advance to a member of staff, for example to cover out of pocket expenses to be incurred on University business. The University does not operate a staff loans facility.

The University has the power of a natural person to borrow money as it sees fit and to charge its property as security. No borrowing may be taken out or property charged as security without permission of the University Council. The University Council shall decide, with suitable professional advice as appropriate, the necessity for such borrowing and the acceptability of the terms on offer.

# CORPORATE ISSUES

## Taxation

The Chief Accountant and Head of Financial Services is responsible for advising budget holders in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the University. Therefore, the Chief Accountant and Head of Financial Services will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, National Insurance, corporation tax and import duty.

The Chief Accountant and Head of Financial 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.

## Legal Advice

The authority to seek legal advice and conduct legal proceedings is vested in the office of the Legal Services, Governance and Risk Officer. No department may seek external legal advice or take any action to initiate or defend legal proceedings without first notifying and involving the Legal Services, Governance and Risk Officer, who must also be notified immediately if legal proceedings are served on the University, any department within it or any subsidiary or affiliate.

## Fraud and Irregularity

Budget holders are responsible for establishing procedures to prevent fraud or irregularity. Any suspicion of fraud or irregularity should be notified immediately to the Legal Services, Governance and Risk Officer who shall take further action as appropriate.

Further details can be found within the University Fraud Policy, which is available on the University website. https://www.hope.ac.uk/media/aboutus/governancedocuments/Anti-Fraud%20Policy.pdf

APPENDIX A

RESPONSIBILITIES OF FINANCE AND GENERAL PURPOSES COMMITTEE

* Ensuring that the University maintains proper records
* Ensuring that all income received is correctly accounted for and that income receivable is collected promptly
* Ensuring that systems are in place for all employees and creditors to be paid by their due date and that such systems are effective
* Receiving and commenting on the University’s revenue and capital budgets
* Ensuring that the requirements of the Office for Students to maintain financial solvency is fulfilled
* Managing the University’s investments
* Overseeing cash management and borrowing policies
* Any other matters as directed by University Council
* To recommend the adoption of the financial statements to University Council
* To review, monitor and control weaknesses

APPENDIX B

RESPONSIBILITIES OF AUDIT COMMITTEE

* To consider the appointment of the external auditor, the audit fee, the provision of any non-audit services by the external auditor and any questions of resignation or dismissal of the external auditor
* To discuss if necessary with the external auditor before the audit commences the nature and scope of the audit
* To discuss problems and reservations arising from the interim and final audits and any matters the auditor may wish to discuss (in the absence of management where necessary)
* To consider and advise on the appointment of the internal and external auditors and ensure that market testing is undertaken every five years for internal and every seven years for external
* To review the internal audit plan, consider major findings of internal audit investigations and management’s response and promote co- ordination between the internal and external auditors
* To keep under review the effectiveness of internal control systems and in particular review the external auditor’s management letter, the internal auditor’s annual report and management responses
* To satisfy itself that appropriate arrangements are in place to promote economy, efficiency and effectiveness
* To receive any relevant reports from the National Audit Office or the Funding Council
* To monitor the performance and effectiveness of external and internal audit
* To monitor risk management, control and governance
* To review the University accounting policies
* To consider the draft annual accounts
* To report as appropriate to University Council

REPORTING PROCEDURES

The minutes of meetings of the Audit Committee and Finance and General Purposes Committee will be circulated to all members of the University Council

APPENDIX C

INTERNAL AUDIT RESPONSIBILITIES

(Based on objectives described in OfS’s Audit Code of Practice)

To achieve the following objectives:

* To review and appraise the soundness, adequacy and application of accounting, financial and other controls.
* To ascertain the extent to which the systems of control ensure compliance with established policies and procedures
* To ascertain the extent to which the assets or interests entrusted to or funded by the University are properly controlled and safeguarded from losses of all kinds including fraud, irregularity or corruption
* To ascertain that accounting and other information is reliable as a basis for the production of accounts and other returns
* To ascertain the integrity and reliability of financial and other information provided to management including that used in decision making
* To ascertain that systems of control are laid down and operate to promote the most economic, efficient and effective use of resources
* To draw attention to uneconomic or otherwise unsatisfactory results flowing from management decisions, practices or policies

APPENDIX D

EXTERNAL AUDIT RESPONSIBILITIES

(Based on objectives described in OfS’s Audit Code of Practice)

To achieve the following objectives:

* To review and appraise the soundness, adequacy and application of accounting, financial and other controls.
* To ascertain the extent to which the systems of control ensure compliance with established policies and procedures
* To ascertain that accounting and other information is reliable as a basis for the production of accounts and other returns
* To ascertain the integrity and reliability of financial and other information
* To provide an opinion to Council on whether funds have been applied for their intended purposes and whether the Financial Statements give a true and fair view of the financial results
* Form a view about whether the University is a going concern
* Issue a report on the annual audit, that includes written responses from management to recommendations made
* Ensure the OfS accounts direction has been met

APPENDIX E

OfS Regulatory Framework

1. The OfS’s Risk based approach
2. Sector level regulation
3. Regulation on individual providers
4. Validation, degree awarding powers and university title
5. Guidance on general ongoing conditions of registration