



BUCKINGHAMSHIRE
NEW UNIVERSITY

EST. 1891



Financial Regulations



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Approved by: Council
First published: Jan-2015
Date updated: Jul-2024
Owner: Chief Finance Officer
Review Date: Jul-2025

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General Provisions

About these regulations

1. These regulations set out how Buckinghamshire New University (the **University**) manages and spends its money. By following these regulations, staff provide assurance to the University Council that money is being spent properly, in line with the University's strategy. They apply to the University and to all of its subsidiary undertakings.
2. In these regulations:
 - a. **“you”** or **“your”** mean:
 - any employee, officer, Council member, temporary worker, contractor, consultant, agent or subsidiary acting for, on or behalf of the University within the UK and overseas
 - students of the University when they are acting on behalf of the University, either in a paid or voluntary role
 - b. **“Students’ Union”** means the Bucks Students’ Union
 - a. **“the University”**, **“we”**, **“our”** and **“us”** mean Buckinghamshire New University
 - b. **‘budget holder’** means the member of staff who has been assigned control of a budget and is accountable for it;
 - c. **‘staff’** means all employees of the University, including temporary and casual workers, irrespective of whether their appointment specifically includes financial responsibilities and however their employment is financed: together with anyone else who has any responsibility for the administration, management or expenditure of any University income or conducts any University business.
3. In these regulations:
 - a. References to all University Boards and Committees include any successor Boards and Committees.
 - b. References to individual named posts should include any successor posts with similar responsibility.
 - c. References to the terms and conditions of the Office for Students (**OfS**) also apply to those from Research England, and any successor bodies
4. The University is a higher education corporation. The [Instrument](#) and [Articles of Government](#) set out its legal foundation. The University is governed by its Council, which has ultimate responsibility for the effectiveness of its management and administration.

5. The University is an exempt charity, subject to regulation by the Office for Students .
6. The OfS Terms and Conditions of Funding for Higher Education institutions (**HEIs**) set out the requirements upon the University as a Registered provider. The Council is responsible for ensuring that these conditions are met. Part of the terms and conditions is an audit code of practice, which requires sound systems of financial and management control. These financial regulations are part of this overall system of control.
7. Similarly, Research England has terms and conditions which must be met in order for the University to access research funding. The same requirements apply as for OfS funding.
8. In the event of conflict, these financial regulations are subordinate to the University's Instruments and Articles of Government, and to any restrictions contained within the OfS and Research England terms and conditions. In the event of any dispute about the meaning of these regulations, the decision of the Chief Finance Officer shall be final; the dispute and decision will be reported to Council.
9. The purpose of these regulations is to provide control over the use of the University's resources and provide Council with assurance that those resources are being properly applied for the achievement of the University's strategic plan. They also support underpinning business objectives and regulatory requirements:
 - Financial sustainability
 - Securing value for money
 - Ensuring the proper use of public funds
 - Ensuring that University funds are properly used for pursuing charitable purposes
 - Ensuring that the University complies with all relevant legislation
 - Safeguarding the assets of the University
10. This also helps the University meet some of the OfS [conditions of registration](#), and in particular:
 - Condition D (financial sustainability)
 - Condition E2 (good governance)
11. These regulations set out further details of the delegation of financial authority set out in the [Scheme of Delegation](#).
12. You must comply with these financial regulations. If you fail to comply with the financial regulations, the University may take disciplinary action against you. The Council will be notified of any such breach through the Audit Committee.

Accountability and oversight

Principle

13. There should be clarity about accountability and responsibility within the University's systems for financial management, administration and governance.

Overview

Council has overall responsibility, and holds accountable the Vice-Chancellor for operations and delivery. It has committees which undertake more detailed work on its behalf

The **Vice-Chancellor** holds delegated authority from Council, and is accountable to the OfS, Research England and, ultimately, Parliament, for the public funds which the University receives.

Resources Committee monitors incomes and expenditure and gives detailed scrutiny to certain spending decisions

Audit Committee oversees the integrity of the University's systems and processes and provides assurance to Council

Staff Reward and Vice-Chancellor's Remuneration Committees review senior staff performance, pay and conditions on behalf of Council

The **Chief Finance Officer** has day-to-day responsibility for the University's financial administration

Deputy- / Associate Pro- / Pro- Vice-Chancellors, Heads of School and Directors are responsible for financial management of the areas that they control

Council

14. The Council is responsible for the oversight and governance of the University. Its financial responsibilities include:
 - To ensure the solvency of the University
 - To safeguard the University's assets
 - To ensure the effective and efficient use of resources.
15. To discharge these responsibilities, Council will:
 - Ensure that the funds provided by the OfS and by Research England are used in accordance with the terms and conditions specified in their document
 - Ensure that financial control systems are in place and are working effectively
 - Ensure that the University complies with the OfS accountability and audit codes of practice
 - Approve the University's strategic plan
 - Approve annual estimates of income and expenditure and the annual financial statements
 - Appoint the University's internal and external auditors on the recommendation of Audit Committee.
 - Approve a system of financial regulations.

16. Council governs and regulates the finances, accounts, investments, property, business and all affairs of the University, taking account of potential equality matters as part of our Public Sector Equality Duty.

Accountable Officer: Vice-Chancellor

17. The Vice-Chancellor is the University's accountable officer, responsible for the University. 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 terms and conditions of funding by the OfS. If the Council decides nevertheless to proceed, the Vice-Chancellor must immediately inform the OfS in writing.
18. The Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by the Council and for the management of budgets and resources within the estimates approved by the Council. As the accountable officer, the Vice-Chancellor may be required to justify any of the University's financial matters to the Public Accounts Committee of the House of Commons (or equivalent bodies in Scotland and Wales).

Committees of Council

19. The **Council** has ultimate responsibility for the University's finances. The Council may establish and disestablish committees and delegate to them certain of its powers. Current committees concerned with financial matters are:
 - a. **Resources Committee**, concerned with monitoring the University's financial position and financial control systems, and giving more detailed scrutiny to financial matters before Council's consideration;
 - b. **Audit Committee**, which oversees the work of external and internal audit and which gives assurance to Council. Its role is prescribed by the OfS Audit Code of Practice; and
 - c. The **Staff Reward Committee** and the **Vice-Chancellor's Remuneration Committee**, which concern the pay and conditions of senior staff members and the Vice-Chancellor, respectively.
20. The committees' terms of reference set out the precise details of their role and powers.

The Chief Finance Officer

21. The Chief Finance Officer is responsible for the day-to-day financial administration of the University, and is accountable to the Vice-Chancellor for:
 - Preparing annual revenue and capital budgets and financial plans
 - Preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations

- Preparing the University's annual accounts and other financial statements and accounts 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
 - Liaising with internal and external auditors in order to achieve efficient processes.
22. The Chief Finance Officer has a right to approach directly the Chair of Council on any matter.

Deputy- / Associate Pro- / Pro- Vice-Chancellors, Heads of School and Directors

23. Deputy- / Associate Pro- / Pro- Vice-Chancellors, Heads of School and Directors:
- a. are responsible for financial management of the areas or activities they control. They are advised by the Chief Finance Officer and must operate within the framework of these regulations. The Chief Finance Officer will supervise and approve the financial systems they use, including the form in which accounts and financial records are kept.
 - b. are responsible for establishing and maintaining clear lines of responsibility within their Schools and Directorates for all financial matters. Where financial responsibilities are devolved to budget holders, they are accountable to their line manager for their own budget.
 - c. shall provide the Chief Finance Officer 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.

All members of staff

24. You should be aware and have a general responsibility for the security of the University's property, for avoiding loss and for using resources efficiently.
25. If you are a member of staff you must:
- a. ensure that you are aware of the University's financial authority limits and the values of purchases for which quotations and tenders are required (see Expenditure below).
 - b. make available any relevant records or information to the Chief Finance Officer or their authorised representative in connection with the implementation of the University's financial policies, these financial regulations and the system of financial control.

- c. provide the Chief Finance Officer with such financial and other information they may deem necessary, from time to time, to carry out the requirements of the Council.
- d. immediately notify the Chief Finance Officer whenever any matter arises which involves, or is thought to involve, irregularities concerning the cash or property of the University. The Chief Finance Officer shall immediately notify the Vice-Chancellor who should initiate such steps they consider necessary by way of investigation and report.

Risk management

Principle

26. The University's strategy and operations should be informed by an understanding of the risks it faces and their potential strategic consequences.

General approach

27. The Council has overall responsibility for risk management within the University through the development and implementation of a formal, structured and consistently-applied risk management process.
28. The University understands that there are risks inherent in its business, and is committed to managing those risks that pose a significant threat. The University's risk management strategy and supporting procedures will include:
 - The adoption of common terminology
 - The establishment of university-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis
 - A decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes
 - A decision on the level of risk to be covered by insurance (see Insurance below)
 - Regular review within Schools and Directorates to identify significant risks associated with the achievement of key objectives and other relevant areas
 - Development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question
 - Regular reporting to the Council of all risks. Audit Committee will review the risk register every term, and a summary reported to Council annually
 - An annual review of the implementation of risk management arrangements.
29. Deputy- / Associate Pro- / Pro- Vice-Chancellors, Heads of School and Directors must ensure that any agreements negotiated within their School and Directorate with external bodies cover any legal liabilities to which the University may be exposed. The Chief Finance Officer's advice should be sought to ensure that this is the case.

Whistleblowing

Principle

30. The University recognises that sometimes power can be abused, and that a culture of transparency is the best defence against this. Speaking up helps the University do things better, and the Raising issues of concern (whistleblowing) policy supports this.

Policy

31. Whistleblowing means when a person raises concerns about malpractice in the workplace. A whistleblower can raise concerns about crime, civil offences (including negligence, breach of contract, etc.), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistle blowing can extend to malpractice occurring in the UK and any other country or territory.
32. You have both a right and a duty to raise any concerns you may have about malpractice or illegal practices in the University. You should normally raise concerns with your Manager, Head of School or Director but in circumstances where this is not appropriate you may approach the Human Resources Directorate in confidence. No one who expresses their views in good faith and in line with the guidance within the policy will be penalised for doing so.
33. The full procedure for whistle blowing is set out in the University's policy, called "Raising Issues of Concern (Whistleblowing) Policy" which is available from the University's web site.

Code of Conduct

Principle

34. In conducting its business, the University aspires to the highest standards of behaviour, and expects its staff to do the same.

General approach

35. The University is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (also known as the Nolan Committee). These principles are set out at Appendix B.
36. You are expected to observe these principles.
37. You are also required to observe the University's code of conduct, contained in the detailed financial procedures, which covers:
- Probity and propriety
 - Selflessness, objectivity and honesty

- Relationships.
38. Members of the Council, senior management and those involved in procurement are required to disclose interests in the University's Register of Interests maintained by the University Secretary and Clerk to Council. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the financial procedures.
 39. No person shall be a signatory to a University contract where they also have an interest in the activities of the other party.
 40. Additional information is included within the [Code of Conduct for Staff](#) available from the University's website.

Receiving gifts or hospitality

41. It is an offence under the Bribery Act 2010 for you to accept 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 you must follow are set out below:
 - a. Your conduct should not create suspicion of any conflict between your official duty and your private interest
 - b. If you are acting in an official capacity, your actions 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.
 - c. Thus, you should not accept any gifts, rewards or hospitality (or have them given to members of your family) from any organisation or individual with whom you have contact in the course of their work that would mean you might be, or might be thought by others to have been, influenced in making a business decision as a consequence of accepting such hospitality.
 - d. The frequency and scale of hospitality which you accept should not be significantly greater than the University would be likely to provide in return.
42. If you are unsure about what is and what is not acceptable in terms of gifts or hospitality, you should decline the offer, or seek advice from the Chief Finance Officer.
43. For the protection of those involved, the Chief Finance Officer (or other designated officer) will maintain a register, of gifts and hospitality received where the value is in excess of £250. If you are in receipt of such gifts or hospitality, you are obliged to notify the Chief Finance Officer promptly by email.

Criminal Finances Act

Principle

44. You must act to ensure that you do not facilitate criminality.

Practice

45. Tax evasion and its facilitation are criminal offences and both you and the University may be liable for prosecution if you facilitate tax evasion.
46. You must abide by the University's policies and procedures relating to anti-fraud and corruption and the criminal facilitation of tax evasion, as set out in these Regulations. Failure to comply with the obligations detailed in these regulations may result in disciplinary action for staff and termination of contract for other associated persons.
47. If you manage other staff, you should include this policy as part of their induction and bring it to the attention of other associated persons that you deal with on behalf of the University.

Criminal Facilitation of Tax Evasion

Principle

48. The University is dedicated to conducting all its academic, administrative and commercial operations, including its domestic and overseas activities through partners and others, in a law-abiding and ethical manner and will not tolerate acts of criminal facilitation of tax evasion by its staff, subcontractors or any other of its associates anywhere in the world.
49. This section of the Financial Regulations sets out our policy and your responsibilities in observing and upholding the University's position on criminal facilitation of tax evasion, specifically addressing the requirements of the Criminal Finances Act 2017.

Your Obligations

50. You must at all times abide by these regulations and any associated procedures.
51. If you do not comply with these regulations and associated obligations you may be subject to disciplinary action (for members of staff) and termination of contract (for other associated people).

If you suspect tax evasion

52. If you become concerned that a fellow employee or associate is facilitating a third party's tax evasion, you should immediately contact either:
- the Chief Finance Officer
 - the Director of HR;

- a member of UET; or
 - the Chair of Council or Chair of one of Council's committees
53. You may also raise concerns under the Raising Issues of Concern (Whistleblowing) Policy.
54. If you have any questions about this, you should ask the Financial Controller.
55. Further guidance and examples of criminal tax evasion are set out in Appendix D.

Anti-fraud and corruption

Principle

56. The University will not tolerate any form of fraud, bribery, corruption or dishonesty in the conduct of its business. The University requires all individuals acting on its behalf to conduct business honestly, fairly and professionally.

Your obligations

57. You must not:
- undertake in any fraudulent activity or offer or make a bribe, unauthorised payment or inducement of any kind to anyone
 - solicit business either through fraudulent activity or by offering a bribe, unauthorised payment or inducement to a third party
 - accept any kind of bribe, unauthorised payment or inducement that would not be authorised by the University in the normal course of events
58. You must:
- refuse any bribe, inducement or unauthorised payment in a form which could lead to a misunderstanding
 - report any incidences of fraudulent activity and any offer of bribe, inducement or unauthorised payment either to the Compliance Officers (see paragraph 64 below) or under the University Raising issues of concern (Whistleblowing) Policy (whistleblowing@bucks.ac.uk).
59. You are responsible for maintaining the highest standards of conduct.
60. You must familiarise yourself and comply with this policy and its associated procedures, including any future updates that may be issued from time to time by the University.
61. If you are a budget holder you must assess risk, keep records and monitor so as to prevent fraud, bribery and corruption.
62. Specific roles within this policy are:
- Audit Committee is responsible for instructing the University's internal and external auditors to undertake regular monitoring and reporting of these areas.

- The University Executive Team (**UET**) is responsible for implementing effective measures to prevent, monitor and eliminate fraud, bribery and corruption.
 - The Clerk to the Council is the University's Compliance Officer for this policy and will ensure regular reporting to the Audit Committee of Council as appropriate.
 - The Human Resource Directorate will deliver appropriate on-line training.
63. This policy should be read alongside the University's:
- Expenses Policy
 - Procurement Policy
 - Raising Issues of Concern (Whistleblowing) Policy
 - Disciplinary Procedures
 - Human Resource Policies as appropriate
 - Conflict of Interests / Declaration/Register of Interests
 - Anti-Money Laundering Policy
 - Personal Relationships At Work Policy
64. Guidance is set out in Appendix E.

What happens if the policy is breached?

65. We take seriously any allegation of a breach of this policy. An allegation that an individual has acted in a manner that is illegal or inconsistent with this policy and its associated procedures is likely to constitute a serious disciplinary, contractual or criminal matter for the individual concerned and may cause serious damage to the reputation and standing of the University.
- For an employee, the University reserves the right to refer alleged instances to the relevant employee disciplinary procedures or to the police authorities.
 - For a member of the University's Council the University reserves the right to refer alleged instances to the relevant forum of Council for consideration or to the police authorities.
 - For a member of the Students' Union the University reserves the right to refer alleged instances to the relevant forum of the Students' Union for consideration or to the police authorities.
 - For any person providing services for, or on behalf, of the University where there is reasonable evidence that they or their staff have committed an act of fraud, bribery or corruption, the University reserves the right to terminate our contractual arrangements.
66. The University may also face criminal liability for unlawful actions taken by its employees or associated persons under the Bribery Act 2010.
67. The University:

- may report suspected cases to the relevant authorities, in addition to any internal procedures.
- reserves the right to seek redress via civil proceedings against employees or associated persons whose acts or omissions have resulted in financial loss to the University. This is regardless of whether the employee or associated persons were prosecuted.

Facilitation Payments

68. You must not make or accept any facilitation payments. These are payments made to government officials for carrying out or speeding up routine procedures. They are more common overseas. Facilitation payments are distinct from an official, publicly available fast-track process.
69. Facilitation payments, or offers of such payments, may constitute a criminal offence by both the individual concerned and the University under the Bribery Act 2010, even where such payments are made or requested overseas. You must act with greater vigilance when dealing with government procedures overseas.
- Where a public official has requested a payment, you should ask for further details of the purpose and nature of the payment in writing. If the public official refuses to give these, you should report this immediately to the Compliance Officer.
 - If the public official provides written details, the Compliance Officer will consider the nature of the payment. Local legal advice may be sought by the University.
 - If it is concluded that the payment is a legitimate fee, for example part of a genuine fast-track process, or is permitted locally, we will authorise you to make the payment.
 - Where the Compliance Officer considers that the request is for a facilitation payment, we will instruct you to refuse to make the payment and notify the public official that you are required to report the matter to the University and the UK embassy.
 - The University will seek your assistance in its investigation and may determine that the matter should be referred to the prosecution authorities.
 - If you have any other concerns about the nature of a request for payment, you should report it to the Compliance officer using the reporting procedure set out in this policy and in accordance with the University's Raising issues of Concern (Whistleblowing) Policy.
70. The University will:
- regularly monitor employees and associated persons working in higher risk areas
 - regularly communicate with employees and associated persons working in higher risk areas
 - undertake proportionate due diligence of third parties and associated persons; and communicate its zero-tolerance approach to fraud, bribery and corruption to third parties, including actual and prospective customers, suppliers and joint-venture partners.

Record keeping

71. You must take particular care to ensure that all University records are accurately maintained in relation to any contracts or activities, including financial invoices and all payment transactions with clients, suppliers and public officials.
72. You must undertake due diligence in accordance with the University's procurement and risk management procedures prior to entering into any contract, arrangement or relationship with a potential supplier of services, agent, consultant or representative.
73. You must keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered.

Reporting suspected incidents

74. The University depends on its employees and associated persons to ensure that the highest standards of ethical conduct are maintained in all its dealings. Employees and associated persons are requested to assist the University and to remain vigilant in preventing, detecting and reporting fraud, bribery and corruption.
75. We encourage you to report any concerns that you may have to your line manager as soon as possible. Issues that should be reported include:
 - any suspected or actual attempts at fraud, bribery or corruption
 - concerns that other employees or associated persons may be being involved in fraud, bribery or corruption
 - concerns that other employees or associated persons may be involved in fraud, bribery or corruption of third parties, such as clients or government officials
76. We are committed to ensuring that you have a safe and confidential way of reporting suspected wrongdoing. You are therefore encouraged to immediately report incidents of suspected fraud, bribery or corruption to your line manager in the first instance, who is responsible for reporting these to the Compliance Officer.
77. Your line manager will consider your report, and if it concerns them they will report it to their Human Resources Business Partner or address it via email to whistleblowing@bucks.ac.uk. Any such reports will be thoroughly and promptly investigated in the strictest confidence. Employees and associated persons will be required to assist in any investigation into possible or suspected fraud, bribery or corruption.
78. If you report instances of fraud, bribery or corruption in good faith we will support you. We will ensure that you are not subjected to detrimental treatment as a consequence of your report. You can request anonymity which will be protected as far as possible within legislation.
79. If you suffer detrimental treatment by a fellow employee because you have made a report, we may deal with this in accordance with our disciplinary procedures.

80. An instruction to cover up wrongdoing is itself a disciplinary offence. If you are told not to raise or pursue any concern, even by a person in authority such as a manager, you should not agree to remain silent. You should report the matter to the Compliance Officer.

Working overseas

81. If you are conducting business on behalf of the University outside the UK you may be at greater risk of being exposed to bribery or unethical conduct than UK-based employees. You should be extra vigilant when conducting international business.
82. You should undertake due diligence on all overseas partners, agents and suppliers.
83. You must co-operate with the University's risk management procedures and report suspicions of fraud, bribery or corruption to the Compliance Officer. While any suspicious circumstances should be reported, you are required particularly to report:
- close family, personal or ties that a prospective agent, representative or joint venture partner may have with government or corporate officials, directors or employees
 - a history of corruption in the country in which the business is being undertaken (Note: consideration of this will be included in the formal due diligence undertaken by the University when establishing a new partnership or contract, however, where an individual employee or associated person may have specialist knowledge they are asked to make this known to the University)
 - requests for cash payments
 - requests for unusual payment arrangements, for example, via a third party
 - requests for reimbursements of unsubstantiated or unusual expenses
 - a lack of standard invoices and proper financial practices.
84. If you are in any doubt as to whether or not a potential act constitutes fraud, bribery or corruption, you should refer the matter to the Compliance Officers.

Financial Management and Control

Financial Planning and Control

Principle

85. Good financial planning enables the University to do more with its resources. Budgets are allocated to operational areas (schools and services) of the University. Budgets are to be spent, on the purpose for which they were assigned. It is important that budget holders do not overspend against the resources allocated, unless agreed by the Chief Finance Officer.

General regulations

86. The Chief Finance Officer is responsible for
- a. preparing annually a rolling five-year financial plan including a capital allocation for approval by the Council on the recommendation of Resources Committee
 - b. preparing financial forecasts for submission to the OfS.
87. Financial plans should be consistent with the strategic plans and estates strategy approved by the Council.

Budget objectives

88. The Council will set the overall framework, including budget objectives, for the University. These will inform the University's detailed financial plans.

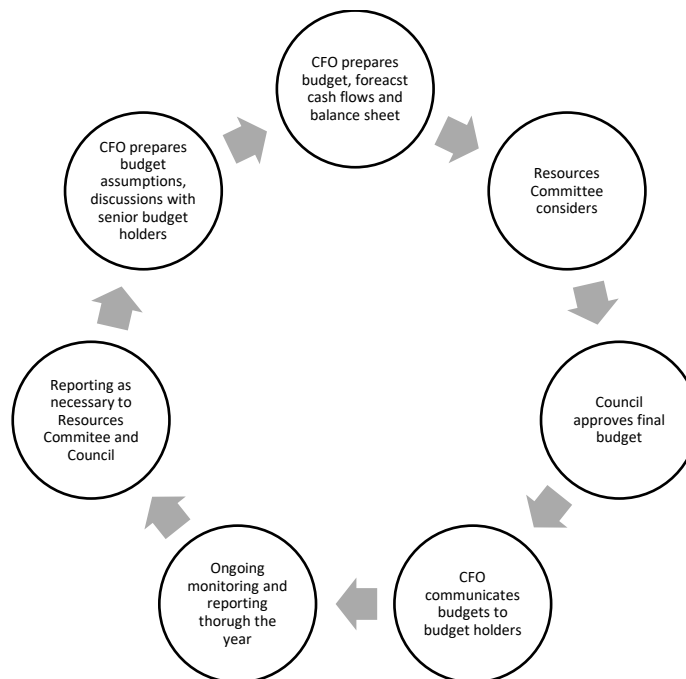
Resource allocation

89. Resources are allocated annually by the Council on the recommendation of Resources Committee, and on the basis of the above objectives. Budget holders are responsible for the economic, effective and efficient use of resources allocated to them.

Budget preparation

90. The Chief Finance Officer must present each year a revenue budget and capital allocation for consideration by Resources Committee before submission to the Council. The budget should also include a cash flow forecast for the year, a projected outcome against the University's bank covenants and a projected year-end balance sheet. The Chief Finance Officer must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to Deputy- / Associate Pro- / Pro-Vice-Chancellors, Heads of School and Directors as soon as possible following their approval by the Council.
91. During the year, the Chief Finance Officer is responsible for submitting revised forecasts to Resources Committee for consideration before submission to the Council for approval.

92. The cycle is as follows:



Overview: Revenue budgets

93. Council sets the overall budget, on the advice of the Chief Finance Officer via Resources Committee.
94. Chief Finance Officer allocates budgets to schools and directorates, in line with overall budget agreed by Council and based on discussions about spending needs and priorities.

Overview: capital budgets

95. The capital allocation includes all expenditure on land, buildings, equipment, and furniture and associated costs whether or not they are funded from capital grants or capitalised for inclusion in the University's financial statements. Expenditure of this type can only be considered as part of the capital allocation approved by the Council.
96. The Chief Finance Officer must provide regular statements concerning all capital expenditure against the budgeted allocation to Resources Committee for monitoring purposes.
97. Council sets the overall budget, on the advice of the Chief Finance Officer via Resources Committee.
98. Capital Projects Group allocates budgets to specific projects within the overall budget agreed by Council.
99. Capital Project Group may vire budgets between capital programmes within the overall budget envelope agreed by Council.

100. On specific projects, outside of the usual budget cycle (e.g. large building projects), Council agrees any capital budget allocation following consideration of a business case, and Capital Project Group subsequently manages the budgets in line with normal practice.

Budgetary control

101. The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively. Budget holders are responsible to their Head of School and / or Director for the income and expenditure appropriate to their budget.
102. Heads of Schools and Directors must immediately report to the Chief Finance Officer any significant departures from agreed budgetary targets and the corrective action they have taken or plan to take.

Financial information

103. Budget holders are assisted in their duties by management information provided by the Chief Finance Officer, with scope and timing subject to agreement between the Chief Finance Officer and budget holders.
104. The Chief Finance Officer is responsible for supplying budgetary reports on all aspects of the University's finances to Resources Committee on a basis determined by Resources Committee and subject to any specific requirements of the OfS.

Changes to the approved budget

105. The Chief Finance Officer will consider changes to the approved budget and report as appropriate to Resources Committee, which will make proposals to the Council.

Virement

106. Virement – moving amounts between budgets – is discouraged.
107. Virement between budget income and expenditure lines is not possible.
108. Virement between individual budget lines can only happen with the agreement of Finance
109. Where a budget holder is responsible for more than one budget, virement is permitted with the written approval of the Head of School and / or Director.
110. Virement between budgets held by different budget holders is permitted with the written approval of the transferring budget holder and the Head of School and / or Director.
111. All virements must be reported, showing the appropriate level of approval, to the Chief Finance Officer. Virements can only be considered to be in force when they are recognised and reflected in the information held by the Finance Directorate.

Treatment of year-end balances

112. At the year end, budget holders will not have the authority to carry forward a balance on their budget to the following year unless approved by the Chief Finance Officer. Such approval will only be given in exceptional circumstances.

Accounting Arrangements

Principle

113. The University will follow normal accounting practices within the UK HE sector. This is an important element in ensuring that our financial statements are accurate and that we meet our obligations for using public funds.

Financial year

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

Basis of accounting

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

Format of the financial statements

116. The financial statements are prepared in accordance with the relevant statement of recommended practice. This is currently *Statement of recommended practice (SORP): Accounting for further and higher education 2019*. They are also prepared in accordance with applicable Accounting Standards and conform to guidance published by the OfS in the form of an Accounts Direction for the applicable financial year.

Capitalisation and depreciation

117. The following practices are used:
- a. New 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.
 - b. Buildings will be depreciated in equal instalments over their estimated remaining useful life.
 - c. Freehold land will not be depreciated.
 - d. Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

- e. Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item is £5,000 or more.
- f. Capitalised assets other than land and buildings will be depreciated over their useful lifetime.
- g. Depreciation will be charged on a straight line basis to write off the purchase price of any asset over its useful economic life, subject to any residual values.
- h. The rates for individual assets may be set by the Chief Finance Officer.

Accounting records

- 118. The Chief Finance Officer is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.
- 119. The University is required by law to retain primary documents for six years. These include:
 - Official purchase orders
 - Paid invoices
 - Accounts raised
 - Bank statements
 - Copies of receipts
 - Paid cheques
 - Payroll records, including part-time lecturers' contracts.
- 120. The Chief Finance Officer will make appropriate arrangements for the retention of electronic records.
- 121. You should ensure that your retention arrangements comply with any specific requirements of funding organisations such as regional development agencies.
- 122. Additionally, for auditing and other purposes, other financial documents should be retained for at least three years or more if required by the funder.

Public access

- 123. Recent financial statements will be made available on the University's web site.

Taxation

- 124. The Chief Finance Officer is responsible for advising on all taxation issues. The Chief Finance Officer will issue instructions to Schools and Directorates on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.

125. The Chief Finance Officer 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.

Audit Requirements

Principle

126. Robust audit, external and internal is embedded into our culture and practices.

General

127. External auditors and internal auditors have authority to:
- Access all assets, records, documents and correspondence relating to any financial and other transactions of the University including records belonging to third parties, such as contractors when required
 - Require and receive such explanations as are necessary concerning any matter under examination
 - Require any employee of the University to account for cash, stores or any other University property under their control.
128. The Chief Finance Officer will draw up a timetable for preparation of final accounts and will advise staff and the external auditors accordingly.
129. Audit Committee and Resources Committee review the annual financial statement, before consideration and final approval by Council.

External audit

130. Council appoints external auditors on the advice of Audit Committee. Appointments are confirmed annually, even where the contract has been awarded for a longer period.
131. The primary role of external audit is to report on the University's financial statements. To do this, they will carry out such examination of the statements and underlying records and control systems as are necessary to reach an opinion and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the OfS audit code of practice and the Auditing Practices Board's statements of auditing standards.

Internal audit

132. The University's memorandum of assurance and accountability with the OfS requires that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in the OfS audit code of practice (see Appendix C). The main responsibility of internal audit is to provide the Council, the Vice-Chancellor and senior management with assurances on the adequacy of the internal control system.

133. The internal auditor is appointed by the Council on the recommendation of the Audit Committee. This is normally for a period of three to five years. Appointments are confirmed annually, even where the contract has been awarded for a longer period.
134. The internal audit service remains independent in its planning and operation but has direct access to the Council, Vice-Chancellor and chair of the Audit Committee. The internal auditor will also comply with the Auditing Practices Board's auditing guideline, Guidance for Internal Auditors.

Fraud and corruption

135. If you suspect irregularity, including fraud, corruption or any other impropriety you must notify the Chief Finance Officer immediately.
136. If the suspected fraud is thought to involve the Chief Finance Officer and / or the Vice-Chancellor, you should instead notify the Chair of the Audit Committee or Chair of Council.
137. The Chief Finance Officer shall invoke the fraud response plan, which incorporates the following key elements:
- Notification of the Vice-Chancellor and the Audit Committee (through its chair) of the suspected irregularity
 - Initial investigation and reporting as necessary
 - The Vice-Chancellor informing the police, if a criminal offence is suspected of having been committed
 - Reporting any significant cases of fraud or irregularity to the OfS in accordance with their requirements as set out in the OfS Terms and Conditions of funding for Higher Education Institutions – Annex C.
 - The Audit Committee commissioning such further investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate
 - The internal audit service, or others commissioned to carry out an investigation, reporting to the Audit Committee on the suspected irregularity. Such report shall include advice on preventative measures.

Value for money

138. Council is responsible for delivering value for money from public funds.
139. Council will report each year through the Annual Report and Accounts on how value for money has been achieved. Audit Committee will consider value for money when it prepares its annual report.

Other auditors

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

Treasury Management

Principle

141. The University will manage its funds to ensure that right balance of liquidity and value.

Treasury management policy

142. Resources Committee is responsible for
- a. approving a Treasury Management Policy (based on CIPFA's Treasury Management in the Public Services: Code of Practice together with cross-sector guidance and sector-specific guidance); and
 - b. setting out a strategy and policies for cash management, long-term investments and borrowings.
143. This must include compliance with OfS rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the OfS Terms and Conditions of funding for Higher Education Institutions.
144. Resources Committee has a responsibility to ensure implementation, monitoring and review of such policies.
145. The Chief Finance Officer is responsible, within policy parameters, for all executive decisions concerning borrowing, investment or financing and appropriate reporting back to Council. All borrowing shall be undertaken in the name of the University and shall conform to any relevant OfS requirements. The Chief Finance Officer and their staff are required to act in accordance with Chartered Institute of Public Finance Accountancy's Code of Practice.
146. The Chief Finance Officer will report to Resources Committee annually on the activities of the treasury management operation and on the exercise of delegated treasury management powers.

Appointment of bankers and other professional advisers

147. The Council appoints the University's bankers and other professional financial advisers (such as investment managers) on the recommendation of Resources Committee. The appointment shall be made in accordance with the public procurement regulations requirements at the time of such appointments.

Banking arrangements

148. The Chief Finance Officer is responsible, on behalf of Resources Committee, for liaising with the University's bankers and other financial institutions in relation to the University's bank accounts and the issue of cheques and any payments cards. All cheques and payment cards shall be ordered on the authority of the Chief Finance Officer, who shall make proper arrangements for their safe custody.

149. Only the Chief Finance Officer 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.
150. All automated transfers on behalf of the University, such as BACS or CHAPS, must be authorised in the appropriate manner. Details of authorised persons and limits shall be maintained by the Chief Finance Officer.
151. The Chief Finance Officer is responsible for ensuring that all bank accounts are subject to regular reconciliation, at least monthly, and that large or unusual items are investigated as appropriate.

Income

Principle

152. The University aims to manage its income effectively, acting to maximise income.

General

153. The Chief Finance Officer 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 and electronic collection systems must have the prior approval of the Chief Finance Officer.
154. Charges are routinely set by the operational management but some, particularly for tuition fees, are approved by Resources Committee on behalf of Council.
155. The Chief Finance Officer is responsible for the prompt collection, security and banking of all income received.
156. The Chief Finance Officer is responsible for ensuring that all grants from the OfS and other bodies are received and appropriately recorded in the University's accounts.
157. The Chief Finance Officer is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

Maximisation of income

158. You have a responsibility to ensure that revenue to the University is maximised by diligently following agreed procedures for the identification, collection and banking of income. In particular, you should notify finance promptly of sums due so that collection can be initiated.

Receipt of cash, cheques and other negotiable instruments

159. All monies received within Schools and Directorates from whatever source must be recorded by the Schools and Directorates together with the form in which they were

received, for example cash, cheques and other negotiable instruments. All monies received must be paid to the cashier promptly.

160. All money received
- a. must be paid in and accounted for in full
 - b. must not be used to meet miscellaneous School and Directorate expenses or be paid into the School and Directorate's petty cash float.
 - c. must not be used to cash personal or other cheques.

Collection of debts

161. The Chief Finance Officer should ensure that:
- Debtors' invoices are raised promptly on official invoices, in respect of all income due to the University
 - Invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account
 - Any credits granted are valid, properly authorised and completely recorded
 - VAT is correctly charged where appropriate, and accounted for
 - Monies received are posted to the correct debtors account
 - Swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the financial procedures
 - Outstanding debts are monitored, and reports prepared for management.
162. Only the Chief Finance Officer can implement credit arrangements and indicate the periods in which different types of invoice must be paid.
163. Requests to write off debts must be referred in writing to the Chief Finance Officer. Appendix A sets out the approval limits to debt write-off.

Tuition fees and residence fees

164. Procedures for collecting tuition and residence fees must be approved by the Chief Finance Officer, who is responsible for ensuring that all student fees due to the University are received in accordance with the University's debt management policies.

Emergency and hardship loans, student welfare and access funds

165. Emergency/hardship loans for staff are managed by the Human Resources Directorate. Payments may not be made other than in accordance with the approved scheme.
166. Emergency/hardship loans for students are managed by the Student Success Directorate. The Pro Vice-Chancellor Student Experience supported by finance will prescribe the format for recording the use of student welfare funds, including where necessary to meet OfS requirements.

Research Grants and Contracts

Principle

167. Research is a core activity for the University, and the University will seek to ensure that the costs of research are understood.

The scope of 'research'

168. Research is defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective. It can use existing knowledge in experimental development to produce new or substantially improved materials, devices, products and processes including design and construction. It excludes routine testing and analysis of materials, components and processes (that is, 'services rendered' work).
169. The term 'research grant' is restricted to research projects funded by UK Research and Innovation, charities and the higher education funding bodies.
170. All other externally financed research projects are classified as 'research contracts'.

Costing and approval of research funding applications

171. Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Head of School and / or Director to ensure that the financial implications have been reviewed by the Chief Finance Officer. This will include obtaining a set of grant terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance.
172. The Director of Enterprise and Research, in consultation with the Chief Finance Officer, is responsible for approving every formal application for grants and contracts and shall ensure that there is adequate provision of resources to meet all commitments.
- a. The full *cost* of research contracts must be understood and recorded, even if the full-recovery of overheads is not permitted within the funding stream.
 - b. Appropriate levels of overheads will be costed to research activity whether or not the funding arrangements permit full recovery
 - c. The research agreement must follow the University's policy with regard to indirect costs and other expenses, taking account of different procedures for the pricing of research projects depending on the nature of the funding body.
 - d. Only the Director of Enterprise and Research, or a person acting on their behalf, may accept a research grant or contract on behalf of the University.

- e. The Chief Finance Officer shall maintain all financial records relating to research grants and contracts.
 - f. The Director of Enterprise and Research shall initiate all claims for reimbursement from sponsoring bodies by the due date.
173. Each grant or contract will have a named supervisor or grant holder and will be assigned to a specific budget holder.
174. Control of pay and non-pay expenditure will be contained within the budget centre. The head of the budget centre may delegate day-to-day control of the account to a supervisor or grant holder, but any overspend or under-recovery of overheads is to be the clear responsibility of the budget centre with any loss being a charge on their funds.
175. If you are undertaking research activity you must maintain the records specified by the Chief Finance Officer to enable compilation of the annual Transparent Approach to Costing (TRAC) return to the OfS.

Grant and contract conditions

176. Many research funders set out conditions under which their funding is given, and require the submission of interim or final reports or the provision of other relevant information. Failure to respond to these conditions may mean that the University will suffer a significant financial penalty.
177. If you are the named supervisor or grant holder it is your responsibility to ensure that conditions of funding are met. Any loss to the University resulting from a failure to meet conditions of funding is your responsibility, and will be charged against your budgeted funds.

Other Income-Generating Activity

Principle

178. The University encourages income generation, within a managed framework

Private consultancies and other paid work

179. Unless otherwise stated in your contract:
- You may not undertake outside consultancies or other paid work (except external examining) without the consent of your Head of School or Director (and in the case of the Head of the School or Director, the Vice-Chancellor)
 - You must apply for permission to undertake work as a purely private activity to your Head of School or Director or Vice-Chancellor, as appropriate, and include the following information:
 - The name of the member(s) of staff concerned
 - The 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.

Projects requiring matched funding

180. Any government, EU or other project with matched funding requires the approval of the Chief Finance Officer prior to any commitment being entered into. Such approval shall be dependent upon the relevant Head of School or Director being able to demonstrate that eligible matching funds are available and that the project is financially viable within the University's costing and pricing policy.
181. If the University sub-contracts such work to external providers, the relevant Head of School or Director shall ensure that:
- There is a written contract in place allowing for full audit access to detailed records
 - Appropriate monitoring procedures are in place to ensure that the outputs are achieved and the provision is of suitable quality
 - Payments are only made against detailed invoices.
182. This guidance may change as the UK's continued participation in EU research programmes develops and becomes clearer and the regulations will be amended accordingly.

Profitability and recovery of overheads

183. All other income-generating activities must be self-financing or surplus-generating unless it is intended that a new activity is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the Head of School or Director and the Chief Finance Officer.
184. Other income-generating activities organised by members of staff must be costed and agreed with the Chief Finance Officer before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the University's costing and pricing policy, in particular for the recovery of an appropriate level of overheads.

Deficits

185. Any unplanned deficits incurred on other income-generating activities will be charged to School and Directorate funds.

Additional payments to staff

186. If a proposal involves additional remuneration to members of staff, it should be supported by a schedule of names and values and must be approved by the Head of School and / or Director, and in the case of a Head of School or Director, the Deputy Vice Chancellor.

187. Additional payments to senior staff above the level of Head of School or Director must be approved by the Staff Reward Committee.

Intellectual Property Rights and Patents

Intellectual property rights

188. The University's Intellectual property policy and procedures are used if the University decides to exploit commercially its intellectual property.

Expenditure

Principle

189. The University will seek value for money in its spending, and will ensure that debts are settled fairly and in line with contract terms.

General

190. The Chief Finance Officer is responsible for making payments to suppliers of goods and services to the University.

Scheme of delegation / financial authorities

191. The Chief Finance Officer shall maintain a schedule of delegated authorities (Appendix A below), specifying the authority limits for all relevant posts. Exceptions to these limits require the prior authority of the Vice Chancellor.
192. Heads of Schools and Directors are responsible for purchases within their School or Directorate. Purchasing authority may be delegated to named individuals within the School and Directorate. In exercising this delegated authority, budget holders must observe the purchasing policies and financial procedures.
193. Under procedures agreed by the Chief Finance Officer, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits (for electronic systems).
194. The Chief Finance Officer must be notified immediately of any changes to the authorities to commit expenditure.
195. Deputy- / Associate Pro- / Pro- Vice-Chancellors, Heads of School, Directors and budget holders may not commit the University to expenditure without first reserving sufficient funds to meet the purchase cost.
196. The member of staff (or budget holder) authorising the invoice for payment must be different from the member of staff responsible for approving the purchase order.

Procurement

197. All budget holders, irrespective of the source of funds, must obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice.
198. Factors to be considered in determining lowest cost are noted in the financial procedures and budget holders should refer to the full Procurement Policy to supplement the sections below.
199. The Head of Procurement is responsible to the Chief Finance Officer for:
- Helping the University achieve value for money
 - Ensuring that the University's procurement policy is current, known and observed by all involved in purchasing for the University
 - Advising on matters of University purchasing policy and practice
 - Advising and assisting Schools and Directorates where required on specific School and Directorate purchases
 - Developing appropriate standing supply arrangements on behalf of the University to assist budget holders in meeting their value for money obligations
 - Reviewing all orders above £5,000 before they leave the University
 - The drafting and negotiation of all large-scale purchase contracts undertaken by the University, in collaboration with the responsible Schools and Directorates
 - Ensuring that the University complies with any public purchasing regulations.

Purchase orders

200. When ordering goods and services, you must act in accordance with the University's detailed financial procedures/purchasing policies.
201. The Chief Finance Officer (through the University's Head of Procurement) will ensure that all purchase orders refer to the University's conditions of contract.

Purchasing cards

202. The Chief Finance Officer may approve the issuing of purchasing cards. The Chief Finance Officer will be responsible for setting in place a system to monitor the use of all cards and to ensure that all expenses charged through them are properly accounted for.
203. If you hold a purchasing card:
- a. you must use them only for the purposes for which they have been issued and within the authorised purchase limits
 - b. if you misuse any such card you may be liable for disciplinary action.
 - c. You must not loan your card to another person,
 - d. You must not use your card for personal or private purchases.

- e. You should obtain approval to purchase from the relevant budget holder and ensure that there is sufficient budget available to meet the costs.
204. The Chief Finance Officer shall determine what information is required on purchases made with purchasing cards from cardholders, and deadlines for receipt in the Finance Directorate to enable financial control to be maintained and cardholders must provide that information.

Tenders and quotations

205. You must comply with the University's tendering procedures set out by the Head of Procurement.

Post-tender negotiations

206. Post-tender negotiations (i.e. after receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms can be entered into, provided:
- It would not put other tenderers at a disadvantage
 - It would not affect their confidence and trust in the University's tendering process
207. Any such negotiations must be conducted by the Head of Procurement. In each case, a statement of justification should be approved by the Chief Finance Officer prior to the event, showing:
- Background to the procurement
 - Reasons for proposing post-tender negotiations
 - Demonstration of the improved value for money.

Contracts

208. Heads of Schools and Directorates may only sign contracts in the course of the ordinary business of their School and Directorate which use available funds for which they are responsible.
209. The Deputy Vice-Chancellor shall approve and sign all contracts relating to sponsored research activity, together with the Chief Finance Officer where required by the research authority.
210. Contracts which affect more than one School and Directorate should be signed by budget holders for each of the affected Schools and Directorates or by a senior manager with responsibility for all of the Schools and Directorates involved. Such contracts should also be counter-signed by the Chief Finance Officer or the Head of Procurement.
211. All contracts should be entered onto a contracts register which is available for review by the University's internal and external auditors.
212. The manager signing a contract must make the Head of Procurement aware of the terms of the contract

213. The Head of Procurement must maintain the contracts register.

Procurement regulations

214. The Head of Procurement must ensure that the University complies with relevant procurement legislation, whether from the UK government or the EU.

215. When valuing a contract (or framework) for supplies or services to compare against the relevant legislation, you must take into account all lots and options to arrive at the appropriate aggregate value for the contract.

216. The procurement procedure contains a full definition of the total actual or estimated value of a contract

217. The Head of Procurement will advise Deputy- / Associate Pro- / Pro- Vice-Chancellors, Heads of School and Directors on any thresholds which apply. A breach of procurement regulations is a serious matter and may be actionable by a supplier or potential supplier.

218. Deputy- / Associate Pro- / Pro- Vice-Chancellors, Heads of School and Directors must ensure that their staff comply with public procurement regulations by notifying the Head of Procurement of any purchase that is likely to exceed relevant thresholds. This will need to be done well in advance in order to ensure compliance.

219. The Head of Procurement must supply to the OfS or other regulator details on expenditure which exceeds the threshold. Deputy- / Associate Pro- / Pro- Vice-Chancellors, Heads of School and Directors must provide copies of the relevant documentation falling into this category to the Head of Procurement.

Receipt of goods

220. All goods shall be

- a. received at designated receipt and distribution points.
- b. checked for quantity and / or weight and inspected for quality and specification.
- c. accompanied by a delivery note from the supplier obtained at the time of delivery and signed by the person receiving the goods.
- d. entered onto an appropriate goods received document or electronic receipting system on the day of receipt.

221. 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.

222. If you negotiated prices and terms, or placed the official order, or are accountable to the person who did, you must not also receive the goods on behalf of the University.

Payment of invoices

223. The Chief Finance Officer shall specify the process for making payments.
224. The Chief Finance Officer is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made weekly by BACS transfer.
225. Deputy- / Associate Pro- / Pro- Vice-Chancellors, Heads of School and Directors must ensure that expenditure within their Schools and Directorates does not exceed funds available.
226. Suppliers should be instructed by the budget holder to submit invoices for goods or services to the Finance Directorate.
227. Care must be taken by the budget holder to ensure that discounts receivable are obtained.
228. Payments will only be made by the Chief Finance Officer against invoices that have been certified for payment by the appropriate Head of School or Director or budget holder, or against invoices that can be matched to a receipted order.
229. When you certify an invoice or receipt an electronic order you are confirming that:
- The invoice complies with legal requirements to be recognised as such
 - The goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory
 - Where appropriate, it is matched to the order
 - Invoice details (quantity, price discount) are correct
 - The invoice is arithmetically correct
 - The invoice has not previously been passed for payment
 - Where appropriate, an entry has been made on a stores record or School or Directorate inventory.
 - An appropriate cost centre is quoted; this must be one of the cost centre codes included in the budget holder's areas of responsibility and must correspond with the types of goods or service describe on the invoice.

Petty cash

230. Any petty cash arrangements are on the imprest system – that is, a fixed sum of cash, from which expenses are met, and which is periodically topped-up to the agreed amount.
231. The Chief Finance Officer shall decide whether and which Schools and Directorates may hold petty cash and the amounts. It is important for security purposes that petty cash floats are kept to a minimum.
232. If you are granted a float, you

- a. must send requisitions for reimbursements to the Chief Finance Officer, together with appropriate receipts or vouchers, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.
- b. are personally responsible for its safe-keeping. You must keep the petty cash box locked in a secure place in compliance with the requirements of the University's insurers when not in use.
- c. must complete at the end of the financial year a certificate of the balances held.

Late payment rules

233. You must pass invoices for payment as soon as you receive them. This is to help ensure that we pay businesses on time and avoid penalties for late payment.

Pay Expenditure

Principle

234. Employment creates ongoing cost and duties on the University, and decisions to create an employment contract must be made properly. Payments to individuals attract scrutiny and must be made in line with agreed policies and procedures.

Remuneration policy

235. All University staff will be appointed to the salary scales approved by the Council with appropriate conditions of service.
236. The Council will determine what other benefits, such as cars, medical and life insurance, are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available.
237. Salaries and other benefits for senior management will be determined by the Staff Reward and Vice-Chancellor's Remuneration Committees.

Appointment of staff

238. Offers of appointment must be made in writing and may only be issued by the Human Resources Directorate.
239. All contracts of service shall be made in accordance with the University's approved Human Resources practices and procedures.
240. Budget holders shall ensure that the Director of Human Resources are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

Salaries and wages

241. The Chief Finance Officer is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered.
242. 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 Chief Finance Officer.
243. The Director of Human Resources must keep the Chief Finance Officer 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
 - Information necessary to maintain records of service for superannuation, income tax and national insurance.
244. The Chief Finance Officer is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual (atypical) and part-time employees will be included on the payroll as determined with the Director of HR.
245. The Chief Finance Officer will keep all records relating to payroll including those of a statutory nature.
246. All payments must be made in accordance with the University's detailed payroll financial procedures and comply with Inland Revenue regulations.

Superannuation schemes

247. The Council must ensure that there are appropriate pension arrangements for employees.
248. The Chief Finance Officer is responsible for day-to-day superannuation matters, including:
- Paying contributions to various authorised superannuation schemes
 - Preparing the annual return to various superannuation schemes.
249. The Director of HR is responsible for administering eligibility to pension arrangements and for informing the payroll section when deductions should begin or cease for staff. This includes providing advice on pensions and informing payroll on pensionable and non-pensionable payments.

Travel, subsistence and other allowances

250. All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in accordance with the University's Expenses Policy.
251. If you claim expenses your claim must be authorised by your Head of School or Director (or the line manager in the case of Deputy- / Associate Pro- / Pro- Vice-Chancellors, Heads

of School and Directors). The certification by the Heads of Schools and Directorates 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.

Overseas travel

252. All arrangements for overseas travel must be in accordance with the University's Expenses Policy. Any approvals required must be obtained in advance of committing the University to those arrangements or confirmation of any travel bookings.
253. Where spouses, partners or other persons unconnected with the University intend to participate in a trip, this must be clearly identified in advance. The University does not fund the cost of spouses, partners or other persons.

Allowances for members of the Council

254. Claims for members of the Council will be authorised by the University's Secretary and Clerk to the Council. Any independent/co-opted or student co-opted member of Council may claim reasonable travel and subsistence expenses incurred in relation to their attendance at Council meetings or whilst undertaking Council business. This may include reasonable expenses related to the individual's caring responsibilities and must be pre-approved by the Clerk to Council. All expense claims must be evidenced and submitted within 3 months to the University Secretariat.

Note: University staff who are members of Council should claim expenses in line with the University's Employee Expenses Policy.

Severance and other non-recurring payments

255. Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the Council through Resources. Professional advice should be obtained where necessary. All such payments shall be authorised by the Vice Chancellor and calculations checked by the Director of Human Resources.
256. All matters referred to a tribunal, such as disciplinary, grievance or employment tribunal, shall be notified to the Director of HR and Audit Committees at the earliest opportunity. All determinations of tribunals must be similarly notified.

Assets

Principle

257. Property – both tangible and intangible – belonging to the University should be carefully used and stewarded.

Land, buildings, fixed plant and machinery

258. The purchase, lease or rent of land or buildings can only be undertaken with in line with authority delegated from the Council and with reference to OfS requirements where exchequer-funded assets or exchequer funds are involved. Authority must also be sought from the bank where applicable.

Fixed asset register

259. The Chief Finance Officer must maintain the University's register of land, buildings, fixed plant and equipment. Heads of School and Directors will provide the Chief Finance Officer with any information needed to maintain the register.

Stocks and stores

260. Heads of School and Directors are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their Schools and Directorates. The systems used for stores accounting in Schools and Directorates must have the approval of the Chief Finance Officer.
261. Deputy- / Associate Pro- / Pro- Vice-Chancellors, Heads of School and Directors must ensure that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be checked appropriately for safety and security.
262. Where stocks require valuation in the balance sheet, Heads of School and Directors must ensure that the stock-taking procedures in place are approved by the Chief Finance Officer and that instructions to appropriate staff are issued in accordance with advice contained in the University's detailed financial procedures.

Looking after assets

263. Deputy- / Associate Pro- / Pro- Vice-Chancellors, Heads of School and Directors are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc. under their control. They will consult the Chief Finance Officer and Director of Estates in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
264. Assets owned by the University shall, so far as is practical, be effectively marked to identify them as University property.

Personal use

265. You may not use assets owned or leased by the University for personal business without proper authorisation.

Asset disposal

266. Disposal of equipment and furniture must be only occur once agreed with the Finance Directorate.

267. Disposal of land and buildings must only take place with the authorisation of the Council. OfS consent may also be required if exchequer funds were involved in the acquisition of the asset. Authority must also be sought from the bank where applicable.

All other assets

268. Deputy- / Associate Pro- / Pro- Vice-Chancellors, Heads of School and Directors are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the University, whether tangible (such as stock) or intangible (such as intellectual property), including electronic data.

Funds Held on Trust

Principle

269. The University must act properly when using funds entrusted to it.

Gifts, benefactions and donations

270. The Chief Finance Officer must maintain financial records in respect of gifts, benefactions and donations made to the University and initiate claims for recovery of tax where appropriate.

Trust funds

271. The Chief Finance Officer must maintain a record of the requirements for each trust fund and for advising Resources Committee on the control and investment of fund balances.
272. Resources 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. They will also be responsible for investment of fund balances.

Voluntary funds

273. The Chief Finance Officer shall 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.
274. The accounts of any such fund shall be audited by an independent external person and shall be submitted with a certificate of audit to the appropriate body. The Chief Finance Officer shall be entitled to verify that this has been done.

Insurance

Principle

275. The University will mitigate some risks by insurance.

General approach

276. The Chief Finance Officer is responsible for the University's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy, all risks will have been considered and those most effectively dealt with by insurance cover identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets.
277. The Chief Finance Officer must obtain insurance cover, including obtaining quotes, negotiating claims and maintaining necessary records. The Chief Finance Officer will keep a register of all insurance policies taken out by the University and the property and risks covered. They will also deal with the University's insurers and advisers about specific insurance problems.
278. Deputy- / Pro- / Associate-Pro- Vice-Chancellors, Heads of School and Directors must:
- a. ensure that any agreements negotiated within their Schools and Directorates with external bodies cover any legal liabilities to which the University may be exposed. The Chief Finance Officer's advice should be sought to ensure that this is the case.
 - b. notify the Chief Finance Officer promptly of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks.
 - c. advise the Chief Finance Officer immediately of any event that may give rise to an insurance claim.
 - d. notify the University's insurers and, if appropriate, prepare a claim for transmission to the insurers.
279. The Director of Estates must keep suitable records of plant which is subject to inspection by an insurance company and ensure that inspection is carried out in the periods prescribed.
280. If you use your own vehicle on behalf of the University you must maintain appropriate insurance cover for business use and provide copies of the relevant insurance certificate and your driving licence in an appropriate form and place prescribed by the Director of HR. You must update this at least annually and after any change.

Companies and joint ventures

Principle

281. Where the University is party to a joint venture, it must be properly established with a strategic rationale and clear governance arrangements.

General approach

282. It may sometimes be advantageous to the University to establish a company or a joint venture. If you are considering the use of a company or a joint venture you should first seek the advice of the Chief Finance Officer, who should have due regard to guidance issued by the OfS.
283. The Council is responsible for approving the establishment of all companies or joint ventures and the procedure to be followed. This will have regard to any guidance provided by the funding bodies.
284. It is the responsibility of the Council to establish the shareholding arrangements and appoint Directors of companies wholly or partly owned by the University.
285. The Directors of companies where the University is the majority shareholder must submit, via Resources Committee:
- a. annual financial statements to the Council.
 - b. business plans or budgets as requested to enable Resources Committee to assess the risk to the University.
286. Any such companies will be deemed to be within the scope of the University's internal and external audits, and the University's internal and external auditors shall conduct any audits.
287. Where the University is the majority shareholder in a company, that company's financial year shall be consistent with that of the University.

Security

Legal documents

288. The University Secretary and Clerk to the Council must keep safely official and legal documents relating to the University.
- a. All deeds, leases, agreements and contracts must be forwarded to the University Secretary and Clerk to the Council for authorisation and subsequent administration.
 - b. Once authorised, the Vice-Chancellor and the Chair of Council are authorised to sign these documents on behalf of the University and its subsidiary companies. In addition, Council may nominate additional members of the Council or the Executive to sign such documents.
 - c. All such documents shall be held in an appropriately secure and fireproof location.

Students' Union

Principle

289. The University works in partnership with the Students' Union.

General approach

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

- a. Subject to any constraints imposed by the OfS, the Student Experience Committee shall determine the level of grant to be paid annually to the Students' Union. The Union must provide its proposed budget to assist in determining the appropriate level of grant.
- b. The Students' Union must maintain its own bank account and financial records and prepare its own annual financial statements.
- c. In accordance with an agreement between the University and the Students' Union, the Union will provide, to the Chief Finance Officer and to each meeting of Student Experience Committee a statement of income and expenditure.
- d. At year end the Students' Union financial statements will be audited by an appropriately qualified firm of auditors and will be presented to Resources Committee for information.
- e. In accordance with an agreement between the University and the Students' Union, the University's internal auditor shall have access to records, assets and personnel within the Students' Union in the same way as other areas of the University.

Use of the University's Seal

Principle

291. The University's Seal may be used only with specific authorisation.

Approach

292. Where a deed or document requires the University's Seal, it must be sealed by the University Secretary and Clerk to the Council or, in their absence, the Chief Finance Officer, in the presence of two members of the Council, one of whom will normally be the Chair of Council or the Vice-Chancellor.

293. The University Secretary and Clerk to the Council must submitting a report to each meeting of the Council detailing the use of the University's Seal since the last meeting.

Provision of indemnities

Principle

294. Indemnities create liabilities for the University and should not be freely given.

Rule

295. If you are asked to give an indemnity, for whatever purpose, you must consult the Chief Finance Officer before any such indemnity is given.

Appendix A: Delegated Authority Limits

Revenue

Budget process	Approver	Notes
Approval of budget	Council	On recommendation of CFO and Resources Committee
Allocation of budget between Schools and Directorates	CFO	Following discussion at UET; within the overall budget approved by Council
Viring between budgets	Budget holder, where both budgets are held by them	Only with agreement of Finance

Spending

Amount	Approver	Notes
<=£2.5k	Sub-budget holder	Delegation must be evidenced in line with agreed procedures Authorisation must be by a different person to order
<=£5k	Budget holder other than HoS or Director	Delegation must be evidenced in line with agreed procedures Authorisation must be by a different person to order
<=£25k	Budget holder (HoS or Director) Must be reviewed by Head of Procurement	Authorisation must be by a different person to order
<=£50k	Financial Controller or Senior Financial Planning and Analysis Manager	Authorisation must be by a different person to order Contract must be negotiated by Head of Procurement
<=£250k	Associate /-Pro- Vice Chancellor	Authorisation must be by a different person to order Contract must be negotiated by Head of Procurement

<=£500k	Deputy Vice-Chancellor/CFO	Authorisation must be by a different person to order Contract must be negotiated by Head of Procurement
<= £2m	Vice-Chancellor	Contract must be negotiated by Head of Procurement
>=£2m	Council	Contract must be negotiated by Head of Procurement

Capital

Budget process	Approver	Notes
Approval of budget	Council	On the recommendation of CFO and Resources Committee. Implied future revenue spend must be flagged.
Allocation of budget to projects	Capital Projects Group	Within the overall budget and in line with Council's initial budget approval
Amendment of budgets in year	Capital Projects Group	Within the overall budget
Allocation of new capital budget out-of-cycle (eg for large building project)	Council	On the recommendation of CFO and Resources Committee, backed by business case

Spending

Amount	Approver	Notes
As for Revenue		CFO/Finance Directorate must be aware of and agree that expenditure is capital

Land and Buildings

Leasing includes all agreements such as tenancies, wayleaves, easements, licenses and occupancy agreements.

Item	Approver	Notes
Freehold Purchase		

<= £2m	Vice-Chancellor	Must be reported to Council
>= £2m	Council	On the recommendation of Resources Committee
Leasehold purchase <= £2m	Vice-Chancellor	Leasehold Value: Calculated as minimum contract cost, up to any break clauses. e.g., a 20 year lease at £190k per annum, with a break clause at ten years (minimum total commitment £1.9m) The VC is permitted to approve and then reported to Resources Committee; without the break clause it would need to go to Council on recommendation of Resources Committee
>= £2m	Council	

Subsidiary companies

Amount	Approver	Notes
Revenue and Capital <= £25k	General Manager	Budgeted revenue spend and authorisation must be by a different person to order
>= £25k	Follows University Approval	Budgeted revenue and capital spend and authorisation must be by a different person to order

Debt write-off

Item	Approver	Notes
<= £10k	CFO	For example, Student-related debt
<= £500k	UET	For example, Student-related debt, small partnership debt
<= £1m	Resources Committee	For example, midsize partnership or commercial contract related debt
>=£1m	Council	For example, larger partnership or commercial contract related debt

Appendix B – the Seven Principles of Public Life

These principles, also known as the Nolan Principles, apply to all holding public office or delivering public services.

Selflessness: Holders of public office should act solely in terms of the public interest.

Integrity: Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity: Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability: Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness: Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty: Holders of public office should be truthful.

Leadership: Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

Appendix C: The role of Internal Audit

From the OfS Terms and Conditions of funding for Higher Education Institutions

Internal audit arrangements in HEIs

Internal Audit is a vital element in good corporate governance since it provides governing bodies, Audit Committees and accountable officers with independent assurance about the adequacy and effectiveness of risk management, control and governance, and value for money (VFM).

Consequently each HEI must have a suitably resourced internal audit function which must comply with the professional standards of the Chartered Institute of Internal Auditors. Internal audit terms of reference must make clear that its scope encompasses all the HEIs activities, the whole of its risk management, control and governance, and any aspect of VFM delivery.

The internal audit service must produce an annual report which must relate to the financial year and include any significant issues, up to the date of preparing the report, which affect the opinions. It must be addressed to the governing body and the accountable office and must be considered by the Audit Committee.

The report must include the internal auditor's opinions on the adequacy and effectiveness of the HEIs arrangements for:

- Risk management, control and governance
- Economy, efficiency and effectiveness (VFM)

The final annual report to the governing body must be shared with the OFS each year, and, on request, with Research England.

The head of internal audit must have direct access to the HEIs accountable office, the chair of the Audit Committee and, if necessary, the chair of the governing body.

Where internal audit is provided from an outside source, market testing should be undertaken at least every five years

Appendix D – Guidance on Criminal Tax Evasion

The Criminal Finances Act 2017 holds an organisation liable where they fail to prevent those that work for them or on their behalf from criminally facilitating tax evasion. Individuals may also be committing the same offence in their personal capacity under the Taxes Management Act 1970.

The University has put in place relevant policies, procedures and an assessment of risk. This guidance helps you to understand what the Act requires and what the facilitation of tax evasion might look like.

Criminal Finances Act 2017

Part 3 of the Criminal Finances Act 2017 includes a corporate criminal offence of failure to prevent the facilitation of tax evasion. This is applicable to the University and applies to situations where the University fails to prevent 'Associated Persons' from assisting in the evasion of tax by another party.

'Associated Persons' includes the University's officers, employees, workers, agents, sub-contractors or other people or organisations that provide services for or on the University's behalf.

Under the Criminal Finances Act the University commits a criminal offence where there is:

- Criminal tax evasion by a either a UK or overseas taxpayer (as an individual or an entity) under existing law; and
- Criminal facilitation of this offence by an 'associated person' of the University

Unless it can demonstrate that it had reasonable procedures in place to prevent that facilitation, the University will automatically be charged with the offence of failing to prevent its representatives from committing the criminal act of facilitation.

If the University is found guilty, penalties include an unlimited fine and exclusion from tendering for public contracts. There would also be considerable damage to its reputation. Examples of situations where you could be considered to be assisting third parties to commit criminal tax evasion are set out below.

Examples of Aiding and Abetting Criminal Tax Evasion

The examples below, which are purely illustrative, set out situations where an employee or other person might be guilty of committing an offence of criminal tax evasion.

Deliberately entering false or misleading information on the employment 'Status Fact Finder Form'

A supplier wishes to be treated as a self-employed contractor outside of IR35 so that payments made to them by the University are gross, and they can evade paying appropriate income tax and national insurance liabilities. Knowing this, a University employee helps the supplier to evade tax by providing false information on the Status Fact Finder Form used by the Procurement Team to assess whether such a supplier may be considered as self-employed or not for tax purposes.

By supplying false information in this way, the University employee is committing a criminal offence as they have assisted a third party in criminal tax evasion.

Colluding with another University to artificially document services supplied to that University as outside the scope of VAT

University X has asked a research team based at Buckinghamshire New University to supply data analysis services to them in respect of some grant funding they are receiving, where the grant funding is outside the scope of VAT. As such University X is unable to recover any VAT Buckinghamshire New University might charge them for the data analysis service.

University X asks Buckinghamshire New University to state falsely in the agreement between them that the two Universities are acting as collaborators on the project (when this is contrary to what is actually happening in practice). The Buckinghamshire New University team conclude that University X are asking this to evade paying VAT but go ahead and sign the document regardless without making any further enquiries or seeking help internally.

The Buckinghamshire New University research employees are committing a criminal offence as they have agreed to sign an Agreement, where they know the information provided is false and was done so that University X could evade paying the associated VAT liability on their services.

Helping an overseas education establishment avoid overseas tax on payments they make to the University

There is an agreement in place between the University and an education establishment overseas, whereby the University is supplying teaching staff to the overseas establishment for a particular programme. The agreement between the parties states that the overseas establishment should bear the cost of any local withholding taxes that may be due on payments made for this service. The overseas establishment tells a University employee, that if instead of describing the services correctly as 'teaching services' on the invoice, they are described as something else, (for example marketing services), they won't have to pay the withholding tax to their own overseas tax authority. The University employee agrees to do this. The University employee has committed a criminal act by putting false information on the sales invoice, albeit that the tax evaded is not UK tax but overseas tax.

Helping another employee or third party claim a payment due to them as an expense rather than another type of payment which would be subject to tax

A University manager agrees to allow one of their members of staff to claim home to university (place of work) mileage through an expense form. However, knowing that it is against University policy and to help their member of staff evade paying tax which is properly due on the claim, they allow the staff member to describe the travel as being for fictitious journeys away from the office.

The University manager is knowingly allowing a member of staff to provide false information on their expense claim to evade tax and is committing a criminal offence of assisting criminal tax evasion.

Academics use money from research funds to pay themselves

A University academic manages a research fund and uses their own consultancy to fulfil part of the research to enable funds to be used for their work on a specific project, even if outside University core employment. The academic secures agreement from their manager to pay the money gross and the money is paid within the manager's authority even though they know it should have gone through proper scrutiny with the Research or Procurement Team to assess whether such an arrangement may be considered as self-employed or not for tax purposes.

By supplying false information in this way, the University manager is committing a criminal offence as they have assisted an employee in criminal tax evasion.

Buying personal items through a University account or Procurement Card

A University employee buys the latest camera on their credit card or through a University supplier and uses the camera both for personal and work related items. The employee's manager signs off the purchase knowing that the employee will use the camera at home for their own purposes, even taking the camera on holiday with them, and allows this to happen.

The manager is knowingly allowing a member of staff to benefit from the camera whilst knowing this is not declared as a taxable benefit thereby evading tax and is committing a criminal offence of assisting tax evasion.

Expense claims

A manager signs off an employee's expense claims with copy or digital receipts and suspects the employee uses the receipts for professional subscriptions to also claim against their personal tax return. The manager does not query this or ask the employee to provide the originals within a reasonable time period.

The manager is knowingly allowing a member of staff to provide false information on their tax return to evade tax and is committing a criminal offence of assisting criminal tax evasion.

Appendix E – Guidance on Anti-fraud and Corruption

What is Fraud?

The Fraud Act (2006) came into force on the 15 January 2007. The act introduces provision for a general offence of fraud which is broken into three sections:

- Fraud by false representation: Representation must be made dishonestly and with the intention of making a gain or causing a loss or risk of loss to another. A representation is defined as false if it is untrue or misleading and the person making it knows that it is, or might be, untrue or misleading. Representation can be stated by words or communicated by conduct i.e. written, spoken or by electronic means.
- Fraud by failing to disclose information means that a fraud will have been committed, if a person fails to declare information which they have a legal duty to disclose. There is a requirement that the person acts dishonestly and intends to make a gain for themselves, cause a loss to another or expose another to a risk of loss.
- Fraud by abuse of position occurs when a person who is in a privileged position acts dishonestly by abusing the position held and by doing so, fails to disclose to another person, information which they are legally required to disclose. The dishonest act must be with the intention of making a gain for themselves or another. Alternatively, it may be with the intention of causing a loss or risk of loss to another. The offence may be committed by omitting to make a declaration as well as by an act.

What are Bribery and/or Corruption?

The Bribery Act came into force on 1 July 2011. Under the Act, a bribe is a financial or other type of advantage that is offered or requested with the:

- intention of inducing or rewarding improper performance of a function or activity; or
- knowledge or belief that accepting such a reward would constitute the improper performance of such a function or activity.

A relevant function or activity includes public, state or activities performed in the course of a person's employment, or on behalf of another business or individual, where the person performing that activity is expected to perform it in good faith, impartially, or in accordance with a position of trust.

Corruption is the misuse of public office or power for private gain, or misuse of private power in relation to business outside the realm of government

A criminal offence will be committed under the Bribery Act 2010 if:

- an employee or associated person acting for, or on behalf of, the University offers, promises, gives, requests, receives or agrees to receive bribes
- an employee or associated person acting for, or on behalf of, the University offers, promises or gives a bribe to a foreign public official with the intention of influencing that official in the performance of their duties (where local law does not permit or require such influence)
- the University does not have the defence that it has adequate procedures in place to prevent bribery by its employees or associated persons.

Small payments to officials to facilitate routine Government business, known as facilitation payments or kick-backs, are also classified as bribery, and are therefore illegal.

Individuals found guilty of a bribery offence can face fines or prison sentences of up to ten years.

The University may face unlimited fines if it is found to have failed to prevent bribes being made by employees or associated persons.

Guiding Principles

The University's policy takes account of the six guiding principles detailed in the Bribery Act (2010). These have been extended to cover fraud and corruption:

Guiding principle	University's approach
Proportionate procedures	The University's procedures to prevent fraud, bribery or corruption by persons associated with it will be proportionate to the identified risks, taking account of the nature, scale and complexity of its activities.
Top-level commitment	Senior management is committed to implementing effective measures to prevent, monitor and eliminate fraud, bribery and/or corruption. The implementation of this policy will be monitored by Council through its Audit Committee.
Risk assessment	The University has established detailed risk management procedures to prevent, detect and prohibit fraud, bribery or corruption. The University will conduct risk assessments for each of its key activities on a regular basis and, where relevant, will identify employees or officers of the University who are in positions where they may be exposed to fraud, bribery or corruption.
Due diligence	Procedures will require the undertaking of a proportionate due diligence assessment of ongoing and new activities.
Communication	The University will regularly communicate its fraud, anti-bribery and corruption measures to employees and associated persons and ensure appropriate training is provided to areas/individuals considered as higher risk.
Monitoring and review	Application of this policy/procedure will be subject to regular review through the University's risk management and internal/external audit processes.

Monitoring and Review

The University is committed to reviewing on an ongoing basis the effectiveness of its policies and procedures in relation to fraud, anti-bribery, corruption and hospitality every five years or earlier if changes in legislation require it.

The application of this policy/procedures will therefore be subject to regular review through the University's risk management and internal/external audit processes or following changes in legislation or, significant organisational change.

Training and communication of the Policy

We will regularly communicate our policies/procedures on fraud, anti-bribery, corruption, gifts & hospitality to you.

We will establish and deliver training sessions where applicable through online training organised by the Human Resources Directorate. Where you are working in higher risk positions – e.g. UET, International Office, Researchers – we may provide additional training as necessary.

We will bring this policy to your attention during the procurement process.

Procedures for Implementation

Identifying where fraud, bribery or corruption may take place is not always easy. If you are in a situation and unsure whether you are being offered a bribe or are concerned your conduct could suggest you are offering a bribe, consider the following questions:

- Have I consulted the right people?
- Could I explain my actions/decisions to others and feel comfortable?
- Is it consistent with the University's behaviour and way of doing business?
- Is it legal?

If the answer to any of these questions is “no” or “don't know” then stop and seek advice from the Compliance Officers before acting.

Examples of Risk Areas

The following are examples of a range of UK and overseas activities which, depending on the circumstances, could lead to breaches of this policy or legislation by the individuals or the University:

- Procurement: a company is desperate to win a major contract with the University and offers to make a car available on a long term loan to a staff member who can influence the award of the contract.
- Alumni / charitable donations: a wealthy alumnus arranges for their company to make a substantial donation to the HEI to ensure that his child is awarded a place.
- Overseas recruitment: an agency responsible for recruiting students pays a small bribe to an education department official to be allowed access to students in a highly rated school.
- Overseas development: the University seeks to expand into a new geographic area and an individual exchanges valuable gifts with local leaders on the basis that this is expected practice in the country.
- Field trip / study tour: an employee on a field trip with students pays a small sum to custom officials to avoid excessive delay in the import of equipment.

- Research: an employee conducting research in a specialist areas is asked to give an overly positive peer review in exchange for a similar review of their own work.

Roles and responsibilities in countering fraud

Individual members of staff are responsible for:

- acting with propriety in the use of Buckinghamshire New University resources;
- reporting details immediately to their line manager or to a Director if they suspect that a fraud is being committed or see any suspicious acts or events;
- identifying to management any potential improvements in controls to minimise the opportunity for fraud to arise, and;
- assisting any necessary investigations by making available all relevant information and by co-operating in interviews.

If you are unsure whether to use the Whistle blowing Policy to report suspected fraud, or want independent advice at any stage, you can get free advice from the independent charity Public Concern at Work, on 020 7404 6609.

Managers and directors are responsible for:

- identifying and analysing the potential fraud risks to which their systems and procedures are exposed, alongside other risks in accordance with the Buckinghamshire New University Risk Management Policy;
- implementing and maintaining effective controls to prevent and detect fraud, and ensuring controls are complied with, and;
- reporting suspicions of fraud notified by staff or in relation to their own concerns, to their own line manager, and leading or participating in the investigation of incidents, in accordance with the University's procedures.

The University Secretary and Clerk to Council responsible for:

- ensuring there is an effective anti-fraud control framework;
- carrying out prompt and robust investigations where fraud is suspected;
- informing and consulting the Vice Chancellor and Audit Committee Chair, and;
- informing third parties, including Internal and External Auditors, OfS, Police.
- informing and consulting the head of PR to ensure effective management of possible publicity, and;
- informing and consulting the Director of Human Resources where commencement of disciplinary procedures is being considered.

In the absence of the University Secretary and Clerk to the Council, another member of the Executive Team will assume these responsibilities.

The Audit Committee is responsible for:

- overseeing the University's financial controls and risk management system, to include review of fraud risk;
- receiving reports on all fraud or other incidents that fall under this policy;
- overseeing on behalf of the Board the conduct of investigations into incidents falling under this policy, and;
- receive an update on fraud and theft at each meeting of the Committee.

Controls to manage fraud risk

The University has a range of controls and procedures in place intended to minimise fraud risk. These include:

- The organisation of financial duties so that no one person can carry out a complete transaction.
- Written delegations of authority so that only named post-holders can carry out specified transactions.
- Checks on the previous employment records of any individual we are considering employing, as well as a check on eligibility to work in this country and, for some posts, a check with the Disclosure and Baring Service.
- A comprehensive programme of internal audit and all procedures are regularly reviewed and updated.
- Fraud or suspected fraud exceeding £25,000 in value will be reported to OfS.
- Regular review of fraud risk, and of the effectiveness of the Fraud Response Plan.

Examples of Bribery

- Offering excessive hospitality to a contact to secure a commercial project or grant.
- Receiving concert tickets from a contact on the understanding that you will, as a result, put business their way or award or renew an existing contract
- A contact offers your partners a free long-haul flight if you ensure their tender response receives preferential treatment
- Using an overseas intermediary to pay a suggested fee for expedited approval by a foreign official of a local course proposed to be run
- Corporate entertainment, gifts, hospitality and promotional expenditure
- Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation or gratitude, or invitations to events, functions, or other social gatherings, in matters connected with our business. These activities are acceptable provided they fall within reasonable bounds of value and occurrence.

When evaluating what is reasonable consider:

- What is the intent – is it to build a relationship or is it something else?
- How would this look if these details were on the front of a newspaper?

If you find it difficult to answer one or more of the above questions, there may be a risk involved which could potentially damage the reputation and business of the University. The action could be unlawful.

The University's Employees' Expenses Policy sets out the limits approved and the process required to record gifts and hospitality.



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