



FINANCIAL REGULATIONS

Date Created : 2016
Author : Michele Holden, Deputy Director of Finance
Title : Financial Regulations
Approved by : FHRC/ Board of Governors
Adopted on : (24th November 2016)
Issued : December 2016
Amended : December 2016

To enquire about the availability of this document or any section in a different media format please contact the Finance Directorate on extension 7400.

CONTENTS

INTRODUCTION BY THE VICE-CHANCELLOR
10 TOP POINTS THAT EVERYONE SHOULD KNOW

A. GENERAL PROVISIONS.....	5
1. BACKGROUND.....	5
2. STATUS OF FINANCIAL REGULATIONS.....	6
B. CORPORATE GOVERNANCE.....	8
3. THE BOARD OF GOVERNORS.....	8
4. DESIGNATED ACCOUNTABLE OFFICER.....	9
5. COMMITTEE STRUCTURE.....	10
6. OTHER SENIOR MANAGERS WITH FINANCIAL RESPONSIBILITY.....	12
7. ALL MEMBERS OF STAFF.....	14
8. RISK MANAGEMENT.....	15
9. WHISTLEBLOWING.....	17
10. CODE OF CONDUCT.....	18
11. CONFLICT OF INTEREST.....	19
12. GIFTS AND HOSPITALITY.....	20
13. MONEY LAUNDERING.....	21
14. THE BRIBERY ACT 2010.....	22
C. FINANCIAL MANAGEMENT AND CONTROL.....	23
15. FINANCIAL PLANNING.....	23
16. FINANCIAL CONTROL.....	27
17. ACCOUNTING ARRANGEMENTS.....	30
18. AUDIT REQUIREMENTS.....	33
19. TREASURY MANAGEMENT.....	37
20. INCOME.....	39
21. RESEARCH GRANTS AND CONTRACTS.....	43
22. OTHER INCOME-GENERATING ACTIVITY.....	47
23. INTELLECTUAL PROPERTY RIGHTS AND PATENTS.....	50
24. EXPENDITURE.....	51
25. PAY EXPENDITURE.....	66
26. ASSETS.....	69
27. FUNDS HELD ON TRUST.....	72
28. OTHER.....	73

APPENDICES	78
APPENDIX A: PROTOCOLS IN RESPECT OF ‘SERIOUS INCIDENT REPORTING’	79
APPENDIX B: ANTI-FRAUD POLICY.....	82
APPENDIX C: RISK MANAGEMENT POLICY.....	95
APPENDIX D: THE SEVEN PRINCIPLES OF PUBLIC LIFE.....	103
APPENDIX E: STATEMENT OF POLICY AND PROCEDURE ON CONFLICT OF INTEREST.....	104
• ANNEX 1- EXAMPLES OF CONFLICT OF INTEREST.....	109
APPENDIX F: ANTI-MONEY LAUNDERING POLICY.....	112
• ANNEX 1- MONEY LAUNDERING AND STUDENT FEES.....	117
• ANNEX 2- RISK FACTORS RELATED TO POSSIBLE MONEY LAUNDERING.....	118
• ANNEX 3- SUSPECTED MONEY LAUNDERING	119
• ANNEX 4- MONEY LAUNDERING REPORT.....	120
APPENDIX G: POLICY IN RESPECT OF THE PREVENTION OF BRIBERY AND CORRUPTION.....	121
APPENDIX H: BAD DEBT WRITE OFF POLICY.....	125
APPENDIX I: SCHEME OF DELEGATION.....	130
APPENDIX J: MAIN POINTS INCLUDED IN THE INSTITUTION’S CODE OF TENDERING PRACTICE.....	150
APPENDIX K: ASSET MANAGEMENT POLICY.....	153
• ANNEX 1- ASSET INVENTORY RECORDING GUIDELINES.....	155
• ANNEX 2- ASSETS RECORDED BY ITMS AND ESTATES.....	157
APPENDIX L:	
• ASSET CAPITALISATION POLICY	
• ANNEX 1-CAPITAL VS OPERATING PAPER AND RECHARGES FORM	

FINANCIAL REGULATIONS

Introduction by the Vice-Chancellor

In order to conduct business effectively and to ensure that the highest standards of financial management are adhered to, the University must ensure that it has sound financial management protocols and processes in place, and that they are strictly complied with. The Financial Regulations support that standard and provide regulatory information on how business is to be conducted as these constitute the 'top level' financial management protocols for the University.

The establishment and application of Financial Regulations makes good business sense for any organisation and are especially relevant as we migrate towards meeting our strategic goal of financial sustainability with reduced dependence on central government funding. However it is important to note that continuation of funding from the Higher Education Funding Council (HEFCE) and others, such as the European Union (EU), depends upon there being readily demonstrable protocols and processes, which show proper control over, and accountability for, the use of public funds.

The University is responsible to HEFCE for the proper stewardship of public funds through compliance with the Memorandum of Assurance and Accountability (August 2014). Under this Memorandum, we must ensure that public funds are used only for proper purposes and that we achieve best value-for-money from their use. Good budgeting controls, coupled with compliance with essential legislation and best codes of conduct, as set out in these Financial Regulations, are at the heart of this stewardship.

As the Designated Accountable Officer for the University, it is my responsibility to ensure compliance with the Memorandum of Assurance and Accountability. These Financial Regulations are the key control to achieve that requirement. They have been endorsed by the Board of Governors, and reflect the highest standards and best practice. I therefore expect and require that all staff adopt and follow these Regulations. Any departure may be subject to disciplinary proceedings.

Dominic Shellard
Vice-Chancellor and Chief Executive
25th June 2014

FINANCIAL REGULATIONS

10 Top Points that Everyone Should Know.....

1. The Regulations apply to all staff, irrespective of grade, role, department or type of employment contract.
2. They are the university's 'top level' financial management protocols.
3. It is a disciplinary matter if a member of staff does not comply with the Regulations.
4. The Regulations apply to all university activities and entities, irrespective of the source of funding.
5. Any equipment and fixtures bought through the university are owned by the university and not by individual members of staff, even if they are only used by a single employee.
6. In respect of the above equipment and fixtures, all must be kept secure, and returned to the university in the event that the 'holder' leaves employment.
7. There are set internal and legislative regulations for procuring all goods and services – these must be followed.
8. Under no circumstances should income, generated from university activities, be banked or held by individual members of staff.
9. Business expenses must only be claimed in accordance with the university's Policy and Procedures.
10. Finally it is every employee's responsibility to report any potential fraud or corruption as soon as it comes to their attention, and to note that the university condones only the **Very Highest Standards** in respect of financial management throughout all of its activities and faculties and directorates.

Jonathan Shuter, Executive Director of Finance
25th June 2014

FINANCIAL REGULATIONS

A GENERAL PROVISIONS

1 Background

- 1.1 The Institution is a higher education corporation created under the provisions of the Education Reform Act 1988, as amended by the Further and Higher Education Act 1992. Its structure of governance is laid down in the Articles of Government. These Articles may be amended or replaced by a resolution of the Corporation either with the approval of Privy Council or as required by the Privy Council, after consultation with the Corporation, in accordance with section 125 of the Education Reform Act 1988. The Institution is accountable through its governing body, the Board of Governors, which has ultimate responsibility for the effectiveness of the Institution's management and administration.
- 1.2 The Institution is an exempt charity by virtue of the Charities Act 1993.
- 1.3 The Memorandum of Assurance and Accountability (August 2014) between the Higher Education Funding Council for England (HEFCE) and the Institution sets out the terms and conditions on which grant is made. Details of the Memorandum can be found at hefce.ac.uk/reg/MAA/. The Board of Governors is responsible for ensuring that conditions of grant are met. As part of this process, the Institution must adhere to the HEFCE Audit Code of Practice, which is included in Annex A of the Memorandum. The Code requires the Institution to have sound systems of financial and management control. It states how effective accountability and audit coverage should be achieved. The Code sets out the minimum requirements for the reporting of risk management, control and governance arrangements, for internal and external audit arrangements, and the broad framework in which they operate. The Code also provides an overview of the roles and responsibilities of the HEFCE Assurance Service.
- 1.4 The Financial Regulations of the Institution form part of the overall system of accountability to HEFCE.

2 Status of Financial Regulations

- 2.1 This document sets out the Institution's Financial Regulations. It translates into practical guidance, the Institution's broad policies relating to financial control.

This updated document was approved by the Board of Governors on 24th November 2016. It applies to the Institution and all of its subsidiary undertakings.

- 2.2 These Financial Regulations are subordinate to the Institution's Articles of Government and to any restrictions contained within the Institution's Memorandum of Assurance and Accountability with HEFCE including the Audit Code of Practice.

- 2.3 The purpose of these Financial Regulations is to provide control over the totality of the Institution's resources and to provide management with assurances that the resources are being properly applied for the achievement of the Institution's strategic plan and business objectives, including as follows:

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

- 2.4 Compliance with the Financial Regulations is compulsory for all staff connected with the Institution and its subsidiary undertakings. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the Institution's Disciplinary Policy, depending on the severity of the instance of non-compliance. The Board of Governors will be notified of any such material breach as appropriate through the Audit Committee.

- 2.5 It is the responsibility of Pro Vice-Chancellors, Deans and Directors to ensure that their staff are made aware of the existence and content of the Institution's Financial Regulations. All new staff must be advised of the existence of the Financial Regulations during their induction period and of the strict requirement for compliance. Staff should also be encouraged to seek advice, in the first instance from their line managers, if they have any uncertainty as to act during the course of their duties, in order to comply with the Regulations.

- 2.6 Where a member of staff identifies an instance of non-compliance with the Financial Regulations, they should immediately make a report to their line manager who will decide how to take the matter forward. The line manager will form an opinion as to whether the instance is serious enough to bring to the attention of the Executive Director of Finance.

- 2.7 The Finance and Human Resources Committee (FHRC) is responsible for maintaining a continuous review of the Financial Regulations, through the Executive Director of Finance, and for recommending to the Board of Governors any additions or changes as necessary.
- 2.8 No faculty, directorate or other body of the Institution and its subsidiary companies may over-ride any of the Financial Regulations set out in this Document without explicit approval in advance and in writing, of the FHRC, through the Executive Director of Finance under delegated authority.
- 2.9 The Executive Director of Finance is the ongoing Guardian of the Financial Regulations.
- 2.10 The Executive Deputy Director of Finance is the primary contact in respect of any queries, relating to the Financial Regulations that cannot be resolved at faculty or directorate level.
- 2.11 The Institution's detailed financial procedures set out precisely how these Financial Regulations will be implemented; they are published on the Finance Directorate's intranet site and/or are available directly from the Finance Directorate by contacting extension 7400.
- 2.12 These Financial Regulations are hyperlinked to other Institution supporting documents, such as Institution detailed policies, procedures and standard forms. The Finance Directorate should be contacted in the first instance, in the event of users of these Regulations experiencing any problems with accessing the hyperlinks to the supporting documents.

PLEASE NOTE:

LINKS ARE TEMPORARILY DISABLED DUE TO ON-GOING UPDATES OF THE UNIVERSITY INTRANET).

B CORPORATE GOVERNANCE

3 The Board of Governors

In accordance with the Institution's Articles of Government, the Board of Governors is responsible for the oversight of the administration and management by the Executive Board of the affairs of the Institution.

The Board's financial responsibilities are to:

- Ensure that the finances of the Institution are managed in order to ensure solvency and sustainability.
- Safeguard the Institution's assets.
- Ensure that there are adequate measures in place to prevent and detect fraud.
- Ensure the economical, efficient and effective management of the Institution's resources and expenditure.
- Ensure that the funds provided by the Higher Education Funding Council for England (HEFCE) are used only for the purposes for which they have been given and in accordance with the terms and conditions specified in the Institution's Memorandum of Assurance and Accountability with the Funding Council and any other conditions which the Funding Council may from time-to-time prescribe.
- Ensure that financial control systems are in place and are working effectively.
- Ensure that the Institution complies with the HEFCE Audit Code of Practice.
- Ensure that the Institution's approach to risk management complies with the HEFCE Accounts Direction and also reflects the guidelines provided by the Turnbull Committee.
- Approve the Institution's strategic plan.
- Approve the annual budgets and the annual financial statements.
- Appoint the Institution's internal and external auditors.

4 Designated Accountable Officer

- 4.1 The Vice-Chancellor, as Chief Executive Officer, is the Institution's designated Accountable Officer for the purposes of the Memorandum of Assurance and Accountability with HEFCE, and is responsible for the financial administration of the Institution's affairs.
- 4.2 The Vice-Chancellor demonstrates his or her oversight of financial matters by signing the balance sheet, which is a primary statement within the Institution's annual financial statements, and also the annual assurance return which is submitted to HEFCE.
- 4.3 As the Accountable Officer, the Vice-Chancellor is personally responsible to the Board of Governors for ensuring compliance with the terms of the Memorandum of Assurance and Accountability and for providing HEFCE with clear assurances to this effect. In this capacity, the Vice-Chancellor must advise the Board of Governors if, at any time, any action or policy under consideration by them appears to the Vice-Chancellor to be incompatible with the Memorandum of Assurance and Accountability. If the Board of Governors decides nevertheless to proceed, the Vice-Chancellor must immediately inform the Chief Executive of HEFCE in writing.
- 4.4 The Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration and approval by the Board of Governors; and that budgets and resources are managed within the those estimates as approved.
- 4.5 Also, as the Accountable Officer, the Vice-Chancellor, and/or the Chair of the Board of Governors may be required to appear before the Public Accounts Committee at the House of Commons, alongside the Chief Executive of HEFCE in his role as Accounting Officer, on matters relating to HEFCE grants to the Institution.
- 4.6 The Vice-Chancellor is supported by an Executive Board, who assists in discharging his or her responsibilities. The rest of the Executive Board comprises:
- The Deputy Vice-Chancellor
 - The Pro Vice-Chancellor for Research and Innovation
 - The Pro Vice-Chancellor for Teaching and Learning
 - The Pro Vice-Chancellors/Deans
 - Chief Operating Officer
 - The Pro Vice-Chancellor for Strategic & International Partnerships

- The Executive Director of People and Organisational Development and Operations
- The Executive Director of Finance, Marketing and Communications, Student and Academic Services and Strategic Planning Services
- The Vice-Chancellor's Chief of Staff

5 Committee Structure

5.1 The Board of Governors has ultimate responsibility for the Institution's finances; however, the Board delegates specific powers and processes to the committees detailed below. These committees are accountable to the Board of Governors.

5.2 Finance and Human Resources Committee

The Board of Governors has established a Finance and Human Resources Committee, which has delegated authority from the Board in relation to financial and staff management matters. Monitoring of the Institution's financial position and financial control systems is undertaken by the Finance and Human Resources Committee.

The Finance and Human Resources Committee, inter alia, recommends to the Board of Governors annual revenue and capital budgets, and monitors performance in relation to the approved budgets. The Committee also reviews and recommends to the Board, the Financial Regulations, financial policies and the annual financial statements. The Committee reviews the accounting policies that are applied to the preparation of the financial statements and to budgets and estimates, including any significant matters of judgement that require consideration; and meets with the external auditors to discuss the financial statements. The Committee will also ensure that the Board of Governors has adequate information to enable the Board to discharge its financial responsibilities.

The Finance and Human Resources Committee determines matters in relation to the conditions of employment of all University staff. The Committee has oversight of the implementation and operation of change management policies as they affect staff employment and of management training and development. It also has oversight of compliance with legislation relating to diversity and equality as it relates to, and impacts on, not only staff, but also students and other parties.

5.3 Nominations Committee

The Nominations Committee reviews the membership of the Board of Governors, advising on the skills mix available and that required by the Board to fulfil its responsibilities. The Committee considers nominations of new external Governors, making recommendations to the Board or to the Independent Members of the Board as appropriate.

5.4 Audit Committee

The Institution is required by its Memorandum of Assurance and Accountability with HEFCE and by the HEFCE Audit Code of Practice to appoint an Audit Committee. The Committee is independent, advisory and reports to the Board of Governors. The Committee should comply with the operating and reporting requirements, as included in the HEFCE Audit Code of Practice.

The Committee has the right of access to obtain all the information that it considers necessary and to consult directly with the internal and external auditors. The Audit Committee regularly meets the external and internal auditors through their attendance at each meeting of the Committee. It is responsible for identifying and approving appropriate performance measures for internal and external audit, and for monitoring their performance.

The Committee must satisfy itself that adequate and effective arrangements are in place in the Institution in respect of:

- Risk management, control and governance
- Economy, efficiency and effectiveness
- The management and quality assurance of data submitted to Higher Education Statistics Agency (HESA), to HEFCE and to other funding bodies.

The Audit Committee considers internal audit reports and recommendations for the improvement of the Institution's systems of internal control, together with management's responses and implementation plans. The Committee also receives and considers reports from HEFCE as they affect University business, monitors adherence with regulatory requirements and discusses the findings from the external audit process with the external auditors.

The terms of reference of the Audit Committee incorporates its role in monitoring, and reporting upon the effectiveness of the Institution's risk management and 'value for money' processes and procedures.

5.5 Remuneration Committee

The Remuneration Committee determines the annual remuneration of the Vice-Chancellor and members of his or her senior staff; and receives a report on the annual review of other senior academic and support staff that is conducted by the Vice-Chancellor in consultation with the Executive Director of People and Organisational Development.

6 Other Senior Managers with Financial Responsibility

6.1 The Executive Director of Finance

The Executive Director of Finance is a member of the Executive Board, reports to the Vice-Chancellor and advises on matters in respect of financial policies and procedures. Financial administration is controlled by the Executive Director of Finance, who is responsible for:

- Preparing annual capital and revenue budgets and financial plans.
- Preparing management information, monitoring and reporting on expenditure against all budgets and financial operations.
- Preparing the Institution's annual accounts and other financial statements and accounts which the Institution is required to submit to other authorities.
- Ensuring that the Institution maintains satisfactory financial systems.
- Providing professional advice on all matters relating to financial policies and procedures.
- Maintaining liaison with internal and external auditors in order to achieve efficient financial processes across the Institution.

The Executive Director of Finance leads the Finance Directorate which carries out the operational requirements in respect of financial administration of the Institution and its subsidiary undertakings. Contact details in the Directorate are contained on Finance's Intranet Site.

6.2 Pro Vice-Chancellors/Deans and Directors

6.2.1 Pro Vice-Chancellors/Deans and Directors are accountable to the Vice-Chancellor for financial management for the areas or activities they control. They are advised by the Executive Director of Finance in executing their financial duties. The Executive Director of Finance will approve the financial systems operating within their faculties or directorates, including the form in which accounts and financial records are kept.

6.2.2 Pro Vice-Chancellors/Deans and Directors are responsible for establishing and maintaining clear lines of responsibility within their faculties or directorates for all financial matters. Where resources are devolved to budget holders, they are accountable to their Pro Vice-Chancellor/Dean or Director for their own budgets.

6.2.3 Deans and Directors are ultimately responsible for:

- The monitoring of resources and budgets within their area with the Institution's approved strategic and annual plans
- Taking appropriate and prompt corrective action to correct adverse budget variances in their area

- Ensuring that their members of staff are aware that they have a general responsibility for the security of the Institution's property, and
- Notifying the Executive Director of Finance immediately, whenever any matter arises that involves, or is thought to involve, irregularities concerning cash or other property of the Institution.

6.2.4 Pro Vice-Chancellors/Deans and Directors shall provide the Executive Director of Finance with such information as may be required to enable:

- Compilation of the Institution's financial statements
- Implementation of financial planning, and
- Implementation of audit and financial reviews, projects and 'value for money' reviews.

7 All Members of Staff

- 7.1 All members of staff should be aware that they have a general responsibility for the security of the Institution's property, for avoiding loss and for economic use of resources.
- 7.2 Staff are required to comply with these Financial Regulations. In doing so, where necessary or applicable to their roles, staff should:
- Take adequate advice from Finance
 - Assess and manage risk
 - Safeguard the Institution's property
 - Make best use of the Institution's resources and obtain value for money
 - Have regard to and comply with all legal and financial obligations to which the Institution is subject, for example obligations to HEFCE, HM Revenue and Customs, relevant government agencies on international financial matters, Companies House and Charities Acts.
 - Take account of the provisions of the Institution's Policy in respect of the Prevention of Bribery and Corruption, as set out in Appendix G.
- 7.3 Staff should ensure that they are aware of the Institution's financial authority limits; and the value of purchases for which quotations and tenders are required, in accordance with European procurement legislation. If they have any doubts what so ever in respect of the latter, staff must refer to the Procurement Manager prior to commencing the relevant procurement.
- 7.4 Staff should make available any relevant records or information to the Director of Finance or his or her authorised representative in connection with the implementation of the Institution's financial policies, these Financial Regulations and the Institution's systems of financial control.
- 7.5 They should also provide the Executive Director of Finance with such financial and other information as he or she may deem necessary, from time to time, in order to carry out the requirements of the Board of Governors.
- 7.6 Staff should immediately notify their Dean or Director whenever any matter arises which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the Institution. The Dean or Director must take such steps as he or she considers necessary by way of investigation and report. He or she should have due regard in respect of the Institution's Protocols in respect of Serious Incident Reporting (a requirement of HEFCE). These Protocols are set out in Appendix A.
- 7.7 It is the duty of all members of staff, management and the Board of Governors to notify the Clerk to the Board immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

The Clerk to the Board shall immediately invoke the Fraud Response Plan, the full details of which are set out in Appendix B, Anti-Fraud Policy.

8 Risk Management

- 8.1 The Institution 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. Detailed guidance on the level of risk considered to be acceptable and unacceptable by the Institution is set out in the separate Risk Management Policy, which is included for reference in Appendix C.
- 8.2 The Board of Governors has overall responsibility for ensuring that there is a risk management strategy in place and a common approach to the management of risk throughout the Institution, through the development, implementation and embedment within the organisation of a formal, structured risk management process.
- 8.3 The Board also recognises that effective risk management is an essential element in the framework of good governance and has continued to develop its risk management systems, taking full account of the annual HEFCE Accounts Direction, good practice guidance and the guidelines provided by the Turnbull Committee.
- 8.4 The Institution has embedded processes to enable full compliance to be sustained. In particular the following processes have been established:
- An annual programme of those topics to be considered by the Board at its meetings to ensure that it is focused on the key strategies, activities and targets for the Institution;
 - Performance monitoring reports designed to monitor performance against targets and provide a link to the Institution's strategic planning and risk management process;
 - The development of Key Performance Indicators linked to externally available data, to ensure the Institution's performance against strategic objectives is viewed within the context of the performance of the higher education sector as a whole;
 - An organisation - wide risk register that is regularly updated via a Risk Management Committee, chaired by the Executive Director of Strategic Planning Services and reporting to the Audit Committee of the Board of Governors;
 - A statement of risk management policy agreed by the Board of Governors; and guidelines issued to all risk owners and senior staff;
 - The risk register is updated at least three times a year through consultation with faculties, directorates and members of the Executive Board;
 - Identification of specific corporate risks which are aligned to areas of the strategic plan; each of which is assigned an owner at Executive Board level;

- An annual assessment by the Board of Governors, taking account of the work of the Senior Executive and other officers and the review by the Audit Committee, including reports from the internal and external auditors;
- A programme of risk awareness training and dissemination of good practice;
- Regular reviews of the risk priorities at both the Senior Executive and at faculty/directorate level;
- Oversight of risk management processes, including support of the Risk Management Committee, is undertaken by the Executive Director of Strategic Planning Services, reporting to the PVC for Transformation and Chief Operating Officer.

The strategy and procedures must be capable of independent verification.

- 8.5 Pro Vice-Chancellors/Deans and Directors must ensure that any agreements negotiated within their faculties and directorates with external bodies cover any legal liabilities to which the Institution or any of its subsidiary undertakings may be exposed. The risks in agreements with external bodies shall be managed either by the use of approved standard terms and conditions, or obtaining advice from the Head of Governance and Legal Affairs, and verification of the adequacy of insurance cover by reference to the Head of Procurement.

9 Whistleblowing

- 9.1 'Whistleblowing' in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistle-blower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc.), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.
- 9.2 The Institution's full Policy and Procedure for whistleblowing is set out in the Public Interest Disclosure (Whistleblowing) Policy.
- 9.3 This policy applies to all employees of the university together with other categories of workers who may be present at the university such as agency workers, casual and freelance workers.

10 Code of Conduct

10.1 The Institution 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 Seven 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:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership.

The details of the Seven Principles of Public Life are set out at **Appendix D**.

10.2 The detailed provisions of the Institution's Code of Conduct are held for reference on the intranet.

11 Conflict of Interest

- 11.1 **Any** staff of the Institution and its subsidiary undertakings, who engage in any external activity on behalf of the Institution, should refer to and must comply with the Statement of Policy and Procedures on Conflict of Interest. This is set out in **Appendix E**.
- 11.2 Members of the Board of Governors, Senior Management or any employees involved in the procuring of goods or services on behalf of the Institution are required to disclose any personal interests in the Institution's Register of Interests, which is maintained by the Clerk to the Board. They will also be responsible for ensuring that entries in the Register relating to them are kept up to date regularly and promptly, where applicable.
- 11.3 No person shall be a signatory to an Institution contract where he or she also has an interest in the activities of the other party.
- 11.4 The Procedures for registration and declaration of interests are available from the Clerk to the Board.

12 Gifts and Hospitality

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

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

12.2 Members of staff at all levels, of the Institution and its subsidiary undertakings, should bear in mind the Institution's Policy in respect of the Bribery Act 2010, included in **Appendix G**, when considering at any time whether to accept or give a gift or hospitality to an external party.

12.3 The Institution's policy on 'Gifts and Hospitality' applies to all staff. It clarifies the conduct expected when employees provide or are offered hospitality or gifts; all staff should refer to the policy via the internet.
<http://dmu.ac.uk/dmu-staff/dmu-staff.aspx>

12.4 For the protection of those involved, the Dean/Director of each faculty and directorate will be responsible for maintaining a local 'Register of Gifts and Hospitality' for all gifts received, other than items of very small intrinsic value such as business diaries or calendars, and all hospitality received where the value is in excess of that usually deemed to be acceptable. The Register should record the nature of the gift or hospitality accepted, name of provider, date of receipt and the estimated value; there should be evidence that each entry has been authorised by the Dean or Director. The main purpose of the Register is to create transparency in respect of gifts or hospitality received, in order that there may be no grounds for suspicion in respect of influence on Institution decisions as a consequence. It is also in place to evidence compliance with the Bribery Act 2010.

Members of staff in receipt of such gifts or hospitality are obliged to notify their Dean or Director promptly. The Register of Gifts and Hospitality in each faculty and directorate should be maintained up to date, as it may be subject to internal or external audit at any time.

13 Money Laundering

- 13.1 The Head of Financial Services (or the Deputy Director of Finance in his/her absence) should receive disclosures from any member of staff, in respect of suspected money laundering transactions or activity within the Institution. He or she is responsible for reporting any such suspicious activity to the National Crime Agency (NCA) as necessary.
- 13.2 Money laundering is defined as:
- Concealing, disguising, converting or transferring criminal property or removing it from the UK;
 - Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
 - Acquiring, using or possessing criminal property.
- 13.3 Any member of staff of the Institution or its subsidiary undertakings, who knows or suspects that another person is involved in money laundering or financing terrorism, must inform the Head of Financial Services (or the Deputy Director of Finance in his/her absence) immediately. He or she will then review the information that they have received and decide if a report needs to be made to NCCA.
- 13.4 The Institution has an Anti-Money Laundering Policy and this is set out in **Appendix F**.

14 The Bribery Act 2010

- 14.1 The UK Bribery Act 2010 received Royal Assent in April 2010 and became law on 1st July 2011. The Act made radical changes to UK bribery and corruption law, which impact on all types of organisations in the UK or those with links to the UK, including those in the education sector.
- 14.2 The Institution is committed to the highest levels of integrity in all aspects of its strategy and operations; and has a 'zero-tolerance' approach to all forms of bribery and corruption. It therefore supports fully, compliance with the Bribery Act 2010.
- 14.3 Accordingly all members of staff are expected to have an awareness of the Institution's 'Policy in respect of the Prevention of Bribery and Corruption', contained in **Appendix G**, which was introduced in respect of compliance with the Bribery Act 2010.

C FINANCIAL MANAGEMENT AND CONTROL

15 Financial Planning

15.1 The Executive Director of Finance is responsible for preparing annually a rolling five-year financial plan, for approval by the Board of Governors on the recommendation of the Finance and Human Resources Committee (FHRC), and for preparing financial forecasts as required for submission to HEFCE. Financial plans should be consistent with the strategic plan of the Institution as approved by the Board of Governors.

15.2 Budget Objectives

The Board of Governors will, from time to time set budget objectives for the Institution. These will assist the Executive Director of Finance in preparing his or her more detailed financial plans for the Institution.

15.3 Resource Allocation

Resources are allocated annually by the Board of Governors on the recommendation of FHRC, and on the basis of budget objectives. PVCs/Deans, Directors and all budget holders are responsible for the economic, effective and efficient use of the resources allocated to them.

15.4 Budget Preparation

The Executive Director of Finance, on behalf of the Vice-Chancellor, is responsible for preparing each year an annual revenue budget and capital programme for consideration by FHRC before submission to the Board of Governors for approval.

The Executive Director of Finance must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to PVCs/Deans and Directors as soon as possible following their approval by the Board of Governors.

All members of staff involved in the annual budgeting process, must ensure that they are aware of the budgeting timetable and should allocate the highest priority to the processes and due dates contained within.

During the year, the Executive Director of Finance is responsible for providing regular updates to FHRC on actual performance against budget; and for submitting revised forecasts, as necessary, for consideration to FHRC before submission to the Board of Governors for approval.

The Executive Director of Finance will also provide monthly management reports to the Executive Board, which should include details of performance against budget and appropriate performance indicators.

15.5 Capital Programme and Major Initiatives

The capital programme includes expenditure on land, buildings, equipment, furniture and associated costs, with a cost of £10,000 and above. Expenditure of this type can only be considered as part of the capital programme approved by the Board of Governors.

The Executive Director of Finance will establish protocols for the inclusion of capital (and other major) projects in the capital programme for approval by the Board of Governors. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet.

Any proposed capital project which has not been considered as part of the budgetary and planning cycle should be presented to the Capital and Commercial Projects Group as supported by:

- A statement demonstrating the project's consistency with the strategic plans and estates strategy approved by the Board of Governors
- An initial budget for the project, including a breakdown of costs which include any professional fees, impact on revenue and VAT, and funding sources
- The name of the project sponsor and the project manager. The project manager is responsible for the entire project including forecasting, monitoring and reporting of the activity.

Proposals, where the capital investment is less than £100,000, can be approved by the Capital and Commercial Projects Group. Proposals over £100,000 which are, in principle, supported by the Capital and Commercial Projects Group require a Business Case to be prepared. The Business Case should be led by the project sponsor supported by their Finance Partner and Faculty Manager. The Business Case must include:

- A financial evaluation of the plans together with their impact on revenue plus consideration of alternative options
- An investment appraisal in an approved format which complies with HEFCE guidance on option and investment appraisal
- A net present value and cash flow forecast

Business cases for capital investment of up to £500,000 can be approved by the Capital and Commercial Projects Group. Business cases exceeding £500,000 up to £1m are submitted to CCPG and FHRC for approval. Full board approval is required where expenditure exceeds £1m.

The Executive Director of Finance will also establish procedures for the approval of variations, including the notification of large variations to the relevant funding body, as laid down in the funding body guidelines.

The Executive Director of Finance is responsible for providing regular statements concerning all major capital expenditure to the Capital and Commercial Projects Group for monitoring purposes. This Group reports to FHRC on its work; and takes forward capital project proposals to FHRC in excess of £500k gross (inclusive of VAT) for approval.

Once a capital project has been approved, the Capital Reporting Analyst will set up appropriate codes on the General Ledger and allocate funds. All capital costs related to a project will share the same project code so that the costs are easily identified. All forecasting and reporting for a project must be inclusive of all of the costs. A demonstration of compliance with tendering procedures (both internal and external) and HEFCE Regulations (if relevant), must be retained on file, by the Project Manager.

Following completion of a capital project, a post-project evaluation or final report should be submitted by the Project Sponsor to the Capital and Commercial Projects Group including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Post-project evaluations may also need to be sent to the relevant funding body, as laid down in funding body guidelines.

15.6 Major Projects

Major projects with operating expenditure; or a mix of capital and operating expenditure exceeding £1m within a five year period require a business case approved by FHRC and CCPG. Full board approval is required where expenditure exceeds £5m.

15.7 Overseas Activity

In planning and undertaking overseas activity, the Institution must have due regard to the relevant guidelines issued by HEFCE and any appropriate overseas taxation legislation.

15.8 Other Major Developments

Any proposal in respect of a new Institution (or Group) initiative, for example a new aspect of business or proposed establishment of a company or joint venture, which will require an initial investment, regardless of the nature of the expenditure, of more than £ 100k gross (inclusive of VAT) should be presented for initial review to the Capital and Commercial Projects Group.

The Executive Director of Finance will establish protocols for these major developments to enable the proposals to be reviewed initially by the Capital and Commercial Projects Group and to be considered for approval, either by the Group or FHRC where appropriate, for ultimate ratification by the Board of Governors. These protocols will set out the information that is required for each proposed development as well as the financial criteria that they are required to meet.

Similar information should be presented to support any such proposal, as set out for capital projects in 15.5 above. Again some commentary on the proposal, in respect of the financial impacts, must be appended by the appropriate Finance Partner. Also if the proposal makes mention of any legal or governance requirements, comments should be obtained from Legal and Governance Services **prior** to presenting the proposal to the Capital and Commercial Projects Group.

16 Financial Control

16.1 Budgetary Control

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively. Budget holders are responsible to their Dean/Director for the income and expenditure appropriate to their budget.

Whilst Deans and Directors can delegate authority, control and monitoring of the budgets to designated budget holders, they **cannot** delegate overall responsibility.

Significant departures from approved budgetary targets must be reported immediately to the Executive Director of Finance by the Dean/Director concerned and, if necessary corrective action must be taken.

16.2 Income

Tuition fees are set by the Fees Group. Deans of Faculties are responsible for ensuring that recruitment, and retention, targets are met with a view to maximising the budgeted income for their faculty and ultimately the Institution. External Income Generation (EIG) budgets are set in agreement with the Deans of Faculties/Directors, the Director of Research and Business Initiatives and approved by FHRC.

16.3 Expenditure

Budget holders must ensure that they maintain control of their delegated expenditure budgets by regularly reviewing the expenditure, commitments and future requirements. This procedure should be achieved by accessing the Institution's financial system, and by having regular meetings with the Finance Partner, who is allocated to their faculty or directorate.

When the budget holder becomes aware that their budgets and targets need to be revised to reflect activity (revenue or capital), the budget holder should document evidence to quantify the revision and the reasons. Any revisions in forecast student numbers must be communicated to Strategic Planning Services (SPS), in order for SPS to evaluate the impact on future teaching grant and tuition fee income for both the faculty and the Institution.

Major projects with operating expenditure; or a mix of capital and operating expenditure exceeding £1m within a five year period require a business case approved by FHRC and CCPG.

Where there is a technical accounting treatment involving income and expenditure the net amount can be taken into account when determining this threshold e.g. an embedded finance lease or deferred capital grant.

Any proposed revisions to other income and expenditure budgets must be notified to the appropriate Finance Partner in the first instance, who will advise if the revisions will require to be submitted for approval by the Executive Director of Finance.

16.4 Financial Information

The budget holders should access the Institution's finance system in discharging their duties to monitor and manage the financial resources within their remit.

The Executive Director of Finance is responsible for supplying budgetary reports on all aspects of the Institution's finances to the Executive Board, FHRC and the Board, as requested by those bodies.

16.5 Changes to the Institution's Approved Budgets

Revenue

Revisions to the Institution's annual budget will be considered for approval by FHRC and reported through to the Board of Governors.

Capital and major initiatives

Revisions to the capital budget may only be approved by the Deputy Vice-Chancellor or the Executive Director of Finance.

For proposed investments in excess of £100,000, the 'Less Complex Business Case' template must be completed and submitted to the CCPG for approval. For projects exceeding £1m the "More Complex Business Case" template is used. These templates are located on the projects.dmu.ac.uk website under Process, Methods and Templates.

Following approval, any changes in the Institution's revenue or capital budgets must be entered in the finance system accordingly.

16.6 Virement

Virements are normally restricted to movements within 'non-staffing expenditure' within a faculty or directorate for the same activity e.g. 'Core teaching'. Changes can only be put forward by the budget holder, who should submit their request in writing to their Finance Partner; no verbal requests will be accepted. It is the responsibility of the budget holder to identify the full allocation codes from where the transfer is to be made and to where the budget is to be transferred. No transfer of funds will be made from a budget code which is overspent, nor will a transfer be enacted which will result in a budget code becoming a deficit.

The budget holder should obtain approval in writing from their respective Dean/ Director for any potential virements in excess of £10,000, before the Finance Partner is able to enact.

Virements between staffing and non-staffing budgets and between revenue and capital budgets are not permitted unless approved in advance in writing by the Executive Director of Finance. Any such requests must clearly state if the transfer is recurrent or non-recurrent.

16.7 Treatment of Year-End Balances

At each year end, budget holders will not normally have the authority to carry forward a balance on their budget to the following year **unless** FHRC has approved a **specific** scheme for the **specific accounting** year, for carrying forward all or part of unspent amounts. This does not apply to research projects that run over a number of years.

Also the treatment of unspent budgets at the end of a financial year in the Institution is determined by the activity, as follows:

Revenue 'Core' Activities

There is no automatic 'carry forward' of unspent budgets from one financial year to the next, except in cases where budgets have been allocated for approved initiatives in respect of a specific purpose e.g. HEFCE TQEF. In such a situation, any 'unspent income' will be allowed to be carried forward into the next financial year in order to match or offset the expenditure which it is intended to fund.

Revenue EIG Activities

If the duration of an EIG project overlaps a financial year(s), it will be necessary to carry funds from one financial year to the next. However, the budgets to be made available will be determined to a large degree by the level of income that is to be generated in the following year.

Revenue Trading Activities

Any surplus funds may not be carried forward from one financial year to the next.

Capital

Unless the 'surplus' funds are available in accordance with the terms of a specific initiative, e.g. HEFCE SRIF 3, or the terms of an EIG contract, any request to have 'unspent balances' made available in the following financial year, will need to be presented to the Executive Director of Finance for approval, stating the reason for the balance remaining and the requirement for expenditure in the following financial year(s).

17 Accounting Arrangements

17.1 Financial Year

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

17.2 Basis of Accounting

The consolidated financial statements are prepared under the historical cost basis of accounting and in accordance with applicable Accounting Standards.

17.3 Format of the Financial Statements

The financial statements are prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015, subject to any specific requirements of HEFCE, and in accordance with the provisions of the Companies Act 1985, if that is appropriate.

17.4 Capitalisation and Depreciation

New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. New additions to freehold buildings will be depreciated on a straight-line basis over their estimated remaining useful life; additions to leasehold buildings will be depreciated over the life of the lease. Land will not be depreciated.

Works of art and other valuable artefacts (known as 'heritage assets'), which are valued either individually or as a group at or in excess of £10,000, are capitalised and recognised at the cost or value of the acquisition where the cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation charge would not be material.

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.

In accordance with the Institution's current Accounting Policies, expenditure incurred on the acquisition of tangible assets, other than land and buildings, will be recorded in the balance sheet if the assets are capable of being used for a period that exceeds one year and:

- Individually have a cost equal or greater than £10,000; or

- Collectively have a cost equal to or greater than £10,000 where the assets are functionally interdependent or are purchased together and intended to be used as a group under common management control; or
- Irrespective of their individual cost form part of the initial equipping of a new building.

Capitalised tangible assets, other than land and buildings, will be depreciated on a straight-line basis over their useful life as follows:

- Computer equipment: three years;
- Other equipment and furniture: five years;
- Equipment acquired for a specific project will normally be depreciated over the life of the project, except where there is a contractual requirement to do otherwise.

17.5 Accounting Records

The Executive Director of Finance is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities and in accordance with the Institution's corporate policies in respect of Records Management.

The Institution is required by law to retain prime financial documents for six years. These include:

- official purchase orders;
- suppliers'/contractors' paid invoices;
- accounts raised;
- bank statements;
- copies of receipts;
- records of paid cheques;
- payroll records, including part-time lecturer and other staff contracts.

In addition, for auditing and other purposes, financial budgets, reports and other relevant documents should be retained for three years or as determined by the funder.

Electronic versions of documents are becoming progressively more acceptable. The Institution's Information Governance Manager is able to advise on appropriate arrangements for the retention of electronic records.

Members of staff should ensure that record retention arrangements always comply with any specific requirements of funding organisations such as the European Union, regional development agencies etc., where an audit may be requested by the funder in respect of previous claims. Where the retention requirement of the EU or other sponsor exceeds six years relevant documents should be obtained and retained in the faculty or Directorate prior to the end of the statutory six year retention requirements by the Finance Directorate.

Bond records to be retained for life of the bond.

17.6 Public Access

Under the terms of the Memorandum of Assurance and Accountability, the Board of Governors is required to supply any person with a copy of the Institution's most recent financial statements within two months of a request. The Act enables the Board of Governors to levy a reasonable fee and this will be charged at the discretion of the Executive Director of Finance. The Institution will also allow members of the public to inspect the statement of accounts during normal working hours, provide copies to local libraries and make a summary available on the Institution's website.

The Institution has published a scheme under the Freedom of Information Act 2000. Details and advice can be obtained from the ITMS intranet site and the DMU Web site.

17.7 Taxation

17.7.1 The Executive Director of Finance is responsible for advising Deans and Directors, in the light of guidance issued by the appropriate bodies and relevant legislation, as it applies, on all taxation issues which impact on the Institution and its subsidiary undertakings. Therefore the appropriate staff in the Finance Directorate, with the authority of the Executive Director of Finance, will issue instructions on compliance with statutory requirements including those concerning VAT, PAYE, National Insurance, Corporation Tax and international tax.

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

17.7.3 The operational responsibility for the above tasks is delegated to the Taxation Accountant and the Payroll and Pensions Manager.

17.7.4 In the first instance, any queries on taxation matters arising in respect of VAT and Corporation Tax and International Tax must be addressed to the Taxation Accountant; and those in respect of PAYE and National Insurance must be directed to the Payroll and Pensions Manager.

17.7.5 Under no circumstance, should any member of staff, other than those named in 18.7.4 above, contact HMRC directly in respect of any matter concerning the Institution or its subsidiary undertakings.

17.7.6 A copy of the Tax Policy can be found on the Taxation Services pages of the Finance [intranet site](#).

18 Audit Requirements

18.1 General

External auditors and internal auditors shall have authority to:

- Access Institution premises at reasonable times
- Access all assets, records, documents and correspondence relating to any financial and other transactions of the Institution
- Require and receive such explanations as are necessary concerning any matter under examination
- Require any employee of the Institution to account for cash, stores or any other Institution property under his/her control
- Access records belonging to third parties, such as contractors, when required.

The Executive Director of Finance is responsible for ensuring that effective timetables are drawn up in respect of the preparation and external audit of the annual statutory financial statements of the Institution and its Subsidiary Undertakings, in order to meet the required internal and external reporting deadlines; he will ensure that staff are advised accordingly and that appropriate liaison takes place with the external auditors.

On completion of the annual external audit, the annual statutory financial statements, along with the external auditors' management letter, will be reviewed by the Audit Committee, and following approval, recommended for noting by FHRC. The statements will then be circulated to the Board of Governors for final approval and sign-off. Sign-off by the external auditors and submission to HEFCE will follow.

18.2 External Audit

The appointment of the external auditors is the responsibility of the Board of Governors, on recommendation by the Audit Committee. The appointment should be in accordance with the 'HEFCE Audit Code of Practice'. It is good practice for a competitive tendering exercise to be held at regular intervals, at least every five to seven years.

The primary role of external audit is to report on the Group and Institution's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary in order to reach their opinion on the statements and to report on the appropriate use of funds. The external auditors responsibilities will be carried out in accordance with 'the HEFCE Audit Code of Practice', relevant legal and regulatory requirements, and International Standards on Auditing (UK and Ireland).

18.3 Policy in Respect of the Provision of Non Audit Services by the External Auditors

(Approved by Audit Committee on 24th November 2005)

The agreed set of control protocols in respect of non-audit services provided by the external auditors is set out below:

General Statement

The external auditors may provide non audit services (other than those expressly prohibited by this policy) provided that the service does not conflict with their statutory responsibilities and the ethical guidance and standards that govern the audit profession.

Prohibited Services

The external auditor should not provide services that have the potential to impair their independence as external auditors. Rules to govern the concept of auditor independence are difficult to prescribe, but guidance on the type of services to avoid are set out in the HEFCE Audit Code of Practice. Based on this guidance, DMU will seek to prohibit services where the external auditor:

- participates in activities that are normally undertaken by management;
- may be required to audit their own work.

Internal audit services are expressly prohibited by the Code of Practice, but the following activities would also need careful consideration:

- Accounts preparation
- Actuarial services
- Management functions

The Provision of Other Services

The external auditors will be permitted to provide other non-audit services that are judged not to be in conflict with their role as external auditors subject to the following:

- **Taxation Services:** Where the external auditor's knowledge of the Institution and its tax affairs would afford significant advantages that other parties would not have. Where this is not the case, the work will be put out to quotation/tender in accordance with the Institution's financial regulations.
- **Additional Assurance Services:** Where the external auditor's understanding of the Institution means that they are best placed to carry out such work.

- **Other General Services:** In respect of all other services (excluding prohibited services) the external auditors may provide such services provided that proposed assignments are put out to competitive quotation/tender, and the management decision to award work is based on demonstrable value for money.

Notwithstanding the above, the external auditors should report any additional services to the Audit Committee at least twice a year, and report in writing (on an annual basis) their opinion (or otherwise) that the provision of these services has not impaired their independence.

Management will also be required to report to Audit Committee on an annual basis as to the application of the policy during the financial year.

Pre-approval of the Chairman of Audit Committee will also be required before the Institution uses non-audit services of the external auditors for specific assignments /projects that exceed £20K in value.

The policy will be reviewed annually.

18.4 Internal Audit

The internal audit service is appointed by the Board of Governors on the recommendation of the Audit Committee.

The Institution's Memorandum of Assurance and Accountability with HEFCE requires that it has an effective internal audit function, and that their duties and responsibilities must be in accordance with guidance set out in 'The HEFCE Audit Code of Practice.' The internal audit service is responsible for providing an objective and independent appraisal of all of the Institution's activities, financial and otherwise, funded from whatever source. It should provide a service to the whole organisation, including the Board of Governors and all levels of management. It is not an extension of, nor a substitute for, good management, although it can have a role in advising management. The internal audit service is responsible for evaluating and reporting to the Board of Governors and Vice-Chancellor, via the Audit Committee, and thereby providing them with assurance on the arrangements for risk management, control and governance, and 'value for money'. It remains the duty of management, not the internal audit service, to operate these arrangements.

The internal audit service may also conduct any special reviews of the Institution's activities as requested by the Board of Governors, Audit Committee or Vice-Chancellor, provided that such reviews do not compromise its objectivity.

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

18.5 Value for Money

It is a requirement of the Memorandum of Assurance and Accountability that the Board of Governors of the Institution is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by HEFCE, the National Audit Office, the Public Accounts Committee or other relevant bodies.

To enable the Board of Governors to fulfil its responsibilities above, the Audit Committee will receive and approve a plan for value for money work each year, that will provide evidence of compliance with HEFCE's requirements. This will also be used to enable the Audit Committee to refer to value for money activities in its annual report.

The Audit Committee has a duty to satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness (value for money) and to advise the Board accordingly.

18.6 Other Auditors

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

19 Treasury Management

19.1 Treasury Management Policy

FHRC is responsible for approving a Treasury Management Policy Statement (based on CIPFA's *Treasury Management in the Public Services: Code of Practice and Cross-Sectorial Guidance Notes* and sector – specific guidance). This will set out a strategy and policies for cash management, long-term investments and borrowings. This requires compliance with any HEFCE rules which relate to approval for any secured or unsecured loans that go beyond the general consent levels as set out in the Memorandum of Assurance and Accountability. FHRC has a responsibility to ensure the implementation, monitoring and review of such policies.

The Institution's current Treasury Management Policy Statement is included on Finance's [Intranet Site](#). Alternatively it may be accessed on request to the Treasury Manager.

All executive decisions concerning borrowing, investment or financing (with Policy parameter) shall be delegated to the Executive Director of Finance, and an appropriate reporting system should be set up. All borrowing should be undertaken in the name of the Institution and should conform to any relevant HEFCE requirements. The Executive Director of Finance and his/her staff are required to act in accordance with CPFA's Code of Practice as set out in the Treasury Policy

The Executive Director of Finance will report to FHRC at each meeting, on the activities of the treasury management operation and on the exercise of the treasury management powers delegated to him or her.

19.2 Appointment of Bankers and Other Professional Advisors

The Board of Governors is responsible for the appointment of the Institution's bankers and other professional financial advisers (such as investment managers) on the recommendation of FHRC. The appointment shall be for a specified period after which consideration shall be given by FHRC as to Value for Money in respect of the services received by the Institute and if the service should be re-tendered competitively.

19.3 Banking Arrangements

The Executive Director of Finance is responsible, on behalf of FHRC, for liaising with the Institution's bankers in relation to the Institution's bank accounts, and the issue of cheques and BACS/CHAPS payments. All cheques shall be ordered on the authority of the Executive Director of Finance, who shall make proper arrangements for their safe custody.

Only the Executive Director of Finance (or his delegated Officer) is responsible for opening or closing a bank account for dealing with the Institution's funds, after approval of the FHRC as set out in the Treasury Policy. All bank accounts shall be in the name of the Institution or one of its subsidiary undertakings.

The operation of bank accounts for dealing with the funds of the Institution and its Subsidiary Undertakings must be in accordance with the current Treasury Policy Statement as approved by FHRC;

All cheques drawn on behalf of the Institution must be signed in the form approved by the Finance Committee (see below). Cheques will only be used in exceptional circumstances.

All automated transfers on behalf of the Institution, such as BACS or CHAPS transfers, must be authorised in the appropriate manner and on the basis approved by FHRC.

The approved signatory arrangements are:

- (i) Requests for payment with a value of less than £5,000 are signed electronically on production.
- (ii) Requests for payment of a value greater than £5,000 and less than £20,000 require one signature of a person on the designated signatory list (see below).
- (iii) Requests for payment of a value greater than £20,000 require two separate signatures from persons on the designated signatory list (see below).

Designated signatory list:

Vice Chancellor
Deputy Vice Chancellor
Chief Operations Officer
Executive Director of Finance
Deputy Director of Finance
Head of Financial Reporting
Procurement Manager
Head of Taxation Services
Manager of Financial Planning & Performance

This relates to cheques, BACS and CHAPS payments.

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

20 Income

20.1 General

The Executive Director of Finance is responsible for ensuring that appropriate procedures are in operation to enable the Institution to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the Executive Director of Finance.

Levels of charges for student fees, contract research, services rendered, goods supplied and rents and lettings are determined by procedures as approved by FHRC and ultimately by the Board of Governors.

The Executive Director of Finance is responsible for:

- The prompt collection, security and banking of all income received.
- Ensuring that all grants notified by the funding body and other bodies are received and appropriately recorded in the Institution's accounts; and
- Ensuring that procedures are in place to ensure that all claims for funds, including research grants and contracts, are made by the due date.

20.2 Maximisation of Income

It is the responsibility of all staff to ensure that revenue to the Institution is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification by faculties and departments, to the Income Section of the Finance Department, of any sums due in order that the amounts may be invoiced promptly and collection initiated.

Staff, responsible for receiving income, should be aware of the provisions of The Money Laundering Regulations 2003; if staff have any suspicion that the Institution has received funds which were obtained illegally, contact should be made directly and immediately the Head of Financial Services within Finance.. In the absence of the Head of Financial Services, the Executive Director of Finance will act as a Deputy.

As a requirement of The Money Laundering Regulations, there is a requirement for the Institution to investigate, on a timely basis, any overpayment that may have been received and make refunds if necessary. Any member of staff, who receives income and becomes aware of an overpayment should take the appropriate steps in order to ensure that it is dealt with in the appropriate manner as soon as possible.

20.3 Receipt of Cash, Cheques and Other Negotiable Instruments

All monies received within faculties/directorates and subsidiary undertakings from whatever source must be recorded in the Income Section of the Finance Directorate daily together with the form in which they were received, for example cash, cheques and other negotiable instruments.

All monies received must be paid to the cashier promptly, and in accordance with the financial procedures as set out by the Manager of the Income Section, on behalf of the Executive Director of Finance. The custody and transit of all monies received must comply with the requirements of the Institution's insurers.

All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous departmental expenses or be paid into the departmental petty cash float. Personal or other cheques must not be cashed out of money received on behalf of the Institution.

Receipts by credit or debit card

The Institution can only receive payments by debit or credit card over the telephone or cash office counter using terminals as provided by the Institution's approved supplier.

These terminals support primary account number (PAN) truncation where the card number is partially obscured on the customer receipt. A copy of the receipt should be retained to support evidence of payment.

In operating this facility, the Institution is bound to the Payment Card Industry Data Security Standard (PCI DSS), which is designed to ensure that cardholder information is stored, processed and transmitted securely.

The Executive Director of Finance is responsible for ensuring that the Institution maintains PCI DSS compliance, which is monitored by the bank's merchant services unit.

Internet receipts

The Institution offers an online payment facility to students for secure payment of tuition fees/other costs associated with their studies, and to staff and the general public for other types of goods and services.

Access is via secure login through the Institution's portal or approved in-house website. Once a successful payment has been made, a receipt will be generated electronically to the email address specified when lodging the cardholder details. The receipt should be retained to support evidence of payment.

In operating this facility, the Institution is subject to continuous risk assessment and annual review by the external service provider. Where

these facilities are used outside of the Finance Directorate, it is the Dean's/Director's responsibility to ensure that the terms of use are complied with.

20.4 **Collection of Debts**

The Institution has a Bad Debt Write off Policy in place, details of which can be found in **Appendix H**.

The Executive Director of Finance should ensure that:

- Debtors' invoices are raised promptly on official invoices, in respect of all income due to the Institution and its subsidiary undertakings.
- Invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account.
- Any credits granted are valid, properly authorised and completely recorded
- VAT is correctly charged where appropriate, and accounted for
- Monies received are posted to the correct debtors' accounts.
- Swift and effective action is taken to collect overdue debts, in accordance with the protocols as set out in the Bad Debt Write off Policy (Appendix H).
- All outstanding debts are monitored.
- Debt reports are prepared for Management.

Only the Executive Director of Finance can authorise any changes to the standard credit terms for income receipts.

Debts can only be written off in accordance with the Bad Debt Write off Policy.

20.5 **Student Fees**

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

Any student with outstanding debt with the Institution shall not receive the certificate for any degree, diploma or other qualification awarded by the Institution until all such debts have been cleared. Such students shall be prevented from re-enrolling and from using any of the Institution's facilities unless a payment schedule for all outstanding debts has been agreed.

20.6 **Refunds**

The Institution seeks to minimise the opportunities for money laundering in accordance with The Money Laundering Regulations. Therefore where refunds are required to be made, they shall be made to the original payer and follow the method by which the money was received.

20.7 **Student Loans**

Appropriate records will be maintained to support all transactions involving student loans.

20.8 **Emergency/Hardship Loans**

The Institution's scheme for emergency/hardship loans must be approved by the Board of Governors. This will include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made other than in accordance with the approved scheme.

The Executive Director of Finance is responsible for ensuring the adequacy of the systems in place for:

- Approving loans in accordance with the scheme
- Paying loans that have been approved
- Recovering loans that have been paid.

21 Research Grants and Contracts

21.1 Definition

For external reporting purposes (for example, to HESA, the Higher Education Statistics Agency), research is defined by the parameters established in the Frascati Manual (OECD, 2002). The Manual provides the following definition of research:

'Research and experimental development (R&D) comprise 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.'

The term 'R&D' can be sub-divided into three elements:

i. **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.

ii. **Applied research** - original investigation undertaken in order to acquire new knowledge, but directed primarily towards a specific practical aim or objective.

iii. **Experimental development** - systematic work, drawing on existing knowledge gained from research and/or practical experience, which 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.

The Institution encourages its staff to engage in externally funded R&D and allied Knowledge Exchange activities that support its strategy and academic interests.

21.2 Applications for External Research Funding

Following review in the faculty, all applications for external grant funding shall be forwarded by the principal investigator to the Research, Business and Innovation (RBI) Directorate. Staff in RBI will liaise with the principal investigator and senior staff in the faculty, should any modifications (e.g. to the cost/price, ethical review or in consideration of intellectual property rights) be required prior to the granting of institutional approval. To enable the appropriate checks to be performed, the principal investigator should ensure that their application is passed to RBI a minimum of five (5) working days before the funder's deadline or date on which approval is required.

With the exception of research fellowship proposals, applications for external grant funding will be submitted by the RBI on behalf of, and in the name of, the Institution.

21.3 Costing and Pricing of External Funding Applications

The RBI is responsible for providing staff with advice on costing and pricing of external funding applications, and for training staff in the use of the Converis Research Information System, which includes a dedicated costing tool.

It is Institutional policy that all applications for external grant funding shall be costed in accordance with Full Economic Costing (TRAC fEC) principles in accordance with the latest HEFCE filing of the TRAC return. In the case of research contracts, a price for the work may be set above or below 100% of the fEC, depending on the particular circumstances of the bid. Deans and Directors have delegated authority to set the price below 100% of the fEC, drawing upon advice from the RBI where appropriate. In such cases, Deans and Directors must be satisfied that within a given financial year, and at the level of the department or school (not at the level of the individual grant), the 'missing' costs can be met from other resources and within the overall departmental budget.

Guidance on the costing and pricing of R&D activities can be found on the [RBI web pages \(internal access only\)](#).

21.4 Research Grants and Contracts – Terms and Conditions

All funding bodies stipulate the conditions under which funding is awarded. There are procedures to be followed in respect of the submission of interim or final reports, and the provision of financial information. It is the responsibility of the Principal Investigator to ensure that they – and any Co-Investigators – are fully aware of the terms and conditions relating to the award, to enable appropriate monitoring of compliance. Failure to adhere to these terms and conditions often means that the Institution will suffer a financial penalty. The Principal Investigator is advised to contact Legal Services for advice on the terms and conditions.

Most importantly, it is the responsibility of the Principal Investigator to ensure that all conditions of funding are met.

21.5 Acceptance of a Research Grant or Contract

When a grant or contract for R&D is offered to the Institution, it is the responsibility of the RBI to formally accept the award and together with Legal Services, where necessary, to negotiate the contract on behalf of the Institution. If the award notice is received by the principal investigator, they should forward the original to the RBI. Under no circumstances

should the Principal Investigator seek to sign a contract on behalf of the Institution.

Authorisation level for awards are < £1M Director RBI
> £1M COO
> £2M Board of Governors

21.6 Financial Management and Audit

Each R&D project will be allocated a specific project code and budget, and will have a named Principal Investigator. The Principal Investigator is to liaise with their Faculty or Directorate Finance Partner to verify appropriate accounting treatment of the award.

The Principal Investigator shall work with the RBI to ensure that all claims for reimbursement from the funding body are made on the due date.

Control of pay and non-pay expenditure will be contained within the budget centre assigned to the project. Any overspend or under-recovery of overheads, or unplanned tax cost is the responsibility of the budget centre with any loss being charged to departmental funds.

It is the responsibility of a designated member of the Finance Directorate to work with the PI to organise and co-ordinate any audits required by the funding body. In the event of such an audit being required, the services of an external professional firm will be engaged as advised by the Deputy Director of Finance.

21.7 Agreements for Grants and Contracts

Agreements for grants and contracts should be discussed with Legal Services. The resultant funding is subject to the Institution's Financial Regulations and procedures, as well as to any terms that the Institution has accepted in the agreement with the sponsor.

The Institution's subsidiary company, De Montfort Expertise Limited, exists to separate activities that amount to trading, from the charitable purpose of the Institution – that is, higher education, research and teaching. This ensures that trading activities do not breach the Charities Act 2011 and that the Institution continues to benefit from tax exemptions granted to charities.

All trading activities shall be contracted and administered through De Montfort Expertise Limited, whereas grants for R&D activities are generally contracted through the Institution.

Contracts for the sale of services should be issued under the standard terms and conditions of either the Institution or De Montfort Expertise Limited or be drafted on a bespoke basis by Legal Services, except where it has been agreed that alternative terms and conditions are to apply. If in doubt as to what form of contract is appropriate or which set of terms and

conditions should take precedence, please contact Legal Services for guidance.

21.8 Specific Responsibilities and Authorities in the Institution

21.8.1 Deans and Directors are responsible to the Vice-Chancellor for the administration of grants and contracts as part of the resources of their faculties and departments.

21.8.2 Deans and Directors are also responsible for examining all formal applications for R&D grants and contracts, prior to submission to RBI, in order to assess the benefits and risks to the Institution and to ensure that they can provide adequate resources to meet the obligations of the grant or contract if awarded. All proposals for grants and contracts shall be assessed in a form as approved by the Director of RBI, which shall include scrutiny of the cost, price, benefits and risks of undertaking the activity. Bids for R&D capital equipment will require the development of a business plan, for approval by the Dean or Director prior to submission of the bid to an external funding body.

21.8.3 The RBI is responsible for an initial assessment of the proposed activity and decision on whether the contract should be placed through De Montfort Expertise Limited or the Institution. Where necessary, specialist advice shall be sought from the Head of Legal Services and/or the Taxation Accountant, as appropriate.

21.8.4 The Pro-Vice-Chancellor for Research and Innovation is the Institution's authorised signatory for all R&D grant applications and awards, and other contracts related to research. However, he/she may delegate authority to the Director of RBI.

21.8.5 The Directors of De Montfort Expertise Limited (comprised of the Vice-Chancellor, the Pro-Vice-Chancellor for Research and Innovation, and the Director of RBI) shall be the authorized signatories for all commercial proposals, tenders and contracts for the sale of services which are undertaken through the Company.

21.8.6 The Director of RBI has overall responsibility for managing on behalf of the Institution the administrative support for R&D grants and contracts. The Director shall maintain appropriate administrative records relating to grants and contracts, and shall make reasonable efforts to initiate all claims for reimbursement from sponsoring bodies by the due date.

21.8.7 The Head of Legal Services shall retain the original signed versions of all contract documentation pertaining to R&D grants, Knowledge Exchange awards and similar agreements. Electronic copies of these documents will be stored in the Converis Research Information System.

21.8.8 Documentation related to the procurement of goods and services for R&D purposes shall be managed, stored, retrieved and, where appropriate, disposed of by staff in Procurement Services or Legal Services.

21.8.9 Principal Investigators are responsible for the management of their projects; for carrying out the work in accordance with the terms of the award; and for ensuring compliance with the Institution's relevant policies and procedures. They are also responsible for maintaining the records required to meet the scientific, technical and financial requirements of the sponsor. Principal Investigators shall immediately notify their Dean/ Director and the Director of RBI, if any significant variation to the terms of the award needs to be sought; or if issues occur that may materially affect the Institution or one of its subsidiary undertakings.

22 Other Income-generating Activity

22.1 Consultancies and Other Paid Work

Consultancy work undertaken by members of staff will normally be contracted through De Montfort Expertise Limited or another appropriate Institution subsidiary undertaking, following an assessment by RBI of the nature of the proposed activity. Such work may also be undertaken independently, including through a privately-owned company, subject to the requirements set out below.

Consultancy activity, in this context, is defined as a situation whereby a member of staff is engaged by a third party on a personal fee-for-service basis for the primary purpose of obtaining the benefit of professional knowledge, skills or expertise.

Any proposal which involves a personal payment to a member of staff must be supported by a schedule of names and values, and must be approved by the Head of Cost Centre. Payments in accordance with this schedule will be made through the Payroll and in line with the Institution's Pay Policy and guidelines.

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

Consultancies or other paid work will not be accepted without the consent of the member of staff's Head of Department / Head of School.

Applications for permission to undertake work as a purely private activity must be submitted to the member of staff's Head of Department / Head of School, and include the following information:

- The name of the member(s) of staff concerned.
- Title of the project and a brief description of the work involved.
- The proposed start date and duration of the work.

- Full details of any Institution resources required (for the calculation of the fEC).
- An undertaking that the work will not interfere with the normal Institution duties of the member(s) of staff concerned.

The Head of Department / Head of School may refuse to grant permission in situations where the proposed activity is considered inappropriate; where it is perceived that there is a conflict of interest; or where there may be VAT implications arising from the use of the Institution's facilities, including email or mail addresses, and for which no additional charge has been levied.

22.2 Short Courses, Conferences and Services Rendered

A short course is defined as any course that does not form part of the award-bearing teaching load of the faculty.

Any member of staff who wishes to run a short course or conference must have the permission of their Dean. The course/conference organizer will be responsible to the Dean for the day-to-day management of the course.

Short courses and conferences must be costed using the fEC methodology and priced on a basis as approved by the Institution, before any public commitments are made. Provision should be made for charging both direct and indirect costs, in accordance with the Institution's costing and pricing policy.

All courses/conferences should be self-financing or surplus-generating except in situations such as where the Dean approves a specific activity as a 'loss leader' (for example, it may form part of the launching of a new programme in the Institution).

Any deficits incurred on short courses and conferences will be charged to the appropriate budget of the sponsoring faculty.

The term 'services rendered' will include the provision of services such as: the routine testing and analysis of materials, components, processes and other laboratory services; the transfer of novel proprietary materials; feasibility studies; routine software development; and general purpose data collection.

22.3 Collaborative Provision including Franchising

Any contract or arrangement whereby the Institution provides education to students away from institution premises, or with the assistance of persons other than the Institution's own staff or with independent contractors (partner organizations), must be subject to the following procedure:

- There shall be a contract signed by the Vice-Chancellor, and on behalf of any partner organization, that shall comply with the funding

body model contract (as amended from time to time) and be in place before any provision is made.

- Contracts for significant changes in franchising activity, where costs exceed £1m in five years shall be approved by FHRC.
- The form of the contract shall be scrutinised in advance by FHRC.
- The impact of the contract(s) shall be subject to scrutiny by FHRC. They should consider the risk factors associated by the proposed collaboration, and approve appropriate entries in the Institution's financial forecasts for the appropriate periods of time.

Where the collaboration would represent a significant departure from the Institution's Strategic Plan, the Board of Governors shall approve the departure and, where necessary, the Vice-Chancellor shall seek the views of and inform HEFCE.

22.4 European Structural Funds (ERDF, ESF) and other grant proposals that require matched funding (e.g. Leverhulme Early Career Fellowships)

The Principal Investigator of a funding proposal for which matched funding will be required should seek the approval of the Dean of the faculty prior to any bid being made, or other financial commitment being entered into. Such approval shall be dependent upon the relevant Dean (or delegated authority) being able to demonstrate that eligible matching funds are available and that the project or fellowship is financially viable by the application of the Institution's costing and pricing policy.

If the Institution sub-contracts any such work to external providers, the relevant Dean of the faculty shall ensure that:

- This is on the basis of a written contract which allows for full audit access to detailed records;
- Appropriate monitoring procedures are in place to ensure that the outputs are achieved in the relevant timescales and that the provision is of suitable quality; and that
- Payments are only made against deliverables, and upon receipt of detailed claims including invoices as issued on the agreed dates.

22.5 Profitability and Recovery of Overheads

All 'other income-generating activities' should be self-financing or surplus-generating unless (for example) it is intended that a new course is to be launched as a 'loss leader'. If that is the case, the reason for it must be specified and agreed in advance by the Dean of the faculty and the Executive Director of Finance.

All 'other income-generating activities' should be costed and agreed with the Executive Director of Finance, before any commitments are made.

22.6 Deficits

Any unplanned deficits incurred in respect of 'other income-generating activities' will be charged to the appropriate budget in the relevant faculty.

23 General

- 23.1 Certain activities undertaken by staff within the Institution, including teaching, research and consultancy activities, may give rise to creative works such as new materials, software, designs and inventions. These are collectively known as intellectual property (IP).

As with physical property, there may be commercial value in IP, which can be monetized through, for example, licensing or sale of the economic rights to the IP. The Institution makes claims over the IP generated by its employees and students, full details of which are set out in its IP policy. A copy of the IP policy can be found on the RBI web pages (internal access only).

23.2 Intellectual Property Disclosures

Members of staff who have created IP are requested to contact RBI in order to complete an IP Disclosure Form. The RBI will work with the staff concerned to establish ownership of the IP; to ensure that the Institution is compliant with any terms and conditions imposed by the sponsor of the research that gave rise to the IP; and to ensure that any collaborator rights or third party rights are protected.

23.3 Patents

The Director of RBI is responsible for establishing procedures to deal with any patents accruing to the Institution from inventions and discoveries made by staff in the course of their research.

24 Expenditure

24.1 General

The Executive Director of Finance is responsible for making payments of all valid and authorised accounts to suppliers of goods and services to the Institution. He/she must approve all payment procedures.

All staff have a duty to seek best value for money for all expenditure.

24.2 Scheme of Delegation/Financial Authorities

Deans and Directors are responsible for purchases within their faculties and directorates. Purchasing authority may be delegated to named individuals within the faculty or directorate. In exercising this delegated authority, budget holders are required to observe the procurement and financial policies and procedures. Special attention should be given to the appropriate sections in the Institution's Scheme of Delegation, in Appendix I, which has been approved by the Board of Governors.

Deans and Directors may delegate financial authority to members of staff within their faculties or directorates to raise requisitions, initiate payments and, where permitted by the Financial Regulations, to contract with external organisations.

The Executive Director of Finance shall maintain the central Delegated Signatories Register. Deans and Directors should ensure that the Executive Director of Finance is informed at all times of the names, signatures, and the financial limits of those members of staff to whom and for which financial authority has been delegated, in accordance with the Delegation of Signatures Guidelines as advised by Finance, which can be accessed on the Finance [intranet](#).

The Executive Director of Finance (or his/her nominee) must be notified immediately, in accordance with the Guidelines, of any changes to commit expenditure to the authorities as held in the central Delegated Signatories Register.

It is important to note that budget holders are not authorised to commit the Institution to expenditure, without first reserving sufficient funds in their budgets to meet the purchase cost.

The authorised member of staff (or budget holder) authorising an invoice for payment must be different to the member of staff responsible for authorising the purchase order.

24.3 Procurement

The Institution requires that all staff involved in the procurement of goods and services irrespective of the source of funds, to obtain best value for money by purchasing supplies, equipment, fixtures, works and services at

the best value to the Institution (taking into account the total cost of acquisition and where appropriate, the whole life cost including disposal) consistent with quality, delivery requirements, sustainability and all relevant legislation and regulation, and in accordance with best business practice. Approved suppliers holding framework agreements or call off contracts with the Institution must be used wherever such agreements or contracts are in place.

All procurement activity must be carried out in accordance with the Institution's detailed purchasing procedures, which can be accessed via the Finance [intranet](#).

The Head of Procurement is responsible through the Executive Director of Finance to the Institution's Executive Board for:

- Ensuring that all staff involved in procurement and purchasing activities for the Institution are aware of and supported in complying with the purchasing policies and detailed procedures;
- Providing advice on matters of Institution procurement policy, strategy and practice;
- Providing professional procurement advice, support and assistance to faculties and directorates on all matters related to procurement and purchasing (including specific purchases);
- Establishing or adopting call off contracts and framework agreements as standing supply arrangements in order to enable the Institution to exploit the value added benefits of economies of scale and enable staff involved in procurement and purchasing activities, and in particular budget holders to meet their responsibilities to obtain best procurement value for money;
- Reviewing all purchase orders where the value is in excess of £10,000 excluding VAT created for the supply and provision of goods and services before they are released by the Institution;
- Ensuring that the correct process for obtaining competition is undertaken in accordance with paragraph 24.6 below and the Institution's purchasing procedures;
- Providing support and assistance in drafting and negotiating purchase contracts (generally where the value is in excess of £10,000 excluding VAT) undertaken by the Institution; and
- Ensuring that, where necessary the Institution complies with the Public Contracts Regulations 2015 as set out in the Institution's detailed purchasing procedures;
- Ensuring that all procurement contracts in excess of £10,000 excluding VAT in value are recorded on the Institution's Contracts Management and Database System and that, where appropriate, action is taken to review, renew or terminate contracts in a timely manner

24.4 Purchase Orders

The ordering of goods and services must be in accordance with the Institution's detailed purchasing procedures, which can be accessed via the Finance [intranet](#).

Official Institution orders must be created and placed for the purchase of all goods, works, and services before any instruction is given or commitment is made to any supplier/contractor, except where a purchase is being made using an Institution procurement card, corporate card or petty cash, or the Institution has authorised the use of a process that does not require an order to be created or placed.

In exceptional circumstances, urgent orders where the value of the purchase is below £1000 excluding VAT may be given verbally or by some other written means, provided that an emergency order number is obtained from Procurement Services prior to any commitment being made. Urgent/"emergency" orders in excess of £1000 including VAT may be placed using an emergency order in exceptional circumstances on the approval and authority of the Head of Procurement. All such orders must be confirmed by an official purchase order endorsed 'confirmation order only' **not later** than the following working day.

It is the responsibility of the person authorising and placing the order to ensure that:

- the order refers either to the Institution's conditions of contract or to the terms and conditions of a call off contract, framework agreement or a specific express contract appropriate or applicable to the purchase;
- no supplier or contractor proceeds to provide goods or services or undertake works unless and until it has received a properly authorised purchase order.

Unless the Institution has agreed that a process that does not require that an order should be placed with a specific supplier(s) or contractor(s), each and every invoice received must clearly quote the Institution's official purchase order number. Any invoice received that does not quote an official purchase order will be deemed to be in dispute and will be rejected and returned to the supplier or contractor concerned.

To enable the Institution to comply with the Public Contracts Regulations 2015 and make payment in the required time, suppliers/contractors are required to send invoices preferably via email to: financepayments@dmu.ac.uk, or if email is not possible by post to the following billing address:

**Payments Section,
Finance Department,
De Montfort University,
The Gateway,
Leicester.
LE1 9BH**

It is the responsibility of the person authorising and placing the order to ensure that the order provides clear instructions on invoicing procedures, and that the email address and billing address for billing purposes is included on the order, regardless of delivery address.

24.5 Procurement Cards

The operation and control of the Institution's procurement cards is the responsibility of the Head of Procurement, as delegated by the Executive Director of Finance. There will be appropriate oversight of the distribution of such cards and the associated card limits. The procedures in respect of the use of procurement cards are accessible on the Finance intranet.

Holders of procurement cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Such cards shall be used for the payment of valid Institutional business purposes only, and the misuse of such cards shall be grounds for disciplinary action. Procurement cards are for use of only of the named individual stated on the card. Procurement cardholders must not allow any other person to use the Card; must keep their PIN in strictest confidence and must request a new PIN immediately if the Cardholder believes that the security of the PIN has been compromised at any time. The procurement card must not be used for personal or private purchases under any circumstances.

Deans and Directors are responsible for ensuring that:

- A supervisor is nominated to monitor the use of the card or cards held by each cardholder in their faculty or directorate
- Cards are only used strictly and only for Institution purchases
- Cards must be used strictly in accordance with the Institution's policy and procedures for the use of procurement cards which prohibit the use of the procurement card for certain purposes.
- Cardholders can only use their procurement cards after receiving properly authorised requisitions, details of the correct budget code and assurance that sufficient funds are available to meet the cost of any purchase to be made using the card and
- In order to facilitate correct accounting and payment, cardholders must make prompt and accurate, monthly electronic and paper returns to the Finance Directorate in the approved format. Details of the approved form are available on the Finance intranet.

The Head of Procurement will suspend a procurement card immediately if it becomes clear that the card is not being used strictly in accordance with Institution's procurement card policies and procedures. He/she will also cancel a procurement card immediately if it is revealed that the card is being used wilfully in contravention of the Institution's procurement card policies and procedures or the Institution's procurement procedures, or if the use of the card is connected to a fraudulent transaction.

24.6 Competitive Procedures

The Institution requires that appropriate competitive procedures should be administered in order to ensure that goods, services and works are procured such that the Institution is able to demonstrate that:

- best value for money has been secured in its procurement and purchasing activities; and
- the procurement or purchase has been made in compliance with external regulations (and in particular the Public Contracts Regulations 2015) and the Institution's financial rules; and
- for the procurement or purchase of goods and services to support the delivery of research grant or contract outputs in accordance with any requirements or contractual obligations set out in the grant or contract; and
- the procurement or purchase has been made in accordance with the Institution's procurement policies and procedures.

For some purchases (and in particular repeat demand goods and services) a competitive process may have already been completed and a single approved supplier appointed to a standing supply arrangement (call off contract or framework agreement) as described below. In such circumstances:

- where a call off contract or single supplier framework agreement is used, a competitive process is not necessary and purchases may be made from that supplier/contractor without further competition; or
- where a framework agreement which has more than one supplier/contractor ("multi-supplier framework agreement") is used a further competition inviting all suppliers/contractors capable of meeting the requirement may be required.

The Institution's Procurement Procedures provides more information and details on the use of approved suppliers/contractors and the need for competition and reference should be made to the Procurement Procedures available on the Finance [intranet](#) before any competitive procedure is initiated.

Approved suppliers/contractors

An approved supplier or contractor is a supplier or contractor that has been selected to supply goods or services to, or undertake works for the Institution under the provisions of:

- a contract that has been awarded following the completion of a competitive process (usually an invitation to tender or, for lower value contracts, a request for quotation); or
- a single supplier/contractor call off contract following the completion of a competitive process (which may take the form of an invitation to tender or request for quotation process undertaken by the Institution; or a further competition to select a single supplier from a multi-supplier

framework agreement established by a collaborative procurement organisation, such as a Higher Education or local authority purchasing consortia or the Crown Commercial Services); or

- a multi-supplier/contractor standing supply arrangement (“framework agreement”) following a competitive process (usually an invitation to tender) completed by the Institution or by the Higher Education or local authority purchasing consortia or the Crown Commercial Services) and adopted by the Institution (in which case a further competition will generally be required).

Suppliers and contractors remain approved either for the period of the contract that has been awarded or for the period of the standing supply arrangement.

The inclusion of a supplier or contractor on the Institution’s supplier database does not mean that the supplier/contractor is approved.

Information and details of the Institution’s approved suppliers can be found on the Finance [intranet](#).

Standing supply arrangements

A standing supply arrangement is a call off contract or framework agreement that has been created following a competitive tender process (where necessary in compliance with the Public Contracts Regulations 2015/EU Public Procurement Directives) which sets out the terms and conditions (including the base price) applicable to the supply of goods and services or works included in the scope of the standing supply arrangement.

A standing supply arrangement can be created by:

- the Institution following the completion of a competitive process (usually an invitation to tender) in accordance with the Institution’s competitive processes where there is no approved supplier set out below; or
- a collaborative procurement organisation such as the Higher Education or local authority purchasing consortia or Crown Commercial Services and adopted by the Institution following (where necessary) the completion of a further competition (or “mini-competition”) process.

A **framework agreement** is a “standing offer” and:

- usually (but not exclusively) there is more than one approved supplier able to supply goods and services under the provisions of the framework agreement;
- the Institution does not commit to award any particular volume or value of business to the supplier;
- individual contracts are made when the Institution issues a purchase order to call off goods and services against the framework agreement.

- where there is more than one supplier on the framework agreement and the Institution does not wish to use the supplier that came first/scored highest in the original competitive process, the Institution must generally complete a mini –competition in order to make a compliant purchase against the framework agreement.

Where the Institution wishes to adopt a framework agreement created by a collaborative procurement organisation:

- the Head of Procurement is responsible for ensuring that the framework agreement is evaluated and confirming that the framework agreement will be used by the Institution;
- the Institution will generally seek to reduce the number of suppliers available for use for the procurement of goods or services within the scope of the framework agreement and will usually appoint a single supplier;
- where a single supplier is to be appointed and the supplier that came first in the original competition is not selected, a mini-competition process will be undertaken to select the supplier to be approved;
- where more than one supplier is to be awarded a framework agreement by the Institution a mini-competition process must be undertaken to select the suppliers to be included on the framework agreement;
- the Head of Procurement will be responsible for taking the lead role in the administration of the mini-competition process and will ensure that the process is compliant with the Public Contracts Regulations 2015 (EU Public Procurement Directives).

Where a purchaser or budget holder wishes to make a purchase using a framework agreement:

- where the framework agreement has been awarded to one supplier the purchaser or budget holder may proceed with a purchase of any value without further competition;
- where the framework agreement has been awarded to more than one supplier a mini competition must be administered for that individual purchase unless the supplier that came first in the original competition or the mini-competition is being used, or the value of the purchase is less than £5000 including VAT. If the value of the purchase is below this threshold the purchaser or budget holder may proceed to use any supplier on the framework agreement at their discretion.

Further details on how to use framework agreements can be found in the Institution's [Procurement Procedures](#).

A **call off contract** may also be a standing offer but unlike a framework agreement, there is always only one supplier/contractor and it:

- usually commits the Institution to purchase a certain volume or value of goods and services from the supplier/contractor over a certain period;

- is a legally binding contract in itself and purchase orders are used to confirm the detail of each call off (such as quantity, price and delivery date);
- sets prices that are agreed based on the volume of goods and services that the Institution has committed to purchase during the period stated in the contract (and the prices are usually discounted to reflect the volume and value that will be purchased);
- provides for compensation to be paid to the supplier/contractor if the volume and value is not called off by the Institution.

There can be more than one call off contract for particular goods, services or works.

A call off contract can be created by:

- the Institution following the completion of a competitive process (usually an invitation to tender) in accordance with the Institution's competitive processes where there is no approved supplier/contractor set out below;
- converting a framework agreement to a call off contract by appointing the supplier/contractor following (where necessary) the completion of a further competition (or "mini-competition") process.

Where a purchaser or budget holder wishes to make a purchase using a call off contract the purchaser or budget holder may proceed with a purchase of any value without further competition by placing a purchase order with the supplier/contractor.

Further details on how to use call off contracts can be found in the Institution's Procurement Procedures.

Competitive procedures where there are approved supplier/contractors

Where there is a single supplier/contractor call off contract or single supplier/contractor framework agreement for the goods, services or works required with one approved supplier/contractor no competition is necessary. Deans and Directors must ensure that all staff involved in the procurement or purchase of goods, services or works (including and in particular budget holders) are aware of and use the approved supplier/contractors.

Where there is a framework agreement in place with more than one supplier/contractor Deans and Directors must ensure that all staff involved in the procurement or purchase of goods, services or works (including and in particular budget holders) consider whether the goods, services or works required and the commercial terms associated with the procurement/purchase are:

- the same as those evaluated in the competitive process that led to the award of the framework agreement or not the same but the value of the

purchase is less than £5000 including VAT, the procurement/purchase may proceed as a direct contract award/purchase order without a further competition to the supplier/contractor that came first in the original competitive process for the framework agreement; or

- not the same as those evaluated in the competitive process that led to the award of the framework agreement and the value of the requirement is in excess of £5,000 including VAT a further competition inviting all of the supplier/contractors on the Framework Agreement.

Where it is intended that an order; a series of orders or a contract shall be placed with an approved supplier/contractor and the total value of the individual order; series of orders or contract exceeds £25,000 excluding VAT a contract award notice must be published on Contracts Finder. This is a statutory requirement which applies whether the procurement/purchase is made as a direct award or as a consequence of a further competition process.

Competitive procedures where there are no approved suppliers/contractors

Where there are no approved supplier/contractors for the goods, services or works required, Deans and Directors must ensure that all staff involved in the procurement or purchase of goods, services or works (including and in particular budget holders) are aware of and comply with the Institution's procurement procedures in relation to the invitation of tenders and request for quotations which, except for construction works and works consultancy commissioned by the Directorate of Estates and Commercial Services are as set out below.

When determining the value of the procurement or purchase the following must be considered:

- for repeat demand (or a series of purchases) of goods and services of the same or substantially the same specification, type or nature, from one or more supplier/contractors, the total value of the purchase aggregated over four years, where the period of time for which the goods or services are expected to be required cannot be determined, or the period for which it is known that the goods and services will be required;
- for a one off purchase or lease of goods (including software), the total value of the contract including support and maintenance for the period that it is intended that the goods will be used or, where the period cannot be determined, four years whichever is the longer;
- for a one off purchase of services, the total value of the contract for the period that the services will be supplied or are required or where the period cannot be determined, four years whichever is the longer.

Neither the volume or value of the purchases or the contract; the period within which the goods or services are required or the estimated period of

the contract or the scope of the contract shall be disaggregated to avoid compliance with the Institution's financial regulations and under no circumstances shall there be any such disaggregation in order to avoid compliance with the Public Contracts Regulations 2015/EU Procurement Directives (or any subsequent amendment to or re-enactment of the Public Contracts Regulations).

The procurement procedures that must be undertaken are linked to the financial value of the purchase, calculated in accordance with the provisions set out above and are as follows:

- individual/one time purchases or purchases where the value over the period of the contract, or where the period of the contract is not known the reasonably foreseeable value of the contract over 4 years is less than £10,000 excluding VAT the purchaser and budget holder shall determine whether to obtain quotations and shall be responsible for ensuring that value for money is obtained (and shall retain and produce evidence that value for money has been obtained when requested to do so);
- individual/one time purchases or purchases where the value over the period of the contract, or where the period of the contract is not known, the reasonably foreseeable value of the contract over 4 years is more than £10,000 excluding VAT but less than £25,000 excluding VAT the purchaser or the budget holder shall obtain at least three written quotations and shall retain evidence of the evaluation of the quotations undertaken in order to determine which supplier/contractor will be awarded the contract and provide evidence that the quotation that provides the best value for money has been selected;
- individual/one time purchases or purchases where the value over the period of the contract, or where the period of the contract is not known the reasonably foreseeable value of the contract over 4 years is more than £25,000 excluding VAT but less than £50,000 excluding VAT the purchaser or the budget holder must refer the purchase to the relevant Institutional Category Manager in Procurement Services before an action is taken to progress the procurement process, A call for competition notice must be published on Contracts Finder and. at least three written quotations should be sought. Purchasers and Category Managers shall retain evidence of the evaluation of the quotations undertaken in order to determine which supplier/contractor will be awarded the contract and provide evidence that the quotation that provides the best value for money has been selected. The Category Manager must publish a contract award decision notice on Contracts Finder upon completion of the competitive process;
- individual/one time purchases or purchases where the value over the period of the contract, or where the period of the contract is not known the reasonably foreseeable value of the contract over 4 years is more than £50,000 excluding VAT and below the then current financial threshold at which a competitive tender process that is compliant with the Public Contracts Regulations 2015/EU Public Procurement Directives is required, the purchaser or budget holder must refer the purchase to the relevant Institutional Category Manager in

Procurement Services before any action is taken to progress the procurement process. A procurement strategy will be agreed which will require that a call for competition notice is published on Contracts Finder and an invitation to tender process will be undertaken. A detailed commercial contract must be executed with the successful supplier/contractor and a contract award decision notice must be published on Contracts Finder within 10 working days of contract signature;

- individual/one time purchases or purchases where the value over the period of the contract, or where the period of the contract is not known the reasonably foreseeable value of the contract over 4 years is more than the then current financial threshold at which a competitive tender that is compliant with the Public Contracts Regulations 2015/EU Public Procurement Directives a procedure that meets the requirements of the Regulations/Directives shall apply and this will include publishing a call for competition notice for the requirement and the business opportunity in the Official Journal of the European Union (OJEU) and Contracts Finder. The purchaser or budget holder must refer the purchase to the relevant Institutional Category Manager in Procurement Services before any action is taken to progress the procurement process.

The financial thresholds and competitive processes for the procurement of construction works and construction works professional consultancy services commissioned by the Directorate of Estates and Commercial Services are available on the Finance [intranet](#).

For purchases contemplated where the value of the goods and services is expected to exceed £25,000 excluding VAT Deans and Directors are responsible for ensuring that the Head of Procurement or relevant Institution Category Manager is consulted at the earliest possible stage in the procurement cycle and in any event before any action is taken to obtain competitive quotations or tenders. Deans and Directors are also responsible for ensuring that activities are not undertaken to source suppliers/contractors other than for the purposes of undertaking bona-fide market research to determine potential sources for the supply of goods or services or completion of works that will meet the need. In particular Deans and Directors must ensure that no commitment or instruction is given to any supplier/contractor at any stage prior to the completion of the competitive tender process. Unless otherwise agreed by the Head of Procurement, all invitations to tender will be led and administered by Procurement.

For purchases contemplated where the value of the goods and services or works of the same or substantially equal specification is reasonably foreseen to be in excess of the then current financial threshold (excluding VAT) calculated using the formula set out above, at which a competitive tender in compliance with the Public Contracts Regulations/EU Public Procurement Directives, Deans and Directors are responsible for ensuring that the Head of Procurement or relevant Category Manager is consulted at the beginning of the procurement cycle and before any activities to source potential suppliers or contractors is undertaken, other than for the

purposes of undertaking bona-fide market research to obtain budget costs and specification. The competitive procurement process must be led and managed by the Head of Procurement or relevant Category Manager in order to comply with the requirements of the Regulations.

The main points covered by the Institution's Code of Tendering Practice, Appendix J may be subject to special rules imposed by funding bodies.

Further information on procurement processes, approved suppliers/contractors and procurement policy and procedures may be found on the Finance intranet.

24.7 **Non-Compliant Procurement**

The Executive Director of Finance recognises that in **exceptional** circumstances it may be impractical to apply fully the procurement procedures relating to the invitation of quotations and tenders.

Deans and Directors are responsible for ensuring communication with the Head of Procurement **immediately** it becomes clear that the standard procurement procedures relating to invitations to tender and requests for quotations may not be practical or possible or are unlikely to lead to best value for money.

Where a faculty or directorate is contemplating a purchase without competition/ without following the standard procedures relating to invitation to tenders or requests for quotations or the use of an approved supplier(s)/contractor(s) the purchase must be referred to the Head of Procurement for advice and guidance as far as possible in advance of obtaining costed proposals from the single supplier/contractor that the faculty or directorate is intending to use as possible. No instruction or commitment to proceed with the supply of goods or services should be given to any supplier/contractor unless and until a competitive process has been completed or approval to proceed without competition has been given by the Executive Director of Finance, generally acting on the recommendation of the Head of Procurement. Full details of the Single Supplier Request (which represents a request to waive the Financial Regulations concerning expenditure/purchasing) are available on the Finance [intranet](#).

The Head of Procurement will refer for explanation and justification, any Single Supplier Request or other purchase that deviates or seeks approval to deviate from the procurement procedures unnecessarily or where a request to deviate from the procurement procedures is made unnecessarily late in the procurement cycle (due to the absence of adequate planning or otherwise). In exceptional circumstances, where there is no alternative other than to proceed with a non-compliant purchase, the Head of Procurement will advise and assist staff in faculties and directorates to apply a procurement process that meets the Institution's objectives whilst deviating from the financial regulations and procurement procedures as little as possible.

However, deviations from the Institution's procurement procedures, and in particular, purchases without advertising and competition, will not:

- generally be considered where the value of the proposed purchase and contract, when calculated in accordance with the formula set out in section 24.10, exceeds £25,000 excluding VAT (the value at which the Institution is required to publish a call for competition notice for the requirement on Contracts Finder); or
- be considered under any circumstances where the value of the proposed purchase and contract, when calculated in accordance with the formula set out in section 24.10, exceeds or is reasonably foreseen to exceed the then current financial threshold at which a competitive process that is compliant with the Public Contracts Regulations 2015/EU Public Procurement Directives is required; or
- where compliance with specific procurement procedures is a condition of a research grant or contract .

24.8 Post-Tender Negotiations

Post-Tender negotiations (i.e. negotiations undertaken after the receipt of formal tenders but before the award and signing of contracts) are not permitted where the value of the contract exceeds the then current value at which a competitive tender has been undertaken in compliance with the Public Contracts Regulations 2015/EU Public Procurement Directives. Any post-tender activities contemplated for such tenders must be led, managed and administered by the Head of Procurement.

For competitive tender processes for purchases in the value range of £25,000 excluding VAT to the financial threshold at which a tender that is compliant with the Public Contracts Regulations 2015/EU Public Procurement Directives is required, competitive tender post-tender negotiations are permitted provided that the Head of Procurement or relevant Category Manager is either directly involved in the negotiations or has given express approval for the conduct of those negotiations.

Post-tender negotiations must only be undertaken where there is intent of improving, or a requirement to clarify price, delivery or any terms and conditions or benefits of the tender and shall only be considered or undertaken when:

- other tenderers are not disadvantaged by entering into post-tender negotiations;
- the integrity of the Institution's tender or other competitive process is not put at risk; and
- the Institution's reputation is not put at risk.

Wherever appropriate and possible, if post-tender negotiations are to be undertaken the opportunity to enter into the negotiations should be offered to all capable tenderers.

24.9 Contracts and Tenders for Building Works

Purchase orders and contracts for building works, involving construction, repair or maintenance must be initiated and processed through Estates Services.

The appointment of consultants and contractors for Estates works and maintenance must be in accordance with the procedures on the Estates intranet.

Compliance with relevant Regulations, and in particular the Public Contracts Regulations 2015, the achievement of best value for money and the principles of the Institution's Financial Regulations must be achieved for all contracts placed in accordance with the procedures.

In order to ensure that Tenders are evaluated appropriately a series of financial thresholds have been established as set out below which will determine who is able to evaluate and make appropriate recommendations to accept or otherwise tenders:

Up to £1million- Head of Projects;
Up to £3million- Deputy Director of Estates;
Up to £6million- Director of Estates; and
Above £6million- members of the Institution's Finance and HR Committee.

24.10 Public Contracts Regulations 2015 /EU Public Procurement Directives

Deans and Directors are responsible ensuring that the Head of Procurement is fully supported in ensuring that the Institution complies with its statutory and legislative obligations as set out in the EU Public Procurement Directives and engrossed into the laws of England, Wales and Northern Ireland by the Public Contracts Regulations 2015. These regulations apply to contracts for all forms of procurement, purchase, lease or hire (whether or not hire purchase) where:

- the requirement cannot be fulfilled by means of using an approved supplier/contractor and a call off contract or framework agreement that has been awarded following the completion of a competitive process that was compliant with the Regulations; and
- the reasonably foreseeable value of the proposed contract (either as a single contract or calculated over the contract period (where it is known) or a period of four years (where the contract period cannot be determined) for repeat demand goods and services) exceeds £25,000 excluding VAT (in which case the Institution is obliged to publish a call for competition notice in Contracts Finder; or
- the reasonably foreseeable value of the proposed contract (either as a single contract or calculated over the contract period (where it is known) or a period of 4 years (where the contract period cannot be determined) for repeat demand goods and services) exceeds the then

current value at which a competitive tender that is fully compliant with the regulations is required.

The financial threshold at which a fully compliant competitive process is required are revised and published on a bi-annual basis.

The financial thresholds that currently apply to “above financial threshold” contracts and procurement can be found on the Finance [intranet](#). A breach of the Public Contracts Regulations as they apply to above financial threshold contracts and procurements is actionable by a supplier/contractor or potential supplier/contractor, which could result in a contract that has been awarded being declared ineffective and substantial cost and reputational damage to the Institution.

It is the responsibility of Deans and Directors to ensure that their members of staff comply with the Public Contract Regulations 2015/EU Public Procurement Directives by notifying the Head of Procurement of any purchase that is being contemplated that is likely to exceed the financial thresholds referenced set out in this financial regulation 24.10 where a fully compliant competitive procurement process is required to be completed. This notification must be received well in advance of the date at which the contract needs to be placed in order to ensure that the process can be completed in accordance with the statutory minimum timescales and procedures set out in the regulations.

24.11 Receipt of Goods and Services

It is the responsibility of the requisitioner/purchaser to ensure that all goods and services and works are properly received and accepted and that the receipt and acceptance is recorded promptly and without undue delay on the Institution’s finance system. By receiving and accepting the goods, services or works the recipient is confirming that the correct quantities of goods, services or works has been delivered and have been accepted by the recipient as being in accordance with the contract, including as being of satisfactory quality; fit for purpose and compliant with specification. A delivery note shall be obtained from the supplier/contractor at the time of delivery and signed by the person receiving the goods or accepting the services or works.

If the goods, services or works are deemed to be unsatisfactory by the recipient, they should be rejected and the recipient must notify the faculty or directorate finance administrator and, where appropriate the relevant Institution Category Manager. The supplier/contractor must also be notified immediately by either the recipient, the faculty or directorate finance administrator or the Category Manager and instructions shall be given to the supplier/contractor to collect and replace goods; re-provide services or rectify the works or the supplier/contractor must be given written notice that the purchase order is cancelled and/or the contract is terminated.

Where the quantity of goods or services or works deliverables do not correlate with the quantities or details set out on the purchase order or in

the contract the recipient is responsible for notifying the faculty or directorate finance administrator as to whether the recipient wishes to:

- accept an under delivery and close the order/contract, in which case the recipient or the faculty or directorate finance administrator will notify the supplier/contractor immediately; or
- obtain budget authority to accept an over delivery, in which case the faculty or directorate finance administrator will ensure that any necessary budget authorisation is obtained and amendments made to the purchase order to enable the goods, services or works to be receipted. Recipients. The recipient or the faculty or directorate finance administrator should notify the supplier/contractor immediately that an over delivery has been made and follow that up with a notification that the over delivery is being rejected or accepted at the earliest opportunity. The goods; services or works should not be receipted on the finance systems until the decision has been made to reject or accept the additional quantities of goods or services or works deliverables has been made.

All purchases of goods, services and works must have more than one person involved in the procurement process. The person receiving goods, services or works on behalf of the Institution must ensure that at least one other person has been involved in the procurement process on the basis that the person that has requisitioned the goods, services or works cannot also be the faculty or directorate finance administrator or person that reviewed the requisition and the person that approves the budget for the purchase.

24.12 Payment of Invoices

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

The Executive Director of Finance is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers/contractors will normally be made by BACS transfer each month with a weekly run for special urgent payments. In exceptional circumstances cheques will be prepared manually for urgent payments.

Deans and Directors are responsible for ensuring that expenditure within their faculties/directorates does not exceed the funds available.

Suppliers/contractors must be instructed by the faculty or directorate finance administrator to submit invoices for goods, services or works to the Finance Directorate for registering onto the finance system.

Suppliers/contractors must also be instructed by the faculty or directorate finance administrator that a purchase order must be quoted on all invoices and that any invoices received by the Institution that do not state a valid purchase order will be rejected and returned.

Where the invoice matches with the purchase order and the goods; services or works have been marked as received by the recipient of the goods, services or works the invoice will be paid.

Any invoices that do not match with the purchase order will be “parked” and it is the responsibility of the relevant faculty or directorate finance administrator to “troubleshoot” and resolve the discrepancy.

Where invoices are not disputed the faculty/directorate finance administrators must ensure that requisitions are created to make relevant amendments to purchase orders and that the amendments are authorised by the budget holder promptly and such that the invoice matches with the purchase order and is cleared for payment within 30 days from the date of receipt of the invoice so as to ensure that the Institution complies with the requirements of the Public Contracts Regulations 2015 as they apply to payment terms (as set out below).

Where an invoice is disputed the supplier/contractor must be notified immediately in writing prompt action must be taken to resolve any disputes at the earliest opportunity.

Care must be taken by the budget holder to ensure that any discounts receivable are obtained.

Payments will only be made by the Executive Director of Finance against invoices that have been properly matched to a receipted order on the finance system or, in exceptional circumstances have been certified for payment by the appropriate Dean or Director or budget holder.

By confirming receipt of goods, services or works on the finance system or otherwise certifying an invoice for payment the person receiving the goods, services or works or certifying the invoice is confirming that:

- the goods or services or works deliverables have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory
- where appropriate, it is the goods, services or works match to the order and/or the contract
- where an invoice is being certified, the invoice details (quantity, price discount) are correct
- where an invoice is being certified, the invoice is arithmetically correct
- where an invoice is being certified, the invoice has not previously been passed for payment
- where appropriate, an entry has been made on a stores record; faculty or directorate inventory or the appropriate fixed asset register maintained by the Institution
- where an invoice is being certified, an appropriate cost centre is quoted; this must be one of the cost centre codes included in the budget holder’s areas of responsibility and must correspond with the types of goods, services or works described on the invoice.

Public Contracts Regulation 2015

The Institution is required to comply with the 2015 Regulations in ensuring that payments to suppliers/contractors are made within 30 days of receipt of a 'valid and undisputed' invoice (Regulation 113).

To enable the Institution to comply with the regulations and make payment in the required time, suppliers/contractors are required to send their invoices preferably by email to financepayments@dmu.ac.uk, or if email is not an option, to the following billing address:

**Payments Section,
Finance Department,
De Montfort University,
The Gateway,
Leicester.
LE1 9BH.**

Purchase orders issued by DMU must clearly state the email and invoice address for billing purposes, regardless of delivery address.

24.13 Staff Reimbursement

The Institution's procurement and payments procedures are in place to enable the majority of non-pay supplies and services to be procured through the creditors' system or by using a Procurement Card without staff having to incur any personal expense.

However, on occasions, and within strict guidelines, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement.

Full details of the circumstances, policy and procedures are contained within the Staff Business Expenses Policy on the [intranet](#).

24.14 Corporate Credit Cards

Where appropriate, an Executive Board member will approve the issuing of corporate credit cards to staff. Such credit cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. The Executive Director of Finance will be responsible for setting in place procedures to monitor the use of corporate credit cards and to account for the expenses charged through them.

The Corporate Credit Card Policy is available on the [intranet](#).

24.15 Petty Cash

Where a single item is for less than £30 including VAT, it should be paid from departmental petty cash if possible; expenditure must be supported by receipts or vouchers where available.

The Executive Director of Finance shall make available to departments such imprest floats as are considered necessary for the disbursements of petty cash expenses. However, it is important for security purposes that such petty cash imprest floats are kept to a minimum.

Requisitions for reimbursements must be sent to the Cash Office, together with appropriate receipts or vouchers, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.

The member of staff granted a float is personally responsible for its safe-keeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the Institution's insurers when not in use and may be subject to periodic checks by the Dean/Director or another person nominated by him/her, or Auditors at any time.

At the end of the financial year, a certificate of the balances held should be completed by the member of staff responsible for the float, counter-signed by the Dean/Director and submitted to Finance in accordance with the published Annual Accounts deadlines.

24.16 Other Payments

Payments for maintenance and other items to students on behalf of sponsoring organisations shall be made on the authority of the Executive Director of Finance, supported by detailed claims approved by the Dean or his/her delegated authority.

Individual payments under 'outward collaborative provision' contracts shall be authorised by the Executive Director of Finance. This authority shall be on the basis that the payment represents a bona fide element of a contract.

24.17 Late Payment Rules

The Late Payment of Debts (Interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:

- small businesses can charge interest on overdue invoices
- interest is chargeable on sales made after 1 November 1998

- the rate of simple interest is currently 8% per annum above the official daily rate of the Bank of England
- the Act also applies to overseas organisations
- the Institution can be sued for non-payment.

In view of the penalties in this Act, the Board of Governors requires that invoices must be authorised and passed for payment as soon as they are received.

24.18 Giving Hospitality

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

The detailed Policy in respect of the provision of hospitality and entertaining by staff is set out in the separate policy.

In certain circumstances, as specified in the above document, staff must obtain written approval from their line manager or designated authority, prior to incurring any expenditure in respect of hospitality or entertaining.

It is an offence under section 7 of the Bribery Act 2010 for commercial organisations to fail to prevent persons associated with them from bribing another person on their behalf. The Institution's Policy in Respect of the Prevention of Bribery and Corruption can be found in Appendix G.

24.19 Telecoms

The Institution will reimburse staff for the cost of necessary business calls made from a private home phone or personal mobile in performance of employment duties.

The Institution does not reimburse the cost of private line rental or broadband connections.

The Institution provides mobile phones or i-pads/tablets to a limited number of employees, where there is a genuine business requirement to enable performance of employment duties. These must not be used for private purposes.

24.20 Provision of Clothing

Where clothing is provided to employees, whose duties require them to wear a uniform or other regulation clothing, that clothing must bear an Institution logo. The logo must be permanent and clearly identify the wearer as a member of staff.

24.21 Service Concessions

A service concession is a contractual agreement that the Institution may have with a private sector provider whereby the latter constructs or upgrades an asset, and operates and maintains it over a period of time, subject to performance standards. Specific criteria need to be satisfied in order for an arrangement to be classified as a Service Concession. Examples might be student accommodation contracts, nomination agreements or services such as catering and the book store.

In these cases specific accounting treatment may be required.

Whilst as of June 2016 there no service concessions identified any potential agreements that could qualify as a service concession needs to be reviewed by the Finance Directorate before awarding the contract.

24.22 Lease Arrangements

Deans and Directors are responsible for ensuring that Finance is contacted if any contract that is being contemplated or awarded comprises of, or might qualify as a lease and for ensuring that lease contracts are not signed without the prior authority of the Executive Director of Finance.

25 Pay Expenditure

25.1 Remuneration Policy

All Institution staff will be appointed to the salary scale and conditions of service approved by the Board of Governors and in accordance with University Pay Policy and Guidelines. All letters of appointment must be issued by People & Organisational Development (POD).

The Board of Governors, through FHRC, will determine what other benefits, such as cars, medical and life insurance, are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available.

Salaries and other benefits for senior staff will be determined by the Remuneration Committee.

25.2 Appointment of Staff

All contracts of service shall be concluded in accordance with the Institution's approved human resources policies, practices and procedures; all offers of employment with the Institution shall be made in writing by the Executive Director of POD. Budget holders must ensure that the Executive Director of Finance and the Executive Director of POD are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

25.3 Salaries and Wages

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

The Executive Director of POD will be responsible for keeping the Executive Director of Finance informed of all matters relating to human resources for payroll purposes. In particular these include:

- appointments, resignations, dismissals, supervisions, secondments and transfers;
- absences from duty for sickness or other reason, apart from approved leave
- changes in remuneration including normal increments and pay awards;
- information necessary to maintain records of service for superannuation, income tax and national insurance;
- visa checks where relevant in accordance with legislative requirements.

The Executive Director of Finance is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.

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

All payments must be made in accordance with the Institution's detailed payroll procedures and comply with HM Revenue & Customs Regulations. Staff should be aware that the Institution could incur penalties for non-compliance with such Regulations.

It is to note that no advances on account of the payment of salaries or wages, prior to their due payment date, will be made to employees of the Institution in any circumstance.

25.4 Pension Schemes

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

The Executive Director of Finance is responsible for day-to-day pensions matters, including:

- paying contributions to authorised pension schemes
- preparing the annual return to the pension schemes

The Executive Director of Finance is responsible for administering eligibility to pension arrangements.

25.5 Travel, Subsistence and Other Staff Allowances

All claims for payment of subsistence allowances, travelling and incidental expenses must be made in accordance with the Institution's Staff Business Expenses Policy on the [intranet](#), and should be completed in a form approved by the Executive Director of Finance.

All claims by members of staff must be authorised by their line manager or designated authority. The certification on the claim by the line manager or designated authority shall be taken to mean that:

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

25.6 Overseas Travel

All arrangements for overseas travel must be in accordance with the separate document, Staff Business Expenses Policy on the [intranet](#).

Any approvals required must be obtained in advance of committing the Institution to those arrangements or confirmation of any travel bookings.

Where spouses, partners or other persons unconnected with the Institution intend to participate in a trip, this must be clearly identified and approved in advance; approval must be in writing and retained in the cost centre for audit purposes. The Institution must receive reimbursement for the expected costs it may be asked to cover for those persons, in advance of confirming travel bookings.

Policy is not to pay or reimburse travel costs beyond those that would have been incurred by a member of staff travelling on their own on University business.

Where the Institution's equipment is taken overseas, appropriate arrangements for security and insurance must be in place.

25.7 Allowances for Members of the Board of Governors and Sub Committees

Lay members of the Board of Governors and its Sub Committees do not receive remuneration.

Claims may be made in respect of the reimbursement of reasonable travel expenses, which are incurred by members of the Board or its Sub Committees during the course of attending Institution meetings or participating in any other events in order to carry out their duties. The modes of travel which are acceptable for reimbursement are first class rail, private car at current staff mileage rates and taxi (where appropriate). Any claim for reimbursement of travel expenses, together with receipts where appropriate, should be presented to the Clerk to the Board for approval for payment.

Where the partner of a member of the Board of Governors or Sub Committee has been invited to participate in an Institution function, following prior approval from the Clerk to the Board, a claim may also be presented for reimbursement of their travel expenses.

Any overnight accommodation required by a member of the Board of Governors or Sub Committee during the course of their duties will need to be arranged through the Institution in advance, via the Office of the Clerk to the Board.

25.8 Severance and Other Non-Recurring Payments

Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the Board of Governors through FHRC and the Human Resources Committee. Professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments shall be in

line with the university's Redundancy Payments Policy as amended from time to time. All such payments shall be authorised by the Vice-Chancellor or his nominee, and calculations verified by the Executive Director of POD or the Executive Director of Finance or their nominees.

Amounts paid are declared in the financial statements of the Institution, as required by HEFCE.

Any matters referred to an employment tribunal shall be notified to FHRC at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

26 Assets

Please refer to the Asset Management policy in **Appendix K** and the Asset Capitalisation Policy in Appendix L.

26.1 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 HEFCE requirements where exchequer-funded assets or exchequer funds are involved.

- a. Acquisition of land and property up to £500k can be approved by CCPG. Acquisitions exceeding £500k up to £1m are to be submitted to CCPG and FHRC. Full board approval is required where expenditure exceeds £1m.
- b. In respect of leases, agreements for leases, easements, transfers, statutory agreements and nomination agreements up to £500k, CCPG approval is required. In excess of £500k up to £1m requires CCPG and FHRC approval. Full board approval is required where expenditure exceeds £1m.

26.2 Fixed Asset Registers

The Director of Estates is responsible for maintaining the Institution's register of and proper security for all land, buildings and fixed plant machinery.

The Executive Director of Finance will maintain an Accounting Register in Finance of land, buildings, fixtures and equipment in order to meet the Institution's Accounting Policies and Procedures in respect of tangible fixed assets, reference Fixed Assets. Deans and Directors should provide the Executive Director of Finance with any information that may be required in order to maintain the Register in Finance.

26.3 Inventories

Deans and Directors are responsible for maintaining inventories, in a form prescribed by the Executive Director of Finance, for all plant, equipment and furniture procured in their faculties and directorates. The minimum inventory requirements are to record individual items with an original purchase price/value of £1,000 or over (including VAT), groups of assets (under common management control) with an original collective cost of £1,000 or over (including VAT), and lower priced 'attractive' items which may easily be misappropriated, or hold confidential information, such as laptop computers, tablets, mobile phones and encrypted USB sticks. The inventory must include items donated or held on trust. Assets must be recorded in accordance with the Asset Inventory Recording Guidelines which includes instructions on the tagging of item, new additions and procedure for disposal.

Inventories must be checked at least annually in all faculties and directorates to confirm adherence to policies and to ensure the overall university record is complete.

When transferring equipment that meets this criteria between faculties/directorates, a transfer record must be kept and the inventory records amended accordingly.

Inventory registers in faculties and directorates may be subject to audit at any time.

26.4 Stocks and Stores

Deans and Directors are responsible for establishing adequate arrangements for the custody, control and recording of stocks and stores within their faculties/directorates.

Deans and Directors are also responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.

Stores held should not be in excess of reasonable requirements and periodic reviews should be undertaken with a view to reducing the number of slow moving or obsolete items.

Those Deans and Directors, whose stocks require valuation in the balance sheet, must ensure that the stock-taking procedures in place have the approval of the Executive Director of Finance and that appropriate instructions are issued to the responsible staff within their faculties/directorates. At the end of each financial year, the Executive Director of Finance shall be notified of the quantity and value of all stores and stocks in hand which need inclusion in the balance sheet.

26.5 Safeguarding Assets

Whilst all university personnel have a responsibility for their security and that of university assets, Deans and Directors are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, and any other university owned assets under their control. They should ensure that both they and their staff comply with the De Montfort university Security Policy.

Deans/Directors should consult the Head of Legal Services in the event of theft. In any circumstance where they believe that there may be breaches of security or where they believe that special security arrangements may be required for any items under their control (which are either on or off campus) they may contact the Head of Security.

Assets owned by the Institution shall be effectively marked to identify them as Institution property. Deans and Directors should ensure that they have

a list of all assets under their control and conduct regular audits of those items.

26.6 Personal Use of Assets

Assets owned or leased by the Institution shall not be subject to personal use without the knowledge and written authorisation from the relevant Dean or Director.

Any properly authorised assets, which have been purchased by the Institution and are offsite in the custody of a member of staff, must be returned immediately upon request and in any case either when the member of staff has finished using for business of the Institution or when the person ceases employment, whichever event is earlier.

26.7 Disposal of Assets

Disposal of land and buildings must only take place with the authorisation of the Board of Governors. The consent of HEFCE may also be required if exchequer funds were involved in the acquisition of the asset. £500k can be approved by CCPG, unless the asset is being sold at a loss. Any disposal of land and property at a loss is to be submitted to CCPG and FHRC, followed by a full board decision. Disposals exceeding £500k up to £1m are submitted to CCPG and FHRC. Full board approval is required where this exceeds £1m.

Any disposal of equipment and furniture must be in accordance with the procedures contained in Finance's detailed financial procedures.

Deans and Directors are responsible for ensuring that any furniture or equipment, surplus to requirements in their faculties/directorates, may not usefully be redeployed within the Institution before considering disposal outside.

Any disposal of IT equipment must be in accordance with the relevant ITMS Policy and Procedures.

Details of any disposal of equipment or furniture must be communicated to Finance at the earliest opportunity. Faculties and directorates should note that they do not automatically retain the sale proceeds, in the event of a sale of an asset which they purchased originally, through their own budget. Any sale proceeds will belong to the Institution and will be applied for the corporate benefit.

26.8 All Other Assets

Deans and Directors are responsible for establishing adequate arrangements for the custody and control of all other assets under their control and owned by the Institution, whether tangible (such as stock) or intangible (such as intellectual property), including electronic data.

In respect of potential gifts of equipment to the Institution, with a current value of £5,000 or more, written approval is required from the Vice-Chancellor or Deputy Vice-Chancellor, prior to acceptance. For potential gifts of lower value, the written approval of the Dean of the relevant Faculty is acceptable. The relevant Dean is responsible to ensure that any health or safety requirements, relating to the specific gift of equipment, are complied with.

All donated assets should be listed in the relevant faculty/directorate for audit purposes and may need to be valued for inclusion in the university's financial accounts.

27 Funds Held on Trust

27.1 General

The Executive Director of Finance is responsible for ensuring that any incoming funds are properly classified and designated as appropriate.

27.2 Gifts, Benefactions and Donations

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

27.3 Student Welfare and Access Funds

The Executive Director of Finance will prescribe the format for recording the use of student welfare and access funds.

Records of access funds will be maintained according to HEFCE requirements.

27.4 Endowed Prize and Scholarships Funds

The Director of Advancement is responsible for maintaining the documents in respect of the donor's requirements for each fund.

The Dean of the relevant Faculty is responsible for ensuring that the awards to students of scholarships and prizes in respect of the Faculty are in accordance with the wishes of the donors.

The Executive Director of Finance is responsible for maintaining the central financial records for each fund, and for preparing regular financial reports in respect of the receipt and disbursements of scholarships and prizes, and the control and investment of the balances in the funds.

FHRC is responsible for ensuring that all the Institution's trust funds are operated within any relevant legislation. They will also be responsible for determining financial policy in respect of the investment of fund balances.

28 Other

28.1 Insurance

The Executive Director of Finance, through the Head of Procurement, is responsible for the Institution's insurance arrangements, including the provision of advice on the types of cover available.

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

The Head of Procurement should:

- arrange insurance cover as determined by the Executive Director of Finance
- solely deal with the Institution's insurers and advisors about specific insurance problems
- obtain tenders and quotations to establish the value for money of the cover
- negotiate or arrange for the negotiation of insurance claims taking into account, where necessary, advice from the Head of Legal Affairs
- notify the Institution's insurers of any events that might give rise to a claim
- deal with the Institution's insurers, other advisers and Legal Affairs about specific insurance problems
- consult Deans and Directors and the Head of Health and Safety within the Institution in order to:
 - record and maintain details of plant and other equipment which is subject to inspection by an insurance company
 - arrange the insurance of that plant and equipment
 - ensure that inspection of that plant and equipment is carried out
 - maintain records of insurance cover
 - maintain records of claims.

Deans and Directors must ensure that their staff:

- arrange timely consultation with the Executive Director of Finance, through the Head of Procurement, in order to ensure that there is adequate insurance cover for the liabilities in all agreements negotiated in their faculties/directorates, whether for sale, purchase, research, franchise, education, research, income generation, property or other purposes
- notify the Executive Director of Finance, through the Head of Procurement, of any potential new risks, additional property and equipment that may require insurance and of any alterations of circumstances that effect existing risks

- notify the Executive Director of Finance immediately, through the Head of Procurement, if or when they become or are made aware of any event that might give rise to an insurance claim
- provide full and prompt support to the Head of Procurement in reply to all enquiries in respect of insurance renewals, risks, liabilities and claims.

All staff using their own vehicles on behalf of the Institution must maintain their own insurance cover for business use.

All staff using hired vehicles on behalf of the Institution should ensure that details of every hire are sent to the Head of Procurement either by the hire company or from their own office within five working days of each hire.

The Institution will accept no liability for loss or damage to personal property. This statement applies *inter alia* to vehicles and their contents parked on the Institution's premises.

28.2 Companies, Joint Ventures and Consortium Arrangements

In certain circumstances it may be advantageous to the Institution to establish a company, joint venture or consortium arrangement to undertake services on behalf of the Institution, either in the UK or overseas. Any member of staff considering the use of such arrangements should first seek the advice of the Executive Director of Finance, with regard to consideration of the financial issues involved. The Director should accordingly have regard to any relevant guidance issued by HEFCE, taxation legislation, and any specific 'financial due diligence' required.

The Board of Governors is responsible for approving the establishment of all companies, joint ventures or consortiums, and the protocols and procedures to be followed in order to do so. Again the Board will have regard to any guidance provided by HEFCE.

It is the responsibility of the Vice-Chancellor, acting for the Board of Governors, to appoint directors of companies wholly or partly owned by the Institution.

The directors of companies, where the Institution is the majority shareholder, must submit, via FHRC, an annual report to the Board. They should also submit business plans or budgets as requested to enable FHRC to assess the risk to the Institution. The Institution's Internal and External Auditors shall also be appointed to such companies.

Where the Institution is the majority share-holder in a company, that company's financial year must be consistent with that of the Institution.

All original investment certificates in respect of any holdings of the Institution in companies, joint ventures, consortiums or intellectual property spin-out companies, must be lodged with Legal Services for safe-keeping.

Finance maintains a Finance Register in respect of holdings of the Institution, for the purposes of the Institution's Annual Financial Statements and audit. Any information requested for this, must be provided.

28.3 Spin-out Companies

With regard to the establishment of intellectual property based spin-out companies, if a member of staff identifies any potential opportunities in their faculty/directorate, they should immediately contact the Director of RBI, in order that appropriate guidance is provided 'on how to proceed'.

28.4 Security

Security Policy

The Institution has a Security Policy.

This Security Policy seeks to formulise a cohesive and integrated approach to security throughout the Institution; all staff must comply with the Policy and procedures within, paying particular attention to those issues relevant to their activities.

Deans and Directors have a key role in promoting security in their areas. Any enquiries, in respect of the day to day operations and implementation of security policy and procedures in a faculty/directorate, should be addressed in the first instance to the Dean/Director or their nominated individual in the faculty/directorate.

Security of Safes and Contents

It is important to note that keys to safes or other similar containers, which contain monies, corporate/purchasing cards, confidential documents or documents which constitute title to property of the Institution, must be kept securely at all times. The loss of such keys must be reported immediately to the appropriate member of staff's line manager.

Information Technology and Data Security

Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act 1998. The Institution has set out a Policy and procedure in order to comply with the Act. All staff should ensure that they are aware of the requirements of the Policy.

The Director of ITMS is registered with the ICO (Information Commissioners Office) as the person responsible for Data Protection and has corporate responsibility for compliance with the Data Protection Act 1998 and for notifying the university to the ICO's Register of Data Controllers. Responsibility for the day to day compliance with the Act lies

with the Information Governance Manager in ITMS, and queries should be addressed there in the first instance.

All staff in the Institution should also familiarise themselves with the Institution's procedures in respect of compliance with the Freedom of Information (FOI) Act 2000. The University FOI Coordinator is the Director of ITMS. Responsibility for the day to day compliance with the Act lies with the Information Governance Manager in ITMS, and queries should be addressed there in the first instance.

Document Storage and Security

The Head of Governance and Legal Services/Clerk to the Board of Governors is responsible for ensuring that procedures are in place for the safekeeping of official and legal documents relating to the Institution. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Head of Governance and Legal Services. All such documents must be held in an appropriately secure, fireproof location and copies held at a separate location.

28.5 Students' Union

The Students' Union is a separate legal entity from the Institution. It is a limited company, and as such, has its own Memorandum and Articles of Association.

The Union fulfils a valuable role in relation to the provision of support services and activities to the Institution's students.

Subject to any constraints imposed by HEFCE, the Board of Governors of the Institution shall determine the level of grant to be paid annually by the Institution to the Students' Union. The Board of Governors requires the Union to provide information to the Institution, in respect of details of its proposed budget, in order to assist in determining the appropriate level of grant to be payable in the coming financial year.

The Students' Union is responsible for maintaining its own bank accounts and financial records and for preparing its own annual financial statements. The Union appoints its own auditors.

As agreed between the Institution and the Students' Union, the Union will provide statements of income and expenditure to the Executive Director of Finance and FHRC on request, for information purposes only.

At the accounting year end, the Students' Union financial statements will be audited by an appropriately qualified firm of auditors and will be presented to FHRC for information only.

28.6 Use of the Institution's Seal

Where a deed or document requires the Institution's seal, it must be sealed by the Clerk to the Board and signed by two members of the Board of Governors (one of whom will normally be the Vice-Chancellor).

The Clerk to the Board is responsible for the security of the Institution's seal.

The Clerk to the Board is also responsible for submitting a report to each meeting of the Board of Governors detailing the use of the Institution's seal since the last meeting.

28.7 Provision of Indemnities

Any member of staff asked to give an indemnity, for whatever purpose, should consult the Executive Director of Finance before any such indemnity is given.

APPENDICES

The following appendices provide supplementary information that forms an integral part of these regulations:

APPENDIX A: PROTOCOLS IN RESPECT OF 'SERIOUS INCIDENT REPORTING'

APPENDIX B: ANTI-FRAUD POLICY

APPENDIX C: RISK MANAGEMENT POLICY

APPENDIX D: THE SEVEN PRINCIPLES OF PUBLIC LIFE

APPENDIX E: STATEMENT OF POLICY AND PROCEDURE ON CONFLICT OF INTEREST

- ANNEX 1- EXAMPLES OF CONFLICT OF INTEREST

APPENDIX F: ANTI-MONEY LAUNDERING POLICY

- ANNEX 1- MONEY LAUNDERING AND STUDENT FEES
- ANNEX 2- RISK FACTORS RELATED TO POSSIBLE MONEY LAUNDERING
- ANNEX 3- SUSPECTED MONEY LAUNDERING
- ANNEX 4- MONEY LAUNDERING REPORTING

APPENDIX G: POLICY IN RESPECT OF THE PREVENTION OF BRIBERY AND CORRUPTION

APPENDIX H: BAD DEBT WRITE OFF POLICY

APPENDIX I: SCHEME OF DELEGATION

APPENDIX J: MAIN POINTS INCLUDED IN THE INSTITUTION'S CODE OF TENDERING PRACTICE

APPENDIX K: ASSET MANAGEMENT POLICY

- ANNEX 1- ASSET INVENTORY RECORDING GUIDELINES
- ANNEX 2- ASSETS RECORDED BY ITMS AND ESTATES

APPENDIX L: ASSET CAPITALISATION POLICY

APPENDIX A: PROTOCOLS IN RESPECT OF ‘SERIOUS INCIDENT REPORTING’

Important Requirement by Higher Education Funding Council for England (HEFCE) for Higher Education Institutions (HEIs) - in respect of ‘Serious Incident Reporting’

1 Background

The Memorandum of Assurance and Accountability (FM) between HEFCE and HEIs sets out the terms and conditions for payment of HEFCE grants. <http://www.hefce.ac.uk/>

Information requirements for HEIs that are classified as exempt charities, such as De Montfort University (DMU) are contained in Annex H. This briefing relates to the requirement, with reference to sections 8 to 13 of the Annex, of Reporting Serious Incidents. Additional guidance from HEFCE can be found following the link <http://www.hefce.ac.uk/>

2 What is classified by HEFCE as a Serious Incident?

A ‘serious incident’ is one, as defined by HEFCE, ‘which has resulted in, or could result in, a significant loss of funds or a significant risk to a charity’s property, work, beneficiaries or reputation.’

HEFCE require HEIs to report the following:

- Loss of assets through fraud, theft or other cause where the value is in excess of £25,000;
- Donations of more than £25,000 from unknown donors, or where the source cannot be verified;
- Abuse or mistreatment of a charitable beneficiary involved in activities of the HEI;
- Disqualification of a trustee; and
- Known or alleged links (other than for bona fide academic reason) with proscribed organisations or terrorism; this applies to trustees, staff, students or anyone else associated with the HEI.

3 What is classified as ‘serious’ or ‘significant’ by HEFCE?

An incident is considered to be ‘serious’ if the HEI considers it to be so. Indicators of this could include the involvement of the police or a regulatory agency, the seniority of the person involved, disciplinary proceedings

against staff, or reports to the senior management team, audit committee or governing body.

4 Reporting Protocols at De Montfort University in respect of a Serious Incident

These follow practice as prescribed by HEFCE.

- In the first instance, if a Serious Incident, as classified above, is brought to your attention, contact the Executive Director of Finance and the Chief Operating Officer, without delay. To note that if you are unsure as to whether an incident is 'serious' or 'significant', it should be reported preferably in writing, in any event.
- On receipt of notification of a Serious Incident, the Chief Operating Officer will review the details and liaise with the Vice-Chancellor, who is Chief Executive and the Accountable Officer, to determine whether or what wider notification of the Incident is required.
- In the event of any material adverse change in the University's circumstances, such as a significant fraud or major accounting breakdown, the Vice-Chancellor must without delay, in order to comply with the FM, inform all of the following:
 - The Chair of the Board of Governors
 - The Chair of the Audit Committee;
 - The Chair of the Finance and HR Committee;
 - The Internal Auditors;
 - The External Auditors; and
 - The HEFCE Chief Executive.
- On receiving any such notification, the HEFCE Chief Executive will discuss what response to make with the Board of Governors or Accountable Officer, including any action to take.

5 External and Internal Auditors

For any HEI, if a matter requiring report is discovered by the external or internal auditors in the normal course of their work and the Accountable Officer refuses to make a report, the auditors must report directly to all of the following:

- The chair of the audit committee;
- The chair of the governing body; and
- The HEFCE Chief Executive.

This is to ensure that the HEI has taken appropriate action.

Formal Reporting to HEFCE

HEIs must report serious incidents to HEFCE at the time when they are identified. Incidents to be reported under this requirement are any that the HEI became aware of on or after 1 June 2010. HEFCE recommend that, if an HEI is unsure whether an incident is 'serious' or 'significant', it should be reported anyway.

Although the formal requirement is to report serious incidents 'at the time when they are identified', HEFCE realise that it may take some time for an HEI to complete its own investigations before making a full report as required to HEFCE's Head of Assurance. They therefore expect HEIs to notify HEFCE promptly, that a situation has arisen, together with an indication of when the HEI expects to report fully.

HEFCE's primary concern is to satisfy themselves that the HEI has responded to the incident in an appropriate way, designed to protect the HEI as a charity. In order for HEFCE to do this, HEIs should provide as much information as possible to assist them to decide if their response has been appropriate and what, if any further action is appropriate. In particular the full report should indicate:

- Whether the incident has happened or is suspected;
- When it occurred and who was involved;
- The impact of the incident on the HEI, any beneficiary involved, or both;
- What enquiries have been made and/or actions taken, including any reports to regulators or the police;
- What policies and procedures were in place that apply to the incident, whether they were followed and, if not, why; and
- Whether the trustees have determined that policies and procedures need to be introduced or revised – and if so, how and when by.

HEFCE would welcome a provisional report if it is likely that internal investigations may be time-consuming. HEFCE also state that, in extreme cases, a serious incident report may lead them to invite the Audit Commission to consider opening a formal Inquiry under S8 of the Charities Act 1993.

April 2012

APPENDIX B: ANTI-FRAUD POLICY

The Anti-Fraud Policy is an important document which requires to be brought to the attention of all staff connected with the Institution and its Subsidiary Companies.

The Policy is held by the Department of Corporate Affairs & Office of the Clerk to the Board on the department's intranet site.

The current version of the Policy is reproduced here for reference and completeness.

A Fraud Policy Statement

1 Introduction

- 1.1 De Montfort University is committed to protecting the public funds with which it has been entrusted. To ensure resources are used for their intended purpose of providing higher education, it is essential that losses due to fraud and corruption are minimised.

The purpose of this Policy is to outline the University's approach, as well as defining roles and responsibilities, for dealing with the threat of fraud and corruption, both internally and externally. It applies to governors, staff, students, suppliers, contractors, consultants, and other service users.

- 1.2 The public is entitled to expect the University to conduct its affairs with integrity, honesty and openness and demand the highest standards of conduct from governors, staff, students, suppliers, contractors, consultants, and other service users that the University works with. This Anti-Fraud Policy outlines its commitment to creating an anti-fraud culture and maintaining high ethical standards in its administration of public funds.
- 1.3 The Policy is based on HEFCE's advice for fighting fraud in higher education and their model response plan. The Policy is also based on a series of comprehensive and inter-related policies and procedures that provide a corporate framework to counter fraudulent activity. These have been formulated in line with appropriate legislative requirements, and include:
 - Codes of Conduct (including policies on gifts and hospitality, claiming of expenses)
 - Financial Regulations
 - Sound internal control systems
 - Effective internal audit
 - Effective recruitment and selection procedures
 - Disciplinary procedure

- Public Interest Disclosure (Whistle-blowing) Policy
- Register of Interests
- Training
- General Student Regulations
- Academic procedures for admission of students
- Enrolment procedures
- Procedures for academic offences

2 Culture

- 2.1 DMU believes that the creation of a culture of honesty and openness is a key element in tackling fraud, as is raising the level of awareness and understanding of the key policies and procedures and their role in preventing or detecting fraud. In its commitment to maintaining the highest standards of governance, the University has defined acceptable behaviour which both staff and students are expected to follow. These are based on the Nolan Principles of Standards in Public Life.
- 2.2 University staff are an important element in DMU's stance on fraud and corruption, and they are encouraged to raise any concern that they may have on these issues where they are associated with university business or activity.

3 Definition of Fraud

- 3.1 For practical purposes of the application of this policy, fraud may be defined as the use of deception with the intention of:
- gaining an advantage, personally and for family or friends; or
 - avoiding an obligation; or
 - causing a financial loss to the University or one of its subsidiary companies.

The term fraud is also used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. Fraud can occur anywhere within the University and can present itself not simply as financial or financially motivated but covers areas including financial, reputational, employment and students. This Policy covers all the above, although a separate Prevention of Bribery and Corruption Policy is also in place to specifically cover bribery risk.

- 3.2 The main types of irregularity are:

- Theft – This may include the removal or misuse of funds, assets or cash

- False accounting – dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any accounting purpose, with a view to personal gain or gain for another, or with the intent to cause loss to the University or furnishing information which is or may be misleading, false or deceptive
- Abuse of position – abusing authorities and misusing University resources or information for personal gain or causing loss to the University.

The University's Financial Regulations as well as internal control procedures set out the University's controls to minimise the risk of the above occurring.

4 Prevention

- 4.1 Fraud and corruption are costly, both in terms of reputational risk and financial losses, as well as time-consuming to identify and investigate, disruptive and unpleasant. The prevention of fraud is therefore a key objective. Measures should be put in place to deny opportunity, provide effective leadership, auditing, employee screening and student recruitment.
- 4.2 Fraud can be minimised through carefully designed and consistently operated procedures, which deny opportunities for fraud. Staff are made aware of policies through the induction programme and notification of policy updates through the Intranet.
- 4.3 Staff recruitment procedures require applicants to declare any connections with existing governors and staff. Members of staff recruitment panels are similarly required to declare such connections.
- 4.4 New students are made aware of their responsibilities at their induction. The General Student Regulations are available to all students on the Internet and in Braille or other formats on request.
- 4.5 The Financial Regulations help to ensure that at all times the financial management of the University is conducted in accordance with the highest standards. Continuous management review of systems and reports by internal audit in line with the agreed annual audit programme should assist in preventing and detecting fraud; and should also result in continuous improvements. The risk of fraud should be a factor for consideration in audit plans.
- 4.6 Key determinants of the standards of behaviour in an organisation will be the standards observed by governing bodies and senior managers and the policies and approach to their enforcement promoted from the top.

- 4.7 The credibility and success of the Anti-Fraud Policy is dependent largely on how effectively it is communicated throughout the organisation. To this end, details of the Policy will be provided to all staff and students and be included on induction programmes. The Policy will also be published on the University's website and be available on the Intranet.
- 4.8 Induction training, particularly for officers involved in internal control systems, will be provided to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced.

5 Detection

- 5.1 No system of preventative measures can guarantee that frauds will not occur. However, policies and procedures are in place to detect and highlight irregular transactions. It is the responsibility of senior officers and their managers as well as all staff who have a duty to safeguard assets and/or public funds, to prevent and detect fraud by maintaining good control systems within their departments and making sure that all staff understand the systems and work within them.
- 5.2 The University has established systems and procedures in place which incorporate effective and efficient internal controls. The University has Financial Regulations in place which require employees to follow standard practices when conducting the University's affairs, to act in accordance with best practice and adhere to agreed internal control systems. Student fraud including fraudulent admissions, plagiarism, etc. is covered by the student regulatory framework.
- 5.3 A 'Whistle-blowing' Policy was agreed by the Governors and first published in 1998. The policy is reviewed annually.

6 Investigations

- 6.1 The University recognises the unpredictability of fraud or irregularity and the disruption which it may cause once identified. However it also recognises the need to safeguard its assets, recover losses and secure evidence for legal and disciplinary processes.
- 6.2 In order to meet these objectives, and to clarify its approach when fraud is suspected, the University has a Fraud Response Plan which seeks to:
- prevent further loss
 - establish and secure evidence necessary for criminal and/or disciplinary action
 - notify HEFCE, if the circumstances are covered by the mandatory requirements of the Audit Code of Practice

- recover losses
- take appropriate action against those who have committed fraud
- deal with requests for references for employees or students disciplined or prosecuted for fraud
- review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud
- keep all personnel with a “need to know” suitably informed about the incident and the Institution’s response
- inform the Police, where agreed
- assign responsibility for investigating the incident
- establish circumstances in which external specialists should be involved
- establish lines of communication with the Police, if appropriate

B Fraud Response Plan

1 Introduction

- 1.1 The purpose of this plan is to define authority levels, responsibilities for action, and reporting lines in the event of a suspected fraud or irregularity.

2 Initiating action

- 2.1 Suspicion of fraud or irregularity may be captured through a number of means, including the following:

- requirement on all personnel under Financial Regulations as well as the Anti-Fraud Policy to report fraud or irregularity.
- public interest disclosure procedure ('whistleblower's charter')
- planned audit work
- operation of proper management and control procedures

- 2.2 All actual or suspected incidents should be reported without delay to the Clerk to the Board, who should, as soon as practicable and preferably within two working days, convene a meeting of the following Project Group or their nominees to decide on the initial response:

- A Pro Vice-Chancellor (designated by the Vice-Chancellor) who shall chair the group
- Executive Director, People and Organisational Development
- Executive Director of Finance
- Others as determined by the Chair ("The Project Group")

Where the suspicion relates to the Clerk, reporting should be to (to be confirmed)

- 2.3 The Project Group will decide on the action to be taken. This will normally be an investigation, led by the internal auditors under the direction of the Project Group.
- 2.4 The Chair of the Audit Committee should be advised at the earliest stage when an investigation under this procedure has been initiated.
- 2.5 The decision by the Project Group to initiate a special investigation shall constitute authority to spend the necessary Internal Audit time on this work. The work will be in addition to that scheduled within the approved annual Internal Audit Plan, unless otherwise approved by the Chair of the Audit Committee. The Group will also consider its membership, and the need to include representatives from other specialist areas.

- 2.6 Where an investigation is to take place, and the matter implicates any of the individuals in the Project Group, another person with senior management responsibility shall be appointed to the Project Group by the Chair of the Audit Committee.

3 Prevention of further loss

- 3.1 Where initial investigation provides reasonable grounds for suspecting either staff or students of fraud, the project group will decide how to prevent further loss. If the suspect is a member of staff, they will be suspended on full pay. If it is a student they may be suspended from all or part of the University. It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.
- 3.2 In these circumstances, the suspect(s) should be approached unannounced. They should be supervised at all times before leaving the University's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the University. Any security passes and keys to premises, offices, and furniture should be returned. Laptop computers and associated hardware/software must also be returned.
- 3.3 The Head of Security will advise on the best means of denying access to the University, while suspects remain suspended (for example by changing locks and informing security staff not to admit the individuals to any part of the premises). Similarly, the Director of ITMS should be instructed to immediately withdraw access permissions to the University's computer systems.
- 3.4 The Project Group will consider whether it is necessary to investigate systems other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the University's assets.

4 Establishing and securing evidence

- 4.1 A major objective in any fraud investigation will be the punishment of those involved, to act as a deterrent to other personnel. The University will follow disciplinary procedures against any member of staff or student who has committed fraud.
- 4.2 The Head of Security will, under the direction of the Pro Vice-Chancellor:
- maintain familiarity with the University's disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation

- establish and maintain contact with the police
- establish whether there is a need for staff to be trained in the evidence rules for interviews under the “Police and Criminal Evidence Act”
- ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings

5 Notifying HEFCE

5.1 The Vice-Chancellor must inform, without delay, the HEFCE Accounting Officer of any serious weakness, significant fraud or major accounting breakdown. The HEFCE Audit Code of Practice (HEFCE 2004/27 Para 34-35) states that significant fraud or irregularity is usually where one or more of the following apply:

5.1.1 The sums of money involved are, or potentially are, in excess of £20,000.

5.1.2 The particulars of the fraud or irregularity are novel, unusual or complex.

5.1.3 There is likely to be public interest because of the nature of the fraud or irregularity, or the people involved.

5.2 There may be circumstances that do not fit this definition. HEIs can seek advice or clarification from the HEFCE Assurance Service. In view of the public interest, HEIs should normally notify the police of suspected or actual fraud. Where the police are not notified, management should advise the Audit Committee of the reason. The Vice-Chancellor will also inform HEFCE of any such incidents.

6 Recovery of losses

6.1 Recovering losses is a major objective of any fraud investigation. The project group will ensure that, in all fraud investigations, the amount of any loss is quantified. Repayment of losses will be sought in all cases.

6.2 Where the loss is substantial, legal advice may be obtained about the need to freeze the suspect’s assets through the court, pending conclusion of the investigation. Legal advice may also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The University will normally expect to recover costs in addition to losses.

6.3 If appropriate the Executive Director of Finance will liaise with the University’s insurers to formulate a claim under existing insurance cover.

7 References for employees or students disciplined or prosecuted for fraud

- 7.1 There is a requirement that any request for a reference for a member of staff or a student who has been disciplined or prosecuted for fraud shall be referred to the Director of People and Organisational Development (for a staff member) / the Director of Student and Academic Services (for students) who shall take advice from the Clerk to the Board. The Director of People and Organisational Development shall prepare any answer to a request for a reference having regard to employment law.

8 Reporting to the Board of Governors

- 8.1 Any incident matching the criteria in the HEFCE Audit Code of Practice shall be reported without delay by the Vice-Chancellor to the chairs of both the Board of Governors and the Audit Committee
- 8.2 Any variation from the approved fraud response plan, together with reasons for the variation, shall be reported promptly to the chairs of both the Board of Governors and the Audit Committee.
- 8.3 On completion of a special investigation, a written report shall be submitted to the Audit Committee containing:
- a description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud
 - the measures taken to prevent a recurrence
 - any action needed to strengthen future responses to fraud, with a follow-up report on whether the actions have been taken.
- 8.4 This report will normally be prepared by the project group, with the support of the internal auditors as appropriate.

9 Reporting lines

- 9.1 The Project Group shall provide a confidential report to the Chair of the Board of Governors, the Chair of Audit Committee, the Vice-Chancellor and the Internal and External Audit Partner at least monthly, unless the report recipients request a lesser frequency. The scope of the report shall include:
- quantification of losses
 - progress with recovery action
 - progress with disciplinary action
 - progress with criminal action
 - estimate of resources required to conclude the investigation
 - actions taken to prevent and detect similar incidents
- 9.2 A final report will be produced by the project group once the investigation is completed, and it will represent the definitive document on which management (in a disciplinary situation) and possibly the Police (in a criminal situation) will base their decision.

10 Responsibility for investigation

- 10.1 All special investigations should normally be led by the internal auditors under the direction of the project group set up to deal with the specific case. Special investigations should not be undertaken by management, although management shall co-operate with requests for assistance from the internal auditors. Some special investigations may require the use of technical expertise which the internal auditors do not possess. In these circumstances, the project group may approve the appointment of external specialists to lead or contribute to the special investigation.

11 Review and monitoring of fraud response plan

- 11.1 This plan will be reviewed for “fitness of purpose” at least annually by the Audit Committee or after each use. Any changes proposed by the Executive will be presented for the approval of the Audit Committee. The Clerk to the Board will keep a register of all incidents showing the nature of the incident, and the outcome including actions taken to prevent and detect similar incidents.

C Additional guidance

1 Examples and Indicators of Fraud

1.1 Examples of fraud, which are neither exclusive nor exhaustive, include the following:

- Misappropriation of cash
- Fraudulent encashment of payable orders or cheques
- Misappropriation of other assets including information and intellectual property. This would also include theft of stationery for private use, unauthorised use of University property e.g. vehicles, computers, other equipment
- Purchasing or purchase ledger fraud (e.g. approving/paying for goods not received, approving/paying bogus suppliers/contractors, approving/paying inflated prices for goods and services, accepting any bribe)
- Travel and Expense claims overstated or falsely claimed. This may include advances not recovered or forging of counter-signatories
- Accepting pay for time not worked (e.g. false claim for hours worked, failing to work full contracted hours by any member of staff, false overtime claims, or falsification of sickness self-certification)
- Computer fraud (e.g. altering or substituting records, duplicating or creating spurious records, or destroying or suppressing records), where IT equipment has been used to manipulate program of data dishonestly, or where the use of an IT system was a material factor in the preparation of the fraud.

1.2 Whilst by no means being proof on their own, the circumstances below (warning signs) may indicate fraud, and should therefore put managers, staff and students on the alert:

- Altered documents (correcting fluid, different pen or handwriting)
- Claim form details not readily checkable or properly approved
- Changes in normal patterns, of cash takings or expense claim details (for example)
- Delay in completion or submission of expense claims
- Lack of vouchers or receipts in support of expense claims, etc.
- Staff seemingly living beyond their means
- Staff under constant financial or other stress
- Staff choosing not to take annual leave (and so preventing others becoming involved in their work), especially if solely responsible for a “risk” area
- Complaints from public or staff.

2 “Do’s and Don’ts”

In addition to the warning signs outlined above, staff and students are advised to take notice of the following “Do’s and Don’ts” in respect of possible fraud-related instances or actions:

DO	DON’T
<p>Make a note of your concerns</p> <ul style="list-style-type: none"> Record all relevant details, such as the nature of your concern, the names of parties you believe to be involved, details of any telephone or other conversations with names dates and times and any witnesses. Notes do not need to be overly formal, but should be timed, signed and dated. Timeliness is most important. The longer you delay writing up, the greater the chances of recollections becoming distorted and the case being weakened. 	<p>Be afraid of raising your concerns</p> <ul style="list-style-type: none"> The Public Interest Disclosure Act provides protection for employees who raise reasonably held concerns through the appropriate channels – whistle blowing. You will not suffer discrimination or victimisation as a result of following these procedures and the matter will be treated sensitively and confidentially.
<p>Retain any evidence you may have</p>	<p>Convey your concerns to anyone other than authorised persons listed in the University’s Fraud Response Plan</p>
<ul style="list-style-type: none"> The quality of evidence is crucial and the more direct and tangible the evidence, the better the chances of an effective investigation. 	<ul style="list-style-type: none"> There may be a perfectly reasonable explanation for the events that give rise to your suspicion. Spreading unsubstantiated concerns may harm innocent persons.
<p>Report your suspicions promptly</p>	<p>Approach the person you suspect or try to investigate the matter yourself</p>
<ul style="list-style-type: none"> All concerns must be reported to the Clerk to the Board. 	<ul style="list-style-type: none"> There are special rules relating to the gathering of evidence for use in criminal cases. Any attempt to gather evidence by persons who are unfamiliar with these rules may undermine the case.

Updated June 2016

APPENDIX C: RISK MANAGEMENT POLICY

Risk Management Policy

Framework, Procedure and Governance Requirements

A. Background and compliance

1. The Finance Reporting Council (FRC) published “*Guidance on Risk Management, Internal Control and Related Financial and Business Reporting*”¹. This report revises, integrates and replaces the previous editions of the FRC's Internal Control: Guidance to Directors (formerly known as the Turnbull Guidance). The report highlights that an organisation has the following responsibility for Risk Management and internal control systems as follows:
 - The board must determine its willingness to take on risk, and the desired culture within the company.
 - Risk management and internal controls should be incorporated within the company's normal management and governance processes, not treated as a separate compliance exercise.
 - The assessment and management of the principal risks, and monitoring and review of associated systems, should be carried out as an on-going process, not seen as an annual one-off exercise.
2. Higher Education Funding Council for England (HEFCE) issued its latest annual Accounts Direction in July 2015. The Accounts Direction stated that institutions are required to ensure effective risk management. Within that document, the principles of effective risk management are provided. These are, that effective risk management:
 - a. Covers all risks – including those of governance, management, quality, reputational and financial – but focuses on the most important risks;
 - b. Produces a balanced portfolio of risk exposure;
 - c. Is based on a clearly articulated policy and approach;
 - d. Requires regular monitoring and review, giving rise to action where appropriate;
 - e. Needs to be managed by an identified individual and involve the demonstrable commitment of governors, academics and officers; and
 - f. Is integrated into normal business processes and aligned to the strategic objectives of the organisation.

¹ <https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/Guidance-on-Risk-Management,-Internal-Control-and.pdf>

3. In addition to the above HEFCE defines broad principles of corporate governance as shown in annex a.
4. This paper sets out the Risk Management Policy and broad risk management framework, which the university operates in order to ensure compliance with the HEFCE Accounts Direction.

B. The university's Risk Management Policy

Definition of risk

5. This policy defines risk as *"The threat or possibility that an action or event will adversely or beneficially affect an organisation's ability to achieve its objectives"*. It is important to note that the definition includes both the 'upside' opportunity and the 'downside' threat.

DMU's Risk Management Strategy

6. To ensure fit-for purpose, flexible and continuously improving processes for effective risk management and internal controls, DMU's risk management process seeks to:
 - a. Capture best practice that already exists within DMU;
 - b. Establish the responsibility of individual officers and committees, including the overall responsibility to be exercised by the Board of Governors;
 - c. Integrate risk management and controls within existing systems and processes;
 - d. Focus on risks that threaten the business model, and strategic aims of the university.
 - e. Facilitate assessing and responding to emerging risks within the risk appetite set by the board.
7. DMU is expected to:
 - a. Establish clear objectives for its operations;
 - b. Identify and evaluate significant risks to the achievement of its objectives;
 - c. Establish the boundaries for risk-taking and apply appropriate responses to risk;
 - d. Incorporate risk responses into its internal control systems;
 - e. Monitor the effectiveness of the system of risk and internal control management; and
 - f. Provide an annual assurance regarding the extent of compliance with the risk management policy.

DMU's Risk Appetite

8. The university's general approach is to be risk averse. It will seek to recognise risk and mitigate, where possible, the adverse consequences.

However, in pursuit of its strategic objectives, the University may, at times, choose to accept an increased degree of risk exposure.

9. The university will bear the additional exposure if strategically justified, but only on the basis that the potential benefits and risk are fully understood, and that sensible risk mitigation measures have been agreed and established. This appetite for additional exposure (risk appetite) will be reassessed on an annual basis by Executive Board.

C. The University's Risk Management Framework

10. The university recognises that there is great value in aligning/embedding its risk management practices with its corporate and strategic planning, and performance monitoring processes.

11. Key elements:

- a. The university seeks to ensure the Strategic Risk Register should flow from the Strategic Plan and Key Performance Indicators (KPIs) and should be considered as an integrated part of the institutional performance management process.
- b. Risks will be reviewed and discussed at Executive Board on a quarterly basis alongside updates on the Key Performance Indicators, actions in the Strategic Plan, and projects and programmes.
- c. The Strategic Risk Register should be high level, few and manageable in number to enable Executive Board to focus on the major risks that require its attention.
- d. Risks should be embedded in and useful to Executive Board's normal business rather than being seen as a separate exercise in their own right;
- e. There is clear Executive Board level accountability for each individual risk;
- f. Scoring risk should be a matter of judgment and incorporate the full range of information available to risk owners, rather than a quantitative exercise; and
- g. The risk register should be seen as an evolving document and not set in stone. As such it should be reviewed on an annual basis by Executive Board to ensure its contents remain fit for purpose.
- h. The Audit Committee receives updates on a six monthly basis; and the Board of Governors, which has ultimate responsibility for risk management, will receive an annual report.
- i. At a Faculty and Directorate level, risk is embedded as part of the Quarterly Strategy and Sustainability Reviews (QSSRs).

D. Roles And Responsibilities Within The Risk Management Framework

DMU Board of Governors

12. The Board of Governors has a key role in:

- a. Setting the tone and influencing the culture of risk management within the whole institution;
- b. Determining the appropriate risk appetite or exposure for the institution;
- c. Actively participating in major decisions affecting the institutions risk profile or exposure;
- d. Monitoring the management of significant risks to reduce the likelihood of unwelcome surprises;
- e. Satisfying itself that the less significant risks are being actively managed, possibly by encouraging a wider adoption of risk management; and
- f. Reviewing, at least annually, the effectiveness of the university's approach to risk management.

Executive Board

13. Executive Board plays a key role in reviewing the Strategic Risks and advising and updating Audit Committee and the Board of Governors on institutional risk management. Its remit includes the following:
- a. To be responsible for, and oversee, the implementation and operation of the University's Risk Management Strategy and to report thereon to the Audit Committee and the Governing Body, and specifically to:
 - b. Provide an assurance that risks at all levels are suitably identified, monitored and controlled;
 - c. Provide a forum for consultation on assessing risks in a consistent and challenging way, and to agree the methodology for how risks are to be recorded and reported on in the risk register;
 - d. Raise awareness and embed an understanding of risk management at all levels in the institution;
 - e. Link the management of risk firmly with the strategic and business planning processes of the university;
 - f. Ensure that risk management remains a dynamic and business-focussed process with appropriate mechanisms for ensuring that, where necessary, emergent risks are escalated to the appropriate level of control; and
 - g. Keep under review the development of the university's risk management strategy and, where appropriate, to recommend changes in process and procedure to ensure that it remains fully fit for purpose.

Audit Committee

14. The Audit Committee considers the Strategic Risk Register, before being reported up to the Board of Governors, and is responsible for ensuring that the process by which risks are identified, prioritised, and managed is effective.
15. In particular, Audit Committee oversees the annual review of the risk management process and report to the Board of Governors on the effectiveness of DMU's internal controls (including risk management) by way

of a formal annual report. This report is aligned with the existing report on operating internal controls that is required for sign-off of the annual accounts in November/December each year.

16. Risk Management is considered six-monthly at Audit Committee meeting. Updates to the Strategic Risk Register are highlighted, and opportunity is given for Audit Committee to seek management representation in respect to risk responses. In summary, there is continuous assessment and monitoring by the Audit Committee.
17. Among other measures, the Audit Committee may ensure that it is well-informed about the University's approach to risk management by:
 - a. Ensuring the internal auditors conduct reviews of the risk management arrangements; asking the Vice-Chancellor, senior managers and/or the Chief Operating Officer to explain aspects of it periodically;
 - b. Ensuring the external auditors plan to satisfy themselves on the adequacy of risk management; asking for high-level risk owners to make presentations to the Committee about "their" risks;
 - c. Asking for departmental and functional heads to make presentations to the Committee;
 - d. Ensuring the Clerk to the Committee is well informed about risk management issues;
 - e. Asking to see subsidiary risk registers and/or risk assessments periodically (e.g. for a large capital project or a re-organisation or a new IT/estates/research strategy); and
 - f. Ensuring that management uses risk management in a positive way, for example, to help assess opportunities arising.

Internal Audit

18. Internal Audit will:
 - a. Upon request by the Chief Operating Officer (acting on behalf of the Vice-Chancellor), explore particular risks in further detail. This might be either to explore factors that would contribute to the risk materialising and/or to consider alternative approaches to managing risks;
 - b. Conduct ongoing reviews of how the university's strategic and operating risks are being managed in practice;
 - c. Contribute to the annual review of effectiveness; and
 - d. Upon request, contribute to the training and guidance of the university's staff.

External Auditors

19. The university's external auditors will also be requested to contribute to the annual review of effectiveness and report to Audit Committee, if further independent assurance is deemed to be required.

Risk Management Sponsor

20. In line with the HEFCE Accounts Direction, the process requires a sponsor. The risk management sponsor is responsible for promoting the process and for its overall co-ordination. The Chief Operating Officer is the current university sponsor.

PVC/Deans of Faculties and Directors

21. Faculties and Directorates are expected to utilise the framework to ensure that significant risks within the Faculty or Directorate are effectively identified, assessed and monitored.
22. Local managers are responsible for risk management at local level and are required to report significant risks to Chief Operating Officer, and Executive Board as appropriate.

Team Leaders and Managers

23. Other managers in the university are required to input into local risk management processes.

E. Documentation and Reporting

24. Documentation should be kept practical, relevant and appropriate; this will be best achieved by integrating with existing reporting mechanisms. However, the documentation must be meaningful and support the risk management process. In terms of the balance it is important:
- a. To have explicit and frequent conversations about risk, whether in specific fora such as the Operational Leadership Group, or in other university groups, such as Executive Board;
 - b. To capture key discussions about risk acceptance, e.g. through committee minutes;
 - c. To be able to demonstrate what is in place (or not) to respond to significant risks;
 - d. As a minimum, that documentation around risk management consists of a Strategic Risk Register, and local risk registers at faculty and directorate level, supported by minutes of groups reviewing risk management; and
 - e. That documentation supporting risk management is clear to all concerned, with:
 - A common format of risk registers;
 - The ability to track and audit changes to risks and risk levels; and

- Evidence that mitigating actions are being carried out and are effective.

25. An annual, independent appraisal of the effectiveness of risk management at DMU is required. This is now aligned to existing reporting, via Audit Committee to the Board, on the effectiveness of internal control systems. The report results in an opinion regarding the appropriateness and effectiveness of the risk based control framework in place, and recommendations for actions to strengthen or improve the framework.

26. Training is provided to all university managers involved in risk management.

F. Review

27. The risk management policy will be reviewed by every September (when a review of the risk exposure of all key Corporate Risks is undertaken). Any changes will be recommended to the Executive Board, Audit Committee and Board of Governors.

G. Related Processes

28. The university recognises that risk management is only one part of a wider enterprise resilience requirement. A recent Enterprise Resilience project at the university has been combining the risk assurance framework, business continuity and major incidents processes.

29. The project has delivered positive outcomes including, an improved attitude to enterprise resilience within the university, better guidelines for key staff, and the use of facilitated exercises to develop and refine current plans

30. Currently in place the university now has an agreed risk assurance framework, a business continuity framework, and a major incidents plan that are to be overseen by a subcommittee of the Operational Leadership Group.

David Bryan
Head of Academic Planning
October 2015

Annex A: Extract from HEFCE's Accounts direction to higher education institutions for 2015-16 financial statements

Risk management obligations of higher education institutions (HEIs)

HEIs are required to review, at least annually, the effectiveness of their system of internal control.

Higher Education institutions are required to include in their annual financial statements a statement on internal control (corporate governance). As a minimum these disclosures should include an account of how the following broad principles of corporate governance have been applied:

- a. The identification and management of risk should be an ongoing process linked to the achievement of institutional objectives.
- b. The approach to internal control should be risk-based, including an evaluation of the likelihood and impact of risks becoming a reality.
- c. Review procedures must cover business, operational and compliance as well as financial risk.
- d. Risk assessment and internal control should be embedded in ongoing operations.
- e. The governing body, or relevant committee, should receive regular reports during the year on internal control and risk.
- f. The principal results of risk identification, evaluation and management review of its effectiveness should be reported to, and reviewed by, the governing body.
- g. The governing body should acknowledge that it is responsible for ensuring that a sound system of control is maintained, and that it has reviewed the effectiveness of the above process.
- h. Where appropriate, details of actions taken or proposed, to deal with significant internal control issues should be set out

APPENDIX D: THE SEVEN PRINCIPLES OF PUBLIC LIFE FROM THE REPORT OF THE COMMITTEE FOR STANDARDS IN PUBLIC LIFE (THE NOLAN REPORT)

Selflessness

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

Integrity

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

Objectivity

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

Accountability

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

Openness

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

Honesty

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

Leadership

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

APPENDIX E: STATEMENT OF POLICY AND PROCEDURE ON CONFLICT OF INTEREST

This Statement is an important document which requires to be brought to the attention of all staff connected with the Institution and its Subsidiary Undertakings. The Document is owned by Executive, Governance and Legal Services; and forms part of the Institution's Financial Regulations.

Introduction

The University has adopted a policy to address conflicts of interest so as to ensure that its activities, and those of its staff and students, are and are seen to be conducted to the highest standards of ethics and integrity.

This document sets out the following:

- A. Policy Statement
- B. Scope
- C. Recognising Conflict of Interest
- D. Procedure

Illustrative examples and further procedural guidance is set out in Appendix A.

A. Policy Statement

1. De Montfort University encourages members of its staff to engage in a wide variety of external activities, such as serving on government, business and community boards, providing expert advice, media commentary, professional practice, schools outreach, international projects and collaborations with the commercial world, including via consultancy, research and development, intellectual property (IP) licensing and involvement in 'spinout' companies.
2. The University considers that such activities are in the public interest and are also of benefit to the University and the individuals concerned.
3. On occasion, however, they may give rise to conflicts of interest, whether potential or actual, perceived or alleged.
4. All University staff are required to recognise and disclose activities that might give rise to conflicts of interest or the perception of conflicts and to ensure that such conflicts are seen to be properly managed or avoided.
5. If properly managed, activities can usually proceed as normal whilst at the same time upholding the person's obligations to the University, meeting regulatory and other external requirements and protecting the integrity and reputation of the University and its members. By contrast, conflicts which

are not managed effectively may jeopardise the University's public standing and may cause serious damage to the reputation of the University and of the individuals concerned.

6. It is therefore the University's policy to encourage and foster external activities whilst ensuring that when conflicts or perceived conflicts of interest arise they are acknowledged and disclosed, and in relevant cases, properly managed.
7. Compliance with this Policy is compulsory. As the Policy forms a part of the Financial Regulations, a member of staff who fails to comply may be subject to disciplinary action under the Institution's Disciplinary Policy, depending on the severity of non-compliance. Failure to comply may be viewed as gross misconduct and the member of staff involved may be subject to disciplinary action.

B. Scope

8. This Policy applies to all staff of the University and all others working in the University, such as faculty members who hold grants but are not current members of staff of the University, for example retired members who are still conducting research. It also applies to the staff, and directors and other officers of subsidiary undertakings of the University. A reference in this Policy to staff or students includes any person within the scope of the Policy.
9. It is the responsibility of each individual to recognise situations in which he or she has a conflict of interest, or might reasonably be seen by others to have a conflict, to disclose that conflict to the appropriate person and to take such further steps as may be appropriate as set out in more detail under the procedure below
10. If an individual is uncertain about how this Policy might affect his or her activities or has any questions about its application, he or she should contact the appropriate person (as set out in paragraph 19)

C. Recognising Conflict of Interest

11. A conflict of interest arises where the commitments and obligations owed by an individual member of staff to the University or to other bodies, for example a funding body, are likely to be compromised, or may *appear* to be compromised, by:
 - 11.1 that person's personal gain, or gain to immediate family (or a person with whom the person has a close personal relationship), whether financial or otherwise; or
 - 11.2 the commitments and obligations that person owes to another person or body.

12. There can be situations in which the appearance of conflict of interest is present even when no conflict actually exists. Thus it is important for all staff when evaluating a potential conflict of interest to consider how it might be perceived by others.
13. Conflicts of interest may be financial or non-financial or both. Further information about both types is set out below.

Financial conflicts of interest

14. A financial conflict of interest, for the purposes of this Policy, is one where there is or appears to be opportunity for personal financial gain, financial gain to close relatives or close friends, or where it might be reasonable for another party to take the view that financial benefits might affect that person's actions.
15. Financial interest means anything of monetary value, for example:
 - 15.1 payments for services;
 - 15.2 equity interests (e.g. stocks, stock options or other ownership interests); and/or
 - 15.3 intellectual property rights (e.g. patents, copyrights and royalties from such rights).
16. The level of financial interest is not the determining factor as to whether a conflict should be disclosed. What might be 'not material' or 'not significant' for one person might be very significant for another. Good practice in many situations will mean the disclosure of 'any' financial interest, however small. A conflict will arise if the interest might provide, or be reasonably seen by others, to provide an *incentive* to the individual which affects their actions and where he or she has the *opportunity* to affect a University decision or other activity (because for example he or she is the decision-maker or the principal investigator on a research project). For examples of conflicts involving financial interest see Annex 1.

Non-financial conflicts of interest

17. Non-financial interests can also come into conflict, or be perceived to come into conflict, with a person's obligations or commitments to the University or to other bodies,. Such non-financial interest may include any benefit or advantage, including, but not limited to, direct or indirect enhancement of an individual's career, education or gain to immediate family (or a person with whom the person has a close personal relationship). For examples of non-financial conflicts of interest see Annex 1.

D. Procedure

18. It is the duty of every member of staff to disclose any conflict of interest or any circumstances that might reasonably give rise to *the perception* of conflict of interest.
19. The general rule is that disclosure should be made *at the time the conflict first arises, or it is recognised that a conflict might be perceived*, in writing to the Pro Vice-Chancellor/ Dean (or equivalent). If the Pro Vice-Chancellor/Dean (or equivalent) has an interest in the matter to be discussed, the disclosure shall be made to the person at the next higher level of authority. In most cases this will be to the Deputy Vice Chancellor.
20. Many situations will require nothing more than a declaration and a brief written record of that declaration, which must be held in the Faculty's records.
21. Some instances will however need to be dealt with by agreeing how the conflict can be actively managed. The approach adopted should be documented and copies provided to the relevant parties. A copy of the final plan must be held in the Faculty's records. One or more of the following strategies may be appropriate to manage the conflict of interest:
 - 21.1 not taking part in discussions of certain matters;
 - 21.2 not taking part in decisions in relation to certain matters;
 - 21.3 referring to others certain matters for decision;
 - 21.4 resolving not to act as a particular person's supervisor;
 - 21.5 divesting or placing in trust certain financial interests;
 - 21.6 publishing a notice of interest;
 - 21.7 standing aside from any involvement in a particular project; and/or
 - 21.8 declaring an interest to a particular sponsor or third party
22. It is the responsibility of those affected to comply with the approach that has been agreed.
23. Any unresolved matter shall be referred to the Deputy Vice Chancellor for advice. In cases of particular difficulty, the Deputy Vice Chancellor may refer his or her recommendations to the Vice Chancellor for advice or resolution. The decision of the Vice Chancellor shall be absolute.
24. Guidance on situations that are frequently encountered and which may give rise to particular kinds of conflicts requiring special action is set out at Appendix A.

25. Each Pro Vice-Chancellor/Dean (or equivalent) will be asked to inform the Vice Chancellor of the actions taken to inform staff of the policy requirements and promote compliance on an annual basis.
26. *Annual declarations:* in addition to declaring any conflict or potential conflict in accordance with the Procedure above, the following post-holders will need to make annual declarations, in respect of Related Party (FRS8, ISA 550), Fraud (ISA 240) and Law & Regulations (ISA 250) disclosures, in order to comply with Annual Accounts and External Audit requirements:
 - 26.1 the Vice-Chancellor;
 - 26.2 the Deputy Vice Chancellor;
 - 26.3 the Pro Vice-Chancellors;
 - 26.4 the Pro Vice-Chancellors/Deans;
 - 26.5 the Directors;
 - 26.6 the Board of Governors;
 - 26.7 the Directors and Trustees of the subsidiary undertakings of the University.
27. A declaration of interest must also be submitted by a Project Leader when bidding for or being awarded a project where other organisations are involved in that project. This also applies to any Project Leader that may take up projects part of the way through.

Annex 1

Examples of Conflict of Interest

Financial interests:

Examples of situations in which financial declarations of conflicts of interest are made:

1. Staff of the University serving on other bodies, e.g. research council committees, grant review panels, editorial boards etc., will typically be asked by those parties to declare financial interests.
2. Authors submitting a manuscript must disclose any 'significant financial interest' or other relationship with the manufacturers of any commercial products or providers of commercial services discussed in the manuscript and any financial supporters of the research. The intent of such disclosures is not to prevent an author with a significant financial or other relationship from publishing a paper, but rather to provide readers with information upon which to make their own judgments.

Research:

Examples of situations that give rise to conflicts of interest in research include:

3. The researcher has a financial interest in the company sponsoring the research, this being exacerbated if the value of the researcher's interest may be affected by the outcome of the research. The researcher is an inventor of patents or creator of other IP whose value may be affected by the outcome of the research.
4. The researcher holds a position in an enterprise (e.g. as director) that may wish to restrict (or otherwise manage) adverse research findings for commercial reasons or not wish to publish the results of the research.
5. A researcher or a related body in which the researcher has an affiliation or a financial interest may benefit, directly or indirectly, from dissemination of research results in a particular way (including any unwarranted delay in or restriction upon publication of such results).
6. A researcher conducts a clinical trial which is sponsored by any person or organisation with a financial interest in the results of the trial. A postgraduate research student conducts research on a project that receives support from a company in which the student has a financial interest or significant position.
7. Some research funding agencies set specific disclosure requirements related to financial interest. They may require, for example, direct notification to them or to University officials where a principal investigator's financial interests might reasonably appear to be affected by the outcomes of the research.

8. Some types of research, e.g. clinical trials, also require additional declarations related to financial interest. Researchers need to be aware of and comply with those specific requirements. Further information can be found in the terms and conditions of the grant or contract. Researchers should contact Research Services if they are in any doubt as to the requirements.

Student supervision and teaching:

Examples of situations that give rise to conflicts of interest in relation to student supervision and teaching include:

9. Staff with a close personal or familial relationship with a student or a student's family who may be involved in decisions about that student's admission, supervision or academic progress, or the award of any studentships, prizes or other grants to the student.
10. An academic or a non-academic member of staff who is on the Board of Governors of a school who may be involved in considering a student from that school for an undergraduate place.
11. A member of staff who is in a position to judge the quality of a student's work or to evaluate a student in any way holds or proposes to take a financial stake or hold a formal position in any student-run, -owned or -controlled commercial venture whilst that student is enrolled at the University.
12. A postgraduate research student receiving support from a company in which his/her academic supervisor has a financial interest or position.

Other examples of possible conflicts of interest:

13. Participating in the appointment, hiring, promotion, supervision or evaluation of a person with whom the staff member has a close personal relationship.
14. A researcher has a financial interest in the licensee (or proposed licensee) of University intellectual property.
15. A staff member takes part in the negotiation of a contract between the University and a company, where the staff member or his or her family or a close personal friend has a financial or non-financial interest (e.g. a directorship) in that company.
16. An academic who has a senior editorial position with a commercial journal is also on a University library committee that recommends journal subscriptions.
17. An academic chairs a University committee which is to consider the allocation of funds to be shared between a number of faculties, including his or her own.

Spin-outs and licensees of University IP

18. Staff or students may have a financial interest or other personal interest in a spin-out or in an organisation to which the University has licensed or is seeking to license University IP or may have personal IP with which they are intending to create a start-up company.

18.1. In such cases:

18.1.1 they should normally play no executive role in any decisions made between the University or its subsidiaries and such spin-outs or IP licensees. If it is believed that there are exceptional circumstances to argue for such involvement, prior permission must be sought by the Pro Vice-Chancellor/ Dean of the Faculty and then from the Pro-Vice-Chancellor (Research). The proposed conflict of interest plan/approach to be put to the Pro Vice-Chancellor/ Dean and then the Pro Vice-Chancellor (Research) must aim to protect the reputation of the academic(s), their research group(s) and the University and ensure compliance with company law; and

Sale, supply or purchase of goods or services

19. Staff must ensure the probity of all financial transactions. The sale or supply of goods by the University or the purchase of goods or services by the University must be carried out in accordance with the University's Financial Regulations. Staff should not normally be involved in supply or purchase decisions in relation to any external organisation in which they or any members of their family or any person with whom they have a close personal relationship have a financial interest or in any way have the capacity for personal gain. If there are exceptional circumstances that prima facie require such involvement, the following process should be followed:

19.1 the person should disclose, in writing to the Pro Vice-Chancellor/Dean of their Faculty, the nature of the transaction, the potential conflict and the method proposed to manage the conflict;

19.2 they and their Pro Vice-Chancellor/Dean must formulate a proposed plan/approach that protects the University and ensures compliance with the law and the integrity of the transaction(s) and the individuals involved; and

19.3 the Pro Vice-Chancellor/Dean must then seek approval of that plan from the Deputy Vice-Chancellor.

Updated June 2013

APPENDIX F: ANTI-MONEY LAUNDERING POLICY AND PROCEDURES

1 Introduction

In response to the Proceeds of Crime Act 2002 and Money Laundering Regulations 2007 this policy aims to ensure that the University and its employees comply with the legislation and that the highest standards of due diligence are applied in relation to 'know your customer' principles (see **Error! Reference source not found.**).

Legislation has broadened the definition of money laundering and the range of activities where this can apply. It is not just a concern for banks and the financial sector but now applies to all companies and institutions, including universities. This policy therefore sets out the procedure to be followed if money laundering is suspected and defines the responsibility of individual employees in the process.

2 What is money laundering?

Money laundering is the process by which money or other assets obtained through criminal activity are exchanged for 'clean' money or other assets with no obvious link to their criminal origins.

Money laundering may take any form, including money or money's worth, securities, tangible property and intangible property. It also covers money, however come by, which is used to fund terrorism.

Money laundering activity includes:

- Acquiring, using or possessing criminal property
- Handling the proceeds of crimes such as theft, fraud and tax evasion
- Knowingly being involved in any way with criminal or terrorist property
- Entering into arrangements to facilitate laundering criminal or terrorist property
- Investing the proceeds of crimes in other financial products
- Investing the proceeds of crimes through the acquisition of property/assets
- Transferring property obtained through criminal activity.

University obligations

The University has a responsibility to;

- 3.1. Appoint an officer to receive, consider and report as appropriate, disclosure of suspicious activity reported by employees.
- 3.2. Implement a procedure to enable the reporting of suspicious activity.

- 3.3. Maintain customer identification procedures to 'know your customer' (see **Error! Reference source not found.**), in relevant circumstances.
- 3.4. Maintain adequate records of transactions.

4 Employee obligations

Money laundering legislation applies to ALL employees. Potentially any member of staff could be committing an offence under the money laundering statutes if they suspect money laundering or if they become involved in some way and fail to report the facts to the authorities. If any individual suspects that money laundering activity is or has taken place or if any person becomes concerned about their involvement it must be disclosed as soon as possible to the appointed officer.

Failure to do so may result in you being personally liable to prosecution.

Guidance on how to raise any concerns is included in this Policy document.

5 Relevant circumstances

Money laundering regulations apply to property or equipment, cheques, cash or bank transfers and include cash transactions with agents or third parties

This may include circumstances where a student pays fees by cash or where a student pays a fee for another student who is not present at the time, or where a sponsor or third party not known to the University pays fees for students.

Fees paid in advance by foreign students, who have subsequently been refused a visa, are only refundable providing appropriate documentary evidence is available to demonstrate the circumstances. Refunds should only be made to the account from which the payment originated or in the case of a transfer of a student by payment to the new university. (see Annex 1 below)

Precautions should also be taken in respect of refunds requested, following a payment by credit card or bank transfer. In these cases refunds should only be made by the same method to the same account. In the event of an attempted payment by credit or debit card being rejected, the reason should be checked prior to accepting an alternative card. If in any doubt about the identity of the person attempting to make a payment, the transaction should not be accepted.

6 Know your Customer

It is important that controls are in place to undertake customer due diligence i.e. steps to identify the student, customer or other party dealing with the University. Satisfactory evidence of identity must be obtained at the time of enrolment.

Examples include:

- Passport or visa
- Birth certificate
- Correspondence with students at their home address and for third parties, letters or documents proving name, address and relationship.
- If an organisation is not known to the University:
 - Look for letter-headed documents
 - Check web-sites
 - Request credit checks
 - Or aim to meet or contact key sponsors as you feel appropriate to verify validity of contact.

Cheques drawn on an unexpected or unusual source should always be verified with regard to validity of the source.

A guidance note on possible signs of money laundering is included at Annex 2 below.

7 The Appointed Officer

The Head of Financial Services is the officer nominated to receive disclosures in respect of suspected transactions or activity within the University. Contact details being:

Zubair Limbada, Head of Financial Services
E-mail zubair.limbada@dmu.ac.uk.
Telephone: 0116 257 7932.

In the absence of the appointed officer, Michele Holden, Deputy Director of Finance, email Michele.holden@dmu.ac.uk
Telephone: 0116 257 7400 is authorised to act as a Deputy.

8 Disclosure Procedure to be followed by Individuals

Where you know or suspect that money laundering activity is taking or has taken place, or you become concerned that your involvement in a transaction may amount to a breach of the regulations, you must disclose this immediately to your line manager. If in consultation with your line manager suspicion is confirmed, a disclosure report must be made to the Appointed Officer. This disclosure should be made on the pro-forma report attached at Annex 3 and should be completed on the very same day that the information came to your attention. Should you not do so you may be personally liable to

prosecution under the Regulations. (If the matter is determined not to be suspicious and therefore not reported, a record should be maintained detailing reasons behind this decision).

Your report should include as much detail as possible including:

- Full available details of the people and companies involved, including yourself and other members of staff if relevant
- Full details of transaction and nature of each person's involvement in the transaction
- Suspected type of money laundering activity or use of proceeds of crime with exact reasons as to why you are suspicious
- The dates of any transactions, where they were undertaken, how they were undertaken and the likely amount of money or assets involved
- Any other information that may help the Appointed Officer judge the case for certainty or suspicion of money laundering and to facilitate any report to the National Crime Agency (NCA)

Once you have reported your suspicions to the Appointed Officer you must follow any instructions provided. You must not make any further enquires unless instructed to do so by the Appointed Officer. At no time and under no circumstances should you voice any suspicions to the person(s) you suspect of money laundering.

If appropriate the Appointed Officer will refer the case to the NCA who will undertake any necessary investigation. This may include consent to continue with a particular transaction and care should be taken not to 'tip off' the individuals concerned, otherwise you may be committing a criminal offence.

9 Action & Disclosure by the Appointed Officer

On receipt of a disclosure report the Appointed Officer will:

- Note the date of receipt and acknowledge receipt of it
- Assess and advise the individuals concerned when a response can be expected
- Consider the report and any other relevant information, undertaking further enquires necessary to decide if a report should be made to the NCA.

The Appointed Officer will evaluate the disclosure report in a timely manner to determine, based on the facts, if:

- There is actual or suspected money laundering taking place.
- There are reasonable grounds to know or suspect that is the case.
- Consent is required from NCA for a particular transaction to proceed.

Where the Appointed Officer concludes that the matter should be disclosed to NCA this needs to be done:

- In a timely manner
- In the prescribed manner on a standard report format provided by NCA

Where the Appointed Officer concludes that there are no reasonable grounds to suspect money laundering then consent will be given for transactions to proceed and the disclosure report will be marked accordingly. A record should be retained detailing reasons behind the decision.

10 Record Keeping Requirements

Maintenance of comprehensive records is essential for the University to demonstrate compliance with the Money Laundering Regulations. This is crucial if there is a subsequent Police investigation into one of the customers/students or transactions.

The types of record kept may include:

- Daily records of transactions
- Receipts
- Cheques
- Paying-in books
- Customer correspondence
- Student identification evidence

Records may be kept in any of the following formats:

- Originals
- Photocopies
- Microfiche
- Scanned
- Computerised or Electronic

Records must be kept for a minimum of five years beginning on either:

- The date a business relationship ends
- The date a transaction is completed

In practice faculties and directorates will routinely create and retain records in the course of normal business and these will be sufficient for this purpose.

11 Conclusion

Instances of suspected money laundering are likely to be rare given the nature of services provided by the University. However we must be aware of the legislative requirements, as failure to comply will have serious implications for both the University and any individuals concerned.

Please take prompt action, referring to the guidance in this policy and if you have any suspicions please consult your line manager or the Appointed Officer about your concerns.

June 2016 - Zubair Limbada

Annex 1 - Money laundering and student fees - Issues

1. Where payment is made through a bank account any refund will be undertaken back to the originating account.
2. Post Graduate Students are able to claim a 5% discount if the account is paid within a time limit. The letter advising the fee will quote the full fee and students will often pay the full amount even if entitled to the refund. As above, where the payment was made from a Bank Account, the refund is back to the original account.
3. However if the student pays in cash they would expect to receive a cheque refund and are often in need of funds. The lack of funds for the student would be an issue in DMU demanding the credit is retained on the account to offset fees in future years. Each case must be viewed on its merits and the value of the refund.
4. Awarding of bursaries or scholarships, after such students have made full payment of their fees, may also cause issues. The University could be in a position of stating that they had been awarded, say £1,000, and then not being able to refund that part of their fee.
5. This raises the question of the University contravening the legislation on money laundering even if the student is genuine.
6. Where the original payment is made by Bankers Draft drawn on a UK Bank, that would be considered "clean" money, as the Bank would be expected to comply with the legislation when receiving the funds to raise a draft. For foreign banks, such as the Bank of India or the Bank of China, could DMU in this country consider the draft "clean" as it comes through a financial institution.
7. University policy is to discourage cash as an option for payment of fees.

Annex 2 - Risk Factors related to possible money laundering

It is not possible to give a definitive list of ways to spot money laundering or how to decide whether to make a report to the Appointed Officer. The following are types of risk factors which may, either alone or collectively, suggest the possibility of money laundering activity.

- A new customer, business partner or sponsor not known to the University.
- A secretive person or business e.g. that refuses, without a reasonable explanation, to provide requested information.
- Payment of any substantial sum in cash (over £2,000).
- There is a requirement to notify HEFCE of donations to the University in excess of £20,000 for a 'un-named' donor.
- Concerns about the honesty, integrity, identity or location of the people involved.
- Involvement of an unconnected third party without a logical reason or explanation.
- Overpayments for no apparent reason.
- Absence of any legitimate source for the funds received.
- Significant changes in the size, nature, frequency of transactions with a customer that is without reasonable explanation
- Cancellation, reversal or requests for refunds of earlier transactions.
- Requests for account details outside the normal course of business.
- A history of poor business records, controls or inconsistent dealing.

Any other facts which tend to suggest that something unusual is happening and give reasonable suspicion about the motives of individuals.

Annex 3 - Suspected Money Laundering - Report to the Appointed Officer

From:

Faculty/Directorate:
.....

Contact Details: Email:

Telephone number:.....

DETAILS OF SUSPECTED OFFENCE

- Name(s) and address(es) of person(s) involved including relationship with the University.
- Nature, value and timing of activity involved.
- Nature of suspicions regarding such activity.
- Provide details of any investigation undertaken to date.
- Have you discussed your suspicions with anyone and if so on what basis.
- Is any aspect of the transaction(s) outstanding and requiring consent to progress.
- Any other relevant information that may be useful.

Name:.....

Position:.....

Signed:

Date:.....

Annex 4 - Appointed Officer REPORT (to be completed by the Appointed Officer and submitted via the NCA portal)

Date Report Received:

.....

Date Receipt of report acknowledged:

.....

CONSIDERATION OF DISCLOSURE

- Further Action Required.
- Are there reasonable grounds for suspicion requiring a report be made to NCA?
- If YES: Confirm date of report to NCA:

Online via the website:

[https://www.ukciu.gov.uk/\(sct3dnqovty1ocisb5hzfy45\)/saronline.aspx](https://www.ukciu.gov.uk/(sct3dnqovty1ocisb5hzfy45)/saronline.aspx)

Address: UKFIU,
PO Box 8000,
London SE11 5EN

Fax to: 0207 238 8286.

- Any Further details:
- Is consent required from NCA to any on-going transactions?
 - If YES: confirm details and instructions:

Date consent received:

Date consent given to staff:

- IF NO: Confirm reason for non-disclosure

Date consent given to staff:

Name:.....

Position:.....

Signed:

Date:.....

APPENDIX G: POLICY IN RESPECT OF THE PREVENTION OF BRIBERY AND CORRUPTION

University Policy

The University is committed to ensuring adherence to the highest legal and ethical standards. This is reflected in every aspect of the way in which the University operates, with integrity to all our dealings. The University acknowledges that bribery and corruption harms the societies in which these acts are committed and prevents economic growth and development.

The Executive Board attaches the utmost importance to this policy and will apply a “zero-tolerance” approach to acts of bribery and corruption by any of its members of staff or by those working on our behalf. Any breach of this policy will be regarded as a serious matter by the University and is likely to result in disciplinary action and/or legal action.

The University should avoid conducting any business with others who do not evidence a similar bribery and corruption policy to our own.

This Policy should be read in conjunction with the main body of the Financial Regulations, and the other policies in place at the University, namely the Public Interest Disclosure (Whistleblowing) Policy, the Gifts and Hospitality Policy and the Anti-Fraud Policy).

1 Introduction

The Bribery Act 2010 (the “Act”) was introduced to update preceding laws (contained in a combination of statutes dating back to the 19th Century and common law) and these were abolished when the Act was brought into force on 1st July 2011.

The Act is intended to make it significantly easier for enforcement agencies to bring successful prosecutions in respect of corruption offences committed at home in the UK, and abroad.

The University and those persons working on behalf of the University have to comply with the Act.

Very generally bribery is defined as giving someone a financial advantage or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so. So this could cover seeking to influence a decision-maker by giving some kind of extra benefit to that decision-maker rather than by what can legitimately be offered as part of a tender process.

2 Offences

The Act creates four key offences:

- Active bribery - the offence of offering to bribe another. This offence can be committed directly or through a third party;
- Passive bribery - the offence of accepting or requesting a bribe;
- Bribery of a foreign public official – a person is guilty of this offence if his intention is to influence the official in the official’s capacity as a foreign public official (i.e. government officials and those working for international organisations); and
- Failing to prevent bribery - the offence by a commercial organisation of failure to prevent bribery by any person associated with it.

It is important to note that the Act focuses on conduct and not results, and as such there is no need for the transaction to have been completed.

3 Jurisdictional Reach

The Act has a wide territorial scope.

Acts of bribery committed by anyone in the UK or, if overseas, by a British citizen or any other person with a close connection with the UK can be prosecuted. This also includes those senior officers at the University who consent or connivance to any such offence

The Act also covers the actions of the University for failing to prevent bribery, and this too can be committed in the UK or overseas, and has a much broader application in that those people only need to be associated with it, and as such it also includes the actions of agents and subcontractors acting on our behalf.

4 Hospitality, promotional and other business expenditure

Bona fide and modest hospitality is an accepted courtesy of a business relationship. However, the recipient should not allow him/herself to reach a position where he/she might be influenced, 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 should not be significantly greater than what the University would likely to provide in return.

The Government guidance in this area is that “Bona fide hospitality and promotional, or other business expenditure which seeks to improve the image of (the University), better to present products and services, or establish cordial relations, is recognised as a an established and

important part of doing business and it is not the intention of the Act to criminalise such behaviour. The Government does not intend for the Act to prohibit reasonable and proportionate hospitality and promotional or other similar business expenditure intended for these purposes.”

5 Facilitation Payments

The Act provides in clear terms that it is a crime to bribe a public official. This includes “facilitation payments” – money or goods given to a public official to perform, or speed up the performance of an existing duty.

Facilitation payments were illegal before the Act came into force and they are illegal under the Act, regardless of their size or frequency.

An exemption however does exist where there is real and immediate threat to life, limb or liberty.

6 Penalties

The maximum sentence for individuals is up to ten (10) years imprisonment, whilst commercial organisations face an unlimited fine.

7 Defence

The only defence available is for the University to prove that adequate procedures were in place to prevent bribery from being committed by those performing services on its behalf.

8 Risk Areas

The University in conjunction with its auditors have identified the key risk areas as follows:

- Procurement
- Development/Fundraising
- Commercial Contracts
- International Agents

9 Actions

The university has introduced a number of procedures to help comply with the Act that include, but are not limited to:

- (i) Top level commitment by senior officers;
- (ii) Risk Assessments conducted by the Bribery Act Focus Group (“BAFG”);

- (iii) The introduction of due diligence checklists and updated pro forma's;
- (iv) Training for staff; and
- (v) Updated contracts.

The University will continue to monitor and review its processes to provide the highest level of protection for both the University and its staff.

The overall responsibility for the anti-bribery framework lies with the Chief Operating Officer, who delegate's operational responsibility to the BAFG with the Audit Committee charged with ensuring that assurance is available from how the framework operates.

If any member of staff has any queries in relation to the Bribery Act 2010, they must direct their enquiries to Legal Services.

Furthermore, should any member of staff have any suspicions that a breach of the Act has / or is about to take place, they must contact Legal Services or use the University's Public Interest (Whistleblowing) Policy.

June 2014

APPENDIX H: BAD DEBT WRITE OFF POLICY

1. Purpose

- 1.1. This policy is to be adopted within De Montfort University to ensure that the correct prior approval of write offs is obtained, and that each request is based on fully documented history of efforts to collect the account.
- 1.2. Decisions to write off an account are based on review of documented collection efforts demonstrating that due process has been undertaken. All practical means will be undertaken to recover outstanding amounts due to the University.
- 1.3. The Income Manager will recommend debts to be written off and all write offs must be approved in advance.
- 1.4. Further goods and services will be discontinued to trade and general debtors forwarded to the University's Debt Collection Agency (DCA). Students cannot graduate as a debtor to the university.
- 1.5. Debt recovery and collection procedures are in place to ensure an adequate process to minimise bad debts.
- 1.6. Debts will be referred to the University's debt collection agencies if no response for resolution of the debt has been received and if economically viable, legal action will be taken to recover amounts outstanding. Debts that are uneconomical to pursue through debt collection agencies will be directly referred to County Court. Only reputable Debt Collection Agencies will be employed to ensure that there is no detrimental impact on the reputation of the University. The Agencies must be a member of one of the professional bodies, either the Institute of Credit Management or the Credit Services Association.
- 1.7. Accounts deemed uncollectible are always recorded as a charge to an expense code, not as a reduction of income.

2. Commercial Debt

- 2.1. All invoices must be raised in compliance with the University's Financial Regulations.

2.2. Once overdue all debts will be reviewed. Unless there is a valid query, the debt collection process will be instigated.

2.3. All overdue debt will be followed up by the Credit Control Team in line with the University's dunning processes.

2.4. Action to recover outstanding debt will be taken by the University at a predefined time in the dunning process. This will occur in all cases where individual arrangements have not been agreed.

2.5. All non-collectable debt will be recommended for write off.

2.6. Where an invoice has been raised and the goods or service not provided and as a result are uncollectible, the debt will be written off and charged back to the original project / account.

2.7. In exceptional circumstances individual arrangements for repayment of debt might be allowed. This must be agreed with the Income Manager.

3. Student Debt – Tuition Fees

3.1. All invoicing of student tuition fees will be carried out by the Income Section

3.2. The methods of payment for student debt are.

3.2.1. Payment made to a payment plan over the academic year.

3.2.2. Payment in full at registration which will entitle the student to a discount (Overseas student).

3.2.3. Payment by Sponsor.

3.2.4. Payment by instalments via credit card and direct debit.

3.2.5. Payment by the Student Loan Company.

3.3. Sponsored Students

- 3.3.1. All sponsored students must provide the correct paperwork at each registration.
- 3.3.2. In the event that a sponsor defaults on payment, the student will not normally be entitled to complete the course of study unless an alternative source of funding is identified. The student will be included on a stop list that will prevent graduation until the outstanding balance is settled.

3.4. Self-Funding Students

- 3.4.1. All self-funding students on instalment plans will pay 50% of their fees at registration with the balance collected by up to seven debit/credit card or direct debit collections between November and May.
- 3.4.2. Students who default on instalment payments will be advised of action to be taken and input to the dunning process – The University reserves the right to demand immediate payment of all outstanding money owed.
- 3.4.3. Non-payment of fees will see the student included on a stop list which will prevent graduation until the outstanding balance is settled.
- 3.4.4. Outstanding debt for students who have left will be pursued via due legal processes.
- 3.4.5. All debt overdue will be provided for in the accounts, the invoice will be written off to the central code. (See 6 below)

3.5. Early Withdrawal from the University

- 3.5.1. The date of withdrawal will be the date from which the student formally advises the University in writing that they are no longer

attending their course of study. This date MUST be confirmed in writing by the relevant School to Academic Registry.

3.5.2. The calculation for any reduction in fees is based on the date of withdrawal subject to the current policy on Tuition Fees determined by the Fees Setting Group chaired by the Deputy Vice-Chancellor.

3.5.3. This will apply to all students and their sponsors.

3.6. Student Accommodation Debt

Outstanding debt will be identified by the Credit Control Team when it becomes overdue and will be pursued in line with the Credit Control Policy for commercial debt (See 2.2 above).

4. Debt Write Off Authority Limits

4.1. The limits for write off of the University's debt are as follows;

4.1.1.	Invoices up to	£5,000	Head of Financial Services
4.1.2.	Invoices up to	£10,000	Executive Director of Finance
4.1.3.	Invoices up to	£100,000	Finance and HR Committee
4.1.4.	Invoices over	£100,000	Board of Governors

5. Processing Write Offs.

If it is determined that further collection action would not be productive the complete record of the account and collection actions will be forwarded to the Head of Financial Services for write off approval.

When approval is received, appropriate documents will be prepared by the Income Section to accomplish the write off of the account.

6. Bad Debt Accounting Treatment

Bad Debt will be written off to a central code within the Income and expenditure Account, except for the circumstances set out in the Section 2.6 above where the Bad Debt will be written back to the budget of the Faculty or Department initiating the invoice.

A Bad Debt Provision will be maintained in the Balance sheet and reviewed quarterly. A full assessment of the general provision will be undertaken at the Year End and the balance adjusted based on the level of debt as at the end of Period 12. Individual amounts in excess of [£10k] will be reviewed to determine if a specific provision is necessary.

7. Record Retention.

The complete record of the account, including write off approval and documentation of due diligence in the collection effort, will be retained in the archives of the collections department for seven years.

A quarterly report of all accounts written off will be provided to the Head of Financial Services for review. A summary of the bad debts write offs will be supplied to the Finance Committee at each meeting and a full list provided at the year end.

Updated August 2013

Reviewed March 2014

APPENDIX I: SCHEME OF DELEGATION

Introduction

This document seeks to record where authority rests within the university for particular types of decision made in the name of or on behalf of the university. A Table of Authority and Delegations is attached at Schedule 1. No such schedule can be absolutely comprehensive but in addition to explicitly locating the locus of authority for specific categories of decision, the schedule also forms a frame of reference through which questions about other types of decision may be resolved.

Note that the schedule below purports only to identify responsibility for the final (“ratification”) stage of decision-making, and not, for example, responsibility for formulating strategic, policy and business proposals (which typically lies with the Executive Board).

Framework and principles of delegation

- As the governing body of the university the Board of Governors is responsible for:
 - the determination of the educational character and mission of the university and oversight of its activities;
 - the effective and efficient use of resources, the solvency of the university and the corporation, and for safeguarding their assets;
 - approving annual estimates of income and expenditure;
 - determining tuition and other fees payable to the corporation (subject to any terms and conditions attached to grants, loans or other payments paid, or made by the appropriate Education Funding Council);
 - ensuring that the students’ union operates in a fair and democratic manner and is accountable for its finances;
 - ensuring freedom of speech within the law is guaranteed on university premises for staff and students of the university and for visitors;
 - ensuring academic freedom within the law;
 - the health and safety of employees, students and others while on the university’s premises;
 - monitoring the performance of the university against planned strategic and operational targets and for monitoring its own effectiveness;
 - the appointment, assignment, grading, appraisal, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts;
 - setting a framework for the pay and conditions of service of all other staff; and
 - for the procedures for the award of honorary academic titles.

- The Board of Governors may establish committees for any purpose or function and may delegate its powers to those committees or to the Chairman of the Board of Governors or to the Principal. However it cannot delegate decisions on the following matters and these will be reserved for decision by the full Board of Governors:
 - the determination of the educational character or mission of the university;
 - the approval of annual estimates of income and expenditure;
 - decisions to ensure the solvency of the institution and the corporation and the safeguarding of their assets;
 - the appointment or dismissal of the Vice Chancellor
 - the appointment of the Clerk to the Board of Governors; and
 - any proposals to vary or revoke the university's Articles of Government.

- In accordance with clause 2 above the Board of Governors has established the following committees whose terms of reference are attached as Schedule 2 of this Scheme of Delegation.
 - Finance and HR Committee;
 - Audit Committee;
 - Nominations Committee;
 - Remuneration Committee; and
 - Ethics Committee.

- As the academic authority of the university the Academic Board is responsible to the Board of Governors for academic governance and specifically for issues relating to research, scholarship, teaching and courses at the university, including criteria for the admission of students; the appointment and removal of internal and external examiners; creating and publicising regulations of the university relating to the discipline, academic progression, freedom of speech, expulsion, suspension and exclusion of students, and dealing with complaints and academic appeals. The Academic Board is also responsible for policies and procedures for the assessment and examination of the academic performance of students; the content of the curriculum; academic standards and the validation and review of courses; and the procedures for the award of qualifications and academic titles;. Such responsibilities shall, where relevant, be subject to the requirements of validating and accrediting bodies.

- As the chief executive and senior academic officer of the university, the Vice-Chancellor is responsible to the board within the framework laid down by the Instrument and Articles of Government, the Financial Memorandum between the university and HEFCE, the university's Financial Regulations and this Scheme of Delegation- for the operational management of all aspects of the university's work. The Vice-Chancellor may delegate- and in practice has delegated- responsibility for specific aspects of the university's management to members of

the Executive Board (or to other members of management as appropriate) but retains ultimate responsibility for their work.

- The members of the Executive Board are responsible to the Board of Governors (through the Vice-Chancellor) for the leadership and overall management of their respective faculties and directorates in accordance with their job descriptions and the policies and Financial Regulations of the university. They may delegate responsibility for specific aspects of faculty management to the heads of school and/or other members of the relevant faculty executive or directorate management team but retain ultimate responsibility for the management of their faculty or directorate.

SCHEDULE 1 TABLE OF AUTHORITY AND DELEGATIONS

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
1	GOVERNANCE, MANAGEMENT AND CONTROL			
1.1	Amendments to Instrument and Articles of Government	Privy Council		
1.2	Amendments to Byelaws of the Articles of Government	Board of Governors		
1.3	Execution of responsibilities of the Chancellor	Chancellor	Pro Chancellors	Ceremonial responsibilities of the Chancellor can be delegated to Pro-Chancellors or other individuals so nominated by the Vice-Chancellor.
1.4	Execution of responsibilities of the Vice-Chancellor	Vice-Chancellor	Deputy-Vice Chancellor / Chief Operating Officer	Depending always on the issue in question the Deputy Vice-Chancellor or the Chief Operating Officer may exercise such functions of the Vice-Chancellor as may be appropriate, either at his request, in his absence or during a vacancy in the office of the Vice-Chancellor.
1.5	Execution of Responsibilities of the Pro Vice-Chancellors including Pro Vice-Chancellor/Deans	Pro Vice-Chancellors	Deputy Deans/relevant directors	<p>If a faculty/department has a Deputy Dean or Director he/she may exercise any of the functions of the Pro Vice-Chancellor/ Dean either at his/her request, in his/her absence or during a vacancy in the office of the Pro- Vice-Chancellor/ Dean.</p> <p>Alternatively, in the absence of a Deputy Dean / Director or during a vacancy in the office, another senior member of</p>

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
				staff chosen by the Vice-Chancellor may exercise the functions of the Pro Vice-Chancellor/ Dean.
1.6	Execution of responsibilities of Academic Board	Academic Board	Either the Vice-Chancellor, Deputy Vice-Chancellor or the Pro Vice-Chancellor Teaching and Learning, in accordance with the terms of reference of the Academic Board	Academic Board members will seek advice from other colleagues across the university as required in order to inform their decisions - but their responsibilities as members of the Academic Board are not delegated.
1.7	Execution of responsibilities of Executive Board	Executive Board	Members of the Executive Board, in accordance with the terms of reference of the Executive Board	Executive Board members will seek advice from other colleagues across the university as required in order to inform their decisions - but their responsibilities as members of the Executive Board are not delegated.
1.8	Execution of responsibilities of Board of Governors	Board of Governors	Chair of the Board Board sub-committees as specified	The Chairman may take action on behalf of the board in matters that would not normally merit discussion at a governing body meeting (such as the signing of routine documents and detailed implementation of matters already agreed by the governing body). Such decisions should normally be reported to the board at its next meeting. The board may also delegate certain responsibilities to its sub-committees, as specified within the terms of reference of the committees.

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
1.9	Execution of responsibilities of the Clerk to the Board	Clerk to the Board	Assistant Clerk to the Board	The Clerk to the Board has nominated the Assistant Clerk within the department of Executive, Governance and Legal Services to exercise the administrative and ancillary functions of the Clerk to the Board on their behalf.
1.10	Use of the University Seal	Board of Governors	Clerk to the Board	The Clerk to the Board will report to the board on the use of the University Seal.
1.11	Constitution and terms of reference for university committees; reviews of committee effectiveness	Board of Governors - for sub-committees of the Board	Academic Board and Executive Board for university committees.	<p>All committees approve their constitutions and terms of reference at the first meeting of the academic year. These will then be submitted to the parent committee / board for endorsement.</p> <p>Effectiveness reviews of the Board of Governors are the responsibility of the board, facilitated by the Clerk to the Board.</p> <p>Effectiveness reviews of academic governance should be reported to the board by Academic Board but the responsibility for the arrangements for such reviews lies with Academic Board.</p>
1.12	Register of interests	Clerk to the Board		The Clerk will update the register of interests, published on the university website at the start of each academic year, following completion of FRS8 forms required for the institution's annual accountability return.
2	STRATEGY AND POLICY DEVELOPMENT			

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
2.1	Approval of university mission and vision statements, strategic plans and associated strategies	Board of Governors		<p>The approval process will be led by the Executive Board.</p> <p>The documents to be approved will be routed via staff consultation (where relevant) and by discussion and approval at Executive Board.</p> <p>Any strategies relating to Human Resources, Estates and Finance are routed via Finance and HR Committee.</p>
2.2	Approval of university Information Technology strategies, priorities and investment decisions.	Executive Board	Information Technology Steering Group (ITSG)	ITSG will act as a sub-committee of Executive Board. It will also be closely aligned with the Capital and Commercial Projects Group in the university to ensure that IT investments are in accordance with university objectives.
2.3	Approval of accounting policy	Board of Governors		Routed to the board via Finance and HR Committee. The process will be led by the Executive Director of Finance in accordance with Treasury Policy and/or the Financial Regulations within the university where relevant.
2.4	Approval of Annual Monitoring Statement and Financial Forecasts (statutory return to HEFCE)	Board of Governors		<p>The Executive Director of Finance and the Executive Director of Strategic Planning Services will lead the approval process, which will be discussed and approved at Executive Board.</p> <p>The Financial Forecasts are routed via Finance and HR Committee.</p>

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
2.5	Approval of Annual Financial Statements	Board of Governors		<p>The approval process will be led by the Executive Director of Finance.</p> <p>Routed via Finance and HR Committee and Audit Committee.</p> <p>The Finance and HR Committee will consider the financial statements and confirm to the board that there are no areas of concern.</p> <p>The Audit Committee will consider the financial statements in the presence of the external auditor and recommend the statements to the board for approval.</p>
2.6	Approval of Risk Register and Risk Policy	Board of Governors		Routed via Executive Board and Audit Committee.
2.7	Approval of significant amendments to corporate policies that impact on the key terms and conditions or the environment for staff and students, (e.g. policies relating to staff disciplinary, grievance, maternity, sickness and whistleblowing) and/or policies significantly impacting upon the university's brand/reputation	Board of Governors	Finance and HR Committee	<p>The approval process will be led by the Executive Board.</p> <p>The Executive Board will be advised by other directors and lead authors of corporate policies as may be required.</p> <p>Following approval by the Finance and HR Committee, the board may endorse significant amendments, where necessary.</p>
3	APPOINTMENTS, DISMISSALS AND STAFFING MATTERS FOR SENIOR STAFF AND AUDITORS			
3.1	APPOINTMENTS			

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
3.1.1	Appointment of Chancellor	Board of Governors		The New Chancellor Search Committee will make a recommendation to the board for approval, routed via Academic Board.
3.1.2	Appointment of Vice-Chancellor	Board of Governors		Supported by relevant senior staff, as appropriate.
3.1.3	Appointment and dismissal of members of the Board of Governors	Board of Governors		As stipulated in the Instrument and Articles of Government and the constitution of the Nominations Committee.
3.1.4	Severance and Other Non-Recurring Payments	Vice Chancellor	Executive Director of People and Organisational Services – up to £10,000	Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the Board of Governors through the Finance and HR Committee. Further information is contained within the University's Financial Regulations.
3.1.5	Appointment of heads of schools and academic departments	Vice-Chancellor		Supported by the Executive Director of People and Organisational Development.
3.1.6	Appointment of members of the Executive Board.	Vice-Chancellor		Supported by the Executive Director of People and Organisational Development.
3.1.7	Appointment of Clerk to the Board of Governors	Board of Governors		Supported by the Vice-Chancellor's Office and the Executive Director of People and Organisational Development.
3.1.8	Conferment and revocation titles of Professors and Readers	Board of Governors	Vice Chancellor / Professorial Board	The appointment of a professor is made formally by the Vice-Chancellor, acting on the advice of the Professorial and Readership Board or a nominee.

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
3.1.9	Appeals against rejection of application for of title of Professor and Readers	Board of Governors	Designated member of the Board of Governors	In accordance with the guidance on Professorial and Readership Appointments at De Montfort University
3.1.10	Appointment of members of the Board of Governor's sub-committees	Board of Governors	Nominations Committee	In accordance with the Nominations Committee constitution.
3.1.11	Remuneration for the Vice-Chancellor and other members of the senior executive reporting directly to the Vice-Chancellor	Board of Governors	Remuneration Committee	The Vice-Chancellor will make recommendations to the Remuneration Committee, save for his own position
3.12	Appointment of internal auditors.	Board of Governors		The appointment and terms of engagement are recommended by Audit Committee.
3.1.13	Appointment of external auditors.	Board of Governors		The appointment and terms of engagement are recommended by Audit Committee.
3.1.14	Approval of the annual internal audit plan	Board of Governors	Audit Committee	Routed to Audit Committee via Executive Board.
3.1.15	Approval of permissible non-audit services completed by the university appointed external auditors	Audit Committee	Chair of the Audit Committee, where necessary	In situations where such approval is time-critical for the university, decisions can be taken via chair's approval. In such cases, any approvals will be reported by the chair to the next meeting of the audit committee.
3.2	SUSPENSION			
3.2.1	Suspension of the Vice-Chancellor	Chair or Deputy Chair of the Board of Governors		All such action taken by the Chair or the Deputy Chair must be reported to the board within two working days. In accordance with the Disciplinary Procedure for Senior Staff.
3.2.2	Suspension of Senior Post-Holders	Chair, Deputy Chair		All such action taken by the Chair, the

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
		of the Board of Governors or the Vice-Chancellor		Deputy Chair or the Vice-Chancellor must be reported to the board within two working days or as soon thereafter as practicable. In accordance with the Disciplinary Procedure for Senior Staff.
3.2.3	Suspension of other senior staff who are not designated as Senior Post-Holders by the board	Vice-Chancellor	Senior member of management (usually a member of the Executive Board)	In accordance with the Disciplinary Procedure for Senior Staff.
3.2.4	Appeal against suspension – senior post holders and other senior staff	Board of Governors	Designated member of the board	In accordance with the Disciplinary Procedure for Senior Staff.
3.3	DISMISSAL			
3.3.1	Dismissal of the Vice-Chancellor	Board of Governors		
3.3.2	Dismissal of Senior Post-Holders	Board of Governors	Vice-Chancellor or a panel chaired by a member of the board, nominated by the Chair or Deputy Chair	In accordance with the Disciplinary Procedure for Senior Staff.
3.3.3	Dismissal of other senior staff who are not designated as Senior Post-Holders by the board	Vice Chancellor	DVC, PVC/Dean, COO / Associate COO, or other appropriate Senior member of management	In accordance with the Disciplinary Procedure for Senior Staff.
3.4	APPEALS AGAINST DISMISSAL			

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
3.4.1	Appeal by the Vice-Chancellor	Board of Governors		In accordance with the Disciplinary Procedure for Senior Staff and the University's Instrument and Articles of Government.
3.4.2	Appeal by a Senior Post-Holder	Board of Governors	Appeal panel consisting of members of the Board of Governors, or the Vice-Chancellor	In accordance with the Disciplinary Procedure for Senior Staff.
3.4.3	Appeal by other senior staff who are not designated as Senior Post-Holders by the Board	Board of Governors	Appeal panel consisting of members of the Board of Governors or the Vice-Chancellor	In accordance with the Disciplinary Procedure for Senior Staff.
4	APPOINTMENTS, SUSPENSION, DISMISSAL AND STAFFING MATTERS FOR ALL OTHER STAFF			
4.1	SUSPENSION			
4.1.1	Suspension of all other staff	Vice-Chancellor	DVC, PVC, Dean or Director, COO / Associate COO, or other appropriate senior member of management to whom the power has been delegated by the Vice-Chancellor	All such actions are at all times to be in accordance with the university's HR policies.
4.1.2	Appeal against suspension of three weeks or more	Board of Governors	Designated member of the Board	All such actions are at all times to be in accordance with the university's HR policies.
4.2	DISMISSALS			
4.2.1	Dismissal of all other staff during probation	Vice-Chancellor	Line Manager	All such actions are at all times to be in accordance with the university's HR policies.

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
				Under the university's Support, Review and Guidance Procedure for Employees Serving a Probationary Period, the Vice-Chancellor has delegated to the employee's line manager.
4.2.2	Dismissal of all other staff after completion of probation.	Vice-Chancellor	Subject to the adjacent commentary, the Vice-Chancellor has delegated the power to dismiss to the following: DVC, PVC, Dean or Director, COO / Associate COO, or other appropriate senior member of management	<p>All such actions are at all times to be in accordance with the university's HR policies.</p> <p>Under the university's disciplinary procedure for Academic/Teaching Staff the Vice-Chancellor has delegated to a panel chaired by a member of the Senior Executive or to an appropriate senior member of management.</p> <p>Under the university's disciplinary procedure for APT&C and Manual Staff the Vice-Chancellor has delegated to the DVC, the COO / Associate COO, a PVC or a Dean/Director.</p>
4.3	APPEALS AGAINST DISMISSAL			
4.3.1	Appeals by all other staff during probation	Vice-Chancellor	A Pro Vice-Chancellor and another member of the university's senior executive who has not previously been involved in the case	Under the university's Support, Review and Guidance Procedure for Employees Serving a Probationary Period, the Vice-Chancellor has delegated to a panel consisting of a PVC and another member of the university's senior executive who has not previously been

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
				involved in the case.
4.3.2	Appeals by all other staff after completion of probation	Board of Governors	Vice Chancellor or his delegate	All such actions are at all times to be in accordance with the university's HR policies. For Academic/Teaching Staff the Vice-Chancellor will hear any appeal. For APT&C and Manual Staff the Vice-Chancellor may hear any appeal or delegate it to the DVC, the COO / Associate COO, or a PVC as permitted by the appropriate HR procedure.
4.4	OTHER STAFFING MATTERS			
4.4.1	Determination of the pay and conditions of staff (within the framework set by the Governing Body) other than holders of senior posts	Vice-Chancellor	Members of the Executive Board	
4.4.2	Award of honorary fellowships and companionships	Board of Governors		Routed via Conferments Committee.
4.4.3	Award of honorary academic awards	Board of Governors	Academic Board	Routed via Conferments Committee.
	Approval of national pay award	Board of Governors	Executive Board	
5	STUDENT MATTERS			
5.1	Student complaints procedure	Board of Governors	Academic Board	In accordance with the Articles of Government, the Academic Board is responsible for creating and publicising regulations of the university for dealing with student complaints and academic appeals. Amendments are reported to the Board of Governors to note.

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
				The application of the Student Complaints Procedure itself is delegated principally to the Student Appeals and Conduct Officer, in consultation with the university's Head of Legal Services as may be required.
5.2	Student disciplinary procedure	Board of Governors	Academic Board	<p>In accordance with the Articles of Government, the Academic Board is responsible for creating and publicising regulations of the university relating to the discipline, expulsion, suspension and exclusion of students.</p> <p>The Vice-Chancellor is responsible for the maintenance of student discipline and the exclusion, suspension and/or expulsion of students on disciplinary grounds, including on grounds of academic misconduct, and for implementing decisions to expel students for academic reasons.</p> <p>In practice, application of the Student Disciplinary Procedure is delegated principally to the Student Appeals and Conduct Officer, in consultation with the university's Head of Legal Services as may be required.</p>
5.3	Approval of home student tuition fee rates	Board of Governors		Fees are considered by the Fees, Scholarships & Bursaries Working group (chaired by The Executive Director of Finance). The Group is a sub-

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
				<p>committee of the Recruitment, Admissions, Fees and Scholarships Committee (RAFS).</p> <p>RAFS will make a recommendation to the Executive Board of the university. In most cases, decisions regarding the overall home student tuition fee level for the university will impact upon the educational character and mission of the university, such decisions should, therefore, be taken to the Board of Governors for approval.</p> <p>The overall fee income levels are also presented to the board within the annual financial plan.</p>
5.4	Approval of international student tuition fee rates, scholarships and discounts	Board of Governors	Recruitment, Admissions, Fees and Scholarships Committee	<p>The Pro Vice-Chancellor (Strategic & International Partnerships) makes an annual recommendation to the Recruitment, Admissions, Fees and Scholarships Committee (RAFS) for approval.</p> <p>Overall fee income levels are presented to the board within the annual financial plan.</p>
5.5	International recruitment matters	Finance and HR Committee (for significant recruitment matters, as appropriate)	Recruitment, Admissions, Fees and Scholarships Committee / Executive Board	The Recruitment, Admissions, Fees and Scholarships Committee (RAFS) is responsible for monitoring international recruitment and reviewing performance and reporting to the Executive Board as

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
				appropriate. The Finance and HR Committee also receives reports on international recruitment as appropriate.
5.6	Approval of new nomination agreements with private student accommodation providers	Executive Board	Operational Leadership Group	The process will be led by Director of Estates and supported by Procurement Services and Legal Services. Nomination contracts will be tendered every five years. The last contract awarded covers mechanisms for annual increases in student residential fees.
5.7	Approval of student residential fees in DMU accommodation	Executive Board	Operational Leadership Group	Process led by Director of Estates and any proposal to change fees to be presented to OLG for approval and endorsed by Executive Board.
5.8	Approval of changes to Leisure Centre membership fees	Executive Board	Operational Leadership Group	Process led by Director of Estates and any proposal to change fees to be presented to OLG for approval and endorsed by Executive Board.
5.9	Approval of changes to Car Parking fees	Executive Board	Operational Leadership Group	Process led by Director of Estates and any proposal to change fees to be presented to OLG for approval and endorsed by Executive Board.
6	BUDGETARY AND FINANCIAL MATTERS			
6.1	Systems of internal financial management, control and accountability, including risk management, value for money procedures, financial regulations and financial procedures	Board of Governors	Finance and HR Committee; and Audit Committee depending on specific Terms of Reference	The process will be led by the Executive Director of Finance in accordance with Treasury Policy and/or the Financial Regulations within the university where relevant.
6.2	Appointment of bankers, opening of bank	Board of Governors	Finance and HR	The process will be led by the Executive

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
	accounts, designation of bank account signatories		Committee	Director of Finance in accordance with Treasury Policy and/or the Financial Regulations within the university where relevant.
6.3	Approval of financial restatements or letters of representation resulting from a change in accounting standards	Board of Governors	Audit Committee	
6.4	Approval of annual budgets (including capital programme)	Board of Governors		Routed to the board via the Executive Board and the Finance and HR Committee. The process will be led by the Executive Director of Finance in accordance with Treasury Policy and/or the Financial Regulations within the university where relevant.
6.5	Approval of faculty and service budget allocations at budget centre level	Executive Board		The process will be led by the Executive Director of Finance in accordance with Treasury Policy and/or the Financial Regulations within the university where relevant.
6.6	Establishment of borrowing limits	Board of Governors		Routed to Board via Finance and HR Committee. The process will be led by the Executive Director of Finance in accordance with Treasury Policy and/or the Financial Regulations within the university where relevant.
6.7	Establishment of borrowing facilities	Board of Governors		Routed to Board via Finance and HR Committee.

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
				The process will be led by the Executive Director of Finance in accordance with Treasury Policy and/or the Financial Regulations within the university where relevant.
6.8	Management of endowments and other investments	Board of Governors	Finance and HR Committee	The process will be led by the Executive Director of Finance in accordance with Treasury Policy and/or the Financial Regulations within the university where relevant.
6.9	Policies on investment of endowments and other assets	Board of Governors	Finance and HR Committee	The process will be led by the Executive Director of Finance in accordance with Treasury Policy and/or the Financial Regulations within the university where relevant.
6.10	Establishment of university spin out companies	Board of Governors	Finance and HR Committee	The process is led by the Director of Research Business and Innovation.
6.11	Write-off of bad debt	Board of Governors – over £100k	Up to £5K – Head of Financial Services Up to £10k- Executive Director of Finance; Over £10k and up to £100k Finance and HR Committee	This is set out in Section 4 of the Bad Debt Write Off Policy approved by the Finance Committee: Item 900 Appendix D Annex 3. (Appendix H of the Financial Regulations).
6.12	Acceptance of financial donations and endowments	Board of Governors	Executive Board. If the donation raises issues of significance which could affect the reputation of the university then this will be referred to the Board	Ethics Committee and/or Advancement Committee will consider such matters in the first instance and refer the decision to Executive Board, in accordance with the terms of reference of the Ethics or Advancement Committee.

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
			of Governors for a decision.	
6.13	Approval of payment for invoices for goods and services	Executive Director of Finance	Budget Holders	This is delegated to budget holders up to the approved levels for their budget.
6.14	Approval of orders and contracts for works, goods and services	Executive Director of Finance	Head of Procurement	As contained within the university's Financial Regulations.
6.15	University pension schemes	Board of Governors		Routed to the board via the Finance and HR Committee. Recommendations will be made to the committee by the Executive Director of Finance.
6.16	Auto-enrolment pension schemes	Executive Board		To be submitted to FHRC following approval, for noting.
7	CAPITAL PROJECTS , ESTATES AND IT MATTERS			
7.1	Approval of capital projects	Board of Governors – over £1m	Up to £500k- Capital and Commercial Projects Group; Over £500k and up to £1m - Capital and Commercial Projects Group and Finance and HR Committee.	At all stages of the delegation thresholds advice will be sought from the respective Directors concerned with the Capital Project and in particular the Director of Estates, Executive Director of Finance and the Head of Legal Services. Such acquisitions and disposals will be discussed at Executive Board in accordance with its terms of reference and independently of this Scheme of Delegation.
7.2	Approval of major projects	Board of Governors – over £5m	Up £5m – Capital and Commercial Projects Group and Finance and HR Committee	Major projects with operating expenditure; or a mix of capital and operating expenditure exceeding £1m within a five year period require a business case approved by FHRC and

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
				CCPG. Full Board approval is required where expenditure exceeds £5m.
7.3	Tender reviews and evaluations (Information Technology and Media Services)	Board of Governors	<p>Up to £1m- relevant Head of IT and Media Services department in consultation with assigned Procurement personnel</p> <p>Up to £6m- Director of IT and Media Services in consultation with Head of Procurement</p> <p>Over £6m - Finance and HR Committee</p>	The levels proposed here have been agreed by the university's internal auditors and by the Audit Committee and are to ensure that tenders are evaluated properly to ensure Value for Money and that potential operational, financial or reputational risks are considered by appropriate members of staff at the university and for significant projects also considered by the Finance and HR Committee. To note that this is separate to the Approval for Capital projects delegation specified above and is purely considering the delegations applicable to tender reviews.
7.4	Tender reviews and evaluations (Estates)	Board of Governors	<p>Up to £1m- Head of Projects within the Estates Directorate in consultation with assigned Procurement personnel</p> <p>Up to £3m- Deputy Director of Estates in consultation with Head of Procurement</p> <p>Up to £6m - Director of Estates in consultation with Head of Procurement</p>	The levels proposed here have been agreed by the university's internal auditors and by the Audit Committee and are to ensure that tenders are evaluated properly to ensure Value for Money and that potential operational, financial or reputational risks are considered by appropriate members of staff at the university and for significant projects also considered by the Finance and HR Committee. To note that this is separate to the Approval for Capital projects delegation specified above and is purely considering the delegations applicable to tender reviews.

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
			Over £6m - Finance and HR Committee	
7.5	Acquisition and Disposal of property and land	Board of Governors – over £1m	Up to £500k- Capital and Commercial Projects Group; Over £500k and up to £1m - Capital and Commercial Projects Group and Finance and HR Committee.	At all stages of the delegation thresholds advice will be sought from the respective Directors concerned with the acquisition and/or disposal and in particular the Director of Estates, Executive Director of Finance and the Head of Legal Services. Such acquisitions and disposals will be discussed at Executive Board in accordance with its terms of reference and independently of this Scheme of Delegation.
7.6	Leases, agreements for leases, easements, transfers, statutory agreements and nomination agreements	Board of Governors – over £1m	Up to £500k- Capital and Commercial Projects Group; Over £500k and up to £1m - Capital and Commercial Projects Group and Finance and HR Committee	The Director of Estates and Head of Legal Services should be consulted on the terms of such agreements. Such agreements will be discussed at Executive Board in accordance with its terms of reference and independently of this Scheme of Delegation. Contracts should not be signed without prior authority from the Executive Director of Finance.
7.7	Issuing of contracts in relation to university owned residential accommodation	Executive Board		The Executive Board will seek advice from the Head of Legal Services on the terms of such agreements.

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
8	CONTRACTS, AGREEMENTS & LICENCES			
8.1	Purchase of goods and services			
8.1.1	Approval of academic partnerships in the UK and Overseas	Academic Board	University Collaborative Provision Committee	<p>Proposals go to the relevant deans, the strategic leads of collaborative provision (Pro Vice-Chancellor Teaching & Learning and Pro Vice-Chancellor Strategic and International Partnerships) and to the Executive Director of Finance.</p> <p>Once approval to proceed is given, a full proposal goes to the Executive Board for "Approval in Principal"; this enables us to approve the partner via a visit and academic and quality scrutiny.</p> <p>Following this, a recommendation is made to the partner, the Vice-Chancellor and the University Collaborative Provision Committee (UCPC).</p> <p>UCPC reports to Academic Board through the Academic Board family.</p>
8.1.2	International partnerships (non-recruiting)	Executive Board	Pro Vice-Chancellor Strategic and International Partnerships.	In planning and undertaking overseas activity, the Institution must have due regard to the relevant guidelines issued by HEFCE and any appropriate overseas taxation legislation.
8.1.3	Approval of Erasmus partnerships	Executive Board	Pro Vice-Chancellor Strategic and International Partnerships	Proposal for development or renewal are initially signed off by the faculty exchange coordinator and Head of International. The proposals re then

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
				presented to the #DMUglobal Manager ahead of seeking final approval from the Pro Vice-Chancellor Strategic and International Partnerships.
8.1.4	Approval of decisions related to sponsorships and for entering into strategic partnerships	Executive Board	Promoting Our City Theme Board	
8.1.5	Approval and signing of contracts for purchases of services or otherwise which are to be executed as a Deed (where not otherwise specified in this Scheme)	Board of Governors	The Deed should be signed by a member of the Board of Governors and the Vice Chancellor	All contracts must, in addition to any other required approvals, be reviewed and approved by Legal Services. In general terms, advice on financial, estates and legal aspects should be sought respectively from the Executive Director of Finance, Director of Estates or Head of Legal Services.
8.1.6	Signing of contracts and agreements which are not purchases and which are not to be executed as a Deed (where not otherwise provided within the Financial Regulations)	Executive Board or nominated members thereof		Each member of the Executive Board acting on advice from the Head of Legal Services, and the Executive Director of Finance where relevant, can sign contracts and agreements on behalf of the university.
8.1.7	Signing of contracts and agreements for the purchase of goods, services or works.	Executive Director of Finance	Head of Procurement Services and such other member of staff within Procurement Services who the Head of Procurement Services may designate	In accordance with the provisions of the Financial Regulations and where the contract is concerned with the purchase of goods, services or works. Such agreements may also be discussed at Executive Board in accordance with its terms of reference and independently of this Scheme of Delegation.

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
				The Executive Director of Finance and the Head of Legal Services have agreed a local policy on ensuring that legal advice is obtained as appropriate before contracts are signed on behalf of the university.
8.1.8	Signing of research and grant applications	Pro Vice-Chancellor Research & Innovation	Up to £1m- Director of Research Business and Innovation	Advice should be sought from RBI in the first instance. Any grants not on the RBI approved list should be referred by RBI to legal services.
8.1.9	Acceptance and Signing of research grants award	Pro Vice-Chancellor Research & Innovation	Up to £1m- Director of Research Business and Innovation	Advice should be sought from RBI in the first instance. Any grants not on the RBI approved list should be referred by RBI to legal services
8.1.10	Acceptance and signing of knowledge exchange and innovation grants and contracts	Board of Governors	Up to £1m - Director of Research Business and Innovation or PVC for Research and Innovation More than £1m and less than £2m – Chief Operating Officer More than £2m – Board of Governors	
9	MEDIA AND INFORMATION MATTERS			
9.1	Authorisation of media releases	Executive Director of Marketing and		It may also be appropriate, depending on the context, to seek approval from

	ACTION	FINAL AUTHORITY	DELEGATED AUTHORITY (IF ANY)	DELEGATION LIMITS, CONTEXT AND PROCESS
		Communications		the Vice-Chancellor.
9.2	Approval of the use of the University Crest / Logo	Executive Director of Marketing and Communications		It may also be appropriate, depending on the context, to seek approval from the Vice-Chancellor and the Head of Legal Services.
9.3	Classification of information under the Freedom of Information Act (University Publication Scheme)	Director of Information, Technology and Media Services (ITMS)	Information Governance Manager	The Information Governance Manager will also consult with the Head of Legal Services as required together with members of the Vice-Chancellor's office depending on the context.
9.4	Application of sanctions relating to individual access to university library services and facilities	Director of Library and Learning Services		
9.5	Application of sanctions relating to individual access to university computing facilities	Director of ITMS	Head of IT Service Management	For Audio-Visual loans and other portable devices in accordance with agreed process, terms and conditions

SCHEDULE 2

TERMS OF REFERENCE OF COMMITTEES ESTABLISHED BY THE BOARD OF GOVERNORS

Please note: The current Terms of Reference, included as Items for Receipt for this meeting, will be attached to the approved version of the Scheme of Delegation.

APPENDIX J: MAIN POINTS INCLUDED IN THE INSTITUTION'S CODE OF TENDERING PRACTICE

- All members of staff have a duty to give support and co-operation to the Head of Procurement in order to ensure that quotations and tenders are obtained in accordance with this code of practice.
- It is the policy of the Institution to comply fully with EU Public Procurement Directives that are enacted as statutes in England, Wales and Northern Ireland by means of the Public Contracts Regulations 2006. The Head of Procurement will provide advice and guidance in order to ensure compliance with the Public Contracts Regulations 2006.
- Collaborative procurement both within the Institution and with other Higher Education Institutions and public sector organisations will always be considered as a procurement option. Standing supply arrangements available to the Institution through government, local authority and higher education procurement consortia will always be considered before instigating the Institution's own competitive procurement procedures.
- The Head of Procurement will publicise the current financial threshold at which a competitive tender process that is compliant with the Public Contracts Regulations 2006 is required.
- The detailed procurement procedures set out in the Public Contracts Regulations 2006 will be applied to procurements and contracts that fall within the scope of the Regulations.
- The competitive tendering procedure for goods and services shall be as follows,:
 - hold a procurement strategy meeting involving all relevant stakeholders
 - prepare a procurement plan
 - assess the market and engage in preliminary discussions with suppliers/contractors without compromising the fairness of the subsequent competitive tender procedure
 - for contracts where the value or the aggregate value taken over four (4) years exceeds £50,000 including VAT advertise the business opportunity on the Institution's website and the Institution's electronic tendering system (In-Tend)
 - for contracts where the value or the aggregate value taken over four (4) years is reasonably foreseen to exceed the then current financial threshold at which a competitive tender process that is compliant with the Public Contracts Regulations 2006 is required, advertise the requirement in the Official Journal of the European Union (OJEU). The compliant process that will be utilised will have been agreed as an output of the procurement strategy meeting

- administer the competitive tender process electronically using the Institution's electronic tendering system (In-Tend) and the standard documents available on the system
 - invite, wherever possible, a minimum of three tenderers and always include those bidders who have been fairly assessed as being capable of making a bid that the Institution could accept
 - issue simultaneous invitations to tender using the In-Tend electronic tendering system and the standard documentation available on the In-Tend system. Procedures for making technical and commercial enquiries of the Institution must be included in the information provided as part of the competitive tender package.
 - include in invitations to tender: specification of the desired goods and services; award criteria; desired delivery requirements as to time and place; price schedule; form of tender; certificate of *bona fide* tender; and terms and conditions of contract
 - receive electronic versions of tenders and hard copy tenders in the In-Tend system and hard copy (paper) copies in the office of the Executive Director of Finance. Paper copies to be stored securely in Procurement Services until the In-Tend opening ceremony has been completed. The Institution must be able to demonstrate that tenders were both constructed and submitted before the time of opening of the tenders
 - provided that either the electronic version or the hard copy version has been received at or before the closing date and time for receipt of tenders, the tender will be deemed to have been delivered on time
 - refer to In-Tend for records of the responses to the invitation to tender
 - under the leadership and guidance of the Head of Procurement carry out any necessary post tender clarification with short-listed suppliers/contractors
 - evaluate the bids using the agreed award criteria and keep a record of the evaluation
 - for tenders that are not subject to the Public Contracts Regulations 2006, award the contract and advise unsuccessful bidders at the same time through the In-Tend system
 - for tenders governed by the Public Contracts Regulations 2006, issue a contract award decision notice advising the successful and unsuccessful bidders of the outcome and of the tender through the In-Tend system and allow a mandatory minimum 10 elapsed day standstill period (which must expire at midnight on an Institution working day)
 - retain hard copies of unsuccessful bids for 8 weeks and electronic versions on the In-Tend system for 2 years
 - retain hard copies of documentation pertaining to the successful bid for 6 years (where the contract is a simple contract signed under hand) or 12 years (where the contract is executed as a Deed).
 - record and scan the relevant details of the contract on and into the In-Tend Contract Management System
- Quotation procedure:
 - wherever possible, a minimum of three suppliers/contractors must be invited to quote. Potential bidders may be obtained from Internet

- searches, directories held in the Institution library and from Procurement Services staff
- Include in the invitation: specification of the required goods and services; delivery requirements as to time and place; terms and conditions of contract
 - where the specification calls for a supplier/contractor to interact on the Institution's behalf with staff, students or the public, bidders should be asked for details of its equal opportunities policy.
 - Produce a brief report to justify the acceptance of a quotation which is not the one of lowest cost
 - Procurement Services staff will advise on any aspect of the request for quotation on request.
- Unless otherwise agreed by the Head of Procurement on behalf of the Executive Director of Finance the procedures for works and works consultancy shall be as set out in the Director of Estates Project Procedures and shall include;
 - The creation and maintenance by the Director of Estates of approved lists of works contractors and consultants from whom tenders and quotations may be invited
 - Advertising as necessary to ensure compliance in the creation and maintenance of the approved lists with Public Contracts Regulations 2006, the Equality Act 2010 and other legislation that constrains public sector procurement.
 - Unless otherwise agreed by the Head of Procurement all tenders shall be administered using the In-Tend e-tendering system and invited from and returned to Procurement Services
 - Signature of works and works consultancy contracts in accordance with the Procurement Scheme of Delegated Limits of Approval and Contract for Works, Goods and Services.

APPENDIX K: ASSET MANAGEMENT POLICY

A. Introduction

1. The university purchases buildings, equipment, plant and machinery in order to conduct its business. It is the responsibility of each Faculty or Directorate to have good stewardship of university owned assets, provide adequate maintenance of the items, keep complete records of their location and condition, a replacement schedule and when they are replaced or no longer required and to dispose of them in accordance with university procedure for asset disposals.

B. Acquisition

2. Assets will be acquired in accordance with university policy on Procurement and authorised in accordance with the university's scheme of delegation.

C. Asset Definitions and Registers

3. Fixed assets that are capitalised and depreciated in the university's accounts are items valued at £10,000 and above. A register of these items is to be maintained in each Faculty or Directorate and each item tagged with an identification that can be tracked back to the asset register.
4. Items valued between £1000 and £9999 are also recorded on a separate departmental asset register in accordance with the guidelines attached (**Appendix 1**).
5. "Attractive" items purchased by the university, regardless of value, such as tablets, mobile phones or cameras are to be included on the register and location or individual noted.

D. Designated Individual

6. Each Faculty/Directorate will designate an individual to oversee the maintenance and upkeep of the asset registers and to be a point of contact for verification processes. The register of individuals will be maintained in the Finance Department. Any change to the individual responsible and contact details is to be communicated to the Deputy Director of Finance by the PVC Dean, Director or Faculty Manager.

E. Maintenance

7. The Faculty/Directorate will make appropriate arrangements for the upkeep and maintenance of the assets to maximise their useful life and ensure they are safe and functional.

F. Replacement Schedule

8. The Faculty/Directorate will plan ahead to ensure that there is adequate funding and timely replacement of the assets and that the register includes a replacement schedule.

G. Disposals

9. When assets are no longer needed, they should be disposed of in accordance with the protocols listed on the finance intranet site, a disposal form completed and appropriately authorised and the disposal recorded on the asset register.

H. Transfers

10. Assets transferred from one department to another must also be recorded on the register of each location.

I. Departure of Employees

11. Upon departure from the university by an employee, all assets purchased by the university that the employee has made use of are to be returned.

J. Verification

12. There will be an annual verification by each Faculty/Directorate to check the existence, location and condition of listed items. Completed registers will be submitted to Finance for compilation and review by first Friday in September annually.

Annex 1 - Asset Inventory Recording Guidelines

Why do we need to keep a record of University assets?

Maintaining a record of the University's assets is a key audit requirement that ensures compliance to the Financial Regulations, and also has insurance implications. On a practical level, maintaining an asset inventory enables monitoring of the University's asset stock, management of asset replacement programmes, and is a deterrent to the misappropriation of assets.

Asset Inventory Recording Guidelines

To enhance asset management a Departmental Asset Inventory Recording Spreadsheet (**Appendix 1**) has been devised. It is the responsibility of each Faculty and Directorate to maintain this inventory for assets in their area, in accordance with the following guidelines:

What assets need to be included on the inventory?

- i) All current assets procured by the Faculty/Directorate, which are over £1k in value or items which are deemed to be 'attractive' (this tends to mean portable assets such as laptops, tablets, and mobile phones).
- ii) **Estates and ITMS will maintain records for assets which they procure, and these assets do not need to be included on your inventory.** Please refer to **Annex 2** which lists all items that will be recorded by Estates and ITMS.
- iii) If you are unsure whether an item needs to be recorded on the inventory please contact Kevin Cronin (kevin.cronin@dmu.ac.uk, ext: 7252).

How are assets recorded on the inventory?

- i) The table below lists the columns included on your inventory with explanatory notes of how to fill in the details:

Date in Service	Date the item was received or put into service
Order Number	QLx generated order number used to purchase the item
GL Code	QLx General Ledger Code used to purchase the item
Supplier/Donor	Name of the supplier or the donor of the item
Originator	Person who raised the order
Brief Description	Appropriate description of the item
Cost (VAT Inclusive)	Cost of the item (including VAT)
Custodian	Main user or person responsible for the item
Building	Building in which the item is usually kept
Room	Room number in which the item is usually kept
DMU ID	DMU ID number (if applicable)
Serial Number	Serial number of the item (if applicable)
Maintenance Details	Any maintenance details for the item (e.g. one year

	warranty renewal date)
In Use?	Is the item currently in use or held in storage?
On Site?	Is the item held on campus or with a member of staff?
% Used for Business	How much is the item used for DMU business? (expressed as a %)
Date Sold or Disposed	Date the item was sold or disposed of (if applicable)

- ii) All current assets should be included on the inventory with all columns completed, subject to the information being available.

Physical Asset Inspection

An annual physical asset check of all assets listed on the inventory is required to be performed within each Faculty and Directorate. This is to ensure that assets are still owned and in use, and to limit the risk of misappropriation. The last physical inspection date needs to be added to the top of the inventory, where indicated.

Who is responsible for the asset inventory?

It is recommended that a member of staff in each Faculty/Directorate is selected to maintain the asset inventory and perform the physical asset inspections. Overall responsibility for asset management within the Faculty/Directorate rests with the PVC Dean/Director.

How is the inventory maintained centrally?

- i) The Finance Directorate will request a copy of your asset inventory annually, to ensure compliance to the Financial Regulations, and to satisfy audit requirements. Inventories will need to be submitted to Financial Accounting Services by 31st July of each financial year, and appropriate instructions and reminders will be sent out.
- ii) An independent sampling and physical review will be carried out periodically by Finance and Security.

Disposal of Assets

There are comprehensive protocols surrounding the disposal of assets. Before disposing of any asset please refer to these protocols which can be found on the Finance intranet website.

Contacts

A list of key contacts related to asset management is detailed below:

Primary Contact - Finance	Kevin Cronin	kevin.cronin@dmu.ac.uk ext 7252
Security	Kevin Burrows	kburrows@dmu.ac.uk
Insurance	Barry Higgins	bhiggins@dmu.ac.uk
Estates	Umesh Desai	udesai@dmu.ac.uk
ITMS	Russ Barnes	rbarnes@dmu.ac.uk

Annex 2

Assets Recorded by ITMS and Estates

The assets listed below will be recorded by Estates and ITMS and **do not** need to be included on departmental asset inventories.

Estates	
1.	All buildings, including components (i.e. heating, lighting, alarms, lifts, windows and internal/external decorations etc.)
2.	Landscaping and drainage
3.	Signage
4.	Classroom furniture (centrally timetabled classrooms and lecture theatres only, plus items in storage)
5.	Vehicles for campus services
6.	Leisure Centre assets
7.	Student accommodation

ITMS	
1.	PC, MAC and laptop computers procured/obtained through ITMS
2.	PC display screens procured/obtained through ITMS
3.	Tablet PC's (iPad and Android devices) procured/obtained through ITMS. NB Mobile phone are out of scope as these are not managed by ITMS and can be purchased outside of their control.
4.	All printing devices deployed throughout the campus, including copy, scan and print
5.	All computers in computer rooms around the campus
6.	Any environmental controls in computer rooms (air conditioning and power protection systems)
7.	All networking equipment (switches and Wi-Fi ports), this does not include any copper or fibre cable connections
8.	All AV assets in Faculty owned teaching spaces
9.	All digital signage throughout the University
10.	Software records of all licensed software for server and PC estate are held by ITMS

If you are unsure whether an asset is recorded by Estates or ITMS please contact Umesh Desai (udesai@dmu.ac.uk) or Russ Barnes (rbarnes@dmu.ac.uk) respectively.

APPENDIX L: POLICY FOR CAPITALISING ASSETS

1. Introduction

1.1 This paper sets out the accounting policy for the capitalisation of assets within DMU.

2. Executive Summary

- 2.1 A tangible asset can be a building or item of equipment (including IT equipment). DMU policy allows this to include bulk items of assets, such as PCs, where the combined value of the purchase exceeds £10,000. In order to be capitalised, these assets must operate interdependently, and are referred to as “grouped assets”
- 2.2 DMU Accounting Policy is that tangible assets will be capitalised when the cost is greater than £10,000 and expensed (depreciated) in equal amounts over their useful life. The useful life of buildings is currently in the 20 – 50+ years range, equipment 3-5 years.
- 2.3 Assets are recorded on a register, manually tracked, depreciated, verified and removed from the register upon disposal.
- 2.4 Intangible assets include computer software and may also be amortised over their expected useful life, after the asset is placed into service. DMU has no capitalised intangible assets at present, however the Core Systems Modernisation programme, which is costing several million pounds and expected to have a useful life of at least seven years, is expected to be the first item in this category. This appears to be consistent with the approach taken by a few other universities.
- 2.5 The capitalised cost will include the purchase of the software, post-acquisition preparation of data and most of the implementation of the new software through to go-live. The cost of Consultants brought to the university to work on this project, who would otherwise not be here, can be capitalised when the work being performed complies with the framework agreed with external audit in December 2014 (see Annex 1). Internal staff dedicated to the project may also be capitalised in accordance with the framework agreement. Their recharge hours and rates are listed and authorised by the programme director, and will be separately disclosed in the annual accounts.
- 2.6 In determining whether internal labour involved in implementing software may be capitalised, the university needs to consider materiality as well as transparency. The university’s financial performance is ultimately judged on delivery of a positive cash position,

rather than operating surplus, and capitalisation of labour costs has no benefit to cash.

- 2.7 The project must therefore be substantial enough to warrant the amortisation of the labour cost the approved policy is if the annual labour component of a project exceeds 0.2% of the university's annual turnover (£320k based on the 13/14 accounts) and the asset has a life of five or more years, then there is a case to be made for capitalisation. Approval of this capitalisation would be subject to approval in the Integrated Planning Exercise, completion of recharge documentation, and disclosure in the university's annual accounts. This document was approved at CCPG in May 2015.

Michèle Holden
Deputy Director Finance
May 11th 2015

Annex 1 - Capital vs Operating Expenditure Principles and Framework

Outline

The following framework was agreed at CCPG in December 2014 following discussions with external audit and relates specifically to the Core Systems Modernisation Programme, but can be applied to other similar programmes where the university is undertaking large investments.

While FRS 15 provides the standard on reporting of fixed assets and depreciation, little guidance is provided in relation to pre-acquisition costs.

A framework has been agreed as to the types of items that constitute capital spend and items which must be charged to operating expense, both before and after acquisition of the system. Whether the expenditure was pre or post procurement, and the nature of the expenditure provide most of the determinant factors. E.g. Training is always operating expense.

Items that are always considered Operating Expense, not capital:

- Operating licenses
- ongoing maintenance contracts
- Training

The following table shows the phases within each project of the Core Systems Modernisation Programme and whether DMU proposes to capitalise or expense costs in relation to this work.

Project and Phases	Occurring pre-acquisition	Operating	Capital	Explanations
Programme Office (Director, Assistant, BPAR/BI project manager)	Y		Y	Only here for the project.
Business Process Analysis and Reengineering (BPAR)				
1. As-is analysis	Y	Y		Identify and analyse current processes
2a. To-be analysis	Y	Y		To decide processes that do not need mapping and go straight to using the standard system process if DMU is outdated

Project and Phases	Occurring pre-acquisition	Operating	Capital	Explanations
2b Fit/gap	N		Y	Analysis to fit existing processes not covered into purchased system is capital
3. System process pilot	N		Y	
4. Adjustments and rework	N		Y	
5. Benefits realisation	N	n/a	n/a	
Data Migration/BI				
				SAP BPC and Tableau visualisation – purchase and set up now. Use prior to ERP solution. Three + years useful life.
1. Data mapping	Y		Y	
2. Data preparation	Y		Y	
3. Data load - pilot	Y		Y	
4. Consolidation of enterprise data	Y		Y	
5. Benefits realisation	N	n/a	n/a	
Target Operating Model				
				High level future state solution, customers, information and staff impacts. Broad document regardless of which solution is selected. Minimal updates required post acquisition.
1. Business change map	Y		Y	Relevant to the future state. Would not be doing this if system was not being acquired
2. Develop model	Y		Y	
3. Test model	N		Y	
4. Implement university-wide	N		Y	
5. Benefits realisation	N	n/a	n/a	

Project and Phases	Occurring pre-acquisition	Operating	Capital	Explanations
Training				Not capitalised
1. Capability study	N	Y		
2. Develop plan for staff	N	Y		
3. Staff retrain	N	Y		
4. System test in line with target op model	N	Y		
5. Identify support requirements	N	Y		
6. Benefits realisation	N	n/a	n/a	
Assurance				
1. Blueprint first draft	Y		Y	Detailed design of future state
2. Blueprint final draft	N		Y	
3. Benchmarking	N		Y	
4. System Documentation	N		Y	
5. Continuous improvement policies and measures	N		Y	
6. Benefits realisation	N	n/a	n/a	
Benefits realisation				
1. Business Case	Y	Y		
2. Final business case	N	Y		
3. Implement test benefits/KPIs	N		Y	
3. Benefit reviews, process validation	N		Y	
4. Benefits realisation	N	n/a	n/a	
Procure and Implement				
1. Supplier/contractor selection	Y	Y		Normal DMU processes
2. System config. and test	N		Y	
3. Roll-out HR/Finance	N		Y	Note: excluding training (operating)
4. Roll-out Student	N		Y	

Charges of contractor and staff pay to capital codes:

The Programme Management Office Programme Director, BPAR/BI Project Manager and Assistant may be capitalised and charged directly to the programme.

Other contractors and staff are to be charged to operating expense.

Once a system has been selected and acquired, contractors and staff working on capital eligible items per the above table may be capitalised in the following way:

Once per month (or at least quarterly prior to the quarter close) a schedule will be prepared to report name, eligible assignment (per table above plus any additional details for clarification), hours spent on the eligible assignment, rate of pay, extended cost, on-cost and total (see attached). The work sheet will be authorised by the Head of Programmes and Planning, or Director of ITMS and a recharge will be made by journal in central finance from the relevant cost centre on the support staff recharge code to the capital project. These charges will need to be disclosed in a note to the annual accounts and appropriate audit trail maintained.

The contractor costs charged to operating expense non-pay, will be identified on a similar schedule showing hours (or days), pro rata fee including VAT if applicable, and total cost, with supporting invoices attached to provide a suitable audit trail, then recharged by journal from non-pay to capital.

Michèle Holden

Deputy Director, Finance

November 27, 2014

Recharges Form

DE MONTFORT UNIVERSITY FINANCE DEPARTMENT									
RECHARGES CORE SYSTEMS MODERNISATION PROJECT									
Financial Year /Period:									
DMU Staff									
Name	Department	Description of Activity	Date from	Date To	Total Hours	Rate per Hour (including On costs) (£)	Total Recharged (£)	Faculty/Directorate Qlx Code to be Credited	CSM Capital Qlx Code to be Debited
									59.Q.167.5.521
									59.Q.167.5.521
									59.Q.167.5.521
									59.Q.167.5.521
									59.Q.167.5.521
									59.Q.167.5.521
									59.Q.167.5.521
									59.Q.167.5.521
									59.Q.167.5.521
									59.Q.167.5.521
									59.Q.167.5.521
									59.Q.167.5.521
Total									59.Q.167.5.521
Consultants									
Name	Department	Description of Activity	Date from	Date To	Total Days/ Hours	Rate per Day/ Hour (£)	Total Recharged (£)	Faculty/Directorate Qlx Code to be Credited	CSM Capital Qlx Code to be Debited
									59.Q.167.5.508
									59.Q.167.5.508
									59.Q.167.5.508
									59.Q.167.5.508
									59.Q.167.5.508
									59.Q.167.5.508
									59.Q.167.5.508
									59.Q.167.5.508
									59.Q.167.5.508
									59.Q.167.5.508
									59.Q.167.5.508
Total									59.Q.167.5.508
I confirm that the Core Systems Modernisation Capital recharges for the period are correct and authorise the recharges shown above:									
Name:			Department:			Signature:		Date:	
Finance Office Use Only:									
Inputted by:									
Journal Reference:									
Date:									