



<b>Name of Board/Committee:</b>	Audit and Risk Committee			
<b>Date of Board/Committee:</b>	22 Sept 2021			
<b>Paper Title:</b>	Review of Articles of Government, Scheme of Delegation and Financial Regulations for 2020/21			
<b>Paper Purpose:</b> highlight one	For Approval	For Decision	For Discussion	For Note
<b>Strategic Priority:</b> highlight one	<i>Red – Top Priority;</i>	<i>Amber – High Priority</i>	<i>Green – Medium/ Low</i>	
<b>Date of Paper:</b>	18 August 2021			
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<b>Executive Sponsor:</b>	Jim Benson			
<b>Strategic Alignment-</b> Explain further below if not covered by the examples given: This is primarily a governance issue informing ARC if there are any matters that require consideration in relation to the University's compliance and regulatory responsibilities.	<b>Future Graduate:</b>	<b>Future Professional:</b>	<b>Future Life:</b>	<b>Sustainability:</b>
	Participation, progression, experience and successful attainment of life-changing, life-long education and training	To address industry and community skills gaps. Increasing access to and acceleration of graduate – level employment	To increase the economic, social and cultural impact (reach and value) of our activities to the communities we serve	To increase financial, physical, digital, environmental and human resilience, maximising value, reducing waste and incentivising behaviour
<b>Please outline financial implications, whether an equality impact assessment will need to be conducted and if paper relates to health and well-being-further details can be provided</b>	<p>These papers determine:</p> <ul style="list-style-type: none"> <li>-How powers are delegated within the University;</li> <li>-the Financial Regulations for the University.</li> </ul>			
<b>Abstract and Summary:</b> Please summarise the main points in the paper and why it is being proposed	The Scheme of Delegation and Financial Regulations should be reviewed annually. For 2020/21 these were approved late in the academic year. No amendments are proposed and these are presented simply to ensure that these documents are reviewed at the start of the academic year.			
<b>Consultation process:</b> Where policy/proposal originated, what	The Scheme of Delegation is reviewed by UEB prior to its submission to ARC and the Board of Governors. The Financial			

committees have considered it etc	Regulations are reviewed by UEB prior to their submission to FRC, ARC and the Board of Governors.
<b>Action/Decision required by Board</b>	There are no changes to the Scheme of Delegation or the Financial Regulations for 2021/22. ARC is invited to approve these for submission to the Board of Governors.

### **1. Introduction**

1.1 The Board is required to approve amendments to the University's Articles of Government, Scheme of Delegation and Financial Regulations for 2021/22. The main changes in 2020/21 concerned the adoption of the CUC's model set of Primary Responsibilities of the Board. No amendments are proposed for 2021/22.

### **Issues to be considered**

2.1 Since the Scheme of Delegation and Financial Regulations were reviewed late in the 2020/21 no changes are proposed for 2021/22.

### **3. Conclusion**

3.1 ARC is invited to review and approve the University's Scheme of Delegation and Financial Regulations for 2021/22.

**Jim Benson**  
**University Secretary**

University of East London

Board of Governors

Statement of primary responsibilities  
and  
Scheme of delegation  
2021-22

## Contents

- 1 Introduction
- 2 Board of Governors
  - 2.1 Statement of primary responsibilities
  - 2.2 Non-delegable powers of the Board and decisions it has decided to reserve to the full Board
- 3 Scheme of delegation - delegated decision-making powers
  - Committees
    - 3.1 Audit and Risk Committee
    - 3.2 Finance and Resources Committee
    - 3.3 Governance and Search Committee
    - 3.4 Remuneration Committee
    - 3.5 Academic Board and subcommittees
    - 3.6 UEL subsidiary companies
    - 3.7 Students' Union Board of Trustees
  - Individual postholders
    - 3.8 Chair/Deputy Chair of Board of Governors
    - 3.9 Chair of Academic Board/ other chairs
    - 3.10 Vice-Chancellor & President (with University Executive Board and University Management Board)
    - 3.11 Summary financial table
    - 3.12 Principles of delegation on international activities
- 4 Chair's action between meetings
- 5 Confidentiality protocol, reserved business and conflicts of interest
- 6 Acronyms

## **1 Introduction**

- 1.1 The Board of Governors' Statement of primary responsibilities and our Scheme of Delegation ("Scheme") have been drawn up under the Instrument and Articles of Government of the University of East London. In the case of any discrepancies in wording between the two documents, the Instrument and Articles take precedence.
- 1.2 The Statement and Scheme are major parts of our overall governance framework. Together they are intended to help committees and individuals understand their roles and the limits of their powers and to ensure efficient decision-taking. They are also closely related to the University's Financial Regulations which should be consulted accordingly, but the Regulations are also subordinate to the Instrument and Articles of Government.
- 1.3 Our Scheme of Delegation has been drafted in accordance with the Committee of University Chairs (CUC) Code of Governance and model Statement of Primary Responsibilities. It follows the principle that it is efficient and cost-effective for decisions to be delegated to the lowest level possible, providing the body or individual has the requisite competence for seeing the matter in a broader policy perspective and capacity to make a well-informed decision. This frees up the senior committees and senior postholders to use their time to further our strategic objectives. Guidelines for the use of Chair's action are included.
- 1.4 However comprehensive the Statement of primary responsibilities and Scheme of Delegation are and however clear their principles, some matters will still be subject to interpretation. The University Secretary and the Chief Finance Officer will advise on matters which are not explicitly addressed in the Scheme, so if in doubt please approach them for guidance.
- 1.5 In this Scheme of Delegation reference is made to the Office for Students. Where appropriate, such reference shall also be deemed to include UKRI.

## **2 Board of Governors**

### **2.1 Statement of primary responsibilities**

Under the Articles of Government (the full wording of which takes precedence over what is below) and government and funding body regulations the Board of Governors is responsible for, in Article 3.1:

1. To set, and agree, the mission, strategic vision and values of the institution, with the Executive.
2. To agree long-term academic and business plans and key performance indicators and ensure that these meet the interests of stakeholders, especially staff and current and future students.

3. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the strategy, plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
4. To delegate authority to the head of the institution for the academic, corporate, financial, estate and human resource management of the institution and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the head of the institution.
5. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and for managing conflicts of interest.
6. To establish processes to monitor and evaluate the performance and effectiveness of the Governing Body itself.
7. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
8. To safeguard the good name and values of the institution.
9. To appoint the head of the institution as Chief Executive, and to put in place suitable arrangements for monitoring his/her performance.
10. To appoint a Secretary to the Governing Body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
11. To be responsible for employing all staff in the institution and to be accountable for ensuring that an appropriate human resources strategy is established.
12. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the institution's assets, property and estate.
13. To be the institution's legal authority and, as such, to ensure systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes accountability for Health, Safety and Security as Equality, Diversity and Inclusion.
14. To receive assurance that adequate provision has been made for the general welfare of students.
15. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.
16. To ensure that the institution's constitution is always followed, and that appropriate advice is available to enable this to happen.

17. To promote a culture which supports inclusivity and diversity across the institution.

18. To maintain and protect the principles of academic freedom and freedom of speech legislation.

19. To ensure that all students and staff have opportunities to engage with the governance and management of the institution.

The Articles may be amended with the approval of the Board and on application to the Office for Students.

Other primary responsibilities of the Board of Governors which are mentioned explicitly in the Instrument and Articles of Government:

Article No	Primary responsibility
3.4	Establishment of (sub)committees and approval of terms of reference
4.1	Approval of membership of Academic Board
7.2	Election of Chair and Deputy Chair
7.8	Appointment of new Board members under the constitution outlined in the Articles of Government
9.1	Approval of rules on staff conduct
9.2	Ensuring academic freedom as defined in the Articles of Government
10	Approval of rules for the suspension and dismissal of staff including appeals
11	Approval of rules for staff grievances and public interest disclosures
12.1	Consultation on the Students' Union Constitution in accordance with the OfS Public Interest Principles and the CUC Code of Governance
12.1	Receipt of Students' Union's accounts
12.2	Approval of rules on student conduct
12.4	Ensuring students can raise complaints and matters of concern
13.1	Approval of tuition and other fees
13.2	Keeping accounts, records and appointing auditors
14	Making rules and bye-laws for the good governance of UEL and compliance with the law.
Instrument 4	Determination of size of the Board of Governors
Instrument 9	Approval of allowances for Governors (travel and subsistence, not remuneration for their work)
Instrument 10	Use of the Seal, delegated to two Governors or a Governor and the University Secretary

Other legal and regulatory responsibilities deriving from UK legislation and funding body regulations not explicitly mentioned in the Articles.

Trusteeship of charitable funds and assets.
<u>Guardianship of UEL degree awarding powers</u> [which cannot be delegated, for example, to a partner institution], exercised by the Academic Board
Compliance with the OfS registration conditions and regulation Vice Chancellor & President acting as Accountable Officer
Internal and external audit
Ensuring compliance with relevant laws and regulations including charity, higher education, equalities, human rights, company, consumer, competition, information governance, freedom of information, employment law, health and safety, anti-terrorism, anti-money laundering, anti-bribery, anti-slavery and fundraising laws.

## 2.2 Non-delegable powers of the Board

We have seen above, in the *Statement of primary responsibilities*, what **cannot be delegated** by the Board according to the Articles of Government. The Board has agreed the following further interpretation on three matters in the Articles for operational purposes:

a) Educational character and mission

It is reserved to the Board to approve:

- full Strategic Plan and Business Plan, [including the finance, estates, human resources and information strategies and key performance indicators]

b) Financial sustainability

It is reserved to the Board to approve:

- medium-term, five-year financial forecasts
- annual budget, in association with the financial forecasts
- major variations to the annual budget, for example emergency extensive cost-cutting or restructuring
- audited financial statements and annual report
- appointment of internal and external auditors
- purchase and disposal of land, buildings and other property outside the approved estates strategy

- significant financial proposals such as capital projects, borrowing, lending and other financial transactions above a specified financial limit<sup>1</sup>
- major strategic partnerships above a specified income/investment level<sup>2</sup>, mergers, takeovers
- tuition fee policy
- establishment of major new income streams above a specified income level<sup>3</sup>
- Bank mandates where the bank requires full Board approval
- risk management strategy and policy and strategic risk register
- incorporation of new subsidiary companies and joint venture companies [where a business/tax case is made (financial regulations 22.2)].

c) Employment

It is reserved to the Board to approve:

- the appointment and dismissal of the Vice-Chancellor & President

but, in this Scheme, the Board has decided also to reserve to itself:

- appointment of a Chancellor of the University
- the broad employment terms and severance policy for senior postholders<sup>4</sup>
- Equality and Diversity Strategy
- Health and Safety Policy
- Data Protection Policy and related Information Assurance Strategy
- Conflict of Interest Policy
- Matters concerning meeting Conditions of Registration with the OfS

### **3 Scheme of delegation - delegated decision-making powers**

It follows from Articles 3.1 and 5.4 that the Board can delegate all its responsibilities other than those underlined and shaded in yellow, as further interpreted by the list of items in Section 2 a), b), c) above. The rest of this Scheme of Delegation provides guidance on this, which can be further interpreted by the University Secretary or the Chief Finance Officer.

#### **Delegated powers of Committees**

##### **3.1 Decisions delegated to the Audit and Risk Committee under its terms of reference and the Office for Students' Audit Code of Practice**

Items for final decision/approval
Annual internal audit plan and annual expenditure on internal audit

<sup>1</sup> See summary financial table

<sup>2</sup> See summary financial table

<sup>3</sup> See summary financial table

<sup>4</sup> See Remuneration Committee and senior appointments panels

Annual report to the Board of Governors plus attached reports such as internal and external audit and value for money annual reports
Acceptance of individual internal audit review reports
Internal control and fraud
Public Interest Disclosure, Anti-Bribery, anti-money laundering and anti-slavery and regular reports on such matters
Approving the Financial Regulations
Monitoring compliance with regulatory matters such as Prevent, information, safeguarding arrangements and OfS conditions of registration

3.2 Decisions delegated to the Finance and Resources Committee under its terms of reference and our approved financial regulations.

Items for final decision/approval
Grant applications and partnerships above a certain level of income <sup>5</sup>
Treasury management and investment policy
Annual financial strategy
Approving the terms of the sale, lease and purchase of land and property where the decision in principle has been taken by the Board within the Estates (sub)strategy and in compliance with the <i>Terms and conditions of funding for higher education institutions</i>
Approving the final budget for construction, major maintenance above a certain level <sup>6</sup> of a building and appointing the contractor, subject to tender process and to budget set by Board
Approving the fee policy

3.3 Decisions delegated to the Governance and Search Committee under its terms of reference

Items for final decision/approval
Framework for recruitment and succession planning of Governors
Format and cost for reviews of the effectiveness of the Board
Membership and chairs/deputy chairs of committees to the Board, arrangements for appointment and terms of office of members to Academic Board
Arrangements for appointing a Chancellor
Policy on data collection from members of the Board of Governors to meet requirements contained in the OfS Regulatory Framework and the <i>Terms and conditions of funding for higher education institutions</i>
Policy and application of procedures in respect of Register of Interests, fit and proper person test and related party disclosures for Board members and senior staff

<sup>5</sup> See summary financial table

<sup>6</sup> See summary financial table

3.4 Decisions delegated to the Remuneration and Staffing Committee under its terms of reference

Items for final decision/approval
Terms and conditions of service for individual senior postholders within the policy set by the Board
Remuneration packages, at initial appointment and at annual review, for individual senior postholders within the policy set by the Board
Performance management scheme for senior postholders
Severance packages for all postholders earning over £100K within the policy set by the Board and OfS
Policy on allowances and expenses for Board members
Staff policies, regulations and procedures within the overall human resources strategy
Staff hospitality and gifts policy and expenses policy

3.5 Primary responsibilities of Academic Board under Article 3.3. Academic Board may, from time to time, delegate its authority as set out in the Articles of Government

Items for final decision/approval
Within the 'educational character and mission' of the University and its strategic and business plans approved by the Board: General issues relating to research, knowledge exchange, scholarship, courses, teaching and learning, including the Learning and Teaching Strategy
Admission criteria
Appointment/removal external examiners
Assessment policy (inc. best practice for continuation and progression)
Curriculum approval (to inc. provision for professional fitness and mental wealth)
Academic standards
Validation/review of programmes
Award/revocation of awards (inc. honourees)
Honorary appointments and visiting titles
Expulsion for academic reasons
Academic activity development and resource implications
Rules for conduct of students, to include discipline, suspension and expulsion
Approval/amendment academic regs
Collaborative provision compliance and enhancement
TEF - readiness
KEF - readiness
REF-readiness & research performance

Vision 2028 objectives relating to matters within academic board's primary responsibilities
Access and Participation Plan-consultation
Student Protection Plan-consultation

3.6 Decisions reserved to the board of directors of a UEL subsidiary company under its Memorandum and Articles of Association

Items for final decision/approval
Appointment of directors
Annual budget
Audited financial statements and annual report
Appointment of auditors save where consolidated accounts will be prepared
Employment decisions relating to management of seconded staff
All other matters normally reserved to Directors under company law

3.7 Decisions reserved to the Board of Trustees of the Students' Union under its approved constitution and regulated by the Charity Commission

Items for final decision/approval
Membership of board of trustees
Annual budget, for referral to Finance and Resources Committee
Audited financial statements for presentation to the Finance and Resources Committee
Staff policies and procedures where employed by Students' Union
Appointment of external auditors to the Students' Union
All other matters normally reserved to Trustees under company and charity law

**Delegated powers of individual postholders**

The use of these powers from time to time should normally be recorded in writing.

3.8 Decisions delegated to Chair/Deputy Chair of Board of Governors

Article 10.1	Suspension of a senior postholder
Article 10.5	Appointment of two independent Governors to investigate conduct of senior postholder and report to a Special Committee

Also see summary financial table (3.11) and Chair's action between meetings (4) below

### 3.9 Decisions delegated to the chairs of other Board and Academic Board committees and panels

See summary financial table (3.11) and Chair's action between meetings (4) below

### 3.10 Primary responsibilities of the Vice-Chancellor & President

It follows that the Vice-Chancellor & President has overall executive responsibility for all matters not reserved to the Board of Governors. The Vice-Chancellor & President shall be responsible for devising the structure of the University Executive Board (UEB) and delegating authority for all such matters accordingly. The Board of Governors may from time to time request such evidence of such authority as it shall require.

### 3.11 **Summary financial table** to be read in conjunction with the Financial Regulations, the wording of which takes precedence)

Approval of routine transactions within approved budgets/business plans (Financial regulations Appendix 2). All limits include VAT.

<b>Purchasing authority for capital and revenue expenditure per transaction</b>	<b>BoG FRC</b>	<b>Delegation</b>
>£250,000		VC&P / CFO
Up to £250,000		UEB Members
Up to £100,000		Dean of School / Corporate Director
Up to £25,000		Budget Holder
Up to £2,000		School / Directorate Authorised Buyer
<b><i>Approval limits for expenditure on Construction/Digital Projects and income on Partnerships</i></b>		
>£10m	Conducted in accordance with the Financial Regulations	Board approval required following endorsement by TPC and FRC
£5m to £10m		FC approval required following endorsement by UEB and TPC
£2m to £5m		UEB approval required
£500k to £2m		VC&P / CFO
<£500k		CFO, specifically for Income from partnerships PVC for C&E
<b><i>Approval limits for expenditure on Capital Projects where budgets have been exceeded post contract</i></b>		
>£2m and/or exceeding contingency and/or programme impact	Conducted in accordance with the Financial Regulations	Approval required by FRC
>£500k and/or exceeding contingency and/or programme impact		Approval required by UEB
>£100k and/or exceeding contingency		Approval required by Project Board and CFO

and/or programme impact		
<£100k within contingency no programme impact		Director of Estates

### 3.12 Principles of delegation on international initiatives

The approved position, which reflects the general principles throughout this paper, is that where no UEL investment of its own assets, other than management or staff time and travel costs, is involved and where the objects of the partner or initiative fit with the educational character and mission of the University, then the Vice-Chancellor & President, with Academic Board, has the power to approve international partners and other projects.

Where, however, a financial investment is to be made, or where a legal interest is being taken in a property, the Board or its committees should take the decision to approve the partnership or project and it will expect to see a Business Plan, KPIs, risk assessment and evidence that due diligence has been conducted and independent legal advice taken. Compliance with Charity law and the terms and conditions of funding for higher education institutions is essential.

Where any partnership or project would alter UEL's strategy or educational character the Board is the approving authority as these matters cannot be delegated. The following table shows who has authority to approve international initiatives.

#### Summary international table

	Items for final decision/approval
Vice-Chancellor & President, UEB nominee or Academic Board	Recruitment agents Appointment of staff overseas Overseas offices where no UEL legal interest or investment of financial assets is involved Academic collaborative partners and articulation agreement (see Quality Manual) where no UEL financial assets are invested Memoranda of Understanding/Cooperation Bursary schemes Exchange schemes
Finance and Resources Committee	Leases, licences for premises overseas involving up to £1,250,000 investment

Audit and Risk Committee	Where referred upwards by the Vice-Chancellor & President, tactics for major litigation with overseas agents or partners
Board of Governors	International strategy within overall Strategic Plan  Strategic international partnerships involving any investment of UEL assets beyond staff and management time and travel costs  Sale or purchase of premises overseas  Leases, licences for premises overseas involving above £1,250,000 investment  Major new initiatives which have not been operated by UEL previously such as the Global Examinations Board  Establishment of new subsidiary or partly owned companies  Joint ventures

**3.13 Principles of delegation in relation to research, consultancy and knowledge exchange**

The Vice-Chancellor & President has delegated authority to execute agreements relating to research, consultancy and knowledge exchange to the PVC Impact & Innovation who may in turn delegate authority within the general limits set out in paragraph 3.11.

**4 Chair’s action between meetings**

The following categories of business may be conducted by the Chair of the Board of Governors, Academic Board or any of their subcommittees and panels and by chairs of boards of directors of subsidiary companies. Chairs should use reasonable endeavours to contact all other members before taking Chair’s action.

The first three delegations are minuted in advance and then reported back at the next meeting of the board or committee.

The fourth to sixth delegation are requested in writing by officers between meetings, supported by background information and then reported back at the next meeting of the board or committee

The relevant board or committee will monitor the use made of Chair’s action.

1	Business which is unfinished at a board or committee meeting for lack of information but on which a clear steer is given to guide the decision when the information becomes available
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2	Business which is approved at a board or committee subject to certain conditions to be met by the management or other parties and signed off by the chair
3	Business involving signature/s to the detailed formal paperwork associated with a prior decision of a board or committee such as the sale of a building
4	The signing of routine contracts that commit UEL, or a subsidiary company, above a certain level of expenditure
5	Routine decisions on senior postholders (Chair of the Board/Remuneration Committee only)
6	Urgent business between meetings, canvassing the support of other board and committee members as far as possible by phone or email. Such decisions should not involve changes of policy of the board or committee and should only be taken where there is material risk to UEL, or a subsidiary company

## 5 Confidentiality protocol, reserved business and conflicts of interest

- 5.1 All Governors are bound by the protocols regarding confidentiality set out in the Statement of Expectations
- 5.2 The Chair of the Board of Governors and University Secretary will confirm when matters before the Board should be regarded as 'reserved business' and not subject to disclosure.
- 5.3 All Governors and members of the University Executive Board are Bound to disclose any conflicts of interest on an annual basis or when any such issue arises.

## 6 Acronyms

OFS	Office for Students
QSC	Quality and Standards Committee
UKRI	United Kingdom Research & Innovation
UEB	University Executive Board
UMB	University Management Board

## Version Control

Date of Approval	Board/Committee	Responsible Officer	Review Date
V1 16 Feb 2021	BoG on advice of ARC and FRC	University Secretary	Sept 2021
V2 Sept 2021	BoG on advice of ARC and FRC	University Secretary	Sept 2022
	BoG on advice of ARC and FRC	University Secretary	



**University of  
East London**

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# University of East London Financial Regulations

The Regulations were approved by the Board of Governors on 16 February 2021

# CONTENTS

	<b>Page</b>
<b>A General Provisions</b>	
1. Background	3
2. Status of Financial Regulations	3
<b>B Corporate Governance</b>	
3. Board of Governors	5
4. Designated Officer	5
5. Committee Structure	5
6. Responsibility for Financial Matters	6
7. Risk Management	7
8. Whistle blowing	8
9. Code of conduct	8
<b>C Financial Management and Control</b>	
10. Financial Planning	10
11. Financial Control	11
12. Accounting Arrangements	12
13. Audit Requirements	14
14. Treasury Management	16
15. Income	18
16. Research Grants and Contracts	21
17. Other Income Generating Activity	22
18. Expenditure	23
19. Staff Costs	28
20. Assets	30
21. Funds Held on Trust	32
22. Other	32
<b>D Glossary and Terminology</b>	35
<b>E Appendices</b>	
Appendix 1: The Seven Principles of Public Life from the Report of the Parliamentary Committee for Standards in Public Life (The Nolan Report)	36
Appendix 2: Summary of Delegated Authority	37
Appendix 3: Summary of value limits for particular transaction types	39
Appendix 4: Bank payments approval mandate	40

## A. General Provisions

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## 1. Background

**1.1** The University of East London is a higher education corporation as defined under the Education Reform Act 1988. The powers of higher education corporations are defined by that act and include the power to provide higher and further education and to carry out research. Information about its governance is given in the corporate governance statement which is set out on page 43 of the Annual Report and Financial Statements which can be found here: <https://uelac.sharepoint.com/sites/finance/SitePages/Financial-Statements.aspx>

**1.2** The University of East London is an exempt charity by virtue of the Charities Acts 2011.

**1.3 The Regulatory advice** between the Office for Students (OfS) and the University sets out the terms and conditions on which grant is made. The new regulator, Office for Students (OfS) and United Kingdom Research and Innovation (UKRI), were set up by the Higher Education and Research Act of 2017, and the regulatory framework will come into full force from 1 August 2019.

The Board of Governors is responsible for ensuring that conditions of grant are met. For the remainder of this document only the OfS will be referenced, UKRI requirements are to be treated as having the same meaning as far as they are relevant as OfS in the remainder of this document. The University is now a registered provider and must adhere to the Office for Students Regulatory Framework and which requires it to have sound systems of financial and management control. The financial regulations of the University form part of this overall system of accountability.

## 2. Status of Financial Regulations

**2.1** This document sets out the University's financial regulations. It translates into practical guidance our broad policies relating to financial control, drawing where necessary on appropriate legislation from OfS Regulatory Framework, the CUC HE Code of Governance, guidance from HM Treasury, the select committee of Public Accounts, the National Audit Office, and resolutions of the Board of Governors. The document itself refers to schedules, protocols and detailed guidance maintained by Finance, HR Services and the University Secretary that are available on their parts of our website.

**2.2** These financial regulations are subordinate to the laws currently in force, our Instrument and Articles of Government, the Scheme of Delegation and the OfS Regulatory Framework.

**2.3** These financial regulations apply to all staff throughout our organisation including our subsidiary companies.

**2.4** Each member of the University Executive Board (UEB) shall ensure that all new employees joining their teams are informed of the existence of the financial

regulations and their obligations under them on their first day of attendance. Training and retraining for existing members of staff can be provided by agreement with Finance or HR Services.

- 2.5** Any member of staff who fails to comply with these financial regulations may be subject to disciplinary action. Contractors will not have any authority to commit the University to income or expenditure. However, to the extent that a contractor's role allows, a contractor who fail to comply with these financial regulations will be regarded as in breach of their contract.
- 2.6** Conversely, a good protection for any member of staff subject to an accusation of fraud or irregularity is to demonstrate that at all relevant times they followed the guidance set out in these financial regulations.
- 2.7** The contracts of employment specify that our employees are bound by the financial regulations. All members of staff should regard themselves to be bound by them.
- 2.8** The procedure for dealing with actual and suspected breaches of financial regulations and other irregularities is set out in section 13.5. The Audit and Risk Committee shall receive an annual report on the operation of the financial regulations and shall advise the Board of any changes that they consider necessary. These shall be reviewed and brought to the Board of Governors for approval.
- 2.9** Any major breaches of these regulations discovered shall be reported to the Audit and Risk Committee.
- 2.10** The Board of Governors approved this document on 16 February 2020.

## **B. Corporate Governance**

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### **3. The Board of Governors**

3.1 As set out in the Articles of Government, the Board of Governors shall be responsible for:

- (a) the determination of the educational character and mission of the University and for oversight of its activities;
- (b) the effective and efficient use of resources, the solvency of the University and the Corporation and for safeguarding its assets;
- (c) approving annual estimates of income and expenditure;
- (d) the appointment, assignment, appraisal, suspension, dismissal and determination of the pay and conditions of service of the Vice Chancellor and President and the Clerk to the Board of Governors and the holders of such other senior posts as the Board of Governors may from time to time determine; and
- (e) setting a framework for the pay and conditions of service of all other staff.

### **4. Designated Officer**

4.1 The Vice-Chancellor and President as Chief Executive is the University's designated Accounting Officer under the OfS Regulatory Framework, and has ultimate executive responsibility for the organisation, direction, management including financial management of the University. The Vice-Chancellor and President must advise the Board if, at any time, any action or policy under consideration by them appears to be incompatible with the Regulatory Framework. If the Board decides nevertheless to proceed, the Vice-Chancellor and President must immediately inform in writing the Chief Executive of OfS.

As the designated Accounting Officer, the Vice-Chancellor and President may be required to justify any of the University's financial matters to the Public Accounts Committee at the House of Commons.

### **5. Committee Structure**

5.1 The Board of Governors has ultimate responsibility for the University's finances, but delegates specific powers<sup>7</sup> and processes to the various sub-committees listed below. These committees are accountable to the Board of Governors. The constitution, membership and terms of reference of the Board of Governors and its sub-committee can be found at:

**<https://www.uel.ac.uk/about/about-uel/governance/committees/board-of-governors>**

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<sup>7</sup> As set out in the Statement of Primary Responsibilities and Scheme of Delegation

## 5.2 Sub-committees are:

- Audit and Risk Committee
- Finance and Resources Committee
- Governance and Search Committee
- Remuneration Committee
- Transformation Projects Committee
- Academic Board and its sub-committees

**5.3** The Board delegates oversight and decision making in **UEL's subsidiary companies** (Knowledge Dock Ltd and UEL Professional Services Ltd) to their Boards of Directors, which report regularly to the Board of Governors. These Financial Regulations apply to the subsidiary companies in the same way as they do to the University.

## 6. Responsibility for Financial Matters

**6.1** Everyone connected with the University has a duty to ensure that the University's resources are used legitimately, wisely and effectively for the purpose and objectives of the University.

**6.2** The **Board of Governors** has ultimate responsibility for the University's financial matters. Delegation of specific powers and processes relating to financial matters is given to the Finance and Resources, Audit and Risk and Remuneration committees. The membership of these committees and terms of reference are set out as per paragraph 5.1 above. The day to day responsibility for the financial affairs of the University is delegated by the Vice-Chancellor & President to the Chief Finance Officer.

**6.3** The financial administration is controlled by the **Chief Finance Officer**, who is responsible for:

- preparing annual capital and revenue budgets and financial plans;
- preparing management information, monitoring and reporting on expenditure against budgets and 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;
- achieving efficient financial processes; and
- liaison with internal and external auditors.

**6.4 Deans of Schools and Directors of Services** are advised by the Chief Finance Officer in executing their financial duties. They are ultimately responsible for:

- the monitoring of resources within their area in line with the agreed strategic and annual plans,
- taking appropriate and prompt corrective action to control budget variances,
- ensuring that all staff within the schools and services are aware of value for money agenda and have plans in place to achieve value for money,

- ensuring members of staff are aware that they have a general responsibility for the security of the University's property,
- immediately notifying the Chief Finance Officer whenever any matter arises that involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the University,
- The Chief Finance Officer shall take such action as is considered necessary by way of investigation and report.

**6.5 All Members of Staff** should be aware that they have a general responsibility for the security of the University's property, for avoiding loss and for economic use of resources.

- They should ensure that they are aware of the University's financial authority limits and the values of purchases for which quotations and tenders are required.
- They shall make available any relevant records or information to the Chief Finance Officer or his or her authorised representative in connection with the implementation of the University's financial policies, these financial regulations and the system of financial control.
- They shall provide the Chief Finance Officer with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the Vice-Chancellor & President and the Board of Governors.
- They shall immediately notify the Chief Finance Officer whenever any matter arises that involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the University. The Chief Finance Officer shall take such action as he or she considers necessary by way of investigation and report.

## **7. Risk Management**

**7.1** The University acknowledges the risks inherent in its business and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health.

**7.2** The University has in place a risk management framework, including detailed procedures for managing and monitoring identified University risks.

**7.3** The University Secretary, as advised by the University's Risk Manager, is responsible for the promotion, support and oversight of the strategy's implementation across the University, and for maintenance of the risk register. The risk register is reported through the Audit and Risk Committee and subsequently through the Board. The Audit and Risk Committee advises the Board on the University risk management policy and procedures and reviews the effectiveness of the arrangements for managing and monitoring identified University risks. Deans and Directors are responsible for risk management within their areas and ensure that the principles of risk management are embedded in the University's operational procedures at all levels.

## 8. Whistleblowing

**8.1** The University is committed to ensuring that staff can speak with confidence if they have any concerns in relation to this policy or need to ask for assistance. If they suspect or observe anything which might contravene this policy, they have an obligation to report it. Staff are encouraged to report any such concerns to their line manager in the first instance. If this should not be possible, staff should contact Governance and Legal Services or make use of the Public Interest Disclosure (Whistleblowing) Policy.

**8.2** No retaliation of any type will be tolerated against those who raise concerns or report what they genuinely believe to be in appropriate behaviour. All such reports will be treated in the strictest confidence.

**8.3** This policy forms part of a suite of anti-bribery and corruption measures  [Anti-bribery Policy.pdf](#) and should be read in conjunction with the following:

- Financial Regulations
- Gifts and Hospitality Policy
- Procurement Strategy and Policy
- Travel and Expenses Policy
- Register of Interests Policy
- Public Interest Disclosure (Whistleblowing) Policy
- Student Disciplinary Regulations
- Staff Disciplinary Policy

## 9. Code of Conduct

**9.1** 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 (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe. These principles are set out at Appendix 1.

**9.2** All members of staff who have a beneficial financial or other interest in any contract between the University and a third party must disclose that interest to their Head of Department, the Chief Finance Officer and the University Secretary.

**9.3** As a result of the Bribery Act 2010, it is illegal for any employee to accept or offer a personal inducement or bribe. It is also a corporate offence to fail to prevent bribery.

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

provide in return. For further guidance, employees are referred to UEL's Gifts and Hospitality Policy.

**9.5** The University itself must not provide levels of hospitality or entertainment for students, external visitors, alumni, external stakeholders or actual/potential business partners that could be deemed to be an attempt to influence decision making.

**9.6** When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice should be sought from the relevant head of department or the Chief Finance Officer.

**9.7** In order to address the implications of the Act, the University has developed an anti-bribery and corruption policy which details the principles that it will adhere to and includes guidance for staff concerning specific activities:

 [Anti-bribery Policy.pdf](#)

## **C. Financial Management and Control**

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### **10. Financial Planning**

#### **10.1 Financial Planning**

The Chief Finance Officer will prepare a budget to be presented to the Board for their approval after having first been reviewed by the Finance and Resources Committee.

The Board will also approve the 5-year financial plan, prior to its submission to Office for Students.

#### **10.2 Budget objectives**

Prior to approving the budget, the Board may set some overall financial targets. This process will be facilitated by the production of different scenario plans by the Chief Finance Officer, to be reviewed and discussed at a Board Planning Day.

#### **10.3 Budget Preparation**

The budget presented to the Board for approval should include:

- An income and expenditure account
- A breakdown of the budgeted contribution and cost base of the Schools and Services
- A capital budget
- A closing balance sheet for the year
- A profiled monthly cash flow projection
- A covenant statement demonstrating adherence to those covenants

The budget once approved will not normally be changed. However, in exceptional changes (for example a large shortfall in student recruitment) a revised budget may need to be approved in-year. This will be proposed by the Chief Finance Officer and approved by the Finance and Resources Committee and the Board.

#### **10.4 Resource allocation**

The overall budget approved by the Board will be underpinned by detailed operational budgets for each School and Service. The Chief Finance Officer will propose the methodology for allocating resources, and any consequent internal resource allocation decisions will be overseen by the University Executive Board.

The budget process should be participative, inclusive and transparent.

#### **10.5 Approval of capital spend**

Estates capital projects, defined as new builds or major redevelopment of existing estate, and other capital items such as equipment and IT developments, where spend is below £1.25m, must be approved by the University Executive

Board and spend exceeds £1.25m it must also be approved by the Board. (see approval limits as set in the table under section 18.2).

Virement of capital budgets: any underspend on the specified project budget cannot be spent against another project. The amount underspend on the project has to be handed back and any new project will have to be approved as per the table at 18.2.

Write-offs and write-downs: Before the year end, Finance will scrutinise and ensure that where there is no firm prospect of a lasting asset being created, such transactions charged to the capital projects will be written off to revenue account. We will report and produce a list of expenditure written off to the University Executive Board and the Board.

## **10.6 New business developments**

It is expected that any business activity outside of the core activities of teaching and research will plan to make a surplus to help fund UEL's core activities.

Subject to advice from taxation advisors, profit making non-core activities will normally be carried out through UEL's subsidiary company (Knowledge Dock Ltd). Any new business venture or commercial partnership that involves a financial investment or legal interest must be approved by the University Executive Board and, if deemed appropriate, considered by the Transformation Projects Committee. In addition, any development involving an investment over £1.25m must be approved by the Finance and Resources Committee and by the Board.

## **11. Financial Control**

### **11.1 Budgetary Control**

- 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 line manager for income and expenditure appropriate to their allocated budget.
- Significant departures from agreed budget targets must be reported immediately to the Chief Finance Officer by the budget holder and corrective action taken to remove or mitigate any forecast budget overspend.

### **11.2 Financial Information**

- The Chief Finance Officer is responsible for supplying budgetary reports on all aspects of the University's finances to the Finance and Resources Committee on a basis determined at that Committee, but subject to any specific requirements of OfS.
- Each Dean of School, Director of Service and other major budget holders shall be supplied with monthly management account and payroll reports. Each report shall include income and expenditure to date, forecasts for the

remaining months of the year, variances against the year to date and year-end budgets and commentaries on financial performance.

- The University's financial performance shall be reported regularly at the University Executive Board.

### **11.3 Virement of revenue budget**

In principle, Deans and Directors have the authority to vire revenue budget between account codes and cost centres while ensuring that the overall budget total is maintained. Finance will be informed of the virement for reporting purposes.

Any virement of budgets between Schools and Services will have to be approved by the Chief Finance Officer.

### **11.4. Changes to overall budget**

Changes proposed to the University's overall budget will be considered and approved by the Finance and Resources Committee, which will report such changes to The Board of Governors.

## **12. Accounting Arrangements**

### **12.1 Financial year**

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

### **12.2 Basis of accounting**

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

### **12.3 Format of the financial statements**

The financial statements are prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education and applicable United Kingdom Accounting Standards.

### **12.4 Accounting Policies**

A statement of the principal accounting policies that the University applies is set out within the annual financial statements.

### **12.5 Capitalisation and depreciation**

New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Freehold land will not be depreciated.

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

Expenditure incurred on the acquisition of assets will be recorded in the balance sheet where the acquisition cost per item or group of items making up one asset is £20,000 or more. Depreciation will be charged on a straight-line basis commencing in the month of acquisition at the rates as set out in our annual financial statement accounting policies.

## **12.6 Accounting Records**

The Chief Finance Officer is responsible for the retention of financial documents. These should be kept in a form that is compliant and acceptable to the applicable authorities. The University is required by law to retain prime documents for six years. These include:

- official purchase orders;
- paid invoices;
- bank statements;
- copies of receipts;
- paid cheques; and,
- payroll records, including part-time lecturers' contracts.

The Chief Finance Officer will make appropriate arrangements for the retention of electronic records.

Members of staff should ensure that retention arrangements comply with any specific requirements of applicable funding organisations. Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder.

## **12.7 Taxation**

Under the Chief Finance Officer, the responsibility for taxation is split between the Finance and Human Resource departments as follows:

- a) Finance is responsible for value added tax and for corporation tax;
- b) Human Resource is responsible for income tax and national insurance as it applies to employees.

Therefore, the Chief Finance Officer who oversees the two departments is responsible for

- advising Deans and Directors, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies to the University, on taxation issues, and
- maintaining the University's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

The University is an exempt charity and as such exempt from corporation tax in respect of income or capital gains to the extent that such income or gains are applied exclusively for charitable purposes.

The University receives no similar exemption in respect of VAT, except in the case of medical equipment and advertising.

To preserve corporation tax exemption, all profitable commercial activities

must be channelled through the University's trading subsidiary Knowledge Dock Limited (KDL). KDL is subject to corporation tax and VAT in the same way as any commercial organisation.

It is the responsibility of all colleagues to ensure that all matters relating to taxation are dealt with in compliance with HMRC regulations. Please consult with the respective teams if you have any queries in relation to:

- VAT and corporation tax - Financial Accounts team
- Income tax and national insurance - Payroll Team

## **13. Audit Requirements**

### **13.1. General**

External auditors and internal auditors shall have authority to:

- access all assets, records, documents and correspondence relating to any financial and other transactions of the University;
- require and receive such explanations as are necessary concerning any matter under examination;
- require any employee of the University to account for cash, stores or any other University property under his or her control; and
- access records belonging to third parties, such as contractors, when required.

The Chief Finance Officer is responsible for drawing up a timetable for financial statements purposes and will advise staff and the external auditors accordingly.

Following consideration by the Finance and Resources Committee, the financial statements should be reviewed by the Audit and Risk Committee. On the recommendation of the Audit and Risk Committees they will be submitted to the Board for approval.

### **13.2 External Audit**

The appointment of external auditors will take place annually and is the responsibility of the Board of Governors, on the recommendation of the Audit and Risk Committee. The primary purpose of the external audit is to report on the University's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary for the auditors to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the Auditing Practices Board's Statements of Auditing Standards and, where appropriate, the applicable guidance contained within the Regulatory Framework of OfS.

### **13.3 Internal Audit**

The arrangements for the provision of an internal audit service are approved by the Board of Governors on the recommendation of the Audit and Risk Committee.

The OfS requires that the University has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in OfS Regulatory Framework. The main responsibility of internal audit is to provide the Board of Governors, the Vice-Chancellor and President and University Executive Board with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation but has direct access to the Board of Governors, the Vice-Chancellor and President and Chair of the Audit and Risk Committee.

The internal auditor will also comply with the Auditing Practices Board's auditing guideline *Guidance for Internal Auditors*.

#### **13.4 Other Auditors**

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

#### **13.5 Breaches of Financial Regulations, Fraud and corruption**

All colleagues who encounter evidence that there has been a breach of our financial regulations, or that a fraud may have occurred, (or be in process) or that a loss of assets has been incurred, or of other financial irregularity should report the evidence to their line manager and the Chief Finance Officer.

It is the responsibility of the Chief Finance Officer to create a fraud awareness culture and to make relevant staff aware of concrete and topical fraud risks.

Colleagues also have the ability to follow the procedure set out in our *Policy on Public Interest Disclosure (Whistleblowing)* set out on our website <https://www.uel.ac.uk/about/about-uel/governance/compliance/policy-on-public-interest-disclosure> as described in section 8 of this document. The University is committed to preserving high ethical standards in all operations and activities wherever these are located. Consequently, the University expects every business operation and individuals performing Services for it, or on its behalf, to do so in a manner, which is both professional and honest. Refer to the **Anti-Bribery and Corruption Policy**<sup>8</sup> statement set out on our HR Services website.

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<sup>8</sup> <http://www.uel.ac.uk/> CHECK LINK

## **13.6 Value for Money**

It is a requirement stated within the OfS Regulatory Framework that the University must provide annual assurances to OfS that value for money is being achieved. The University should therefore keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the funding body, the National Audit Office, the Public Accounts Committee or other relevant bodies.

To fulfil this responsibility, the University Executive Board (or a designated sub-group consisting of UEB members)-will support the Audit and Risk Committee in providing assurance to OfS that the University has appropriate arrangements to achieve value for money.

## **14. Treasury Management**

### **14.1 Treasury Management Strategy and Policy**

The Treasury Management Strategy and Policy sets out the University strategy and policies for cash management, long-term investments and borrowings.

The Finance and Resources Committee of the Board of Governors shall review our Treasury Management Policy at intervals no greater than once a year. This will include a liquidity objective of a number of days expenditure to be held as a “core cash” buffer.

The Finance and Resources Committee is responsible for ensuring implementation, monitoring and review of the strategy and policy. The University delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Finance and Resources Committee, and for the execution and administration of treasury management decisions to the Chief Finance Officer who will act in accordance with the treasury policy statement and Treasury Management Policy.

All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Chief Finance Officer and an appropriate reporting system set up. All borrowing shall be undertaken in the name of the University and shall conform to relevant OfS requirements.

The Chief Finance Officer will report to the Finance and Resources Committee in each financial year on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him/her.

### **14.2 Appointment of bankers and other professional advisers**

The Finance and Resources Committee is responsible for appointing the University’s bankers and other professional financial advisers (e.g., investment managers). The appointment shall be for a specified period after which consideration shall be given by the Finance and Resources Committee to

review and reappoint. All appointments and reappointments will be subject to competitive tendering process in accordance with our procurement policy.

### **14.3 Banking arrangements**

With the approval of the Finance and Resources Committee, the Chief Finance Officer is the only person who may open or close a bank account in name of the University, or one of its subsidiary companies, for dealing with the funds of the University or subsidiary company. Such accounts may only be opened if they relate to activity that is to be accounted for in the University's consolidated financial statements.

Generally, a bank will ask for a copy of the Finance and Resources Committee minute approving the opening of a new account.

All bank accounts shall be in the name of the University or one of its subsidiary companies, and all cheques and finance instruments made payable to the University or one of its subsidiary companies must be paid into an account that has been opened by the Chief Finance Officer in the name of the University or the subsidiary company.

The Chief Finance Officer is responsible, on behalf of the Finance and Resources Committee, for liaising with the University's bankers in relation to the University's bank accounts.

Details of authorised persons and limits are recorded in the University's applicable bank mandate (see Appendix 4). Any change to the bank mandates must be approved by the Finance and Resources Committee. All automated transfers on behalf of the University, such as BACS or CHAPS, must be authorised in accordance with the applicable banking mandate.

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

### **14.4 Cash Management**

The Board of Governors has the responsibility for maintaining the solvency of the University and this cannot be delegated.

As set out in the Treasury Management Strategy, the Board of Governors requires the University to hold a cash reserve denominated as an agreed number of days' expenditure to meet its obligations and Finance department have the day-to-day responsibility to ensure that this policy is adhered to.

At each of the scheduled committee meeting, Finance department will prepare a statement of our current solvency levels and a forecast of solvency for the next twelve months for the Board of Governors and the Finance and Resources Committee.

As part of our annual budget cycle, the Board of Governors shall approve an annual cash flow budget.

## **15. Income**

### **15.1 General**

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 and to minimise risk of loss of income and fraud.

All receipt forms, invoices, or other official documents in use and electronic collection systems must have the prior approval of the Chief Finance Officer.

Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined in accordance with the University's costing and pricing strategy.

The Chief Finance Officer is responsible for ensuring:

- prompt collection, security and banking of all income received
- that all grants notified by the OfS and other bodies are received and appropriately recorded in the University's accounts
- that all claims for funds, including research grants and contracts, are made by the due date.

### **15.2 Maximisation of income**

It is the responsibility of all staff to ensure that revenue to the University is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the timely notification to the Chief Finance Officer of sums due so that collection can be initiated.

### **15.3 Income from Grant: Recurrent Grant funding**

An agreement between OfS and the University sets out the minimum number of funded places which the University will provide in each academic program and mode, and the funding per student place.

### **15.4 Specific Grant funding**

The Chief Finance Officer shall ensure that all specific grants are applied in accordance with their terms, and that income from such grants is only recognised to the extent that has been spent. The Finance Department will provide a unique source of funds code to ensure that expenditure can be accurately monitored.

### **15.5 Capital Grant funding**

These funds are allocated to the University for technical equipment and improvements to buildings. OfS recommends that each institution has a proper scheme for the planned replacement of equipment, and that it monitors expenditure on equipment and replacement plans.

The Chief Finance Officer shall:

- ensure that equipment purchased is within the terms of the grant

- monitor allocations to avoid overspending;
- ensure that funds are claimed from OfS on a timely basis.

## **15.6 Tuition Fee Income**

### **Setting of fees**

The Board of Governors delegate the setting of tuition fees to the Finance and Resources Committee. The Chief Finance Officer carries out the detailed tuition fee review in consultation with colleagues from the schools and services. The proposed fees are presented to and approved by the University Executive Board which are subsequently presented to the Finance and Resources Committee.

No tuition fees other than the tuition fees agreed through this process shall be quoted to any prospective student or sponsoring organisation. Once tuition fees are approved, they shall be loaded into our student records system by Finance.

## **15.7 Halls of residence income**

The University Executive Board is responsible for determining the level of term time fees for student halls of residence and the level of fees for vacation lettings at halls of residence. In doing so they must take account of the need to maximise the income to the University from these activities.

The Residential Services team shall be responsible for invoicing students and other users and ensuring payment, with the assistance of the Finance Department. Every effort shall be made to recover amounts owed, including the use of debt collection agencies.

All students in halls of residence shall be required to sign a formal accommodation agreement. The agreed period of tenancy covers the full academic year.

## **15.8 Receipt of, cheques, bank drafts and credit/debit card payments**

The University implemented cashless campus on 1 November 2017 and all payment of fees take place electronically via direct bank transfer or online. The service requirement from G4S for cash collection has greatly reduced and is used for primarily for supporting hardship payment to students.

In view of the current global pandemic, we have moved to remote working and will not be able to receive cheques in the posts. Funds must be paid into UEL's collection bank account (*see Finance webpage – Bank's details*).

the payments must be denominated in sterling and accompanied by an explanation of who is making the payment and why the payment is being made.

## **15.10 Receipt of BACS payments**

All BACS and electronic receipts must be recorded and posted to the finance system on the day, or closest working day, to receipt.

### **15.11 Collection of debts**

The Chief Finance Officer should ensure that:

- debtor invoices are raised promptly on official invoices, in respect of all income due to the University
- credit checks are undertaken as far as possible to assess credit worthiness and to determine credit terms
- 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 and accounted for
- monies received are posted to the correct debtors account
- swift and effective action is taken to collect overdue debts, in accordance with agreed academic and administrative protocols
- where there are outstanding debts, no further goods and/or services will be provided to the customer until debts have been settled in full
- outstanding debts are monitored and management reports prepared.

Only the Chief Finance Officer or nominees can implement credit arrangements and indicate the periods in which different types of invoice must be paid.

Regular meetings with the credit control team and Director of Finance are held to ensure that reasonable steps are taken to collect outstanding student debts.

Authority to write off individual debts (i.e. total debt of one individual or organization, not individual invoices) is as follows:

Income Manager	up to £1,000
Head of Income and Credit Control	up to £ 5,000
Director of Finance	up to £20,000
Chief Finance Officer	up to £50,000
Vice Chancellor	up to £100,000
Board of Governors	Unlimited

### **15.12 Collection of tuition fee debt**

Any student who has not paid an account for tuition fees shall not receive their certificate for any degree, diploma or other qualification until all outstanding tuition fee debts have been cleared. Such students shall be prevented from re-enrolling at the University and from using any of the facilities until tuition fee debts are paid.

## **16. Research Grants and Contracts**

The definition adopted by the Higher Education Statistical Agency (HESA), based on the Frascati Manual, is used to determine whether a project can be classified as research:

Research and experimental development (R&D) comprises creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society and the use of this stock of knowledge to devise new applications. R&D is a term covering three activities: basic research, applied research and experimental development.

#### Basic research

Experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundation of phenomena and observable facts, without any particular application or use in view.

Applied research directed primarily towards a specific practical aim or objective.

#### Experimental development

Systematic work, drawing on existing knowledge gained from research and/or practical experience that is directed to producing new materials, products or devices, to installing new processes, systems and services, or to improving substantially those already produced or installed.

Colleagues preparing bids for external research grants should always consult the Research and Development Support (ReDS) team in advance who will provide advice on a case-by-case basis. Approval must be obtained from the Dean and Director of Research in the College for the bid to be made. Bid submissions shall be signed by a member of the University Executive Board.

Guidance on the VAT and other tax status of research contracts and consultancy contracts may only be provided by Finance. Advice should be sought as early as possible in order to reduce the risk that tax and/or penalties may become due after the project has commenced.

Commercial or contract research shall normally be accounted for through our subsidiary company.

Each bid for external funding shall be prepared on a full economic cost (fEC) basis, including pre-determined overhead rates as calculated as part of the annual Transparency Approach to Costing (TRAC) Research exercise. Each funder will have their own rules on payments for overheads. Payment for overheads shall not be spent on the direct cost of the research project.

### **16.1 Grant or contract?**

This will depend on the nature of the legal relationship between ourselves and the third party. The research councils typically make grants for research, any intellectual property rights remain with us and we have freedom to publish the results of the research. Some charities, departments of state and most profitmaking organisations will commission research by means of a contract

whereby the intellectual property rights are likely to transfer to the third party and there are likely to be restrictions on what we can publish.

- 16.2** Many research council grants will name a specific employee as a principal investigator. Where this happens, the grant may specify that should the principal investigator later change employer to another organisation that is capable of receiving grants then the unspent portion of the grant will transfer with the principal investigator.
- 16.3** For each successful bid a unique project code will normally be created to record income and expenditure. At the end of the research activity, this project code will be closed and any gains or losses, charged against the income and expenditure budget of the relevant College or Service.
- 16.4** For the avoidance of doubt it should be noted that even where a research grant or contract has a named “principal investigator” the relevant principal budget holder retains overall financial responsibility for the grant or contract. The “principal investigator” also has a specific responsibility not to exceed their grant.

## **17. Other Income Generating Activity**

- 17.1** Schools and services might identify other opportunities for income generation such as:
- Consultancies and other services rendered
  - Short courses
  - Off-site collaborative provision (eg franchises articulation, joint awards)
  - Secondments
- 17.2** Costing and pricing of proposed external income generation activities shall be agreed with Finance using the costing template prepared for such purposes. All activities will be costed on a FEC (Full economic cost) basis including overheads and a profit margin. Any discount to the calculated price shall be agreed at a level and the Dean of Schools or Director of Service will have to identify how the school or service budget will absorb any under-recovery of costs.
- 17.3** For academic related activities, proposals shall be agreed by the appropriate approval process including the Deans of Schools, relevant school committees, the Education and Experience Committee, Quality Assurance, ReDS, Finance and the Academic Partnership Office.
- 17.4** The consultancy charter should be referred to for such proposals using the daily rates given.
- 17.5** Due diligence reports on the financial and legal structures of the proposed partner / customer shall be prepared by Finance and Governance and Legal Services respectively. These will inform the decision making process as to whether or not the proposal is to continue. Further due diligence reports may

be undertaken during the lifetime of the contract or before a renewal contract is agreed.

- 17.6 For each approved activity a contract shall be agreed by Governance and Legal Services, including a financial annex prepared by Finance, for signature by the Vice-Chancellor and President and the customer / partner.
- 17.7 Finance will decide on whether or not an income generating proposal is of a primary or non-primary nature and whether or not it will be accounted for via the subsidiary company.
- 17.8 A separate project code shall normally be created to account for the income and expenditure associated with the activity.
- 17.9 Any agreed additional remuneration to UEL employees arising from income generating activities shall be agreed with the Dean of School or Director of Service at the outset and recompensed via the payroll.

## **18. Expenditure**

### **18.1 General**

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

### **18.2 Scheme of delegation / financial authorities**

The Dean of School or Director of Service is responsible for purchases within his or her school. Purchasing authority may be delegated to named individuals. In exercising this delegated authority, budget holders are required to observe the purchasing policies and Financial Procedures.

Budget holders with financial approval responsibilities will have to ensure that they attend financial induction and be familiar with key approval regulations before committing the University to any financial arrangements. Electronic signature must not be used for signing of any legally binding contract.

#### **Authorisation levels**

Authorisation for all expenditure must be sought in accordance with the threshold requirements as set out in the Appendices included in these regulations below. The approval of the invoices for payment workflows are set up in accordance to the authorisation limits as delegated ). Finance Department shall exercise discretion over the creation of requisitioners and authorisers and their respective financial limits (for electronic systems). The Finance Department must be notified immediately of changes to authorities to commit expenditure.

### **18.3 Procurement**

You will find further help and advice on all the areas covered in this section on the University's Procurement web pages:

[https://uelac.sharepoint.com/sites/finance/SitePages/Procurement\(1\).aspx](https://uelac.sharepoint.com/sites/finance/SitePages/Procurement(1).aspx)

The University requires all budget holders, irrespective of sources of funds, to obtain supplies, equipment and services in a way that delivers maximum value for money, consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice.

Full details on how the University conducts its procurement can be found in the link above.

The Head of Procurement is responsible for:

- ensuring that the University's Procurement Policy is known and observed by all involved in procurement
- advising on matters of University procurement policy and practice
- advising and assisting schools and services where required on specific purchases
- developing appropriate preferred supplier arrangements to assist Deans & Directors in meeting their value for money obligations.

#### **18.4 Purchasing Goods & Services**

There are only three methods to purchase goods and/or services;

- A purchase order issued from the Agresso system – further details can be found in the Procurement Manual
- A University purchasing card
- An expenses claim in the on line expenses system made in accordance with the University's Travel, Subsistence and Expenses Policy

If you do not have access to Agresso to raise requisitions or hold a University purchasing card then you are not permitted to purchase goods or services.

All purchases of travel or travel related services must be purchased directly with our contract suppliers.

#### **18.5 Procurement cards**

The operation and control of the University's procurement cards is the responsibility of the Chief Finance Officer.

Holders of procurement cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Cards must not be loaned to another person, nor should cardholders share their details with others. They should not be used for personal or private purchases. In order to continue to qualify for a card, cardholders and budget holders must comply with the requirements to review and approve card transactions within the timescales laid down. Further details can be found in Purchase Cardholder Procedures.

#### **18.6 Tenders and quotations**

The Procurement Team maintains a list of Preferred Suppliers for a range of goods and services. Preferred Suppliers must be used where they exist for the goods or services being purchased.

Where there is no Preferred Supplier for the goods or services being purchased, you must obtain competitive quotations or conduct a tender exercise based on the financial limits set out below.

The budget holder shall have the discretion to decide whether or not to obtain quotations but value for money must always be obtained	< £5,000
The budget holder must obtain a minimum of three written quotations	>£5,000 and <£40,000
Through a procurement process to be agreed by the Procurement Team	>£40,000

Further details on tendering can be found in the Procurement Policy. [https://uelac.sharepoint.com/sites/finance/SitePages/Procurement\(1\).aspx](https://uelac.sharepoint.com/sites/finance/SitePages/Procurement(1).aspx)

In exceptional circumstances, there may only be one sensible choice of supplier where tenders and quotations may fail to add significant value. If this is the case, a Single Tender/Quotation Waiver Form must be completed and approved before a contract is awarded. The form can be found here. [https://uelac.sharepoint.com/sites/finance/SitePages/Procurement\(1\).aspx](https://uelac.sharepoint.com/sites/finance/SitePages/Procurement(1).aspx)

It is always advisable in these circumstances to seek advice from the Procurement Team.

## 18.7 Contracts

The University is subject to statutory obligations relating to the award of contracts;

- Any contract opportunity we choose to advertise, e.g., in a trade journal or on our website, must also be advertised on the governments Contracts Finder website
- Details of any contract we award over £25,000 must be posted on the Contracts Finder website
- We are required to draw up an annual report of all contracts and frameworks awarded during the year.

It is the budget holder's responsibility to ensure that staff engaged in procurement activities are aware of this and that procurement processes and systems are designed in such a way to ensure that this information is captured and passed to the Procurement Team for recording. It is particularly important that the Procurement team are made aware of any procurements in excess of £25,000 because of the reporting requirements.

The Head of Procurement is responsible for posting contract awards and for producing the annual report.

## 18.8 Achievement of value for money (VFM)

Achievement of value for money is an important objective for UEL, and our policy is documented in the “Value for Money Framework”. VFM is monitored by the Board of Governors, through the Audit and Risk Committee.

Value for money has three components:

- Economy – minimising the cost of resources for an activity (is about 'doing things at a low price')
- Efficiency – performing tasks with reasonable effort (is about 'doing things the right way')
- Effectiveness – the extent to which objectives are met (is about 'doing the right things').

Procurement and purchasing must be driven by the imperative to secure value for money for UEL and for our students. Consequent to the three components of VFM set out above, value for money does not always involve choosing the least expensive option (although in many cases it does).

### **18.9 EU regulations**

The University considers that it is subject to the Public Contracts Regulations 2015. Any contracts awarded above the thresholds must be advertised in the Official Journal of the European Union, OJEU, and must be awarded in accordance with certain rules and procedures.

If you want to award a contract with a total value of £189,330 for goods or services or £4,733,252, for works, you must contact the Procurement Team for advice as these are the thresholds in sterling from January 2021 in accordance with the Public Contracts Regulations 2015.

### **18.10 Receipt of goods**

Goods received must be physically checked against the purchase order and a goods received note raised on Agresso. The person checking and verifying the delivery should be independent of the person who agreed prices and terms and placed the order. In smaller areas where this is not practical, the line manager review orders greater than £1,000.

### **18.11 Payment of invoices**

The procedures for making all payments shall be in a form specified by the Chief Finance Officer who is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by BACS transfer every week.

There is a statutory obligation on the University to pay all valid and undisputed invoices within 30 days.

There is an obligation on the University to annually report its performance on payments to suppliers.

The Late Payment of Commercial Debts Regulations 2013 allows businesses to charge interest on late payments. The chargeable rate is . 8% plus Bank of England base rate (source: <https://www.gov.uk/late-commercial-payments-interest-debt-recovery/charging-interest-commercial-debt>)

- Suppliers should send all invoices directly to Finance for processing for payment. Any invoices received in the Schools and services must be sent immediately to Finance
- Approval and payment of invoices on Agresso relies on the completion of various workflow tasks. Budget holders are responsible for ensuring that there are sufficient approvers identified and set up to ensure completion of tasks is not unduly delayed which may result in late payment to a supplier.

### **18.12 Staff reimbursement**

Most supplies should be purchased by way of a purchase order or a purchase card. On occasion, staff may incur out of pocket expenses, most often in relation to travel, and are entitled to reimbursement. This reimbursement is made by submitting a claim for expenses through the on-line expenses system.

The expense system is only to be used for out of pocket expenses, (e.g. lunch, taxi fares and other allowable expenses as defined in our Travel, Subsistence & Expenses Policy). Only in exceptional circumstances is the expenses system to be used to pay for the purchasing of goods or services – e.g. IT equipment, books, stationery and a justification for this approach will have to be provided in order for payment to be made. Expenses will be paid directly into the staff member bank account.

In order to qualify for reimbursement, claimants must comply fully with the requirements laid down for the claiming of expenses – e.g. the requirement to provide receipts. Further details on what can be claimed for is contained in the Travel, Subsistence & Expenses Policy.

<https://uelac.sharepoint.com/sites/finance/SitePages/Policies.aspx>

Where such expenses are planned, budget holders may approve an advance for payment, into a staff member bank account, of up to 75%. This advance must be settled within two weeks of returning from the trip with any surplus paid back.

Advances will not be made to cover travel and accommodation which must be booked through UEL Travel.

### **18.13 Giving hospitality**

The limits concerning acceptable expenditure for entertaining guests and providing hospitality are set out in the University's Travel, Subsistence & Expenses Policy.

Employees should also be aware of guidelines for receiving hospitality which are covered in section 9 of these Financial Regulations.

## **19. Staff Costs**

### **19.1 General**

Expenditure on staff should support business objectives, be within budget and comply with legislative requirements and UEL's HR policies. The Board of Governors is directly responsible for the recruitment, terms of employment and dismissal of holders of posts at UEB level. The Board also has responsibility for the framework under which other members of staff are employed.

#### 19.2 **Remuneration policy**

All direct employees will be appointed to the salary scales approved by the Board of Governors. All letters of appointment must be issued by the HR Services team. The Employment Committee and/or Remuneration Committee must be consulted or informed about any matter requiring their attention and authorisation in good time to be able to make an informed decision. Salaries for senior staff appointed to UEB must be approved by the Remuneration Committee.

No additional hours or overtime payments or additional payments or expenses must be claimed without prior authorisation from the relevant budget holder.

#### 19.3 **Appointment and termination of staff**

Managers seeking to employ a new members of staff must comply with UEL's HR policies, and in particular the Recruitment and Selection policy and the Payments to Individuals policy. When seeking to employ a new member of staff, managers should always consider the possibility of relocation of work within a team, whether there is a justifiable business requirement and how value for money can best be achieved.

Services job vacancies must be approved by the UEB before recruitment can commence. . Hiring managers must receive confirmation from Finance that the host budget can afford the employment of the member of staff before commencing recruitment.

Employment at the University may be terminated in the following ways:

- Resignation of the member of staff concerned;
- Conclusion of a fixed—term contract of employment;
- Through the University's approved disciplinary procedures;
- Through the University's approved redundancy procedures.

#### **Temporary Staff**

From time to time UEB shall create authorisation processes for the use of temporary staff and communicate this to budget holders.

All contracts of employment must be issued by HR Services. Budget holders must ensure that HR is promptly notified of all information required to handle the appointment of an employee or their termination of employment, be that by reason of resignation or dismissal.

#### 19.4 **Salaries and other payments**

HR Services are responsible processing all global changes in payroll, such as processing pay awards, hours of employment, or pension deductions. Any permanent changes must comply with UEL's HR policies and must be authorised by the budget holder and the Director of Corporate Services or their nominee. Where a temporary increase in pay is permitted under UEL's HR policies, such increases can only be authorised by the relevant budget holder, and by HR Services, if required under a particular policy.

HR Services are responsible for ensuring the payroll is run accurately and that all relevant deductions and payments are notified to Financial Services in order for the relevant payments to be made to the appropriate bodies and authorities. Payment to employees is via BACS. Head of HR Services, or nominee shall maintain at all times an appropriate scheme of division of duties for operating payroll.

In exceptional circumstances the Vice- Chancellor and President or Deputy Vice Chancellor / Chief Finance Officer (or nominee) may authorise an advance of pay. Any such advance must be recorded and recovered by the payroll team as soon as possible.

#### **19.5 Pension schemes**

HR Services is responsible for administering the various pension schemes in accordance with each scheme's rules. In particular this entails ensuring the correct documentation is in place for individual employees, that deductions are made accurately and that Financial Services are promptly notified of any payments that need to be made to the schemes or other bodies.

#### **19.6 Travel, subsistence and other allowances**

All claims for travel and subsistence should be made in accordance with the relevant UEL policies and must be authorised in advance. Consideration must be given to the need to travel and must have an appropriate level of risk assessment undertaken prior to travel overseas.

All travel – UK and overseas, are normally approved by their line manager before the travel. The VC&P overseas travel shall be approved by the Remuneration and Staffing Committee Chair or the Committee's nominated representative.

#### **19.7 Severance and non-recurring payments**

From time to time UEL may operate a Voluntary Severance and Early Retirement Scheme. Applications from staff members will be considered by a suitably constituted panel. In all cases HR Services will prepare a costing of the proposed severance or early retirement's savings for consideration by the panel.

Severance packages for employees whose annual pay exceeds £100K must receive the prior agreement of the Board of Governors via the Remuneration Committee in accordance with guidance provided by HEFCE.

Where a member of staff leaves UEL's employment and owes money as a result of overpaid salary or other benefits, HR Services must advise the Finance immediately.

## **20. Assets**

### **20.1 Land, buildings, fixed plant and machinery**

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

### **20.2 Fixed asset register**

The Chief Finance Officer is responsible for maintaining the University's register of land, buildings, fixed plant and machinery. Staff will provide the Chief Finance Officer with information he/she needs to maintain the register.

### **20.3 Inventories**

Deans and Directors are responsible for maintaining inventories, in a form prescribed by the Chief Finance Officer, for all plant, equipment, furniture and stores in their Schools or Services. The inventory must include items donated or held on trust.

Inventories must be checked at least annually.

When transferring equipment etc between Colleges or Services, a transfer record must be kept and the inventories amended accordingly.

### **20.4 Stocks**

Deans and Directors are responsible for establishing adequate arrangements for the custody and control of stocks within their Schools or Services, and for ensuring that regular inspections and stock checks are carried out.

Stocks and stores of a hazardous nature should be subject to appropriate security checks.

Principal budget holders who operate a trading service with a stock of goods for sale shall arrange a year-end stock take of these stocks in response to guidance from the Financial Accounts team.

### **20.5 Audit of assets**

Budget holders are responsible for establishing adequate arrangements for custody and control of all assets within their departments.

### **20.6 Safeguarding Assets**

Deans 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 in any case where security is thought to be defective or where it is considered that special security arrangements may be

needed.

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

#### **20.7 Personal Use**

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

#### **20.8 Asset Disposal**

Disposal of equipment and furniture must be in accordance with procedures agreed by the Finance and Resources Committee and contained in the University's detailed financial procedures.

The procedures on the recording of, accounting for and disposal of assets must be followed. Disposal of land and buildings must only take place with the authorisation of the Board of Governors. The Regulator's consent may also be required if exchequer funds were involved in the acquisition of the asset.

Budget Holders shall ensure that proper and secure systems operate for the disposal of such assets and that these are recorded. They will ensure the safe custody of property (including documents and official correspondence files) under their control. Losses caused by theft, fraud, arson, neglect of duty or gross carelessness, must be notified to the Chief Finance Officer, who will take appropriate action.

Budget Holders will advise the Chief Finance Officer of any item to be disposed of, including details of estimated market value, proceeds of sale, and reason for disposal.

Assets shall not be subject to personal use without proper authorisation and after making necessary insurance arrangements. University property or equipment must not be removed from the premises without written authority of the Budget Holder, who must ensure that a record of any such removals is maintained (including a signed receipt by the borrower) and that the property is returned in due course.

The Chief Finance Officer shall be authorised to take any necessary steps to safeguard the University's interests in bankruptcies and company liquidations.

#### **20.9 All other assets**

Heads of Department are responsible for establishing adequate arrangements for custody and control of all other University assets, whether tangible (such as stock) or intangible (such as intellectual property), including electronic data.

Staff bringing valuable personal property to the University should ensure that they have adequate private insurance arrangements as the University accepts no liability for loss or damage to such property.

## **21. Funds Held on Trust**

### **21.1 Gifts, benefactions and donations**

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

### **21.2 Student welfare and access funds**

The Chief Finance Officer will prescribe the format for recording use of student welfare funds. Records of Access to Learning Funds will be maintained according to OfS requirements.

### **21.3 Voluntary funds**

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.

The accounts of such funds 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.

## **22. Other**

### **22.1 Insurance**

Within this general framework, the Chief Finance Officer will maintain appropriate insurance policies for us. Principal Budget Holders shall notify the Chief Finance Officer (or nominee) in writing, and as soon as practicable, of any loss, liability or damage or any event likely to lead to a claim.

### **22.2 Subsidiary companies**

In accordance with advice provided by Her Majesty's Revenue and Customs, and the Charities Commission, we have a subsidiary company, Knowledge Dock (UEL) Limited, which undertakes potentially profitable trading activities on our behalf.

We have a general power to create new subsidiary companies where it is necessary to do so in pursuit of our general objects. New subsidiary companies may only be created by a resolution of the Board of Governors.

The performance of all active subsidiary companies will be reviewed twice a year by the Board of Governors. Any report on an actual or proposed company to the Board of Governors shall be accompanied by a commentary from our nominated officer.

Any sale to a subsidiary company should take place at arm's length and the Chief Finance Officer should be first consulted with regards to any purchase from the subsidiary company.

The annual financial statements of all subsidiary companies shall be

consolidated in our annual financial statements.

### **22.3 Students' union**

The University of East London Students Union (UELSU) is a separate legal entity. Amongst other matters, it is responsible for maintaining its own bank account and financial records. The University's Board of Governors shall receive UELSU's audited financial statements each year.

### **22.4 Actual or potential conflict of interest**

A conflict of interest is something which could influence your judgement or which could be perceived (by a reasonable member of the public) to do so. This might arise as a result of:

- a) direct financial consequences for yourself;
- b) indirect financial consequences for yourself through, for example, contracting with someone else you or a close member of your family is employed by;
- c) non-financial consequences that may be held to benefit yourself. (For example, a charitable organisation might wish to book one of our campuses for a big event. No prominent member of that charity employed by us should take part in the negotiation of the terms and conditions under which the charity makes use of the campus).

Conflicts of interest may arise from your position, the position of any partner or from close family members.

Board of Governors, University Executive Board and principal members of Finance must declare their interests in advance to the University Secretary who will maintain a public register of such interests.

Board of Governors and employees must withdraw from any discussion or decision-making process in which they have an actual or perceived conflict of interest.

Employees must not take part in any financial process in which they or any partner or close member of the family will benefit. (e.g. a field leader has legitimately and independently arranged for their Head of School's partner to give a lecture on one of their programmes. The Head of School must not authorise a travel and subsistence claim relating to their partner.)

Very occasionally, a financial benefit will be so general that it becomes impossible to avoid a conflict of interest. For example when determining whether a potential pay award is affordable. The Chief Finance Officer should be able to give their advice even though they would be likely to benefit from the pay award. In all such cases, the potential conflict of interest must be declared.

It is the responsibility of the individual concerned to recognise when a conflict

of interest might arise. If in doubt they should seek the advice of the University Secretary. Under no circumstances should the individual themselves determine that a conflict of interest they may have does not exist or can be managed. The full policy on Declarations and Conflicts of Interest is set out here:

[Articles of Government.docx \(sharepoint.com\)](#)

## **22.5 Authority**

Authority shall be derived from:

- An authorised minute from a relevant meeting;
- The signature of an appropriate person;
- A consent or instruction issued through our e-mail system from the personal account of an appropriate person;
- Someone operating as an appropriately authorised user within one of our main computer systems e.g. HR, student records, finance system;
- Authority may be delegated – refer to the University’s scheme of delegation.



## **D Glossary and Terminology**

Board	Board of Governors
Deans	Deans of Schools
Directors	Directors of Services
FRC	Finance and Resources Committee
OfS	Office for Students
ReDS	Research and Development Services
VC&P	Vice-Chancellor and President
UEB	University Executive Board

## **E Appendices**

### **Appendix 1**

#### **The Seven Principles of Public Life from the Report of the Parliamentary Committee for Standards in Public Life (The Nolan Report)**

##### **SELFLESSNESS**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

##### **INTEGRITY**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.

##### **OBJECTIVITY**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

##### **ACCOUNTABILITY**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

##### **OPENNESS**

Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

##### **HONESTY**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

##### **LEADERSHIP**

Holders of public office should promote and support these principles by leadership and example.

## Appendix 2

### Summary of Delegated Financial Authority

**I Authorisation for all expenditure** must be sought in accordance with the threshold requirements as set out below. All limits include VAT. Please note that the following limits apply to budgeted expenses. Any expenses which are not within budget must be approved by the Vice-Chancellor and President and Chief Finance Officer.

<b>Purchasing authority for capital and revenue expenditure</b>	<b>BoG FRC</b>	<b>Delegation</b>
>£250,000		VC&P / CFO
Up to £250,000		UEB Members
Up to £100,000		Dean of School / Corporate Director
Up to £25,000		Budget Holder
Up to £2,000		School / Directorate Authorised Buyer
<b><i>Approval limits for expenditure on Construction/Digital Projects and income on Partnerships</i></b>		
>£10m	Conducted in accordance with the Financial Regulations	Board approval required following endorsement by TPC and FRC
£5m to £10m		FRC approval required following endorsement by UEB and TPC
£2m to £5m		UEB approval required
£500k to £2m		VC&P / CFO
<£500k		CFO, specifically for Income from partnerships PVC for C&E
<b><i>Approval limits for expenditure on Capital Projects where budgets have been exceeded post contract</i></b>		
>£2m and/or exceeding contingency and/or programme impact	Conducted in accordance with the Financial Regulations	Approval required by FRC
>£500k and/or exceeding contingency and/or programme impact		Approval required by UEB
>£100k and/or exceeding contingency and/or programme impact		Approval required by Project Board and CFO
<£100k within contingency no programme impact		Director of Estates

**Capital spend over £1.25m to be approved by The Board**  
**Capital spend up to £1.25m to be approved by UEB**

## II Authority to write off

<b>Members</b>	<b>Write off limits</b>
Income Manager	up to £1,000
Head of Income and Credit Control	up to £5,000
Director of Finance	up to £20,000
Chief Finance Officer	up to £50,000
Vice Chancellor and President	up to £100,000
Board of Governors	Unlimited

## Appendix 3

### Summary of value limits for particular transaction types (all limits include VAT)

	Category	Value
A	Sum <b>below which</b> it is not normally economic to raise an invoice	£100
B	Purchase value <b>below which</b> only general propriety and value for money considerations apply	< £5,000
C	Purchase value <b>above which</b> three written quotations must be received.	> £5,000
D	Purchase value <b>above which</b> supply must be awarded through a procurement process. <i>(A member of the Procurement Team must be included in the decision making process)</i>	£40,000
E	Purchase value <b>above which</b> purchasers must comply with EU procedures. <i>(As a public body, we are subject to EU procurement rules. For most purchases, the current limit is just above £181,302 for goods and services, £4,551,413 for works. (this value is subject to change). A member of the Procurement Team must be included in the decision making process).</i>	£189,330 For goods & services  £4,733,252 for works
F	Value <b>above which</b> tangible fixed assets must be capitalised.	£20,000
G	Value of buildings projects <b>above which</b> a cash flow statement must be provided to Finance on a monthly basis. <i>For cash flow projections.</i>	£1,000,000
H	Value of contracts <b>above which</b> a credit check on a non-publicly funded institution must be undertaken by Finance. <i>For financial control.</i>	£50,000
I	Annual pay of employee <b>above which</b> termination payment must be approved by Board of Governors. <i>This is the lower limit for salary disclosure that is determined each year by OfS in their accounts directive to HEIs.</i>	£100,000

**Appendix 4  
Bank Payment Approval Mandate**

**a) University of East London**

**Signatories**

<b>Group A</b>	<b>Group B</b>
Dean Curtis Ying Kay Jim Benson	Harry Osei Milton Codrington Zuzana Kirstein

**Approving Limits**

<b>Payments Limits</b>	<b>Signing Rules</b>
< £25k	1 from Group A or B
£25,000 to £100,000	2 from Group A or B
£100,000 to £200,000	1 from Group A <b>and 1 from Group A or B</b>
>£200,000	<b>2 from Group A</b>

**b) Subsidiary companies - Knowledge Dock Limited and UEL Professional Services**

**Signatories**

<b>Group A</b>	<b>Group B</b>
Paul Marshall Ying Kay Verity Brown Duncan Boak	Harry Osei Milton Cordrington Zuzana Kirstein

**Approving Limits**

<b>Payments Limits</b>	<b>Signing Rules</b>
< £25k	1 from Group A or B
£25,000 to £100,000	1 from Group A <b>and 1 from Group A or B</b>
>£100,000	2 from Group A

In addition to the payment approval mandate as set out in the tables above, the Vice-Chancellor and President or Chief Finance Officer can approve monthly payroll payment of up to 1/12<sup>th</sup> plus 5% of the annual salary budget for the University and its subsidiary companies.

## Version Control

<b>Date of Approval</b>	<b>Board/Committee</b>	<b>Responsible Officer</b>	<b>Review Date</b>
V1 16 Feb 2021	BoG on advice of ARC and FRC	University Secretary	Sept 2021
V2 Sept 2021	BoG on advice of ARC and FRC	University Secretary	Sept 2022
	BoG on advice of ARC and FRC	University Secretary	