

# **Financial Regulations of the University of Wales**

Approved Council December 2015

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# FOREWORD

To conduct its business effectively the University of Wales, like all organisations, needs to ensure that it has sound financial management systems in place and that they are strictly adhered to. Part of this process is the establishment of financial regulations which set out the financial policies and procedures of the University.

The financial regulations in this manual set out the broad framework of financial management systems, controls and procedures adopted by the University in order to ensure its on-going solvency, the safeguarding of its assets and the effective and efficient use of resources. The regulations are supplemented at departmental level by more detailed procedural instructions covering specific aspects of the financial operations and the supporting financial information systems.

The Strategic Planning and Finance Committee reviews the University's financial regulations on a regular basis and any recommendations for change are submitted to the University Council for approval.

All members of the University Council and the staff, agency staff and consultants of the University have access to the financial regulations, via the University intranet, which must be strictly observed. Inevitably, the regulations will not cover every possible situation and it is important that in cases of doubt advice should be sought from the Director of Director of Finance and Resources.

### **ACKNOWLEDGEMENTS**

- i) These Financial Regulations have been drawn up in broad conformity with the, “Model Set of Financial Regulations for Further and Higher Education Institutions”, as produced by CIPFA’s Higher and Further Education Panel, and which were fully revised in 2013.
  
- ii) The “General Terms and Conditions of Purchase” in Appendix K conform with the updated model produced by the Association of University Purchasing Officers in 1999.

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## TERMINOLOGY

The following general terms have been used in this set of financial regulations.

### **ACADEMIC BOARD**

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The Academic Board is the academic authority with general responsibility for regulating and directing the academic affairs of the University. Decisions of the Academic Board on academic matters which have financial or resource implications are subject to approval by Council. Conversely, decisions by the Council which have academic implications are subject to consultation with the Academic Board.

### **AUDIT COMMITTEE**

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The governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.

### **BUDGET HOLDER**

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The member of staff who has been assigned his or her own budget (other than a Director) and is accountable to their head of Directorate/Centre for it.

### **DIRECTOR OF FINANCE AND RESOURCES**

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The University's most senior executive role charged with leading and directing financial strategy and operations.

## **STRATEGIC PLANNING AND FINANCE COMMITTEE**

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The Committee with responsibility for advising University Council on any matters relating to the finances, accounts, investments, property and business of the University.

## **DIRECTORS**

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The head of a directorate/centre of the University who is responsible for the budget of his or her whole directorate/centre.

## **VICE-CHANCELLOR**

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The Vice-Chancellor has the ultimate executive responsibility for the management of the University, and acts as its Chief Academic Executive and Accounting Officer.

## **CLERK TO THE COUNCIL**

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The Clerk to the University Council has a direct responsibility for ensuring that it, as the governing body, observes its relevant procedures in accordance with the University's Charter, Statutes, Ordinances and Regulations; external legislation, and the requirements of the Higher Education Funding Councils for Wales. He/she must also offer appropriate advice to the University Council and ensure the efficient management of its business, in liaison with the Chairman and other principal officers.

## **UNIVERSITY COUNCIL**

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The University Council is the supreme governing body and administrative authority of the University. It is responsible for the University's staff, finances and for the management of the University's estate and buildings. Subject to the powers of the Academic Board, the Council also has general responsibility for the conduct of the affairs of the University; in particular, for approving the strategic direction of the University and for the stewardship of its funds.

# FINANCIAL REGULATIONS

## A GENERAL PROVISIONS

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### 1 Background

1.1 The University of Wales is a body corporate which was established by Royal Charter on 30 November 1893 (number RC000676). Its structure of governance is laid down in the instruments of its incorporation (Charter and Statutes). The Charter and Statutes can only be amended by the Privy Council. The University is accountable through its University Council which has ultimate responsibility for the University's management and administration.

1.2 The University is a registered charity (registration number 1146516). Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010). Under the Charities Act 2006, universities in Wales became excepted charities and are required to register with the Charities Commission and provide them with information about their activities.

1.3 The University of Wales is engaged in a process of transformation intended to lead to its merger, in future, with other higher educational institutions in Wales. To this end, the Council and Academic Board agreed in the autumn of 2011 to support a new academic strategy. This new strategy saw the University resolve to bring to an orderly end its traditional activities as an accrediting body for other universities in Wales and as a validating body for a range of institutions in the UK and overseas which had agreements permitting them to deliver certain programmes of study leading to Wales award outcomes. This strategy accords with the Welsh Assembly Government's stated priorities for the higher education sector in Wales. It follows that, until the time of merger, the University must continue to discharge its key academic and financial responsibilities and will be subject to the usual oversight for such activities as are in place in the UK.

## **2 Status of Financial Regulations**

- 2.1 This document sets out the University's financial regulations. It translates into practical guidance the University's broad policies relating to financial control. It applies to the University and all its subsidiary undertakings.
- 2.2 These financial regulations are subordinate to the University's Charter and Statutes and to any restrictions contained within the University's financial memorandum with the funding body and the funding body's audit code of practice.
- 2.3 The purpose of these financial regulations is to provide control over the University's total resources and to provide management with assurances that the resources are being properly applied for the achievement of the University's strategic and business objectives:
- financial viability
  - achieving value for money
  - fulfilling its responsibility for the provision of effective financial controls over the use of public funds and funds from all other sources
  - ensuring that the institution complies with all relevant legislation
  - safeguarding the assets of the institution and preventing and detecting fraud
- 2.4 Compliance with the financial regulations is compulsory for all staff, agency staff and consultants connected with the University. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the University's disciplinary policy. The University Council will be notified of any such breach through the Audit Committee. It is the responsibility of heads of department to ensure that their staff are made aware of the existence and content of the University's financial regulations.
- 2.5 The Strategic Planning and Finance Committee is responsible for maintaining a continuous review of the financial regulations, through the Director of Finance and Resources, and for advising the University Council of any additions or changes necessary.
- 2.6 In exceptional circumstances, the Strategic Planning and Finance Committee may authorise a departure from the detailed provisions herein, such departure to be reported to the University Council at the earliest opportunity.
- 2.7 The University's financial systems and procedures determine how these regulations will be implemented and are issued as procedural instructions to all University



## **B CORPORATE GOVERNANCE**

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### **3 University Council**

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

- ensure the solvency and financial health of the University
- safeguard the University's assets
- ensure the effective and efficient use of resources
- ensure that the funds provided by the HEFCW are used in accordance with the terms and conditions specified in the University's financial memorandum with the HEFCW. Similarly to ensure that grants and other funds provided for specific purposes, from whatever sources, are properly applied to those purposes
- ensure that financial control systems are in place and are working effectively
- ensure that the University complies with the HEFCW audit code of practice
- approve the University's strategic plan and ensure that proper arrangements are in place to identify the key risks to the institution and to satisfy itself that they are being monitored and managed
- approve annual estimates of income and expenditure and the annual financial statements
- appoint the University's internal and external auditors.

### **4 Vice-Chancellor**

4.1 The Vice-Chancellor is the University's Chief Academic and Administrative Officer of the University and the designated officer responsible for the financial administration of the University's affairs. In this capacity, the Vice-Chancellor must advise the University Council if, at any time, any action or policy under consideration by them appears to the Vice-Chancellor to be incompatible with its Charter and Statutes and, where applicable, the financial memorandum with the HEFCW. If the University Council decides nevertheless to proceed, the Vice-Chancellor must immediately inform the chief executive of the HEFCW in writing. The Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by the

University Council and for the management of budgets and resources within the estimates approved by the University Council. As the designated officer, the Vice-Chancellor may be required to justify any of the University's financial matters to the Welsh Government's Public Accounts Committee.

## **5 Committee Structure**

5.1 The University Council has ultimate responsibility for the University's finances, but delegates specific powers and processes to the committees detailed below. These committees are accountable to the University Council. A diagram depicting the committee structure is included at Appendix A.

### **5.2 Strategic Planning and Finance Committee**

Monitoring of the University's financial position and financial control systems is undertaken by the Strategic Planning and Finance Committee. The Committee will examine annual estimates and accounts (including the accounting policies upon which they are based) and recommend their approval to the University Council. It will ensure that short-term budgets are in line with agreed longer-term plans and that they are followed. It will consider cash flow projections and investment of short term monies in line with the University's treasury management policies. It will consider any other matters relevant to the financial duties of the University Council and make recommendations accordingly. The Committee will also ensure that the University Council has adequate information to enable it to discharge its financial responsibilities. The Committee will also advise University Council on any additions or changes necessary to the University's Financial Regulations or Financial Procedures.

The Committee will also advise University Council on conditions of service, pensions and all other staffing matters, subject to the powers of the University's Remuneration Committee in respect of staff employed by the University in professorial grade posts. It will consider the University's medium-term and strategic plans. It is responsible for ensuring that all the financial implications of such plans are taken into account before their approval by the University Council. In addition, it is responsible for considering the University's capital programme before it can be recommended to the University Council for approval. Similarly, it considers and makes recommendations to the University Council on the allocation of University resources for its various operational activities. Where such plans and recommendations may have implications for the 'academic' functions and services of the University, the Committee will also submit them to the Academic Board for consideration and the provision of independent advice

to the Council.

It will consider any other matters relevant to the financial duties of the University Council and make recommendations accordingly. The Committee will also ensure that the University Council has adequate information to enable it to discharge its financial responsibilities. A more detailed extract from the Strategic Planning and Finance Committee's terms of reference is shown at Appendix B.

### **5.3 Audit Committee**

Universities are required by their financial memorandum with the HEFCW and by the HEFCW's audit code of practice to appoint an Audit Committee. The committee is independent, advisory and reports to the University Council. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. A more detailed extract from the Audit Committee's terms of reference is shown at Appendix C.

### **5.4 Remuneration Committee**

Consideration of senior management's pay and conditions is the responsibility of the remuneration committee (senior staff include the Vice-Chancellor, Deputy Vice-Chancellor and all other staff employed by the University in professorial grade posts). It has the power to make recommendations to the University Council on their remuneration, including pay and other benefits, as well as contractual arrangements.

### **5.5 Investments**

The Strategic Planning and Finance Committee is responsible to University Council for managing the University's endowment and other funds as determined by University Council. These funds are invested within policy guidelines approved by the University Council on the basis of advice received from the Committee and the appointed Investment Advisers. The Committee is required to submit annually to University Council a full report on its investment activities and results for the year.

## **6 Other Senior Managers with Financial Responsibility**

### **6.1 Deputy Vice Chancellor**

The Deputy Vice Chancellor has authority to deputise for the Vice Chancellor as directed by the Vice Chancellor from time to time.

### **6.2 The Director of Finance and Resources**

Day-to-day financial administration is controlled by the Director of Finance and Resources, who is responsible to the Vice-Chancellor for:

- preparing annual capital and revenue budgets and financial plans
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations
- preparing the University's annual accounts and other financial statements and accounts which the University is required to submit to other authorities
- ensuring that the University maintains satisfactory financial systems to monitor, control, and safeguard the University's assets
- providing professional advice on all matters relating to financial policies and procedures
- day-to-day liaison with internal and external auditors in order to achieve efficient processes.

Appendix D shows, for the main areas in which advice is sought, details of the key contacts within the Finance and Resources Directorate.

### **6.3 Clerk to the University Council**

The Clerk to the Council is responsible for:

- ensuring that Council observes its relevant procedures in accordance with the University's Charter, Statutes, Ordinances and Regulations; external legislation and the requirements of HEFCW
- offering appropriate advice to the Council and ensuring the effective management of its business in liaison with its Chairman and the principal officers of the University
- servicing meetings of the Council and ensuring the effective conduct of its business
- acting as Secretary to Council committees.

In order for the Secretary to the Council to exercise the expected degree of independence with regard to his/her role, he/she has direct access to the Chairman of Council, in addition to a working relationship with the Vice-Chancellor as Chief Administrative Officer.

#### 6.4 **Directors (and Heads of Department)**

Directors are responsible to the Vice-Chancellor for financial management of the functions or activities they control. They are advised by the Director of Finance and Resources in executing their financial duties. The Director of Finance and Resources will also supervise and approve the financial systems and controls operating within their Directorates/Centres, including the form in which accounts and financial records are kept. Directors are responsible for establishing and maintaining clear lines of responsibility within their Directorate/Centre for all financial matters. Where resources are devolved to budget holders, they are accountable to their Director for their own budget. Directors are also responsible for monitoring their budgets and for considering and approving detailed monthly management reports of actual performance against approved budgets of income and expenditure for the year.

Directors shall provide the Director of Finance and Resources with such information as may be required to enable:

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

#### 6.5 **All members of staff**

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

They should ensure that they are aware of the institution's financial authority limits (see 23.2) and the values of purchases for which quotations and tenders are required (see 23.5).

They shall make available any relevant records or information to the Director of Finance and Resources or his or her authorised representative in connection with the implementation of the University's financial policies, these financial regulations and the system of financial control.

They shall provide the Director of Finance and Resources with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the University Council.

They shall immediately notify the Director of Finance and Resources whenever any matter arises which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the institution. The Director of Finance and Resources shall take such steps as he or she considers necessary by way of investigation and report.

## **9 Risk Management**

9.1 The University acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable or unacceptable by the institution will be set out in a separate risk management strategy.

9.2 The University Council has overall responsibility for ensuring that there is a risk management strategy and a common approach to the management of risk throughout the institution through the development, implementation and embedding within the organisation of a formal, structured risk management process. It is advised by the Strategic Planning and Finance Committee and a Risk Management Group.

9.3 In line with this policy, the University Council requires that the risk management strategy and supporting procedures include:

- the adoption of common terminology in relation to the definition of risk and risk management
- the establishment of University-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis
- a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes (see above)
- a decision on the level of risk to be covered by insurance (see 27.1)
- detailed regular review at department or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas
- development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question

- regular reporting to the University Council of all risks above established tolerance levels
- an annual review of the implementation of risk management arrangements

The strategy and procedures must be capable of independent verification.

- 9.4 Directors must ensure that any agreements negotiated within their Directorates/ Centres with external bodies cover any legal liabilities to which the institution may be exposed. The Vice-Chancellor's advice should be sought to ensure that this is the case.

## **10 Whistleblowing**

- 10.1 Whistleblowing in the context of the Public Interest Disclosure Act 1988 is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower 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. Such disclosures by staff are fully protected by the legislation against being dismissed or penalised by the employer.
- 10.2 The University has a formal Whistleblowing Policy which sets out the procedures for making a disclosure under the legislation. Normally, any concern about a workplace matter at the institution should be raised with the relevant member of staff's immediate line manager or head of department. However, the University recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.
- 10.3 A member of staff may, therefore, make the initial disclosure to the Secretary to the Council who shall immediately inform the Vice-Chancellor and the Chair of University Council, unless those persons are themselves the subject of the disclosure. If the member of staff does not wish to raise the matter with this person, or with the Vice-Chancellor or the Chair of the University Council, it may be raised with the chair of the Audit Committee.
- 10.4 The full procedure for whistleblowing is set out in the University's whistleblowing policy. Further details of the Public Interest Disclosure Act and the University's Whistleblowing Policy are set out at Appendix E.

## **11 Code of Conduct of University Staff and Members of Governing Bodies**

- 11.1 The University is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe. These principles are set out at Appendix F. In addition, the institution expects that staff at all levels will observe its code of conduct, contained in its detailed financial procedures, which covers:
- probity and propriety
  - selflessness, objectivity and honesty
  - relationships.
- 11.2 The University is committed to conducting all of its affairs in an open, transparent and fully accountable manner, in keeping with the Second Report of the Committee on Standards in Public Life, which stressed the need for governors of Higher Education Institutions to declare and register their interests.
- 11.3 It is central to the proper conduct of the University's business that chairmen and members of the University Council and its Committees should act and be perceived to act impartially and not be influenced in their role as governors by social and business relationships. Members who have a pecuniary, family or other personal interest in any matter under discussion at any meeting of the University Council or one of its Committees at which he/she is present, shall as soon as practicable disclose the fact of his/her interest to the meeting and shall withdraw from that part of the meeting. A member of the University Council or its Committees is not, however, considered to have a pecuniary interest in matters under discussion merely because he/she is a member of staff or a student of the institution. Nor does the restriction of involvement in matters of direct personal or pecuniary interest prevent members from considering and voting on proposals to insure the governing body against liabilities, which it might incur.
- 11.4 The University also requires staff to declare and register their interests where they are in a position to exert influence on policy decisions of the University, or in such matters as the choice of suppliers and contractors. Similarly, the University's recruitment procedures require applicants to declare any known connection with existing members and staff of the University. Members of recruitment panels are also similarly required to declare such connections.



- 11.5 The Clerk to the University Council shall maintain the University's Register of Interests for all members of Council and its committees having delegated authority, together with those senior administrative staff in the University who are in a position to exert influence on policy decisions of the University. The Register of Interests shall be updated on an annual basis.

## **12 Commercial Ethics/Standards of Conduct**

- 12.1 In the interests of probity, openness and public accountability, staff and members of the University must ensure that in all dealings with commercial partners, members of the public, colleagues, etc., the interests of the University are paramount, and that personal or family gain, or the perception thereof, must be avoided.
- 12.2 The University will not do business with companies, organisations, individuals, etc., that seek to circumvent its procurement, tendering, recruitment policies, etc., or that offer or provide inducements whatsoever to the University's staff and members.

In the event of any breach of this condition, the University shall, without prejudice to any other rights it may possess, be at liberty forthwith to terminate the relationship with the organisation or individual concerned and to recover from it any loss or damage resulting from such termination. Similarly, should any employee, member or any other agent of the University be found to have breached these conditions, the University shall, without prejudice to any other rights it may possess, be at liberty to terminate the contract or relationship with the individual/s concerned and to recover any losses which the University may have incurred as a result of such breach of these conditions.

- 12.3 All University standard tender and contract documentation should include the following anti-corruption clause:

*"You shall not give, provide, or offer to the University's staff, members and agents any loan, fee, reward, gift or any emolument or advantage whatsoever. In the event of any breach of this condition, the University shall, without prejudice to any other rights it may possess, be at liberty forthwith to terminate the contract and to recover from you any loss or damage resulting from such termination."*

## **13 Accepting Gifts and Receiving/Providing Hospitality**

The Bribery Act 2010 came into force on 1 July 2011. The Act introduced new

offences for acts of bribery by individuals, or persons associated with relevant organisations. The penalties are severe for any employee convicted under the Act, which could mean a criminal record with ten year's imprisonment and unlimited fines. This policy shall apply to all staff and members of the University, the University Council and members of its Committees. The term 'staff' shall be deemed to include 'members'.

1. All staff should conduct themselves with integrity, impartiality and honesty at all times.
2. Staff should maintain high standards of propriety and professionalism. This includes avoiding laying themselves open to suspicion of dishonesty, and not putting themselves in a position of conflict between their official duty and private interest.
3. Some staff necessarily spend time with other organisations where it is normal business practice or social convention to offer gifts, hospitality or awards. Offers of this kind can place staff in a difficult position: to refuse may cause misunderstanding or offence; however, to accept may give rise to questions of impropriety or conflict of interest.
4. It is a disciplinary offence for staff to accept any benefit as an inducement or reward:
  - (a) For taking any action (or specifically not taking action) in his or her official capacity.
  - (b) For showing favour (or disfavour) to anyone in his or her official capacity.
5. The guiding principles are:
  - (a) The conduct of individuals should not create suspicion of any conflict between their official duty and their private interest.
  - (b) 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.

### 13.1 **Gifts**

Staff should not accept any gift, reward or hospitality from any organisation or individual with whom they have contact in the course of their work as an inducement either for doing something or not doing something in their official capacity.

Particular care should be taken about any gift from a person or organisation which

has, or is hoping to have, a contract with the University. Although it is conventional in some parts of the private sector for businesses to exchange seasonal gifts, this is not an acceptable practice in the University of Wales. Gifts of a trivial or inexpensive nature may be accepted (e.g. business diaries, calendars, telephone pads), but more substantial or expensive offerings should be declined. If unsolicited gifts of a substantial nature arrive from contractors they should be returned with a polite explanation that the University's rules do not allow their acceptance.

If staff have any doubts about whether an offer of a gift should be refused (it is accepted that refusal of a gift may sometimes cause offence) they should consult their Director, who in turn should discuss the matter with the Vice-Chancellor if it is considered that the gift should be accepted.

The Vice-Chancellor is normally the final arbiter on the advisability of accepting or refusing gifts. However, he/she may also refer the matter to the Chair of Council for advice. If the Vice-Chancellor considers that a gift cannot be used to support the University's business, he/she may authorise retention of the gift by the individual.

Alternatively, arrangements may be made for the gift to be stored until disposal, for example, through a local charity. The Vice-Chancellor must refer all offers of gifts to him/her to the Chair of Council. Staff must record any gifts accepted in the central register under the control of the Personal Assistant to the Vice-Chancellor.. Any queries about the contents of the register should be directed to the Vice-Chancellor.

### 13.2 **Receiving Hospitality**

It is accepted that staff sometimes receive conventional hospitality. They may attend, as part of their official function, an event organised by another body for promotional or influential purpose i.e giving talks or lectures.

Offers of hospitality that exceed this norm should in general be refused. The following items should be avoided:

- excessive hospitality offered in substitution for fees for broadcasts, speeches, lectures or other work done
- inducements which could lead to a contractual position between the University and a supplier, contractor or consultant
- substantial offers of social functions, travel or accommodation
- acceptance of meals, tickets and invitations to sporting, cultural or social events, particularly from the same source.

Particular care should be taken when offered any form of hospitality or gift from a person or organisation which has, or is hoping to have, a contractual relationship with the University. If staff have any doubt about whether to accept hospitality offered they should refer the matter to their Director who in turn may discuss it with the Vice-Chancellor.

If, exceptionally, the Vice-Chancellor agrees that there are circumstances that justify the normal level of hospitality being exceeded, this will be recorded in the central register.

### 13.3 Providing Hospitality

“Hospitality” in this context is limited to the provision of food and drink and does not extend to such things as the provision of theatre seats or seats at sporting events. It does, however, encompass expenses associated with the provision of “hospitality” such as travel costs.

When hospitality is provided by University staff to third parties such as consultants, examiners and assessors, representatives of institutions validated by the University of Wales, etc., the invoice/reimbursement claim must state the names of those attending the meal, the business relationship, place, date, and the business purpose of the hospitality extended. Hospitality must be for a genuine business or academic purpose and not just for purely social reasons, and must be kept to an absolute minimum. The costs of spouses or partners will only be met if the University has requested it, or if a written case is made to the authorising officer that this is in the interests of the University.

Whenever possible, the facilities of the University should be used to entertain visitors. If this is not convenient or feasible and external facilities are used, a rate of £30 per head maximum is the acceptable guide cost. A ratio of one member of staff to two visitors may be used as a guideline (but is left to the discretion of departmental heads). In exceptional circumstances the rate per head or ratios of staff to visitors may be varied on the authorisation of the Director concerned.

## C FINANCIAL MANAGEMENT AND CONTROL

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### 14 Financial Planning

14.1 The Director of Finance and Resources is responsible for preparing annually a rolling financial plan for approval by the University Council on the recommendation of the

Strategic Planning and Finance Committee and for preparing financial forecasts for submission to the HEFCW as appropriate. Financial plans should be consistent with the strategic plans and estates strategy approved by the University Council.

#### 14.2 **Budget objectives**

The University Council will, from time to time, set budget objectives for the University. These will help the Director of Finance and Resources in preparing his or her more detailed financial plans for the institution.

#### 14.3 **Resource allocation**

Resources are allocated annually by the University Council on the recommendation of the Strategic Planning and Finance Committee, and on the basis of the above objectives. Directors are responsible for the economic, effective and efficient use of resources allocated to them.

#### 14.4 **Budget preparation**

The Director of Finance and Resources is responsible for preparing annually a rolling five year financial plan, including a detailed revenue budget and capital programme for the next financial year, for consideration by Strategic Planning and Finance Committee before submission to the University Council for approval. The annual budget should include a projected year-end balance sheet. The Director of Finance and Resources must liaise closely with Directors and the related Boards and committees in preparing the budgets and plans in order to inform the resource allocation process by Strategic Planning and Finance Committee and University Council. The resource allocation decisions must be communicated to Directors as soon as possible following approval by the University Council. The Director of Finance and Resources must ensure that the detailed approved budgets for the following year are loaded into the financial management information system to enable Directors to monitor their actual financial position against the approved budget as the year progresses.

During the year, the Director of Finance and Resources is also responsible for submitting revised budgets and forecast for consideration by the appropriate University Boards and Committees, before submitting them to the Strategic Planning and Finance Committee and then to University Council for approval.

#### 14.5 **Capital programmes**

The capital programme includes all expenditure on land, buildings, equipment, furniture and associated costs whether or not they are funded from capital grants or capitalised for inclusion in the institution's financial statements and which is in excess

of £50,000. Expenditure of this type can only be considered as part of the annual budget approved by the University Council or in year via the Strategic Planning and Finance Committee and reported to Council

The Director of Finance and Resources will establish protocols for the inclusion of capital projects in the capital programme for approval by the University Council. 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. They are summarised at Appendix G and will be supplemented as necessary in financial procedures.

The Director of Finance and Resources will also establish procedures for the approval of variations, including where relevant the notification of large variations to the HEFCW, as laid down in HEFCW guidelines.

The Director of Finance and Resources is responsible for providing regular statements concerning all capital expenditure to Strategic Planning and Finance Committee for monitoring purposes. Following completion of a capital project, a post-project evaluation or final report should be submitted to the Strategic Planning and Finance Committee 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 HEFCW, as laid down in HEFCW guidelines.

#### 14.6 **Overseas activity**

In planning and undertaking overseas activity, where relevant the University must have due regard to any relevant guidelines issued by the HEFCW. Staff undertaking overseas activities should ensure they follow the principles in the University document 'Guidance for Travelling Overseas on University Business' and also refer to Appendix N of the Financial Regulations: University of Wales – Staff Travel Policy

#### 14.7 **Other major developments**

Any new aspect of business, or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time must be presented for approval to the Strategic Planning and Finance Committee.

The Director of Finance and Resources will establish protocols for these major developments to enable them to be considered for approval by the University Council. These will set out the information that is required for each proposed development as well as the financial criteria that they are required to meet. They are summarised at Appendix H and will be supplemented as necessary in financial procedures.

## **15 Financial Control**

### **15.1 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 Director for the income and expenditure appropriate to their budget.

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

### **15.2 Financial information**

The budget holders are assisted in their duties by management information provided by the Director of Finance and Resources. In general, reports are produced on a monthly basis for all Directors which provide details of the actual income and expenditure for the month and year to date compared with the approved budgets.

The Director of Finance and Resources is responsible for supplying budgetary reports on all aspects of the University's finances to the Strategic Planning and Finance Committee on a basis determined by the Strategic Planning and Finance Committee (and where relevant, subject to any specific requirements of the HEFCW). The relevant extracts from the overall position are reported to each committee so that they are aware of their own financial performance against budget. These reports are presented to the University Council, which has overall responsibility for the University's finances.

### **15.3 Changes to the approved budget**

Changes proposed to the approved budget will be first considered by the Strategic Planning and Finance Committee, which will make proposals to the University Council, unless they fall within the delegated approval arrangements:

- Vice-Chancellor in consultation with the Chair of Strategic Planning and Finance Committee - up to £50,000 per annum where they are not self-financing proposals. In the case of the latter - £100,000.
- Strategic Planning and Finance Committee – up to £200,000 per annum

#### 15.4 **Virement**

Budget holders do not have authority for virement concerning staffing costs without first submitting a request to the Strategic Planning and Finance Committee. Requests for Virement relating to other costs, up to a limit of 10% of the approved budget, should be submitted by Directorate/Centre Directors to the Vice-Chancellor for consideration and approval. The Director of Finance and Resources should be notified of all such virements.

- 15.5 The Director of Finance and Resources is responsible for submitting requests for virement of staffing budgets and other resources above 10% to the Strategic Planning and Finance Committee for consideration before submission to the University Council for approval.

#### 15.6 **Treatment of year-end balances**

Budget holders may carry forward to the next financial year any unexpended financial allocations from the previous year, subject to consideration by the Strategic Planning and Finance Committee of the extent of the balances retained. Such balances will be considered during the University Council's annual budgetary allocation and forecasting process. Proposals by Directorates/Centres to utilise such balances in the next and subsequent financial years during the planning period will be considered in the context of the overall effect of such proposals on the University's consolidated income and expenditure accounts in each of those years. Under no circumstances will University Council permit Directorates/Centres to embark upon spending proposals which are financed from departmental balances unless such expenditure is of a non-recurring nature and can be accommodated within the total balances held by the Directorate/Centre.

Specific departmental consumables and equipment account balances may be carried forward with the approval of the Strategic Planning and Finance Committee.

## 16 **Accounting Arrangements**

### 16.1 **Financial year**

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

### 16.2 **Basis of accounting**

The consolidated financial statements are prepared on the historical cost basis of accounting (as modified by the revaluation of certain fixed asset investments and



endowment asset investments) and in accordance with applicable accounting standards.

### 16.3 **Format of the financial statements**

The financial statements are prepared in accordance with the Statement of Recommended Practice *Accounting for Further and Higher Education 2007* and in accordance with applicable Accounting Standards, and subject to any specific requirements of the HEFCW as they may apply to the University of Wales.

### 16.4 **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. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Land will not be depreciated.

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

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item or group of related items is £10,000 or more. Capitalised assets other than land and buildings will be depreciated over a period of years deemed by the Director of Finance and Resources to be consistent with their useful working life, commencing in the year of acquisition.

### 16.5 **Accounting Records**

The Director of Finance and Resources is responsible for the retention of financial documents and other records for the functions under his control. These should be kept in a form that is acceptable to the relevant authorities.

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

- official purchase orders
- paid invoices
- accounts raised
- bank statements
- copies of receipts

- paid cheques
- payroll records,

The Director of Finance and Resources will make appropriate arrangements with the Network and Systems Manager for the retention of electronic records for the above items .

Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as regional development agencies.

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

Details of the Document Retention Policy for University's finance-related records is given in Appendix M.

#### 16.6 **Accounting Returns**

The Director of Finance and Resources is responsible for consolidating and despatching financial returns and other periodic financial reports to the HEFCW and other agencies following approval by University Council and/or Strategic Planning and Finance Committee as required. The Director of Finance and Resources is also responsible for ensuring that all grants notified by the HEFCW and other bodies are received, properly applied and accounted for.

#### 16.7 **Public access**

Under the terms of the Charities Act 1993, the University Council is required to supply any person with a copy of the University's most recent financial statements within two months of a request. The Act enables the University Council to levy a reasonable fee and this will be charged at the discretion of the Director of Finance and Resources. The University 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 University's website.

#### 16.8 **Taxation**

The Director of Finance and Resources is responsible for advising heads of division/ department, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the University. Therefore the Director of Finance and Resources will issue instructions to Directorates/Centres on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.

The Director of Finance and Resources 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 Audit Requirements**

### **17.1 General**

External auditors and internal auditors shall have authority to:

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

The Director of Finance and Resources is responsible for agreeing with the external auditors a timetable for the preparation of annual financial statements and will advise all affected staff accordingly.

Following consideration by the Strategic Planning and Finance Committee, the financial statements should be reviewed by the Audit Committee. On the recommendation of the Strategic Planning and Finance and Audit Committees they will be submitted to the University Council for approval.

### **17.2 External audit**

External auditors will normally be appointed for a period of five years. The reappointment of external auditors within this period will take place annually and is the responsibility of the University Council at the same time as the University's annual final Accounts are received for approval. The Council will be advised in this matter by the Strategic Planning and Finance and Audit Committee as part of their annual review of the performance of the external auditors.

The primary role of external audit is to report on the University's annual Financial Statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the HEFCW audit code of practice and the Auditing Practices Board's statements of auditing standards.

### 17.3 **Internal audit**

The internal auditors are appointed by the University Council on the recommendation of the Audit Committee. The appointment will normally be for a period of five years. The Audit Committee reviews the performance of the Internal Auditors on an annual basis and reports thereon to University Council.

The University's financial memorandum with the HEFCW requires that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in the HEFCW audit code of practice. The main responsibility of internal audit is to provide the University Council, the Vice-Chancellor and senior management with assurances on the adequacy of the internal control system. The internal auditors will report in writing to the Chairman of the Audit Committee on the completion of each audit, giving an opinion on the adequacy, effectiveness and reliability of the control framework for the areas reviewed, and making recommendations where appropriate. Similarly, the internal auditors are required to submit an annual report to Council, on the internal control systems at the University and the extent to which they can be relied on. The report covers the University's accounting period and must be submitted in time to inform the preparation of the Audit Committee's annual report to the University Council on the work of the internal and external auditors and any other work conducted during the year. In their annual report to Council, the Audit Committee must provide an opinion on the extent to which the Council, in discharging its responsibilities, may rely on the University's internal control system. However, responsibility for the operation of the University's internal control system rests fully with line management.

The internal audit service remains independent in its planning and operation but has direct access to the University Council, the Vice-Chancellor and Chair of the Audit Committee. The formal responsibilities of internal audit are detailed at Appendix I. The internal auditor will also comply with the Auditing Practices Board's auditing guideline *Guidance for Internal Auditors*.

### 17.4 **Fraud and corruption**

It is the duty of all members of staff, management and the University Council to notify the Director of Finance and Resources immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

The Director of Finance and Resources shall immediately invoke the fraud response plan, which incorporates the following key elements (see Appendix J for fuller details):

- he or she will notify the Vice-Chancellor and the Audit Committee (through its chair) of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report
- the Vice-Chancellor shall inform the police if a criminal offence is suspected of having been committed
- any significant cases of fraud or irregularity shall be reported to the HEFCW in accordance with their requirements as set out in the audit code of practice
- the Audit Committee shall commission such investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate
- the internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the Audit Committee on the suspected irregularity. Such report shall include advice on preventative measures.

If the suspected fraud is thought to involve the Director of Finance and Resources and/or the Vice-Chancellor, the member of staff shall notify the Chair of the Audit Committee direct of their concerns regarding irregularities.

#### 17.5 **Value for money**

It is a requirement of the financial memorandum that the University Council is responsible for delivering value for money from public funds it may receive. 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 the funding body, the National Audit Office, the Public Accounts Committee or other relevant bodies.

Internal audit is to have regard to value for money in its programme of work. This will be used to enable the Audit Committee to refer to value for money in its annual report.

#### 17.6 **Other auditors**

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

## **18 Treasury Management and Investment**

- 18.1 The University Council is responsible for the custody and investment of all of the University's funds. It is advised in this respect by the Strategic Planning and Finance Committee in the case of cash, money market investments, endowment asset investments and fixed asset investments (funds relating to these endowment assets and fixed assets are invested in the University's Common Investment Fund) and borrowings – i.e. the traditional treasury management function.
- 18.2 The Director of Finance and Resources is responsible for maintaining records of all investments, both capital and income, for arrangements to ensure the safe custody of all relevant documents and for reporting investment performance regularly to the responsible committees.
- 18.3 The Strategic Planning and Finance Committee is responsible for approving a treasury management policy statement (based on CIPFA's *Treasury Management in the Public Services: Code of Practice* together with cross-sectoral guidance and sector-specific guidance) setting out a strategy and policies for cash management, long-term investments and borrowings. Where relevant to the University, this may require compliance with HEFCW rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the financial memorandum. The Strategic Planning and Finance Committee has a responsibility to ensure implementation, monitoring and review of such policies.

All executive decisions concerning short-term borrowing, investment or financing (within policy parameters) shall be delegated to the Director of Finance and Resources and an appropriate reporting system set up. All borrowing shall be undertaken in the name of the University and shall conform to all University and relevant HEFCW requirements. The Director of Finance and Resources and his/her staff are required to act in accordance with CIPFA's statement of best practice.

The Director of Finance and Resources will report to each meeting of the Strategic Planning and Finance Committee on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him/her.

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

The University Council is responsible for the appointment of the University's bankers and other professional financial advisers (such as investment advisers) on the

recommendation of the Strategic Planning and Finance Committee. The appointment shall be for a specified period after which consideration shall be given by the Strategic Planning and Finance Committee to subjecting the service to a competitive tendering exercise.

#### 18.5 **Banking arrangements**

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

Only the Director of Finance and Resources may open or close a bank account for dealing with the University's funds. All bank accounts shall be in the name of the University or one of its subsidiary companies. No other division, department or section shall be empowered to operate a bank account relating to their or any other University activity. Similarly, no cheques or financial instruments made payable to the University shall be endorsed and credited to any other account.

All automated transfers on behalf of the institution, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Strategic Planning and Finance Committee. Details of authorised persons and limits shall be provided for in the University's detailed financial procedures (see 23.2).

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

#### 18.6 **On-Line Banking Arrangements**

All arrangements concerning the use of on-line electronic banking facilities for the payment of staff salaries, creditors etc. must be approved by University Council on the recommendation of Strategic Planning and Finance Committee. The Director of Finance and Resources must ensure that the controls over and access to such facilities are rigorously established and enforced. There must be strict segregation of duties between those staff responsible for setting up payment transaction files and those staff responsible for checking and executing the on-line transfer instructions. Confirmation reports from the bank relating to transfer instructions received from the University must be checked back to the originating transaction reports by staff who were not involved in originating the transactions.

## **19 INCOME**

### **19.1 General**

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

Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined by procedures approved by the Strategic Planning and Finance Committee, and are approved by the University Council.

The Director of Finance and Resources is responsible for the prompt collection, security and banking of all income received.

The Director of Finance and Resources is responsible for ensuring that all grants notified by the HEFCW body and other bodies are received and appropriately recorded in the University's accounts.

The Director of Finance and Resources is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

### **19.2 Maximisation of income**

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

### **19.3 Receipt of cash, cheques and other negotiable instruments**

All monies received within Directorates/Centres from whatever source must be recorded by the department on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments. All cash amounts received in excess of £500 must be banked within 24 hours. All cheque amounts received in excess of £500 must be banked within one week. Where this is not possible, the funds must be locked in a secure safe or strongroom pending the next available opportunity to do so.



The custody limits for cash, negotiable money, crossed cheques etc., and transit arrangements of all monies received must comply with the requirements of the University's insurers, details of which will be supplied by the Director of Finance and Resources.

No deductions may be made from any cash collected on behalf of the University. 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 University.

BACS/CHAPS – wherever possible, Directorates/Centres should arrange for monies payable to the University to be paid directly into the University's bank account via BACS/CHAPS arrangements. All such payments must be made quoting the University's unique reference number which will be quoted on the Invoice for the goods/services in question.

**Receipts by credit or debit card:** the institution may only receive payments by debit or credit card using procedures approved by the Director of Finance and Resources.

Internet receipts: any Directorate or Centre contemplating arranging for payments to be made to the institution by the internet should seek guidance from the Director of Finance and Resources at an early stage.

#### 19.4 **Collection of debts**

The Director of Finance and Resources should ensure that:

- debtors invoices are raised promptly on official invoices, in respect of all income due to the institution
- invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account
- any credits granted are valid, properly authorised and completely recorded
- VAT is correctly charged where appropriate, and accounted for
- monies received are posted to the correct debtors account
- swift and effective action is taken in collecting overdue debts●outstanding debts are monitored and reports prepared for management.

Only the Director of Finance and Resources can implement credit arrangements and indicate the periods in which different types of invoice must be paid. Generally speaking, all amounts payable to the University must be paid within 30 days of the receipt of a University Invoice. Any proposed changes to these arrangements must be submitted to Strategic Planning and Finance Committee for approval.

Debt meetings are to be held on a monthly basis convened by the Director of Finance and Resources. Action is to be determined and debt collectors employed to pursue debts where appropriate. Legal action to recover debt will be with advice from the debt collectors and specialist lawyers.

Requests to write off debts in excess of £ 1,000 must be referred in writing to the Director of Finance and Resources for submission to the Strategic Planning and Finance Committee for consideration. Debts below this level may be written off with the permission of the Director of Finance and Resources provided that all reasonable efforts have been made to recover the debt in accordance with the University's debt recovery procedures.

#### 19.5 **Student Registration fees**

The procedures for collecting Validation registration fees must be approved by the Director of Finance and Resources. He or she is responsible for ensuring that all fees due to the University are received from the Collaborative Centre concerned.

## **20 Research Grants and Contracts**

### 20.1 **General**

Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective. It can use existing knowledge in experimental development to produce new or substantially improved materials, devices, products and processes including design and construction. It excludes routine testing and analysis of materials, components and processes.

The term 'research grant' is restricted to research projects funded by the UK research councils, charities and the higher education funding bodies.

All other externally financed research projects are classified as 'research contracts'.

Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Director concerned to ensure that the financial implications have been appraised by the Director of Finance and Resources. This will include obtaining a set of grant terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance.

The Director of Finance and Resources is responsible for examining every formal application for grant and shall ensure that there is adequate provision of resources to meet all commitments. The Director of Finance and Resources should ensure that the full cost of research contracts is established. The research agreement must be in line with the University's policy with regard to indirect costs and other expenses and taking account of different procedures for the pricing of research projects depending on the nature of the funding body.

Research grants and contracts shall be accepted on behalf of the institution by the Vice-Chancellor.

The Director of Finance and Resources shall maintain all financial records relating to research grants and contracts and shall ensure with the Director concerned that appropriate arrangements are in place to initiate all claims for reimbursement from sponsoring bodies by the due date.

Each grant or contract will have a named supervisor or grant holder and will be assigned to a specific budget holder.

Control of pay and non-pay expenditure will be contained within the budget centre. The head of the budget centre may delegate day-to-day control of the account to a supervisor or grant holder, but any overspend or under-recovery of overheads is to be the clear responsibility of the budget centre with any loss being a charge on departmental funds.

#### 20.2 **Recovery of overheads**

In accordance with the principles of Full Economic Costing, Directorates/Centres must seek to ensure that in addition to the direct costs of a research project they must recover the overhead costs at the rates stipulated by the University.

#### 20.3 **Costing/transparency**

The University has agreed to adopt the principles on costing and pricing recommended by the Joint Costing and Pricing Steering Group (JCPSG).

Staff undertaking research activity must therefore maintain the records specified by the Director of Finance and Resources to enable compilation of returns to the funding body which meet the requirements of the Transparency Review.

#### 20.4 **Grant and contract conditions**

Many grant-awarding bodies and contracting organisations stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. Failure to respond to these conditions often means that the institution will suffer a significant financial penalty. It is the responsibility of the named supervisor or grant holder to ensure that conditions of funding are met.

Any loss to the University resulting from a failure to meet conditions of funding is the responsibility of the budget holder, and will be charged against departmental funds.

### **21 Other Income-Generating Activity**

#### 21.1 **Private consultancies and other paid work**

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

- outside consultancies or other paid work may not be accepted without the consent of the head of Directorate/Centre (and in the case of a Director, the Vice-Chancellor)
- applications for permission to undertake work as a purely private activity must be submitted to the head of Directorate/Centre or the Vice-Chancellor, as appropriate, and include the following information:
  - the name of the member(s) of staff concerned
  - the title of the project and a brief description of the work involved
  - the proposed start date and duration of the work
  - full details of any University resources required (for the calculation of the full economic cost)
  - an undertaking that the work will not interfere with the normal University duties of the member(s) of staff concerned.

Full details of the University's Consultancy Policy is attached as Appendix O.

#### 21.2 **Short courses and services rendered**

In this context a short course includes conferences or seminars. Services rendered includes services and consultancies provided by the use of existing University resources such as buildings, equipment, and staff.

Any staff wishing to run a short course must have the permission of their Director. The course organiser will be responsible to them for day to day management of the course.

Courses or conferences organised by members of staff must be costed and agreed with the Director of Finance and Resources before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the University's policy. All courses must be self-financing or surplus generating unless 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 by the Director and the Director of Finance and Resources.

The costing and pricing of all services, consultancies etc. to outside organisations must be in accordance with the University's costing and pricing procedures which are contained in the University's detailed financial procedures.

Any deficits on short courses or services rendered accounts will be a charge on departmental funds.

### 21.3 **European Union (EU) and other matched funding**

Any such project requires the approval of the appropriate officer prior to any commitment being entered into. Such approval shall be dependent upon the relevant Director being able to demonstrate that eligible matching funds are available and that the project is financially viable by the application of the University's costing and pricing policy.

Individual applications for funds shall be the subject of a report by the Vice-Chancellor to the University Council which will set out, amongst other things, the potential risks generated by the project.

If the University sub-contracts such work to external providers, the relevant Director 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 and the provision is of suitable quality
- payments are only made against detailed invoices.

#### 21.4 **Profitability and recovery of overheads**

All other income-generating activities must be self-financing or surplus-generating unless it is intended that an activity is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the Directorate/Centre and the Director of Finance and Resources.

Other income-generating activities organised by members of staff must be costed and agreed with the Director of Finance and Resources before any commitments are made. Provision must be made for the recovery of both direct and indirect costs in accordance with the University's costing and pricing policy, in particular for the recovery of overheads.

#### 21.5 **Deficits**

Any unplanned deficits incurred on other income-generating activities will be charged to departmental funds.

#### 21.6 **Additional contributions to Directorates/Centres**

Distribution of profits on other income-generating activity between central funds of the University and individual Directorates/Centres will be in accordance with policies recommended by the Strategic Planning and Finance Committee and approved by University Council.

#### 21.7 **Additional payments to staff**

Any proposal to make additional payments to members of staff arising from these income-generating activities should be supported by a report from the relevant Director to the University's Strategic Planning and Finance Committee setting out the rationale for such payments, the staff involved and the amount of the proposed payments. The Strategic Planning and Finance Committee will consider the proposal in the context of the scale and net contribution of the income generating activity concerned and relevant University policies, and submit recommendations to University Council for approval.

### **22 Intellectual Property Rights and Patents**

#### 22.1 **General**

Certain activities undertaken within the institution including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property. The University's general policy, which is

included in all contracts of employment, is to exercise its right to ownership of any such intellectual property. Any proposals to vary these standard conditions will be considered on a case by case basis.

## 22.2 **Patents**

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

## 22.3 **Intellectual property rights**

In the event of the University deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property procedures determined by the University at that time.

## **23 EXPENDITURE**

### 23.1 **General**

The Director of Finance and Resources is responsible for making payments to suppliers of goods and services to the University. All goods and services ordered on behalf of the University should be made through the University's purchase order processing system and the related invoices from suppliers must quote the related University order reference number.

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

Directors are responsible for purchases within his or her Directorate/Centre. Purchasing authority may be delegated to named individuals within the Directorate/Centre whose names must be notified to the Director of Finance and Resources. In exercising this delegated authority, budget holders are required to observe the University's purchasing policies and financial procedures.

The Director of Finance and Resources shall maintain a register of authorised signatories and Directors must supply him or her with specimen signatures of those authorised to certify invoices for payment.

The Director of Finance and Resources must be notified immediately of any changes to the authorities to commit expenditure.

Directors and budget holders are not authorised to commit the institution to expenditure without first reserving sufficient funds to meet the purchase cost. The financial status of each budget head at any point in time is ascertainable from the financial information system which is available on-line to all nominated individuals in

the Directorates/Centres of the University. Committed as well as actual expenditures can be ascertained from the system. Any doubts should be referred to the Director of Finance and Resources for clarification prior to placing the order.

Directors and budget holders are not permitted to raise orders themselves but may sign orders raised by others in their department. Where this is not possible (due, for example, to limited staff numbers), the Director or budget holder authorising the invoice for payment must be different to the member of staff responsible for signing the original University order form.

Any individual purchase order for a single item in excess of £10,000 shall require the approval of the Director of Finance and Resources or the Senior Financial Accountant.

### 23.3 **Procurement**

The University requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice ie most economically advantageous cost which may not necessarily mean the cheapest. Factors to be considered in determining lowest cost and 'best value for money' are noted in the financial procedures. The general requirement is for competitive quotations or tenders to be sought for all purchases at the specified monetary thresholds (see 23.5). If an existing 'public sector' contract or framework agreement is in place for the required goods and services, then quotations may be sought without a full tendering exercise. Wherever possible, purchases must be made with organizations listed by the Higher Education Purchasing Consortium for Wales. Other sources for public sector supplies are Proc-HE, The Office of Government Commerce (OGC), and Value Wales.

The Director of Finance and Resources is responsible for:

- ensuring that the University's purchasing policy is known and observed by all involved in purchasing for the University
- advising on matters of University purchasing policy and practice
- advising and assisting Directorates/Centres where required on specific departmental purchases
- developing appropriate standing supply arrangements on behalf of the University to assist budget holders in meeting their value for money obligations
- vetting all orders above £10,000 before they leave the University
- the drafting and negotiation of all large-scale purchase contracts (generally in excess of £50,000) undertaken by the University in collaboration with the



responsible department

- ensuring that the University complies with EU regulations on public purchasing policy.

#### 23.4 **Purchase orders**

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

Official University orders must be placed for the purchase of all goods or non-recurrent services, except those made using purchasing cards, company credit cards or petty cash. In exceptional circumstances, urgent orders may be given orally, but 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 Director of Finance and Resources to ensure that all purchase orders refer to the institution's conditions of contract (see 20.8 and Appendix K).

#### 23.5 **Tenders and quotations**

Directors and delegated budget holders must comply with the University's tendering procedures contained in the University's code of tendering practice, which are applicable as follows:

- under £5,000 – the budget holder shall have the discretion to decide whether or not to obtain written quotations, but value for money must always be obtained and quotations sought from approved University suppliers under purchasing consortium and other related arrangements. Details of quotations received, written or oral, must be recorded and retained for future reference purposes.
- from £5,000 to £20,000 – the budget holder shall be required to obtain at least three written quotations from approved University suppliers.
- over £20,000 – all items will require at least three competitive tenders
- the award of contracts over £50,000 shall be reported to the Strategic Planning and Finance Committee.

Only partnership arrangements ie framework agreements for the supply of goods or services specifically approved by the Strategic Planning and Finance Committee or the University Council will fall outside these arrangements for tenders and quotations. In addition, all appointments in respect of the following professional services to the University will be subject to a formal tendering process:

- External Auditors
- Internal Auditors
- Bankers
- Solicitors
- Insurance, Investment, Property Advisers, etc.

As stated in 23.3, whenever possible the use of approved suppliers under contracts negotiated by the Higher Education Purchasing Consortium, Wales (HEPCW), or other relevant national contracts negotiated for the Higher Education sector, must be followed.

The main points covered by the University's code of tendering practice are described at Appendix L and may be subject to special rules imposed by the HEFCW.

#### 23.6 **Exceptions to tenders and quotations**

On rare occasions there may be only one supplier of a particular item and no alternative is available ("single source"). Sometimes an item or service has to be purchased from a particular supplier, usually to ensure compatibility with existing goods (ie repairs, parts) or servicing arrangements ("single source"). In other circumstances there may not be time to seek competitive bids. If any of the foregoing occurs the buyer must make a full, written, justification, endorsed by the Director of Finance and Resources and/or Vice Chancellor/Deputy Vice Chancellor.

#### 23.7 **Post-tender negotiations**

Post-tender negotiations (ie after receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms can be entered into, provided:

- it would not put other tenderers at a disadvantage
- it would not affect their confidence and trust in the University's tendering process.

In each case, a statement of justification should be approved by the Vice-Chancellor /Deputy Vice Chancellor prior to the event, showing:

- background to the procurement
- reasons for proposing post-tender negotiations
- demonstration of the improved value for money.

All post-tender negotiations should be reported to the Strategic Planning and Finance Committee.

#### 23.8 **Contract Signatories**

Legal contracts can only be signed by the Vice Chancellor, Deputy Vice Chancellor or Director of Finance and Resources. Contracts in excess of £50,000 must be signed by two of these signatories and written notification to the Chairman. This applies equally to any contract variations.

#### 23.9 **Contracts**

Building contracts are the responsibility of the Strategic Planning and Finance Committee and are administered by the Director of Finance and Resources.

Proposals will normally be initiated by the Director of Finance and Resources as part of the annual Capital budgeting programme in respect of planned replacements, general improvement schemes, space planning or in response to requests from Directorates/Centres.

Consultants may be appointed if the project, as determined by the Strategic Planning and Finance Committee, is too large or too specialised for internal resources. Appointments shall be subject to tendering and other procedures where appropriate.

Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the Director of Finance and Resources as appropriate for Strategic Planning and Finance Committee consideration. Investment appraisals should comply with appropriate HEFCW guidance.

Following consideration by the Strategic Planning and Finance Committee, and approval by the University Council, submissions should be forwarded to the HEFCW where appropriate. If the required agreement is secured from the HEFCW, then their procedural rules should be followed. HEFCW guidance on best practice should be followed even when HEFCW approval is not required

The achievement of value for money will be an objective in the letting of all contracts.

Conditions of contract for the purchase of goods will be followed as described in the University's detailed financial procedures. The main points are described at Appendix L.

#### 23.10 **EU regulations**

The Director of Finance and Resources is responsible for ensuring the University

complies with its legal obligations concerning EU procurement legislation. EU procurement regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold values for Works, Services, and Supplies.

The Director of Finance and Resources will advise Directors on the thresholds that are currently in operation. A breach of these EU regulations is actionable by a supplier or potential supplier.

It is the responsibility of Directors to ensure that their members of staff comply with EU regulations by notifying the purchasing officer of any purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements in journals such as the *Official Journal of the European Community* (OJEC).

Where applicable, the Director of Finance and Resources may also be required to submit to the HEFCW annually details on expenditure which exceeds the threshold. Copies of the relevant documentation falling into this category must be provided by Directors to the Director of Finance and Resources.

#### 23.11 **Receipt of goods**

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

All goods received shall be entered onto an appropriate goods received document or electronic receipting system on the day of receipt. If the goods are deemed to be unsatisfactory, the record shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified.

All persons receiving goods on behalf of the institution must be independent of those who negotiated prices and terms and placed the official order as far as is practicably possible.

#### 23.12 **Payment of invoices**

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

The Director of Finance and Resources is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by computer BACS payments once a fortnight. Only in exceptional circumstances will the Director of Finance and Resources authorise a payment to be made at any other time.

Directors are responsible for ensuring that expenditure within their Directorates/Centres does not exceed funds available.

Suppliers should be instructed by the budget holder to submit invoices for goods or services to the department concerned. Invoices must be passed to the Finance and Resources Directorate as soon as they have been certified and authorised.

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

Payments will only be made by the Director of Finance and Resources against invoices that have been authorised for payment by the appropriate head of department or budget holder. Unless the head of department or budget holder is solely responsible for the payment to be made they should not authorise the invoice until a member of staff has certified the invoice.

Certification of an invoice will ensure that:

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory
- where appropriate, it is matched to the order
- invoice details (quantity, price, discount) are correct
- the invoice is arithmetically correct
- the invoice has not previously been passed for payment
- where appropriate, an entry has been made on a stores record or departmental inventory
- an appropriate cost centre is quoted; this must be one of the cost centre codes included in the budget holder's areas of responsibility and must correspond with the types of goods or service described on the invoice.

Invoices must be registered on the University's computerised Invoice Register as soon as they are received. Batches of invoices certified for payment must be passed to the Finance and Resources Directorate at the Registry for processing in accordance with the detailed procedures issued to all Directorates/Centres. Care must be taken by the budget holder to ensure that discounts receivable are obtained.

### 23.13 **Staff reimbursement**

The University's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement (see 24.5).

Where such purchases by staff are planned, the Director of Finance and Resources and the relevant head of department may jointly approve cash advances to staff that are going to incur expenditure on the institution's behalf. Upon completion of the travel or project to which the advance relates, within one month a final account must be submitted, together with supporting receipts/invoices, to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to an individual is still outstanding.

### 23.14 **Petty cash**

Where a single item is for less than £25 it may be paid from departmental petty cash. It must be supported by receipts or vouchers where available.

The Director of Finance and Resources shall make available to Directorates/Centres such imprests as he or she considers necessary for the disbursements of petty cash expenses. However, it is important for security purposes that petty cash imprest floats are kept to a minimum.

Requisitions for reimbursements of Petty Cash Imprests must be sent to the Director of Finance and Resources, together with appropriate receipts or vouchers and summary report sheets, 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 University's insurers when not in use and will be subject to periodic checks by the head of department or another person nominated by him or her.

Standard institution petty cash records are supplied by the Director of Finance and Resources and must be used for recording all imprest accounts.

### 23.15 **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 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 University Council requires that invoices must be passed for payment as soon as they are received. In the absence of any other agreement regarding the payment of invoices, the University will pay its creditors within 30 days of the delivery of the goods/services or the receipt of a correctly rendered invoice, whichever is the later.

### 23.16 **Project advances**

The Director of Finance and Resources and the relevant Director may jointly approve cash advances for projects carried out away from the institution where cash expenditure may be unavoidable. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or an institute credit card.

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

### 23.17 **Purchasing cards**

Any consideration of the introduction of the use of purchasing cards for any of the University's purchasing requirements will be made by the Strategic Planning and Finance Committee. The operation and control of the institution's purchasing cards would be the responsibility of the Director of Finance and Resources. Holders of purchasing cards would be required to use them only for the purposes for which they

had been issued and within the authorised purchase limits. Cards would not be loaned to another person, nor used for personal or private purchases. Cardholders would obtain approval to purchase from the relevant budget holder and would ensure that there was a sufficient budget available to meet the costs. The Director of Finance and Resources would determine what information would be required from cardholders on purchases made with purchasing cards and deadlines for receipt in the finance section to enable financial control to be maintained.

#### 23.18 **University credit cards**

Where appropriate, the Vice-Chancellor on the advice of the Director of Finance and Resources may approve the issuing of institution credit cards to certain categories of 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 Director of Finance and Resources will be responsible for advising the Strategic Planning and Finance Committee on appropriate systems to be adopted in order to control and monitor the use of institution credit cards and account for expenses charged through them.

## **24 Pay Expenditure**

### **24.1 Remuneration policy**

All University staff will be appointed to salaries / salary scales approved by the University Council and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Human Resources Dept of the University of Wales.

The University Council will determine what other benefits, such as cars, medical and life insurance, may be made 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 management will be approved by University Council on the recommendations of the Remuneration Committee. The salaries and terms of employment of all other staff will be determined by Council on the recommendation of the Strategic Planning and Finance Committee.

### **24.2 Appointment of staff**

All contracts of service shall be concluded in accordance with the University's approved personnel practices and procedures, and all offers of employment with the



University shall be made in writing by the Head of Human Resources (on behalf of the VC). Budget holders shall ensure that the Director of Finance and Resources and the Head of Human Resources are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

### **24.3 Salaries and wages**

The Director of Finance and Resources 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 will be in a form prescribed or approved by the Director of Finance and Resources.

The Head of Human Resources will be responsible to the Director of Finance and Resources for all matters relating to the provision of all necessary staffing information for payroll processing purposes. In particular these include:

- appointments, resignations, dismissals, supervisions, secondments and transfers
- absences from duty for sickness, maternity leave or other reason (apart from approved leave which shall be authorised by the relevant person/s in the Directorate/Centre and reported to the Head of Human Resources)
- changes in remuneration including normal increments and pay awards
- information necessary to establish and maintain records of service in the prescribed form for superannuation schemes, income tax and national insurance.

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

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

### **24.4 Superannuation schemes**

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

The Director of Finance and Resources is responsible for day-to-day superannuation matters, including:

- paying contributions to various authorised superannuation schemes
- preparing the annual returns to various superannuation schemes
- administering the institution's pension fund in conjunction with the Scheme Managers appointed by the Trustees of the Scheme.

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

It is the policy of the University that employees are reimbursed the actual cost of expenses incurred wholly, exclusively and necessarily in the performance of the duties of their employment (Appendix N). The rates and allowances for such expenses are approved by the University Council on the advice of its Strategic Planning and Finance Committee and included on all University Travel and Expenses claim forms.

All claims for payment of subsistence allowances, travelling and incidental expenses shall be submitted on the University's Travel Expenses claim form in the manner approved by the Director of Finance and Resources.

Claims by members of staff must be authorised by their Director (or Vice-Chancellor / recognised line manager in the case of Directors). The certifications by the authorised persons 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
- consideration has been given to value for money in choosing the mode of transport.

Arrangements for travel by the Vice-Chancellor shall be approved by the Chair of Council.

#### **24.6 Overseas travel**

All overseas visits made by University members and staff must be formally requested, justified and approved prior to undertaking the travel, in accordance with the procedures contained in the University's International Travel on University Business Prior Approval Form (Appendix N). The approved authorisation and reporting procedures relating to such international travel will be communicated by the Director of Finance and Resources to all Directors who should ensure that all their staff are made aware of them and that they are complied with on a rigorous basis.

Where spouses, partners or other persons unconnected with the institution intend to participate in a trip, this must be clearly identified in advance. Unless the extra cost of this travel is outweighed by benefits to the institution, agreement to the reimbursement of the expected costs should be obtained in advance of travel.

The University will also publish on its website formal guidance for travelling overseas on University business. This guidance will also form part of the University's Staff Handbook which shall be maintained by the Head of Human Resources.

#### **24.7 Allowances for members of the governing body**

Claims by members of Council shall be authorised by the Clerk to the Council. The claims of members of the Committees of Council shall be authorised by the relevant secretaries to those bodies.

#### **24.8 Severance and other non-recurring payments**

Severance payments shall only be made in accordance with relevant legislation and/or under a scheme and budget approved by the University Council. 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 authorised by the Vice-Chancellor and calculations checked by the Director of Finance and Resources. In exceptional circumstances executive approval may be given by the Chair of the Strategic Planning and Finance Committee, in consultation with the Vice-Chancellor, to be reported to the next meeting of the relevant committee and Council. All severance payments should be declared in the financial statements for each year.

All matters referred to an industrial tribunal shall be notified to the Strategic Planning and Finance Committee (or Remuneration Committee as appropriate) at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

### **25 Assets**

#### **25.1 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 University Council and with reference to HEFCW requirements where exchequer-funded assets or exchequer funds are involved. Such considerations will normally be considered as part of the University's annual capital programme requirements under the strategic planning procedures.

## 25.2 Fixed asset register

The Director of Finance and Resources is responsible for maintaining the University's register of land, buildings, fixed plant and machinery. Directors will provide the Director of Finance and Resources with any information he or she may need to maintain the register. The register will record all assets whose purchase cost or balance sheet valuation is more than £10,000 per individual item or group of related items.

## 25.3 Inventories

Directors are responsible for maintaining inventories, in a form prescribed by the Director of Finance and Resources, for all plant, equipment, furniture and stores in their Directorates/Centres with a value in excess of £1,000. The inventory must include items donated or held on trust.

Inventories must be checked at least annually as described in the University's detailed financial procedures.

When transferring equipment, etc between Directorates/Centres, a transfer record must be kept and the inventories amended accordingly.

## 25.4 Stocks and stores

Directors are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their Directorates/Centres or held on their behalf by a third party. The systems used for stores accounting in Directorates/Centres must have the approval of the Director of Finance and Resources.

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

Those Directors whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Director of Finance and Resources and that instructions to appropriate staff within their Directorates/Centres are issued in accordance with advice contained in the University's detailed financial procedures.

## 25.5 Safeguarding assets

Directors are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc under their control. They will consult the Director of Finance and Resources in any case where security is thought to be defective or

where it is considered that special security arrangements may be needed.

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

Keys to safes or other similar containers are to be carried with the person responsible at all times. The loss of such keys must be reported to the Director of Finance and Resources immediately.

#### **25.6 Personal use**

Assets owned or leased by the University shall not be subject to personal use without proper authorisation. Under no circumstances will the University permit the use of any of its assets for the conduct of an employee's personal business.

#### **25.7 Asset disposal**

Disposal of equipment and furniture must be in accordance with procedures agreed by the Strategic Planning and Finance Committee and contained in the University's detailed financial procedures. A Furniture & Equipment Disposal Record form must be completed and returned to the Director of Finance and Resources in respect of all such disposals.

Disposal of land and buildings must only take place with the authorisation of the University Council. HEFCW consent may also be required if exchequer funds were involved in the acquisition of the asset. All such disposals must be independently valued by a professional surveyor, and consideration such as the potential impact of the disposal on current and/or future University access requirements, or the residual impact on possible future disposals, must be fully considered.

#### **25.8 All other assets**

Directors are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the University, whether tangible (such as stock – see above) or intangible (such as intellectual property – see section 22), including electronic data.

### **26 Funds Held on Trust**

#### **26.1 Gifts, benefactions and donations**

All donations, gifts, benefactions etc. are received on behalf of the University by the University Council. Details of all such receipts and any conditions attached to them

will be reported to Council by the Strategic Planning and Finance Committee. Similarly, where the bequest, donation etc. stipulates that the capital should be used to endow a scholarship or prize fund or that it should be used for a specific 'academic' purpose, a report should also be made to the Academic Board for their consideration.

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

Council will exercise the duties of trustees for any bequests made under Trust. Such bequests must be invested in accordance with the Trustee Act 2000, and will normally be invested in the University's Common Investment Fund, which has been approved by the Charity Commissioners for such purposes.

Council will approve regulations governing the use of such funds after having received advice from the Strategic Planning and Finance Committee and/or Academic Board as appropriate.

## **26.2 Trust funds**

The Director of Finance and Resources is responsible for maintaining a record of the requirements for each trust fund as determined by the Academic Board and for advising the Strategic Planning and Finance Committee on the control and investment of fund balances.

The Strategic Planning and Finance Committee is responsible for ensuring that all the University's trust funds are operated within any relevant legislation and the specific financial requirements for each trust.

## **26.3 Voluntary funds**

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

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

## **27 Other**

### **27.1 Insurance**

The Director of Finance and Resources is responsible for the University's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy (see section 9), 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 and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be considered and approved by the Strategic Planning and Finance Committee on an annual basis.

The Director of Finance and Resources is responsible for effecting insurance cover as determined by the Strategic Planning and Finance Committee. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Director of Finance and Resources will keep a register of all insurances effected by the University and the property and risks covered. He or she will also deal with the University's insurers and advisers about specific insurance problems.

A summary of the University's insurance arrangements will be submitted to the Strategic Planning and Finance Committee on an annual basis for approval and report to the University Council.

Directors must ensure that any agreements negotiated within their Directorates/Centres with external bodies cover any legal liabilities to which the University may be exposed. Advice should be sought from the Director of Finance and Resources to ensure that this is the case. Directors must give prompt notification to the Director of Finance and Resources of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. Directors must advise the Director of Finance and Resources immediately of any event that may give rise to an insurance claim. The Director of Finance and Resources will notify the University's insurers and, if appropriate, prepare a claim in conjunction with the head of Directorate/Centre for transmission to the insurers.

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

University staff must as a general requirement use pool or hire vehicles on University business. If due to specific circumstances they request, and it is agreed by their head of Directorate/Centre, to use their own vehicle for a University business journey, they must ensure that their personal motor insurance policy covers them for such business use.

## **27.2 Companies and joint ventures**

In certain circumstances it may be advantageous to the University to establish a company or a joint venture to undertake services on behalf of the University. Any member of staff considering the use of a company or a joint venture should first seek the advice of the Director of Finance and Resources, who should discuss the proposal with the Vice-Chancellor, having due regard to any guidance issued by the HEFCW.

The University Council is responsible for approving the establishment of all companies or joint ventures and the procedure to be followed in order to do so. This will have regard to any applicable guidance provided by the funding bodies. The process involved in forming a company or a joint venture and arrangements for monitoring and reporting on the activities of these undertakings must be agreed by the Strategic Planning and Finance Committee.

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

The directors of companies where the University is the majority shareholder must submit, via the Strategic Planning and Finance Committee, an annual report to the University Council. They will also submit business plans or budgets as requested to enable the Committee to assess the risk to the University. The University's internal and external auditors shall also be appointed to such companies.

Where the University is the majority shareholder in a company, that company's financial year shall be consistent with that of the University.

## **27.3 Security**

Keys to safes or other similar containers are to be stored securely at all times, and only be accessible to staff authorised to use them. The loss of such keys must be reported to the Director of Finance and Resources immediately. During periods when premises are unoccupied, keys should be stored off-site.



The Network & Systems Manager shall be responsible to the Director of Finance and Resources for making adequate security, backup and recovery arrangements for all information held on the University's computers and networks. The Compliance & Secretariat Manager shall be the nominated Data Protection Officer and shall be responsible to the Director of Finance and Resources for compliance with the Act for all University records.

The Director of Finance and Resources is responsible for the safekeeping of official and legal documents relating to the University. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Director of Finance and Resources. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

#### **27.4 Use of the University's Seal**

The University Council is responsible for the University's Seal and for establishing, by Ordinance, the conditions relating to the custody and use of the Seal. Where a deed or document requires the University's seal to be affixed to it, it must be sealed by a person authorised to operate the Seal and under the authority and signature of the Vice-Chancellor or Deputy Vice Chancellor.

The Clerk to the University Council is responsible for the security and use of the Seal and for submitting a report to each meeting of the University Council detailing the use of the University's seal since the last meeting.

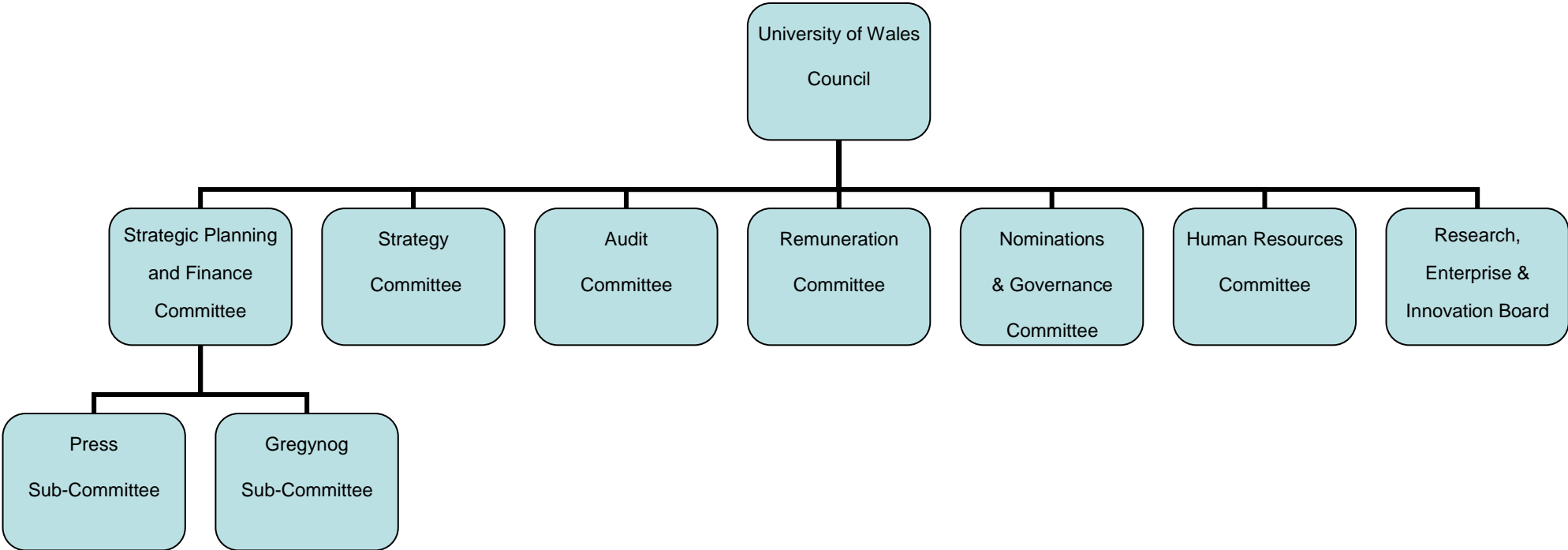
#### **27.5 Provision of indemnities**

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

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APPENDIX A: UNIVERSITY OF WALES COMMITTEE STRUCTURE



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APPENDIX B: STRATEGIC PLANNING AND FINANCE  
COMMITTEE  
RESPONSIBILITIES

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**STRATEGIC PLANNING AND FINANCE COMMITTEE**

1. There shall be a Strategic Planning and Finance Committee which shall consist of the following persons:
  - (i) members *ex officio*:
    - the Chair of Council
    - the Vice-Chair of Council
    - the Vice-Chancellor
  - (ii) five members appointed by the Council from amongst its independent/co-opted members, one of whom shall be appointed Chair;
  - (iii) up to two other persons as the Committee may think fit to co-opt as members.
2. In the absence of the Chair, one of the other members appointed under (ii) above shall chair the meeting.
3. The duties of the Committee shall be:
  - 3.1 *Financial Planning and Management*
    - .1 to advise and to make recommendations to the Council on the University's annual revenue and capital budgets and forecasts;
    - .2 in accordance with the financial strategy as approved by the University Council and taking into account the financial position of the University and the approved budget, to allocate funds as appropriate to underpin the delivery of the University' strategic objectives;
    - .3 to advise the Council on actions required to ensure:
      - (i) the financial viability of the University;

- (ii) that the decision-making requirements of the Council are supported by appropriate advice on major financial issues underpinning the delivery of institutional strategic objectives;
  - (iii) that the requirements of any financial memorandum with HEFCW to maintain financial solvency are met;
  - (iv) that the University's investments are managed in a proper manner and within the policy guidelines laid down by Council and relevant legislative provision with regard to the law for the investment of trust funds, after receiving advice from the University's appointed Investment Advisers;
  - (v) that such other University funds including trust funds, gifts and bequests and investments in any trading activities or operations in which the University has an interest, are managed in a proper manner;
- .4 to advise Council on:
- (i) the borrowing of funds, and the purchase or mortgaging of property, within any limits from time to time prescribed by the Council;
  - (ii) on the selection of contractors, and proposed contractual obligations with financial implications, within any limits from time to time prescribed by the Council;
  - (iii) on matters pertaining to the financial performance of the relevant pension schemes, including the provision of any such advice and support to the Trustees considered necessary in accordance with agreed employer obligations and corporate governance requirements;
  - (iv) relevant matters which may have been raised with the Council by the auditors and the financial plans and forecasts;
  - (v) receive and consider any recommendations concerning the formation, expansion and/or dissolution of the Council's subsidiary companies, and to report to the Council thereon;
- .5 to approve fees chargeable by the University;
- .6 to make recommendations to Council on the writing off of debts;
- .7 to oversee the necessary arrangements in connection with the University's bank accounts, insurance, borrowing, investment, professional advisers and other such matters;
- .8 to consider and review on a regular basis the Financial Regulations of the University and to amend them as appropriate;
- .9 to monitor and regulate the finances, accounts and investments of the University within the overall policy and parameters laid down by the Council and to ensure that the appropriate management systems are in place for the exercise of budgetary control and proper stewardship of the University's resources;

- .10 to prepare and scrutinise the annual Financial Statements and management accounts of the University and to advise the Council accordingly.

### 3.2 *Estates Management*

- .1 to determine, for approval by Council, the estates strategy of the University and to manage the University's estate in accordance with that strategy;
- .2 to consider major building projects and estate development and to advise Council accordingly;
- .3 to monitor the progress of all capital estate projects;
- .4 to review the effectiveness and efficiency of space utilisation and advise Council accordingly;
- .5 to oversee the preparation, on a rolling basis and within the approved strategic plan and agreed spending limits, of plans for the refurbishment and maintenance of all University property;
- .6 to recommend, for approval by Council, all matters relating to acquisitions, disposal, changes of use and other arrangements in accordance with the estates strategy.

### 3.3 *Information Management*

In accordance with the University's overall Strategic Plan, to oversee the preparation of the University's information management strategy, which shall include investment plans for information technology, information systems and information resources.

### 3.4 *Management Controls*

- .1 to satisfy itself that mechanisms are in place to ensure compliance with legislation and regulations affecting the management and operation of relevant activities of the University;
  - .2 to satisfy itself that appropriate systems and procedures are in place to ensure the efficient and effective management of the University's resources at corporate and operational levels, taking into account any report of the Audit Committee;
  - .3 to monitor and if appropriate to review the structure, operation and expenditure of the support services in the light of the developing needs of the University.
4. The Committee shall meet at least four times each academic year, and the Secretary to the Council shall be secretary to the Committee.

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## APPENDIX C: AUDIT COMMITTEE TERMS OF REFERENCE

### AUDIT COMMITTEE

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1. There shall be an Audit Committee which shall consist of the following persons:
  1. two members appointed by the Council from amongst its independent/co-opted members, one of whom shall be appointed Chair of the Committee;
  2. two further independent members appointed by the Council;
  3. up to two other persons as the committee may think fit to co-opt as members.
2. In the absence of the Chair, the other member of Council appointed under (i) above shall chair the meeting.
3. Members should not have significant interests in the University and at least one member should have recent relevant experience in finance, accounting or auditing. Members of the committee should not also be members of the Strategic Planning and Finance Committee.
4. The head of finance (or equivalent), the head of internal audit and a representative of the external auditors shall normally attend meetings where business relevant to them is to be discussed. However, at least once a year the Committee should meet with the external and internal auditors without any officers present.
5. The Committee may investigate any activity within its terms of reference and is authorised to seek any information it requires from any employee, and all employees are directed to co-operate with any request made by the Committee.
6. The Committee may obtain outside legal or other independent professional advice and to secure the attendance of non-members with relevant experience and expertise if it considers this necessary, normally in consultation with the Vice-Chancellor and/or Chair of Council.
7. The Committee will review the audit aspects of the draft annual financial statements. These aspects will include the external audit opinion, the statement of members'

responsibilities, the statement of internal control and any relevant issues raised in the external auditors' management letter. The Committee should, where appropriate, confirm with the internal and external auditors that the effectiveness of the internal control system has been reviewed, and comment on this in its annual report to Council.

8. The duties of the Committee shall be to:
  1. advise Council on the appointment of the external auditors, the audit fee, the provision of any non-audit services by the external auditors, and any questions of resignation or dismissal of the external auditors;
  2. discuss with the external auditors, before the audit begins, the nature and scope of the audit;
  3. discuss with the external auditors problems and reservations arising from the interim and final audits, including a review of the management letter, incorporating management responses, and any other matters the external auditors may wish to discuss (in the absence of management where necessary);
  4. consider and advise Council on the appointment and terms of engagement of the internal audit service (and the head of internal audit if applicable), the audit fee, the provision of any non-audit services by the internal auditors, and any questions of resignation or dismissal of the internal auditors;
  5. review the internal auditors' audit risk assessment, strategy and programme; consider major findings of internal audit investigations and management's response; and promote co-ordination between the internal and external auditors. The committee will ensure that the resources made available for internal audit are sufficient to meet the University's needs (or make a recommendation to Council as appropriate);
  6. keep under review the effectiveness of the risk management, control and governance arrangements, and in particular review the external auditors' management letter, the internal auditors' annual report, and management responses;
  7. monitor the implementation of agreed audit-based recommendations, from whatever source;
  8. ensure that all significant losses have been properly investigated and that the internal and external auditors, and where appropriate the funding council's accounting officer, have been informed;



9. oversee the University's policy on fraud and irregularity, including being notified of any action taken under that policy;
  10. satisfy itself that suitable arrangements are in place to promote economy, efficiency and effectiveness;
  11. receive any relevant reports from the National Audit Office (NAO) and its equivalents in Scotland, Wales and Northern Ireland, the funding councils and other organisations;
  12. monitor annually the performance and effectiveness of the external and internal auditors, including any matters affecting their objectivity, and make recommendations to the governing body concerning their reappointment, where appropriate;
  13. consider elements of the annual financial statements in the presence of the external auditors, including the auditors' formal opinion, the statement of members' responsibilities and the statement of internal control, in accordance with the funding councils' accounts directions;
  14. in the event of the merger or dissolution of the University, ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.
9. The Committee will prepare an annual report to Council covering the University's financial year and any significant issues up to the date of preparing the report. The report will summarise the activity for the year and will give the committee's opinion of the adequacy and effectiveness of the University's arrangements for the following:
1. risk management, control and governance (the risk management element includes the accuracy of the statement of internal control included with the annual statement of accounts);
  2. economy, efficiency and effectiveness (value for money).
- This opinion should be based on the information presented to the Committee. The Audit Committee annual report should normally be submitted to Council before the members' responsibility statement in the annual financial statements is signed.
10. The Committee shall meet at least three times a year and the Clerk to the Council shall be secretary to the committee.

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## APPENDIX D: KEY CONTACTS IN THE FINANCE AND RESOURCES DIRECTORATE

### INTRODUCTION

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- 1 The Finance and Resources Directorate is located on the first floor of the University Registry. The Finance General Office is normally open between 8.30 am and 4.30 pm.
- 2 In order to obtain maximum benefit from the Finance and Resources Directorate, it is important to observe the published deadlines. The deadlines have been established in order to guarantee the delivery of particular services which might not otherwise be achievable.
- 3 The main services are listed on the following pages together with appropriate contact names. There is also a list at the end of the document which gives contact details for individual post-holders.

### FINANCE AND RESOURCES DIRECTORATE SERVICES

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- 4 The Finance and Resources Directorate services the following functions.
- 5 **Creditor payments.** The department pays all sums owed by the University other than payroll items. Payments are made mainly to suppliers of goods and services. The department also administers Registry petty cash payments. Payments can be made to any country and in most currencies.
- 6 **Collection of income.** All income due to the institution must be banked through the Finance and Resources Directorate at the Registry or the nominated section at other sites. Payments are received by BACS, cheque, cash, credit cards or debit cards (Gregynog Hall and the University Press only) and can be in sterling or foreign currencies. Overdue debts are pursued in consultation with Directorates/Centres and, where appropriate, court action is taken. Security arrangements for cash in transit are made for transfers between financial services and the bank but not for internal transfers to financial services.

- 7 **Payroll.** All standing data and adjustments are affected through the section which is also responsible for submission of all PAYE returns.
- 8 **Insurance.** All aspects of insurance cover and claims are handled by the Finance and Resources Directorate. Prompt notification of all losses is essential if claims are to be processed effectively. Failure to notify the police in cases of theft or criminal damage can also invalidate cover.
- 9 **Controlled stationery.** In order to comply with financial regulations, to ensure that current versions of documents are used and to avoid duplication of control numbers, it is important to order these items from the Finance and Resources Directorate. They include official order forms, invoices, receipts, claim forms, travel forms, etc.

## FINANCIAL ACCOUNTING

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- 10 Many of the functions under this heading will not directly affect divisions and Directorates/Centres. They include maintenance of the accounting system, preparation of final and other accounts, tax returns, etc. Another such function relates to treasury management, which encompasses borrowing and lending, cash flow forecasting and management of the bank accounts. There are, however, several services which are for the specific benefit of users.
- 11 **Other services rendered and research grants projects.** Other services rendered and research job numbers are allocated on receipt of proposal forms so that all income and expenditure can be matched to projects. Advice is available for the preparation of bids for projects, especially in relation to external funding. Arrangements are also made for vetting and auditing various grant claims.
- 12 **Use of Resource 32000 Financial system.** Advice and training is provided for users to access and use the data held in the financial system.
- 13 **Major capital projects.** Assistance in the preparation of bids for funding, investment appraisals and monitoring of schemes are all included within the service. It is mandatory for the negotiation of funding packages to be carried out by Finance and Resources Directorate staff.

## MANAGEMENT ACCOUNTING

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- 14 The majority of the work in this area is at a corporate level. This includes the preparation of the financial plan, consolidation and submission of planning data to the University Council, and external agencies such as the HEFCW, compilation of the detailed annual budget and production of comparative statistical data. The Director of Finance and Resources must also provide regular monitoring statements and financial advice to the University Council and its committees.
- 15 **Budget monitoring.** At Directorate/Centre level, detailed management accounts are produced on a monthly basis indicating performance against budget at account code level. In accordance with strict procedures, budgets may be updated and users informed accordingly. All users also receive regular reminders from Finance and Resources Directorate staff in order to ensure that monitoring statements are being received, understood and used. For queries relating to budget maintenance please contact the Senior Assistant Finance Officer in the first instance.
- 16 **Budget planning.** Advice is available for all budget managers for the purpose of the preparation of their business plans. This is particularly important in the area of other services rendered and research grant contracts where markets can be volatile. For queries relating to budget planning please contact the Senior Financial Accountant in the first instance.

## MANAGEMENT CONTROL

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- 17 A range of services provided by the Finance and Resources Directorate relate to the overall control of the University's systems. Some of these are mandatory.
- 18 **Internal audit.** All University's must have an independent internal audit function which operates in conjunction with the Audit Committee. The Finance and Resources Directorate is responsible for the receipt and co-ordination of responses to audit reports and for the implementation of Audit Committee projects.
- 19 **Procedures and regulations.** Financial regulations and detailed financial procedures are maintained and disseminated by the Finance and Resources Directorate. Again, their existence is a funding council and Audit Committee requirement. For queries relating to management control matters please contact the Senior Assistant Finance Officer in the first instance.

## PURCHASING

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- 20** The purchasing function is generally devolved, with authority to purchase granted to budget holders within the threshold framework stipulated in the financial regulations. Budget holders should refer all queries to the Finance and Resources Directorate in relation to the availability of purchasing contracts for goods and services.
- 21 Contract development.** Commodity/service research; contract strategy; supplier appraisal and approval; supplier and contract management.
- 22 Tender process.** Production and issue of documentation; tender evaluation; contract award recommendations; European procurement directive application.
- 23 Operational issues.** Purchasing advice and guidance on the acquisition of goods/ services; assistance with compiling specifications; quotations; sourcing of vendors; negotiations; maintenance of the purchasing manual and associated guide notes and the purchasing catalogues (predominantly web based).
- 24 Purchasing consortium.** The University is a member of the Higher Education Purchasing Consortium, Wales (HEPCW). It is also eligible to draw off a number of other nationally negotiated contracts for the Higher Education Sector and Public Sector (through ProcHE, Office of Government Commerce (OGC), etc.).

## **Finance and Resources Directorate post-holders and contact details**

### **Post : Senior Financial Accountant**

Name : Richard Bullen

Phone: 029 2037 6942

Email: r.bullen@wales.ac.uk

### **Post : Senior Finance Clerk (Income)**

Name : Elaine Haines

Phone: 029 2037 6972

Email: e.haines@wales.ac.uk

### **Post : Finance Clerk (Expenditure)**

Name : Yvonne Llewellyn

Phone: 029 2037 6945

Email: y.llewellyn@wales.ac.uk

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## **PUBLIC INTEREST DISCLOSURE COMPLAINTS POLICY**

### **1. INTRODUCTION**

- 1.1 This policy sets out the procedures which have been agreed by the Council of the University of Wales for dealing with whistleblowing, more formally called public interest disclosures. It follows from the recommendations in the Second Nolan Committee report in May 1996 and the Public Interest Disclosure Act 1998, which came into effect in July 1999. Since complaints in these areas may be made by any person or persons who are part of an institution, whatever their status, this policy does not confine itself to their treatment when made by staff but also includes all members of the University (as defined in the Charter) and the University's students.
- 1.2 The University of Wales is committed to the highest standards of openness, probity and accountability. It follows that it conducts itself responsibly, taking into account the requirements of the funding bodies and the standards in public life set out in the reports of the Nolan Committee. It is right to have a system in place which encourages members of the University to raise genuine worries and concerns within the organisation itself without fear of reprisal.
- 1.3 The University's internal complaints procedure is therefore designed to allow complaints of a public interest disclosure/whistleblowing nature to be raised, investigated and, where appropriate, acted on. It also guarantees freedom to make a complaint and protects the complainant from adverse repercussions provided that the disclosure is made in good faith, is believed to be true and is not done for personal gain. The policy also provides for an independent review procedure which may be implemented when all internal procedures have been exhausted in the particular case, and there are no opportunities for taking the matter further internally.

## **2. SCOPE OF POLICY**

2.1 This policy is designed to allow employees and other members of the University and its students to raise concerns/disclose information which the individual believes shows malpractice. The policy and procedures are designed to be fair, thorough and effective in order to encourage potential complainants to have full confidence in them and to allow the University the opportunity to investigate and consider disclosures before they are made known outside the organisation. Any individual who makes a disclosure outside the University without first using the procedure may not be protected under the Act.

2.2 The University takes account of the Nolan recommendations regarding the constituent elements of a whistleblowing policy as being:

- A clear statement that malpractice is taken seriously in the organisation and an indication of the sorts of matters treated as malpractice;
- Respect for the confidentiality of staff, or members of the University, raising concerns if they wish, and to do so outside of the line management structure;
- Penalties for making false and malicious allegations;
- An indication of the proper way in which concerns may be raised outside the organisation if necessary.

2.3 A number of policies and procedures are already in place including grievance, discipline and others connected with terms of employment. This policy is intended to cover concerns which are in the public interest and may (at least initially) be investigated separately but might then lead to the invocation of such procedures. These might include:

- financial malpractice or fraud;
- failure to comply with a legal obligation or with the Statutes, Ordinances and Regulations of the University;
- obstruction or frustration of the exercise of academic freedom within the University;
- miscarriage of justice has occurred, is occurring or is likely to occur;
- dangers to health and safety or the environment;
- criminal activity;
- academic or professional malpractice;
- improper conduct or unethical behaviour;
- attempts to suppress or conceal any of the above.



### **3. SAFEGUARDS**

#### **3.1 Protection**

This policy is designed to offer protection to those employees and other members of the University and its students who disclose such concerns provided the disclosure is made:

- i) in good faith;
- ii) is not made for personal gain; and
- iii) in the reasonable belief of the individual making the disclosure that it intends to show malpractice.

The individual will also be protected if they make the disclosure to an appropriate person/body (see section 4 below). It is important to note that no protection from internal disciplinary procedures is offered to those who choose not to use the procedure.

#### **3.2 Confidentiality**

The University will treat all such disclosures in a confidential and sensitive manner. The identity of the individual making the allegation may be kept confidential so long as it does not hinder or frustrate any investigation. However, the investigation process may reveal the source of the information and the individual making the disclosure may need to provide a statement as part of the evidence required.

#### **3.3 Anonymous Allegations**

This policy encourages individuals to put their names to any disclosures they make. Concerns expressed anonymously are much less powerful, but they will be considered at the discretion of the University.

In exercising this discretion, the factors to be taken into account will include:

- the seriousness of the issues raised;
- the credibility of the concern;
- the likelihood of confirming the allegation from attributable sources; and
- fairness to any individual mentioned in the complaint.

### **3.4 False and/or Malicious Allegations**

If an individual makes an allegation in good faith, which is not confirmed by subsequent investigation, no action will be taken against that individual. If, however, an individual makes malicious or vexatious allegations, and particularly if he or she persists with making them, disciplinary action may be taken against the individual concerned.

## **4. PROCEDURES FOR MAKING A DISCLOSURE**

### **4.1 Initial Step**

4.1.1 The individual should make the disclosure to the designated person, who would normally be the Clerk to the Council, who should immediately inform the Vice-Chancellor in his capacity as Chief Accounting Officer, and the Chair of University Council unless:

- i) the Vice-Chancellor or Chair of Council, is likely to be involved at any subsequent appeal; or
- ii) the disclosure concerns any or all of the officers listed above.

4.1.2 If the disclosure concerns the Clerk to the Council it should be made to the Vice-Chancellor who should immediately inform the Chair of Council.

4.1.3 If the individual does not wish to raise the matter with either the Clerk to the Council or the Vice-Chancellor, then he or she may raise it with the Chair of the Audit Committee if the issue falls within the purview of that Committee or with the Chair of University Council.

4.1.4 In cases involving financial malpractice, the Secretary to the Council should, in addition to the officers listed above, immediately inform the Director of Finance and Resources (unless implicated in the disclosure) who will act throughout in accordance with the University's Financial Regulations in close consultation with the Vice-Chancellor, as the Accounting Officer for the institution's public funding. The Vice-Chancellor will inform the Chair of the Audit Committee and may inform the Chair of Council and Chief Executive of the HEFCW as appropriate to the particular seriousness of the case.

If the disclosure is about the Clerk to the Council then the disclosure should be made to the Vice-Chancellor. Similarly, if the disclosure is about the Vice-Chancellor, the Clerk to the Council should act in his/her place in close consultation with the Chair of Council and Chair of Audit Committee.

## **4.2 Process**

4.2.1 The designated person will consider the information made available to him/her and decide, after appropriate consultation, whether the matter is to be further investigated, by whom and the form the investigation should take. This may be:

- to investigate the matter internally;
- to refer the matter to the police;
- to call for an independent inquiry.

4.2.2 If the decision is that investigations should be conducted by more than one of these means, the designated person should satisfy him/herself that such a course of action is warranted, the possibility of double jeopardy notwithstanding.

4.2.3 Where the matter is to be the subject of an internal inquiry, the designated person will then consider how to conclude whether there is a prima facie case to answer. This consideration will include determining:

- who should undertake the investigation;
- the procedure to be followed;
- the scope of the concluding report.

4.2.4 An official written record will be kept by the designated person of each stage of the procedure/investigation.

4.2.5 Investigations will be conducted as sensitively and speedily as possible, having regard to the nature and complexity of the complaint.

### **4.3 Investigation**

4.3.1 Normally a person appointed by the Audit Committee, which may include the Internal Auditor, or other independent officer of the institution will undertake this investigation and will report his/her findings to the designated person and the Audit Committee. Investigations should not be carried out by the person who will have to reach a decision on the matter.

4.3.2 As a result of this investigation other internal procedures may be invoked, such as:

- disciplinary;
- grievance or complaints;
- harassment;
- or it might form the basis of a special investigation.

4.3.3 In some instances it might be necessary to refer the matter immediately to an external authority for consideration and further investigation (e.g. the police, General Medical Council, Health and Safety Executive, National Audit Office, HEFCW), but usually a preliminary internal investigation will be necessary.

### **4.4 Feedback**

4.4.1 The designated person will inform the individual making the disclosure of what action, if any, is to be taken. If no action is to be taken then the individual concerned should be informed of the reason for this and allowed the opportunity to remake the disclosure to another appropriate person. For example, if the initial disclosure was made to the Clerk to the Council then the subsequent disclosure might be made to the Chairman of the Audit Committee, the Vice-Chancellor or the Chair of Council. This other person will consider all the information presented, the procedures that were followed and the reasons for not taking any further action. The outcome of this will be either to confirm that no further action is required or that further investigation is required and will follow the procedures referred to in 4.2 above.

4.4.2 Where a disclosure is made the person or persons against whom the disclosure is made will be told of it, the evidence supporting it and will be allowed to comment before any investigation, or further action, is concluded.

## **4.5 Reporting of Outcomes**

4.5.1 A report of all disclosures and any subsequent actions taken will be made by the designated person who will retain such reports for three Academic Years following the year of receipt and/or conclusion of any investigation of the disclosure, whichever is the later. In all cases a report of the outcomes of any investigation will be made to the Audit Committee in detail where the issue falls within its purview, and in summary in other cases as a means of allowing the Committee to monitor the effectiveness of the procedure. A full report of all complaints will be made to the University Council who will be also given regular update reports on progress of the matter.

## **5. EXTERNAL REVIEW**

5.1 If all internal procedures have been exhausted and/or the Vice-Chancellor/Chair of Council or Chair of the Audit Committee does not find a case as being made, the individual, if dissatisfied with the outcome, may ask the Secretary to the Council to refer the complaint for independent review by an external body.

5.2 Appropriate external bodies may include the Health and Safety Executive, internal or external Auditors, HEFCW, an appropriate representative of the National Assembly for Wales or, if established, the national panel of independent persons as proposed by the UUK.

5.3 The purpose of the external review will be:

- (i) to rule on whether the University's internal investigation has been adequately handled;
- (ii) where it is judged that the investigation was adequately handled, to rule on whether the response to the individual's complaint was reasonable in all the circumstances.

5.4 The powers of the body conducting the independent review will include making binding recommendations of the following nature:

- (i) ordering a further internal investigation;
- (ii) ordering the University to reconsider the findings of the investigation.

5.5 Additionally, there shall be power to:

- (i) make non-binding observations relating to the substantive complaint for the institution to consider;
- (ii) rule in appropriate cases, that
  - the complaint was actuated by malice, or some other improper motive, and whether the complainant should be required to make a contribution to the costs incurred in external review;
  - the complaint was without substance or merit, and whether the complainant should be required to make a contribution to the costs incurred in external review.
- (iii) The independent review will not entail oral hearings, but the reviewer will have the power to interview the complainant or any other persons, including those who had been involved in the handling of the complaint. New evidence or relevant material will be considered at the discretion of the reviewer, but will normally be admitted only if it had not been reasonably available at the earlier stages of the internal investigation.

5.6 The report of the independent review will be submitted to the designated person, the Vice-Chancellor , the Chair of the Audit Committee and the Chair of Council.

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

### **SELFLESSNESS**

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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**

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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**

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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**

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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**

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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**

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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**

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



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## APPENDIX G: PROTOCOLS FOR PROPOSED CAPITAL EXPENDITURE

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Proposed capital projects should be supported by:

- A statement that demonstrates the project's consistency with the strategic priorities approved by the University Council.
- An initial budget for the project for submission to the Strategic Planning and Finance Committee. The budget should include a breakdown of costs including professional fees, VAT and funding sources.
- A financial evaluation of the plans together with their impact on revenue plus advice on the impact of alternative plans.
- An investment appraisal in an approved format which complies with HEFCW guidance on option and investment appraisal.
- A demonstration of compliance with normal tendering procedures and relevant HEFCW regulations. This will require careful consideration where partnership arrangements are in place.
- A cash flow forecast.

More detail on these protocols will be provided as required by the Director of Finance and Resources.

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## APPENDIX H: PROTOCOLS FOR PROPOSED MAJOR DEVELOPMENTS

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Any proposal should be supported by a business plan for three years which sets out:

- a demonstration of the proposal's consistency with the strategic priorities approved by the University Council and with the University's powers under current legislation
- details of the market need and the assumptions (based on reference data) of the level of business available
- details of the business and what product or service will be delivered
- an outline plan for promoting the business to the identified market and achieving planned levels of business
- details of the staff required to deliver, promote and manage the business, together with any re-skilling or recruitment issues
- details of any premises and other resources required
- a financial evaluation of the proposal together with its impact on revenue and surplus, plus advice on the impact of possible alternative plans and sensitivity analyses in respect of key assumptions
- contingency plans for managing adverse sensitivities
- consideration of taxation and other legislative or regulatory issues
- a three-year financial forecast for the proposal including a monthly cash flow forecast and details of the impact on the institution cash flow forecast for the financial years in question.

The Director of Finance and Resources must be consulted on all such proposals in order to ensure that the resources and expertise available within the Finance and Resources Directorate are utilised from the outset.

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## APPENDIX I: INTERNAL AUDIT RESPONSIBILITIES

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The prime responsibility of the internal audit service is to provide the University Council, the designated officer and the other managers of the University with assurance on the adequacy and effectiveness of the internal control system, including risk management and governance. Responsibility for internal control remains fully with management, who should recognise that internal audit can only provide 'reasonable assurance' and cannot provide any guarantee against material errors, loss or fraud. Internal audit also plays a valuable role in helping management to improve systems of internal control and so to reduce the potential effects of any significant risks faced by the institution. Risk management provides the opportunity for internal audit work to be efficient and focused. It does not necessarily imply that internal audit activity has to be increased.

Internal audit can also provide independent and objective consultancy advice specifically to help management improve the internal control system, including risk management and governance. In such circumstances, internal auditors apply their professional skills in a systematic and disciplined way to contribute to the achievement of corporate objectives. Such advisory work contributes to the opinion that internal audit provides on internal control, including risk management and governance.

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## APPENDIX J: FRAUD RESPONSE PLAN

### PURPOSE

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- 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. The use of the plan should enable the University to:
  - prevent further loss
  - establish and secure evidence necessary for criminal and disciplinary action
  - notify the HEFCW, if the circumstances are covered by the mandatory requirements of the audit code of practice
  - recover losses
  - punish the culprits
  - deal with requests for references for employees 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 University's response
  - inform the police
  - assign responsibility for investigating the incident
  - establish circumstances in which external specialists should be involved
  - establish lines of communication with the police.

### INITIATING ACTION

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- 2 All actual or suspected incidents should be reported without delay to the Director of Finance and Resources. Other than in the case of trivial matters, the Director of Finance and Resources should, within 24 hours, hold a meeting of the following project group to decide on the initial response:
  - Head of Human Resources
  - a senior representative of internal audit
  - Director of Finance and Resources.

- (a) The project group will decide on the action to be taken. This will normally be an investigation, led by internal audit. The decision by the project group to initiate a special investigation shall constitute authority to internal audit to use time provided in the internal audit plan for special investigations, or contingency time, or to switch internal audit resources from planned audits. All such decisions and the underlying reasons should be communicated immediately Vice-Chancellor, Chairman of Strategic Planning and Finance Committee, and Chair of the Audit Committee.
- (b) If the project group concludes that the nature of the matter is such as to require the immediate involvement of the police, then the Vice-Chancellor, Chair of Strategic Planning and Finance Committee, and Chair of the Audit Committee will be notified that the matter has been placed in the hands of the police. At this stage the University will not have any further responsibility for the investigation other than to co-operate with the police investigation.

#### **PREVENTION OF FURTHER LOSS**

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- 4 Where initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the project group will decide how to prevent further loss. This may require the suspension, with or without pay, of the suspects. 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.
- 5 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.
- 6 Advice should be obtained 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, access permissions to the institution's computer systems should be withdrawn without delay.
- 7 Internal audit shall 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 institution's assets.

## ESTABLISHING AND SECURING EVIDENCE

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- 8** A major objective in any fraud investigation will be the punishment of the perpetrators, to act as a deterrent to other personnel. The University will follow disciplinary procedures against any member of staff who has committed fraud. The University will normally pursue the prosecution of any such individual.
- 9** Internal audit will:
- 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 where appropriate
  - establish whether there is a need for audit 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.

## NOTIFYING THE FUNDING BODY

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- 10** The circumstances in which the University must inform the HEFCW about actual or suspected frauds are detailed in the HEFCW guidance. The Vice-Chancellor is responsible for informing the funding body of any such incidents.

## RECOVERY OF LOSSES

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- 11** Recovering losses is a major objective of any fraud investigation. Internal audit shall ensure that in all fraud investigations, the amount of any loss will be quantified. Repayment of losses should be sought in all cases.
- 12** Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice should also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The University would normally expect to recover costs in addition to losses.

## REFERENCES FOR EMPLOYEES DISCIPLINED OR PROSECUTED FOR FRAUD

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- 13** The staff handbook includes a requirement that any request for a reference for a member of staff who has been disciplined or prosecuted for fraud shall be referred to the Head of Human Resources. The Head of Human Resources shall prepare any answer to a request for a reference having regard to employment law.

## REPORTING TO UNIVERSITY COUNCIL

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- 14** Any incident shall be reported without delay by the Vice Chancellor and Chief Executive to the Chairs of both the University Council and the Audit Committee.
- 15** Any variation from the approved fraud response plan, together with reasons for the variation, shall be reported promptly to the Chairs of both the University Council and the Audit Committee.
- 16** 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 or not the actions have been taken.

## REPORTING LINES

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- 17** The project group shall provide a confidential report to the Chair of the University Council, the Chair of the Audit Committee, the Vice Chancellor and the 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.

## **RESPONSIBILITY FOR INVESTIGATION**

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- 18** All special investigations shall normally be led by internal audit. Special investigations shall not be undertaken by management, although management should co-operate with requests for assistance from internal audit.
- 19** Some special investigations may require the use of technical expertise which internal audit does not possess. In these circumstances, the project group may approve the appointment of external specialists to lead or contribute to the special investigation.

## **REVIEW OF FRAUD RESPONSE PLAN**

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- 20** This plan will be reviewed for fitness of purpose at least annually or after each use. Any need for change will be reported to the Audit Committee for approval.



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## APPENDIX K: CONDITIONS OF CONTRACT FOR THE PURCHASE OF GOODS

### GENERAL CONDITIONS OF PURCHASE

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#### 1. Definitions

“Buyer” means the University of Wales.

“Seller” means the person, firm or company to whom the Purchase Order is addressed and any employees, sub-contractors or agents of said person, firm or company.

“Goods” means the materials, articles, works and services described in the Contract.

“Package” means any type of package including bags, cases, carboys, cylinders, drums, pallets, tank wagons and other containers.

“Authorised Officer” means the Buyer’s employee authorised, either generally or specifically, by the Buyer to sign the Buyer’s Purchase Order, confirmation of which may be obtained from the Finance and Estates Manager.

“Authorised” means signed by one of the Buyer’s Authorised Officers.

“Purchase Order” means the Buyer’s Authorised Purchase Order having these General Conditions of Purchase on its reverse or attached to it or referring to these General Conditions of Purchase on its face.

“Order Amendment” means the Buyer’s Authorised Order Amendment or series of Order Amendments, each Order Amendment having precedence over any earlier Order Amendment.

“Contract” has the meaning given in Condition 2 below.

“Price” has the meaning given in Condition 3 below.

“Sale of Goods Act 1979” shall mean the Sale of Goods Act 1979 as amended by the Sale and Supply of Goods Act 1994.

“Site” means any kind of premises occupied by the Buyer and any other place

provided by the Buyer on, over or through which the Goods are to be provided.

“Supply of Goods and Services Act 1982” shall mean the Supply of Goods and Services Act 1982 as amended by the Sale and Supply of Goods Act 1994.

## **2. The Contract**

The Seller agrees to sell and the Buyer agrees to purchase the Goods in accordance with the Contract. The Contract shall comprise (in order of precedence): any Order Amendments, the Purchase Order, these General Conditions of Purchase, any other document (or part document) referred to on the Purchase Order. The Contract shall not include any of the Seller’s conditions of sale, notwithstanding reference to them in any document. However, should this Contract be held by a court of competent jurisdiction to include the Seller’s terms and conditions of sale then in the event of any conflict or apparent conflict these General Conditions of Purchase shall always prevail over the Seller’s terms and conditions of sale. Delivery of Goods in response to a Purchase Order or Order Amendment shall be taken to imply that the Seller has accepted the terms and conditions of this Contract.

## **3. Price**

The Seller will sell the Buyer the Goods for the firm and fixed Price stated in the Contract. If no Price is stated in the Contract then the Price shall be a fair price, taking into account prevailing market conditions. The Price shall include storage, packing, insurance, delivery, installation and commissioning (as applicable) but shall exclude VAT.

## **4. Variations**

The Buyer shall have the right, before delivery, to send the Seller an Order Amendment adding to, deleting or modifying the Goods. If the Order Amendment will cause a change to the Price or delivery date then the Seller must suspend performance of the Contract and notify the Buyer without delay, calculating the new Price and delivery date at the same level of cost and profitability as the original Price. The Seller must allow the Buyer at least 10 working days to consider any new Price and delivery date. The Order Amendment shall take effect when but only if the

Buyer's Authorised Officer accepts in writing the new Price and delivery date within the time the Seller stipulates. If the Buyer's Authorised Officer fails to confirm the Order Amendment within the time the Seller stipulates then performance of the Contract shall immediately resume as though the said Order Amendment had not been issued (except that the Buyer may still exercise the Buyer's right of cancellation in accordance with Condition 5).

## **5. The Buyer's Right of Cancellation**

In addition to the Buyer's other rights of cancellation under this Contract, the Buyer may cancel the Purchase Order and any Order Amendment thereto at any time by sending the Seller a notice of termination. The Seller will comply with any instructions that the Buyer may issue with regard to the Goods. If the Seller submits a termination claim then the Buyer will pay to the Seller the cost of any commitments, liabilities or expenditure which in the Buyer's reasonable opinion were a consequence of this Contract at the time of termination. The total of all payments made or due to the Seller under this Contract, including any termination payment, shall not exceed the Price. If the Seller fails to submit a termination claim within 3 months of the date of the Buyer's notice of termination then the Buyer shall have no further liability under the Contract.

## **6. Quality and Description**

- a. The Goods shall:
  - i conform in every respect with the provisions of the Contract;
  - ii be capable of all standards of performance specified in the Contract;
  - iii be fit for any purpose made known to the Seller expressly or by implication and in this respect the Buyer shall rely on the Seller's skill and judgement;
  - iv be new (unless otherwise specified on the Purchase Order) and be of sound materials and skilled and careful workmanship;
  - v correspond with their description or any samples, patterns, drawings, plans and specifications referred to in the Contract;
  - vi be of satisfactory quality;

- vii comply with any current legislation.
- b. Unless specifically required under the Contract, there shall be no asbestos content in the Goods.

## **7. Work on the Buyer's Premises**

If the Contract involves any works or services which the Seller performs on the Buyer's premises then the following conditions shall apply:

- a. The Seller shall ensure that the Seller and the Seller's employees, the Seller's sub-contractors and their employees and any other person associated with the Seller will adhere in every respect to the obligations imposed on the Seller by current safety legislation.
- b. The Seller shall ensure that the Seller and the Seller's employees, the Seller's sub-contractors and their employees and any other person associated with the Seller will comply with any regulations that the Buyer may notify to the Seller in writing.
- c. Except as expressly provided otherwise in the Contract, the Seller will provide and be responsible at his own expense for delivery to and for unloading on the Site all plant, equipment and materials and other things required to provide the works or services. All such items shall be sited or deposited as directed by the Buyer but shall remain in the custody of the Seller who shall be liable for the care, safety and storage thereof. The Seller shall on completion of the Contract remove all such items and rubbish and leave the Site in a clean and tidy condition.
- d. The Seller shall have access only to such parts of the Site as are reasonably necessary for the purpose of providing the works or services. The Seller shall be responsible for ensuring that his employees do not enter any other part of the Site and that they make use only of such roads, routes and facilities as the Buyer may from time to time authorise.
- e. The Seller in providing the Goods shall ensure that there shall be as little

interference as possible with the operations of the Buyer or of any other suppliers or with the use and enjoyment of any public rights or with any easement or property of the Buyer.

## **8. Progress and Inspection**

- a. The Seller shall at the Seller's expense provide any programmes of manufacture and delivery that the Buyer may reasonably require. The Seller shall notify the Buyer without delay in writing if the Seller's progress falls behind or may fall behind any of these programmes.
- b. The Buyer shall have the right to check progress at the Seller's works or the works of sub-contractors at all reasonable times, to inspect and to reject Goods that do not comply with the Contract. The Seller's sub-contracts shall reserve such right for the Buyer.
- c. Any inspection, or approval shall not relieve the Seller from the Seller's obligations under this Contract.

## **9. Package**

Unless otherwise stated in the Contract, all Package shall be non-returnable. If the Contract states that Package is returnable, the Seller must give the Buyer full disposal instructions before the time of delivery. The Package must be clearly marked to show to whom it belongs. The Seller must pay the cost of all carriage and handling for the return of Package. The Buyer shall not be liable for any Package lost or damaged in transit.

## **10. Safety**

The Seller shall observe all legal requirements of the United Kingdom, European Union and relevant international agreements in relation to health, safety and environment, and in particular to the marking of hazardous Goods, the provision of data sheets for hazardous materials, and all provisions relating to food.

## **11. Delivery**

- a. The Goods shall be properly packed, secured and despatched at the Seller's expense to arrive in good condition at the time or times and the place or places specified in the Contract.
- b. If the Seller or the Seller's carrier delivers any Goods at the wrong time or to the wrong place then the Buyer may deduct from the Price any resulting costs of storage or transport.
- c. A delivery note must accompany the Goods, quoting the full Purchase Order number.

## **12. Late Delivery**

- a. If the Goods or any part of them are not delivered by the time or times specified in the Contract then the Buyer may by written notice cancel any undelivered balance of the Goods.

The Buyer may also return for full credit and at the Seller's expense any Goods that in the Buyer's opinion cannot be utilised owing to this cancellation. In the case of services, the Buyer may have the work performed by alternative means and any additional costs reasonably so incurred shall be at the Seller's expense. This shall not affect any other rights that the Buyer may have.

- b. No concession with respect to delay in delivery, despatch, completion or performance shall be construed as a waiver of any of the Buyer's rights and remedies unless such waiver is specifically agreed in writing.

## **13. Property and Risk**

- a. The Seller shall bear all risks of loss or damage to the Goods until they have been delivered and shall insure accordingly.
- b. Ownership of the Goods shall pass to the Buyer:
  - i when the Goods have been delivered but without prejudice to the Buyer's right of rejection under this Contract, and
  - ii if the Buyer makes any advance or stage payment, at the time such

payment is made, in which case the Seller must as soon as possible mark the Goods as the Buyer's property.

- c. Goods shall be at the risk of the Seller until actually delivered, even where the delivery has been delayed or postponed by the Buyer or at the Buyer's request.

#### **14. Acceptance**

The Buyer shall have the right to reject the Goods in whole or in part whether or not paid for in full or in part within a reasonable time of delivery if they do not conform with the requirements of this Contract. It is agreed that the Buyer may exercise the right of rejection notwithstanding any provision contained in section 11 or section 15A or section 30 (subsections 2A and 2B) or section 35 of the Sale of Goods Act 1979. The Buyer shall give the Seller a reasonable opportunity to replace the Goods with new Goods that conform with this Contract, after which time the Buyer shall be entitled to cancel the Purchase Order and purchase the nearest equivalent goods elsewhere. In the event of cancellation under this condition the Seller shall promptly repay any moneys paid under the Contract without any retention or offset whatsoever. Cancellation of the Purchase Order under this condition shall not affect any other rights the Buyer may have. The Seller must collect all rejected Goods within a reasonable time of rejection or the Buyer shall return them to the Seller at the Seller's risk and expense.

#### **15. Payment**

- a. Unless stated otherwise in the Contract the Buyer shall pay the Seller within 30 days of receipt of a correctly rendered invoice. The Seller's invoice must be addressed to the department indicated on the Purchase Order and must quote the full Purchase Order number. The Buyer shall not be held responsible for delays in payment caused by the Seller's failure to comply with the Buyer's invoicing instructions.
- b. The Buyer may agree to pay before 30 days upon confirmation from the Seller of a discount offered in consideration of early payment. All payments will be made without prejudice to the Buyer's rights should the Goods prove

unsatisfactory or not in accordance with the order.

## **16. The Seller's Warranty**

It is expressly agreed between the Buyer and the Seller that:

- a. The Seller shall promptly make good at the Seller's expense any defect in the Goods that the Buyer discovers under proper usage during the first of 12 months of actual use or 18 months from the date of acceptance by the Buyer whichever period shall expire first. Such defects may arise from the Seller's faulty design, the Seller's erroneous instructions as to use or inadequate or faulty materials or poor workmanship or any other breach of the Seller's obligations whether in this Contract or at law.
- b. Repairs or replacements will themselves be covered by the above warranty but for a period of 12 months from acceptance by the Buyer.
- c. The Seller will ensure that compatible spares are available to facilitate repairs (where applicable) for a period of at least 10 years from the date of delivery of the Goods.

## **17. Indemnity and Insurance**

- a. The Seller shall indemnify the Buyer against all loss, actions, costs, claims, demands, expenses and liabilities whatsoever (if any) which the Buyer may incur either at common law or by statute in respect of personal injury to or death of any person or in respect of any loss or destruction of or damage to property (other than as a result of any default or neglect of the Buyer or of any person for whom the Buyer is responsible) which shall have occurred in connection with any work executed by the Seller under this Contract or shall be alleged to be attributable to some defect in the Goods.
- b. This Purchase Order is given on the condition that (without prejudice to the generality of condition 17(a) the Seller will indemnify the Buyer against all loss, costs, claims, demands, expenses and liabilities whatsoever (if any) which the Buyer may incur either at common law or by statute (other than as a result of any default or neglect of the Buyer or of any person for whom the



Buyer is responsible) in respect of personal injury to or death of any of the Seller's or the Buyer's employees, agents, sub-contractors or other representatives while on the Buyer's premises whether or not such persons are (at the time such personal injury or deaths are caused) acting in the course of their employment.

- c. The Seller will indemnify the Buyer against any and all loss, costs, expenses and liabilities caused to the Buyer whether directly or as a result of the action, claim or demand of any third party by reason of any breach by the Seller of these conditions or of any terms or obligations on the Seller's part implied by the Sale of Goods Act 1979, by the Supply of Goods and Services Act 1982 or by any other statute or statutory provision relevant to the Contract or to Goods or work covered thereby. This indemnity shall not be prejudiced or waived by any exercise of the Buyer's rights under Condition 14.
- d. The Seller shall hold satisfactory insurance cover with a reputable insurer to fulfill the Seller's insurance obligations for the duration of this Contract including public liability insurance cover of at least £2m (two million pounds Sterling). The Seller shall effect insurance against all those risks arising from the Seller's indemnity in Condition 17(c). Satisfactory evidence of such insurance and payment of current premiums shall be shown to the Buyer upon request. If any insurance is not effected or premiums are not paid the Buyer may pay the same and deduct the cost of doing so from the Contract price.

## **18. Recovery of Sums Due**

Whenever under the Contract any sums of money shall be recoverable from or payable by the Seller, they may be deducted from any sums then due, or which at any later time may become due to the Seller under this Contract or under any other contract the Seller, or any holding, subsidiary or associated company of the Seller, may have with the Buyer.

## **19. Matters beyond Control**

If either party is delayed or prevented from performing its obligations under this Contract by circumstances beyond the reasonable control of either party (including without limitation any form of Government intervention, strikes and lock-outs relevant to the Purchase Order or breakdown of plant), such performance shall be suspended, and if it cannot be completed within a reasonable time after the due date as specified in the Purchase Order then the Contract may be cancelled by either party. The Buyer shall pay to the Seller such sum as may be fair and reasonable in all the circumstances of the case in respect of work performed by the Seller under the Purchase Order prior to cancellation but only in respect of work for which the Buyer has received full benefit as originally contemplated in the Contract. This provision can only have effect if it is called into operation by the party wishing to rely on it giving written notice to the other to that effect.

## **20. Ownership of Results**

If the Contract involves design and/or development work:

- a. All rights in the results of work arising out of or deriving from this Contract, including inventions, designs, copyright and knowledge shall be the Buyer's property and the Buyer shall have the sole right to determine whether any letters patent, registered design, trademark and other protection shall be sought.
- b. The Seller shall promptly communicate to the Buyer all such results and shall if requested and at the Buyer's expense do all acts and things necessary to enable the Buyer or the Buyer's nominee to obtain letters patent, registered designs and other protection for such results in all territories and to assign the same to the Buyer or the Buyer's nominee.
- c. The Seller shall ensure that all technical information (including computer programs and programming information) arising out of or deriving from this Contract is held in strict confidence except for any such information which becomes public knowledge other than by breach of this Contract.

## **21. Infringement of Patents**

With the exception of Goods made to the Buyer's design or instructions, the Seller

warrants that neither the Goods nor the Buyer's use of them will infringe any patent, registered design, trade mark, copyright or other protected right and undertakes to indemnify the Buyer against all actions, claims, demands, costs, charges and expenses arising from or incurred by reason of any infringement or alleged infringement of any such right.

**22. Non-Observance of Conditions**

If the Seller breaches or fails to observe any provision of this Contract the Buyer may give the Seller written notice of such breach or non-observance and the Seller shall have 28 days from receipt of the notice in which to rectify the breach or non-observance. Should the Seller fail to rectify the breach or non-observance, then the Buyer shall have the right to give the Seller written notice terminating the Contract with immediate effect.

**23. The Seller's Insolvency**

If the Seller becomes insolvent or bankrupt or (being a company) makes an arrangement with the Seller's creditors or has an administrative receiver or administrator appointed or commences to be wound up (other than for the purposes of amalgamation or reconstruction) the Buyer may without replacing or reducing any other of the Buyer's rights terminate the Contract with immediate effect by written notice to the Seller or any person in whom the Contract may have become vested.

**24. Assignment and Sub-letting**

The Contract shall not be assigned by the Seller nor sub-let as a whole. The Seller shall not sub-let any part of the Contract without the Buyer's written consent, but the Buyer shall not refuse such consent unreasonably. Any such consent shall not relieve the Seller of the Seller's obligations under the Contract. The restriction contained in this condition shall not apply to sub-contracts for materials for minor details or for any part of which the makers are named in the Contract. The Seller shall be responsible for all work done and Goods supplied by all sub-contractors.

**25. Corrupt Gifts**

In connection with this or any other Contract between the Seller and the Buyer the

Seller shall not give, provide, or offer to the Buyer's staff and agents any loan, fee, reward, gift or any emolument or advantage whatsoever. In the event of any breach of this Condition, the Buyer, without prejudice to any other rights the Buyer may possess, be at liberty forthwith to terminate this and any other Contract and to recover from the Seller any loss or damage resulting from such termination.

**26. Waiver**

A failure at any time to enforce any provision of the Contract shall in no way affect the right at a later date to require complete performance of the Contract; nor shall the waiver of the breach of any provision be taken or held to be a waiver of any subsequent breach of the provision or be a waiver of the provision itself.

**27. Notice**

All notices and communications required to be sent by the Seller or the Buyer in this Contract shall be made in writing and sent by first class mail and if sent to the Seller sent to the Seller's registered or head office and if sent to the Buyer sent to the Finance and Estates Manager, University of Wales, University Registry, King Edward VII Avenue, Cathays Park, Cardiff. CF10 3NS, and shall be deemed to have reached the party to whom it is addressed on the next business day following the date of posting.

**29. Amendment**

No addition alteration or substitution of these conditions will bind the Buyer or form part of the Contract unless and until accepted in writing by the Buyer's Authorised Officer.

**30. Law**

The construction, validity, performance and execution of this Contract shall be governed by and interpreted in accordance with English Law and shall be subject to the exclusive jurisdiction of the Courts of England and Wales.

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## APPENDIX L: UNIVERSITY OF WALES CODE OF TENDERING PRACTICE

### INTRODUCTION

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

**The general requirement is for competitive quotations or tenders to be sought for all purchases at the specified monetary thresholds.**

By employing competitive tendering the University will:

- ensure fairness of competition
- ensure that companies invited to tender are financially and technically able to meet the University's requirements
- indicate the terms of contract.

### EC PROCUREMENT DIRECTIVES

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UK Universities must comply with the series of Procurement Directives issued by the European Commission which require member states to promote fair and open competition and to publish details of contracts above specified thresholds. These have been implemented by the Public Procurement Regulations. Failure to comply with this legislation carries penalties for which the University will be held accountable.

The following EC directives apply to the University. The following EC Threshold rates apply from 1 January 2014 . This rate is reviewed by the European Community every two years.

Supplies: The Public Supply Contracts Regulations 93/36/EC Threshold - £172,514 (207,000 Euros) (excluding VAT)

Services: The Public Services Contracts Regulations 92/50/EC Threshold- £172,514 (207,000 Euros) (excluding VAT)

Works: The Public Works Contracts Regulations 93/37/EC Threshold - £4,322,012 (5,186,000 Euros) (excluding VAT)

There are other thresholds that apply to Indicative Notices, to Small Lots (services), and to Small Lots (works): further guidance should be sought from the Finance and Estates Directorate.

## **SPECIFIED MONETARY THRESHOLDS FOR TENDERS AND QUOTATIONS**

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The University's tendering procedures are applicable to the supply of all goods and services in excess of £1,000 whatever the source of funds. However, where the supply of the required goods and services can be obtained from an existing 'public sector' contract or framework then quotations may be sought without a full tendering exercise. Wherever possible, purchases must be made with organisations listed by the Higher Education Purchasing Consortium, Wales (HEPCW). Other sources for public sector supplies are Proc-HE, the Office of Government Commerce (OGC), and Value Wales.

The specified monetary thresholds applied by the University for obtaining tenders and quotations are:-

- under £5,000 – the budget holder shall have the discretion to decide whether or not to obtain written quotations, but value for money must always be obtained and quotations sought from approved University suppliers under purchasing consortium and other related arrangements. Details of quotations received, written or oral, must be recorded and retained for future reference purposes.
- from £5,000 to £20,000 – the budget holder shall be required to obtain at least three written quotations from approved University suppliers.
- over £20,000 – all items will require at least three competitive tenders
- the award of contracts over £50,000 shall be reported to the Strategic Planning and Finance Committee.

## **PROCEDURE FOR TENDERING FOR GOODS AND SERVICES**

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The procedures for tendering for goods and services may be summarised as follows (standard forms of tender documents for goods and services, etc., are available from the Director of Finance and Resources in electronic format):-

- .1 Invitations to tender must be accompanied by comprehensive and clearly written specifications. They must contain a date and time beyond which tenders will not be accepted and be accompanied by an A4 sized envelope bearing the name and University address of the appropriate budget holder and the words 'CONFIDENTIAL. TENDER FOR (name of project, item, etc.) NOT TO BE OPENED BEFORE NOON ON (the closing date)'.
- .2 Tenders should be opened by the budget holder in the presence of a senior member of staff acting as witness at or after noon on the closing date. The prices quoted in the tender should be recorded immediately on a pre-prepared document schedule containing the name of the project or item together with the list of those invited to tender. The price should be recorded opposite the name of the appropriate tenderer. If a reply is not received from any of those invited to tender this fact should be recorded on the schedule.
- .3 On completion of the tender opening, the budget holder and the witness should both sign and date the schedule.
- .4 The contract should normally be awarded to the tenderer submitting the lowest price. Tenders other than the lowest are to be accepted only on the written authority of the Vice-Chancellor
- .5 All those invited to tender should be notified immediately as follows:
  - .1 Where a tender is received after the closing date it should be returned unopened with an explanatory note.
  - .2 Where no tender is received, the person or firm invited to tender should be advised that the contract has been awarded and that no tender was received from them.
  - .3 Unsuccessful tenderers shall be notified of the outcome but not informed of the successful price.
  - .4 The successful tenderer shall be notified accordingly.

- .5 Copies of all tenders received together with all correspondence with those invited to tender should be retained on file for at least two years.

## **POST TENDER NEGOTIATIONS**

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Post-tender negotiations (i.e. after receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms can be entered into, provided:

- it would not put other tenderers at a disadvantage
- it would not affect their confidence and trust in the University's tendering process.

In each case, a statement of justification should be approved by the Senior Vice Chancellor prior to the event, showing:

- background to the procurement
- reasons for proposing post-tender negotiations
- demonstration of the improved value for money.

All post-tender negotiations should be reported to the Strategic Planning and Finance Committee.



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## APPENDIX M: DOCUMENT RETENTION POLICY

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Document Retention Periods – Finance, Payroll, Personnel, Insurance,  
Tax Management, Investments, Lettings and Estates Management

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CFY = current financial year.      P = permanent.

### 1. FINANCE

#### 1.1 Financial Planning:

Financial Forecasts and Budgetary Working Papers.	CFY + 6 years
Final Estimates.	P
Financial Strategy : HEFCW 5 year plan.	P

#### 1.2 Financial Reporting:

Closing papers and notes related to year end accounts.	CFY + 10 years
Financial Statements, Detailed Accounts, HESA Returns	P

#### 1.3 Ordering

Tendering documentation (invitations, bids, evaluations, etc.).	CFY + 6 years
Official Orders.	CFY + 6 years
Delivery Notes, Goods Received Notes.	CFY + 6 years

#### 1.4 Purchasing

Purchase invoices, credit notes, including expense claims, petty cash floats, etc.	CFY + 6 years
Cheque authorisation reports.	CFY + 6 years
BACS Reports	CFY + 6 years
Management of relationship with suppliers.	termination dates
(N.B. Retain transaction information in archive form for a further 4 years after deletion)	+ 2 years

## APPENDIX M (continued)

### 1.5 Sales

Invoice Request Forms.	CFY + 6 years
Sales Invoices/Credit Notes.	CFY + 6 years
Sales Receipts documentation, till rolls, etc.	CFY + 6 years
Sales Ledgers	CFY + 6 years
Statements	Audit + 2 years

### 1.6 Management of Bank Accounts

Paying-in Books.	CFY + 6 years
Bank Statements.	CFY + 6 years
Cancelled Cheques.	CFY + 6 years

## 2. PAYROLL

SSP/SMP records and calculations	CFY + 3 years
Payroll amendment notifications.	CFY + 6 years
Deduction authorities.	CFY + 6 years
Tax Code notifications.	CFY + 6 years
Salary advices.	CFY + 6 years
Bank transfer reports.	CFY + 6 years
Pension Scheme administration.	termination of employment + 75 years

## 3. PERSONNEL

*Individual staff files.	date of leaving + 10 years
Redundancy records - < 20	redundancy date + 3 years
- > 20	redundancy date + 12 years

\* N.B. Summary information of employment to be held indefinitely, e.g. name, DOB, department, salary, pension scheme, etc., i.e. basic payroll record.

## APPENDIX M (continued)

### 3. PERSONNEL (continued)

Organisational Development : Staffing Structures.	P
Staff Performance Appraisal Reports.	6 years from end of employment
Application forms/interview notes	interview date + 1 year

### 4. INSURANCE

Insurance management.	policy termination + 6 years
Insurance claims.	settlement + 6 years

### 5. TAX MANAGEMENT

VAT assessments, tax returns	CFY + 6 years
Income Tax, NIC year end returns, etc.	CFY + 6 years
Tax claims – dividends, estate duty, etc.	CFY + 6 years

### 6. INVESTMENTS/TREASURY, ETC.

Cash management (short loans, etc.)	CFY + 6 years
Long-term investments policy	P
Acquisition of Investments – contracts, etc.	) Disposal
Disposal of Investments – contracts, etc.	) + 6 years
Portfolio Valuations	P
Portfolio Ledgers	P

**APPENDIX M (continued)**

**7. LETTINGS ADMINISTRATION**

Booking forms, etc.	Termination of Agreement + 6 years
Conferences/Special Catering provisions, etc.	Current + 6 years

**8. ESTATE MANAGEMENT**

Legal Aspects of Ownership – Deeds, Licences, Leases, Planning Applications, etc.	Permanent
Administration of Properties, etc.	Disposal + 10 years

**9. WELSH EUROPEAN FUNDING OFFICE: Grant Supported Projects.**

All documents relating to the project including purchase invoices, sales invoices, BACS payment listings, bank statements, payroll records, etc Permanent (until such time that WEFO approve disposal of records).

## 1.0 Introduction

- a) It is the policy of the University that employees are reimbursed the actual cost of business travel incurred wholly, exclusively and necessarily in the performance of the duties of their employment. Employees must use every reasonable endeavour both to minimise costs without impairing efficiency and to avoid unnecessary costs to the University. Wherever possible, and it is convenient to do so, public transport should be used. Where travel by car is necessary, the default requirement is for staff to use hire vehicles under the contract arrangements available to the University.
  
- b) Journeys that are associated with courses, conferences, research, teaching and general University business, and which can involve accommodation and hospitality, are classified as business trips. All overseas trips require prior approval before any expenditure is committed, and you should therefore be aware of what the approval requirements are. A standard form, "International Travel on University Business – Prior Approval Form" is available in your department for such purposes. A business trip can last one or more days and can take place either within the UK or overseas. In general, reimbursements of costs will be made only on the submission of a valid claim form supported by receipts, vouchers etc for all items of expenditure. A separate expense claim for each trip should be submitted as soon after return as possible. Incomplete or incorrect claims will not be processed but returned to the authorising signatory with an explanation as to why it cannot be processed. Expense claims submitted more than three months after travel may not be paid.
  
- c) The costs associated with business trips can be charged between a number of different cost and/or account codes as necessary.

## **2.1 Air Flights**

- a) Flights should be booked with one of the University's approved suppliers and with whom the University has an account -please contact the Director of Finance and Resources for details. Wherever possible, full advantage should be taken of the substantial savings in air fares offered by the low cost carriers to European destinations. If you are booking scheduled flights you should normally only book economy class tickets for journeys within Europe where the duration of the flight is less than six hours. With the prior agreement of the Director, business class may be used for trips where the duration of the flight is in excess of six hours (the Vice-Chancellor must approve business class travel by a Head of Department).
- b) Any bookings made for other family members should not be charged to the University but should be paid directly with a personal cheque or credit card; such costs cannot be reclaimed from the University.
- c) Staff must not book flights with a more expensive airline to gain personal benefits such as air miles.
- d) The University has a separate policy for staff undertaking work related to collaborative provision, whether overseas or in the UK, and to the time spent at, or travelling to, the collaborative institution. This is the University's Guidance for Travelling Overseas on University Business Policy and is on the University intranet.

## **2.2 Train fares**

- a) Rail travel should normally be in standard class. In exceptional circumstances, and with the prior approval of the Vice-Chancellor, senior staff may travel first class provided that there is a good business reason for so doing The Chair of Council will approve such requests for the Vice-Chancellor .
- b) Tickets may be bought in advance through the University's agents, but where this is not possible claims for reimbursement can be submitted and should be accompanied by a receipt for the ticket.
- c) Staff should always take advantage of opportunities to reduce the cost of train fares through advance bookings, off-peak travel, special offers or discounts, etc. (e.g. Apex, Supersaver, on-line booking etc.)

## **2.3 Other transport**

- a) Travel costs associated with other forms of public transport can be claimed, e.g. bus, underground, etc. You should always obtain a receipt or retain your ticket. It is

recognized, however, that tickets are sometimes retained by ticket collectors or machines; under such circumstances please indicate if this is the case when submitting your claim form.

- b) On foreign trips you may recover the cost of local transport as described above.
- c) It may be appropriate to reclaim such costs through the Petty Cash route and this should therefore be checked before submitting an expenses claim.

## **2.4 Taxi fares**

- a) Where it is unavoidably necessary to use a taxi in connection with part of a University business journey in the UK or overseas, the fare can be recovered either from petty cash or via an expense claim. Full journey details must be recorded, stating both start and finish points and the reason for the journey. Receipts must be obtained wherever possible.

## **2.5 Travel by Car**

**Staff must share cars on University business wherever possible.**

### **2.5.1 Car Hire**

- a) As stated in paragraph 1 (a) above, where travel by car is necessary, the default requirement is for University staff to use hire vehicles under the contract arrangements available to the University. For all journeys over 120 miles hiring a car is cheaper than using your own car. Car hire should be arranged through one of the suppliers approved by the University, and must be pre-booked. The cost of fuel for a hire car can be recovered on presentation of a receipted claim unless it has been paid for using a University fuel card. All receipts for fuel purchases using a fuel card must be submitted to the Finance and Resources Directorate together with the registration details of the hire car in question and the date and purpose of the journey.
- b) Whether a hire car is delivered to University premises or a home address the staff member will be responsible for checking the car for pre-hire damage and general roadworthiness. This must be carried out as soon as possible after the vehicle has been delivered. Any problems should be notified immediately to the hire car

company.

- c) The rental agreement documents should also be checked to ensure that the car details shown on the documents correspond to that of the hired vehicle (e.g. model & registration number). Pre-hire damage should also have been marked on the documents by the rental company
- d) The rental agreement documents should be retained by staff when they return to work, until such time that the invoice has been settled and it has been agreed that no damage has been incurred during the hire period.
- e) At the end of the hire period staff should ensure that the vehicle is refuelled before the car is collected.
- f) At the end of the hire period it is the **responsibility** of the member of staff to whom the vehicle was hired to **thoroughly check** for any damage incurred by the vehicle. Any damage discovered (whether or not caused by the staff member) should be immediately reported to the hire car company.
- g) There is no approved supplier for hiring cars abroad. Please arrange on arrival at your destination or, preferably, through the University's travel agent beforehand.

### **2.5.2 Travel by Private Car**

- a) Only in exceptional cases will the use of a private car for University business be permitted for a round-trip journey in excess of 120 miles. (An exemption applies to round trips directly between Cardiff and Carmarthen/Lampeter). **Staff must obtain the prior approval of their Head of Department for such a proposal and they must ensure that their car insurance policy covers them in full for use of the vehicle for business purposes.** The University will not accept any liability for damage caused to a private vehicle used for University business.
- b) Mileage from home to your permanent place of work is not normally reimbursable, except in special circumstances such as emergency out of hours call outs.



- c) If you travel from home to a destination other than your usual place of work, you should claim the **lower** of:
- Travel from your normal place of work to the destination; **or**
  - Travel from home to the destination.

All distances travelled must be recorded at the time of the journey.

- d) Any payment in respect of mileage from home to your normal place of work is taxable in accordance with HM Revenue and Customs' rules.
- e) Full journey details should be included in the claim form in order to allow proper and complete checking of the journey. Any journeys claimed that appear to be greater than the in-house guides are adjusted accordingly, and it is therefore important to indicate where journeys have involved a longer distance than would normally be expected.

### **2.5.3 Car Parking and Tolls and Tunnel Fees**

- a) Reasonable car parking charges incurred whilst on business journeys can be recovered either from petty cash or via an expense claim. Tickets should be retained for submission with the claim wherever possible.
- b) Parking tickets and other charges/fines arising from illegal or inappropriate parking or contravention of traffic laws cannot be claimed. The charge must be paid by the individual.
- c) Tolls and tunnel fees may be recovered. Receipts or tickets should be retained wherever possible.

### **2.6 Motorcycles/Cycles**

- a) You may claim a mileage allowance if you use a private motorcycle or cycle for University business trips. The rates payable are shown on the University's travel and expenses claim forms.
- b) If you are using your own motorcycle you must ensure that your insurance policy covers business use.

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## APPENDIX O: UNIVERSITY OF WALES CONSULTANCY POLICY

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1. The purpose of this policy is to set out the principles and procedures governing consultancy services undertaken by members of staff of the University.
2. Opportunities for members of staff to engage in consultancy will be considered where there is benefit to the University in terms of the member of staff's current employment and will require the agreement of that member of staff's Director. Should the opportunity involve one of the University's Directors, then the agreement of the Vice-Chancellor will be required. The agreement of the University Council will be sought if the opportunities involved the Vice-Chancellor.
3. Recognising the significant workload on staff, the opportunities presented by consultancy should be distributed in an open and transparent manner, recognising that certain skills may be in greater demand than others.
4. For the purpose of this Policy "Consultancy Services" is defined as paid work undertaken in a professional capacity by such a member of staff for a third party. Consultancy arrangements are only permitted where the work is distinct from any project or other work undertaken on the University's behalf. Consultancy arrangements are not appropriate where projects are administered by the University.
5. Members of staff of the University are encouraged to undertake consultancy and other similar work provided it is not done to an extent that conflicts with the interests of the University. Such work is voluntary and should be of a stimulating nature, and should increase professional and/or academic competence and experience
6. While engagement in consultancy may be permitted it should not reduce the normal duties outlined in the Contract of Employment, unless agreed prior to acceptance of the consultancy by the relevant line manager. It is the members of staff's responsibility that all his/her normal duties are fulfilled.
7. All income derived from consultancy work is to be received into the University.

## PROCEDURE

1. A consultancy must not be accepted without the written consent of the relevant line manager. Charges for the use of departmental resources will be based on an estimate of actual costs, to be agreed by the member of staff and the appropriate line manager. Members of staff involved in consultancy will be required to complete an annual declaration of interests and will report the number of days spent on consultancy work.
2. The relevant line manager must ensure that the normal work of the Department or the workload of other members of staff in the Department will not be adversely affected by allowing an application from a member of staff to undertake consultancy work.
3. Where permission has been refused for a member of staff to undertake consultancy work an appeal may be made in writing to the Vice-Chancellor.
4. Members of staff acting as consultants must not enter into any agreement with any public or private body which would preclude him/her from undertaking work for other public or private bodies
5. Any intellectual property rights arising from consultancy services are assigned to the University, or one of its subsidiaries where appropriate.

## **1. INDEPENDENT PERSONAL CONSULTANCY**

- 1.1. Independent personal consultancy is expressly not permitted and will be considered a breach of Contract of Employment.
- 1.2. Independent Personal Consultancy which has been agreed to before the approval of this Policy is expressly excluded and is allowed to be carried out for the defined length of the term of this particular Independent Personal Consultancy. In the case of an undefined length the member of staff needs to consult with the relevant line manager.
- 1.3. The member of staff is responsible for personal taxation and declarations for outside earnings to appropriate bodies that are not administered through the University's payroll.

## **2. EXCEPTIONS**

- 2.1. The following professional activities are exempt from the above procedures:
  - Royalties or other proceeds from the authorship of books
  - Proceeds from articles published in journals
  - Examination fees
  - Fees for occasional lectures
  - Payment for service on governmental or related committees
  - Refereeing of manuscripts and articles in learned journals
  - Editing of academic journals
  - Book reviews
- 2.2. Private and recreational non-professional interests that may be subject to remuneration are exempt from the above procedures.