

**UNIVERSITY of  
STIRLING**



## FINANCIAL REGULATIONS

MAY 2016

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## TERMINOLOGY

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### **UNIVERSITY COURT**

The University Court has ultimate responsibility for the affairs of the University. It has a lay member majority.

### **JOINT POLICY, PLANNING AND RESOURCES COMMITTEE**

The Committee with delegated responsibility for financial planning, resourcing matters, policy and planning including the development and proposal of the strategic plan, new developments and policies. The Committee reports jointly to Academic Council and Court.

### **ACADEMIC COUNCIL**

Academic Council is responsible for all academic matters of the University, both in teaching and research, and for the regulation and oversight of the education, discipline and welfare of the students of the University.

### **AUDIT COMMITTEE**

A committee independent of executive responsibility, which has responsibility for identifying and approving appropriate performance measures for internal audit, external audit, and financial control and for monitoring these measures.

### **PRINCIPAL**

The Principal has ultimate executive responsibility for the management of the University. In terms of the Financial Memorandum with the Scottish Funding Council (SFC), the Principal holds the position of Designated Officer.

### **DEPUTY PRINCIPAL**

The Deputy Principals are key members of the University's senior executive team. In conjunction with the Principal and Senior Administrative Officers of the University they ensure the development of the University's strategic plan and its effective implementation, and the effective resourcing, leadership and management of all aspects of the University's work.

### **UNIVERSITY SECRETARY**

The University Secretary and Chief Operating Officer is the head of administration of the University.

### **DIRECTOR OF FINANCE**

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

**DEAN OF FACULTY/SERVICE DIRECTOR**

The head of an academic faculty or service area who is responsible for the management, including the budget, of the whole faculty/service.

**BUDGET HOLDER**

A member of staff (other than a Dean of Faculty/Service Director) who has been assigned responsibility for controlling the budget however is still accountable to their Dean of Faculty/Service Area for it.

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# FINANCIAL REGULATIONS

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## A GENERAL PROVISIONS

### 1 BACKGROUND

- 1.1. The University is a corporate body created by and governed under a Royal Charter. Its structure of governance is laid down in its charter and statutes, which can only be amended by the Privy Council. The University is governed by and is accountable to the University Court, which has ultimate responsibility for the University's management and administration.
- 1.2. The University is an exempt charity by virtue of the Charities Act 2006, and as determined by the Office of the Scottish Charity Regulator (OSCR). The University's Scottish Charity reference is SC 011159.
- 1.3. The Financial Memorandum (FM) between the Scottish Funding Council (SFC) and the University sets out the terms and conditions on which grant support is made. The University Court is responsible for ensuring that the conditions of grant are met. As part of this process, the University must adhere to the Funding Council's Audit Guidelines within the FM and must follow the Account Directions in the preparation of its annual financial statements. In terms of audit accountability, these Financial Regulations are intended to form an intrinsic part of the University's control environment.
- 1.4. In addition the University will maintain a process of identifying potential risks and for quantifying and minimising the impacts of actual and perceived threats. Internal financial controls are key to this as are the operational risk assessments, the safety and environmental assessments and business impact assessments.

### 2 STATUS OF FINANCIAL REGULATIONS

- 2.1. This document sets out the University's Financial Regulations, which are intended as practical guidance on the University's broad policies relating to financial administration and control. This document was approved by the University Court at its meeting on 20 June 2016 and applies to the University and all its subsidiary undertakings.
- 2.2. The Financial Regulations are subordinate to the University's Charter and Statutes and to any restrictions contained within the University's FM with the Scottish Funding Council and the audit guidelines within the FM.
- 2.3. The purpose of these financial regulations is to provide effective control over the totality of the University's resources and provide management with assurances that the resources are being adequately safeguarded and properly applied for the

achievement of the University's strategic plan and business objectives on a sustainable basis.

- 2.4. Compliance with the Financial Regulations is compulsory for all staff of 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 procedures. Any material breach will be notified to the University Court through the Audit Committee. It is the responsibility of the Dean of Faculty/Service Director to ensure that their staff are made aware of the existence and content of the University's Financial Regulations. The Director of Finance and the Finance Office are the custodians of the Financial Regulations and will provide guidance and support to Faculties and Services on their practical application.
- 2.5. The Joint Policy, Planning and Resources Committee is responsible for maintaining the Financial Regulations and advising the University Court of any additions or changes necessary.

## **B CORPORATE GOVERNANCE**

### **3 THE UNIVERSITY COURT**

- 3.1. The University Court is responsible for the University's mission and strategic direction, management and administration arrangements, financial health and the wellbeing of its staff and students.

The specific powers reserved by University Court and those delegated to others are set out in the Schedule of Delegated Authority which incorporates the Schedule of Reservations as an appendix. The Schedules can be viewed at:

<http://www.stir.ac.uk/media/services/registry/planning/Scheduleofreservationsanddelegations.pdf>.

- 3.2. Its responsibilities in relation to finance include:

- ensuring the solvency of the University
- safeguarding the University's assets
- ensuring the effective and efficient use of resources
- ensuring that the funds provided by the Scottish Funding Council are used in accordance with the terms and conditions specified in the University's Financial Memorandum
- ensuring that financial control systems, including risk assessment and management, are in place and are working effectively
- approving the University's Strategic Plan
- approving annual budgets for income and expenditure and the annual financial statements
- approval of the Infrastructure Plan, the annual spend associated with that programme and all the significant variations arising
- approval of additional/new borrowings by the University
- approval of the opening and closing of University bank accounts
- approval of the disposal of the University land and buildings unless to a wholly owned subsidiary; and of all assets valued at more than £0.5m
- appointing the University's internal and external auditors
- appointing the University's Designated Officer
- appointment of Trustees to the University Pension Scheme.

The full remit of Court and other committees is available at:

<http://www.stir.ac.uk/media/services/registry/planning/CommitteeRemits.pdf>.

## 4 DESIGNATED OFFICER

- 4.1. The Principal is the University's Designated Officer and has ultimate responsibility for the financial administration of the University's affairs. In terms of the FM with the Scottish Funding Council, the Principal must ensure that Court complies with all the terms and conditions of public funding provided by the funding council.
- 4.2. The Principal shall demonstrate his or her oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements, and providing a letter of representation on behalf of the Court to the external auditor as required and the financial forecasts submitted to the funding council.

## 5 COMMITTEE STRUCTURE

### **University Court**

- 5.1. The University Court has ultimate responsibility for the University's finances, but delegate's specific powers and processes to the committees detailed below. These committees are accountable to the University Court.

### **Joint, Policy, Planning Resources and Committee**

- 5.2. The Joint Policy, Planning and Resources Committee is responsible for endorsing and recommending approval of the University strategic plan to the University Court and for ensuring that all the financial implications of such plans are taken into account.
- 5.3. The Committee is also responsible for the monitoring of the University's financial position and financial control systems. The Committee examines the annual budgets and financial statements and recommends their approval to the University Court. It is responsible for considering the quarterly management accounts that provide a bridge between the approved budget and the financial statements. The Committee is also responsible for considering the University's Infrastructure Plan before it can be recommended to Court for approval. It ensures that short-term budgets are in line with agreed longer term plans and are being followed. It considers and makes recommendations on any other matters relevant to the financial duties of the University Court. The Committee also ensures that the University Court has adequate information to enable it to discharge its financial responsibilities. The remit of the Joint Policy, Planning and Resources Committee is available at.

<http://www.stir.ac.uk/media/services/registry/planning/CommitteeRemits.pdf>

### **Audit Committee**

- 5.4. The University is required by the FM with the Scottish Funding Council to appoint an Audit Committee. The Committee is independent, advisory and reports to the

University Court. It has the right of access to obtain all information it considers necessary for its proper function 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 ensure that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. The audit requirements of the University are set out in the Funding Council's Financial Memorandum with the University. The remit of the Audit Committee is set out at:

<http://www.stir.ac.uk/media/services/registry/planning/CommitteeRemits.pdf>

### **Remuneration Committee**

- 5.5. The Remuneration Committee has delegated powers from Court to consider and make recommendations on the remuneration, including pay and other benefits of senior staff.

## **6 OTHER SENIOR MANAGERS WITH FINANCIAL RESPONSIBILITY**

### **The Director of Finance**

- 6.1. The Director of Finance is responsible through the University Secretary to the Principal for the day to day financial administration of the University, including:
- preparing annual capital and revenue budgets and financial plans, and longer term strategic financial plans
  - preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations
  - preparing the University's annual financial statements, and other financial statements and returns which the University is required to submit to other authorities
  - ensuring that the University maintains satisfactory financial systems
  - ensuring that the University has in place adequate insurance cover for all aspects of its activities
  - providing professional advice on all matters relating to financial policies and procedures
  - ensuring the university complies with relevant tax laws governing employee taxation, Corporation Tax and VAT
  - liaison with internal and external auditors in order to achieve efficient processes
  - liaison with Scottish Funding Council, other universities, and Her Majesty's Revenue and Customs (HMRC)
  - monitoring the financial activities of University companies and companies which the University has an interest

- 6.2. A diagram indicating the structure of the Finance Office including all sections, staff and lines of responsibility is shown at:

<http://www.stir.ac.uk/finance-office/contacts/>

### **Dean of Faculty/Service Director**

- 6.3. As the Designated Officer the Principal has the ultimate responsibility for the financial administration of the University's affairs. In practice each Dean of Faculty is responsible to the Senior Deputy Principal and each Service Director is responsible to the University Secretary for financial management for the activities or areas under their control. The Director of Finance has responsibility for advising Deans of Faculties/Service Directors on the execution of their financial duties, as well as supervising and approving the financial systems operating within each Faculty/Service Area, including the form in which accounts and financial records are kept. Each Dean of Faculty/Service Director is responsible for establishing and maintaining clear areas of responsibility within their Faculty/Service Area for all financial matters.
- 6.4. Where resources are devolved to individual budget holders, they are accountable to the Dean of Faculty/Service Director for these resources.
- 6.5. Deans of Faculties/Service Directors shall provide the Director of Finance 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
- 6.6. Neither the Dean of Faculty/Service Director, nor any Designated Budget Holder, has any authority to commit the University to expenditure that will result in their budget becoming overspent. This applies to individual budget heads where no prior approval for virement has been given and to the total budget where virement has been agreed.

### **All members of staff**

- 6.7. All members of staff should be aware of and have a general responsibility for the security of the University's property and other assets, for avoiding loss and for due economy in the acquisition and use of resources.
- 6.8. Each member of staff should ensure that they are aware of the University's financial authority limits and the value of purchases for which quotes and tenders are required. Further information is available on the Procurement Office website at:

<http://www.stir.ac.uk/finance-office/procurement/>

- 6.9. All members of staff shall make available any relevant records or information to the Director of Finance or his or her authorised representative in connection with the implementation of the University's financial policies, regulations, and system of financial control.
- 6.10. All members of staff shall immediately notify the Director of Finance whenever any matter arises which involves, or is thought to involve, irregularities concerning, inter alia, cash or property or other assets of the University. The Director of Finance will take such steps as he or she deems necessary by way of investigation or report.

## 7 RISK MANAGEMENT

- 7.1. The University acknowledges the risks inherent in its business and is committed to managing optimally those risks that pose a significant threat to the achievement of its strategic objectives in all areas of activity. Detailed guidance and support on identifying, assessing, and managing risk is available on the Policy and Planning website at:  
  
[http://www.stir.ac.uk/policyandplanning/riskmanagement/riskmanagemen  
tpolicy/](http://www.stir.ac.uk/policyandplanning/riskmanagement/riskmanagemen<br/>tpolicy/).
- 7.2. The role of University Court and Audit Committee is to determine an appropriate level of risk acceptable to the University (risk appetite), for developing appropriate policies, and ensuring there is in place an ongoing process for identifying, evaluating, and managing the University's significant risks.
- 7.3. The University's Senior Management Team is responsible for implementing Court's policies. They are required to identify, assess, and manage risks as a central part of their ongoing management activity. As part of this process a strategic risk identification, assessment, and prioritisation process is undertaken on a regular basis by senior management. This informs and keeps up to date the Register of Strategic Risks as a 'living document'.
- 7.4. Deans of Faculties/Service Directors and project leaders are responsible for identifying, assessing, and managing risk in their own areas of concern and are required to prepare and maintain their own risk registers. Where risks are identified that can't be managed at the Faculty/Service Area or project level, these should be reported immediately to senior management.
- 7.5. Deans of Faculties/Service Directors must ensure that any agreements negotiated within their Faculty/Service Areas with external bodies cover any commitments or other legal liabilities to which the University may be exposed.
- 7.6. In line with policy, the University requires that the risk management strategy and supporting procedures include regular reporting on significant risks associated with the achievement of key objectives.

## 8 INSURANCE

- 8.1. The Director of Finance is responsible for the University's insurance arrangements, including the provision of advice on the types of cover available.
- 8.2. As part of the overall risk management strategy, all risks are considered and those most effectively dealt with by insurance cover are identified.
- 8.3. The Director of Finance is responsible for obtaining quotes, negotiating claims, and maintaining relevant records. The Director of Finance will keep a register of all insurance cover arrangements effected by the University and the property and risks covered. He or she will also deal with the University's insurance brokers about specific insurance issues, particularly new or emerging risks.
- 8.4. The Dean of Faculty/Service Director must ensure that any agreements in which their Faculty/Service Area is involved with external bodies do not breach the conditions of the University's insurance cover. The Director of Finance's advice should be sought to ensure that this is the case.
- 8.5. The Dean of Faculty/Service Director must give prompt notification to the Director of Finance of any potential new risks and additional property and equipment, which may require insurance including any alterations affecting existing risks. The Dean of Faculty/Service Director must advise the Director of Finance, immediately, of any event that may give rise to an insurance claim. The Director of Finance will notify the University's insurance brokers, thence our insurers, and prepare any claim in conjunction with the Dean of Faculty/Service Director for transmission to the insurers.
- 8.6. The Director Finance in conjunction with the Director of Estates and Campus Services is responsible for keeping suitable records of plant, which is subject to inspection by an insurance company, and for ensuring that an inspection is carried out in the periods prescribed.
- 8.7. As a pre-condition to using their own vehicle on University business, all members of staff must ensure that their motor insurance policy is endorsed to allow for business use.
- 8.8. All members of staff keeping personal libraries or personal effects on University premises are personally responsible for the insurance of these items.
- 8.9. The University is not responsible for damage to staff vehicles parked in the University grounds unless the damage is a result of a negligent act by the University or University employee in the course of fulfilling their duties.

Advice on insurance cover and the indemnity limits applying is available on the Finance Office web pages at:

<http://www.stir.ac.uk/media/internal/finance/documents/SummaryofInsurance2013.pdf>

## 9 PUBLIC INTEREST DISCLOSURE

- 9.1. The Public Interest Disclosure Act, provides legal protection to employees against being unfairly dismissed or penalised by their employers as a result of publicly disclosing certain serious concerns. It is a fundamental term of every contract of employment that an employee will faithfully serve his or her employer and not disclose confidential information about the employers' affairs. However, when an individual discovers information which he/she believes shows malpractice/wrongdoing within the organisation then this information should be disclosed without fear of reprisal, and may be made independent of line management.
- 9.2. The University's Public Interest Disclosure Policy is intended to cover concerns which are in the public interest. Areas of disclosure by an individual might include details about financial malpractice or impropriety, or fraud, dangers to health and safety or the environment, criminal activity, academic or professional malpractice, improper conduct or unethical behaviour, failure to comply with a legal obligation or with the Statutes and Ordinances of the University and the attempt to conceal any of these.
- 9.3. The individual should make the disclosure to the Designated Person who will normally be the University Secretary who should immediately inform the Principal and the Chair of Court unless requested not to do so by the discloser.
- 9.4. In cases involving financial malpractice, the University Secretary should act throughout in close consultation with the Principal, as the Designated Accounting Officer for the University's public funding.
- 9.5. If the disclosure is about the University Secretary then the disclosure should be made to the Principal.
- 9.6. If the individual does not wish to raise the matter with either the University Secretary or the Principal, 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 Court.
- 9.7. The full procedure on Public Interest Disclosure is available on the Human Resources and Organisational Development web site at:

<http://www.stir.ac.uk/media/services/hr/documents/policies/Whistleblowing%20PublicinterestdisclosureapproveJun2012.pdf>

## 10 CODE OF CONDUCT

- 10.1. The University is committed to the highest standards of openness, integrity and accountability and follows the good governance guidelines specified in the Scottish Code of Good HE Governance. 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:

<https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>

- 10.2. In addition, the University 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.
- 10.3. Additionally, members of the governing body, the Audit Committee and senior management are required to disclose interests in the University's Register of Interests maintained by Policy and Planning. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the financial procedures.
- 10.4. In particular, no person shall be a signatory to a University contract where he or she also has an interest in the activities of the other party.

#### **Receiving gifts or hospitality**

- 10.5. 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 years' imprisonment and unlimited fines. The University's anti-bribery policy statement can be found on the Finance Office web site at:
- <http://www.stir.ac.uk/media/internal/finance/documents/AntiBriberyPolicy.pdf>
- 10.6. The guiding principles to be followed by all members of staff must be:
- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest
  - the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.
- 10.7. Thus, members of staff should not normally accept any gifts, rewards or hospitality (or have them given to member of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be reasonably perceived by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of

hospitality should not be greater than the University would be likely to provide in return.

- 10.8. In any case where it is difficult to determine what is and what is not acceptable in gifts or hospitality, the offer should be declined or advice sought from the Director of Finance, who will maintain a register of gifts received where the value is greater than £25. Members of staff in receipt of such gifts are obliged to notify the Director of Finance promptly. Staff should always ensure that their immediate superior is aware of any gifts or hospitality received.
- 10.9. The University appreciates that the practice of giving gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

## **C FINANCIAL MANAGEMENT AND CONTROL**

### **11 FINANCIAL PLANNING**

#### **Budget Preparation**

- 11.1. The Director of Finance is responsible for preparing annually a three year detailed revenue and five year detailed capital budget for consideration by the Joint Policy, Planning and Resources Committee before submission to the University Court. When approved, the first year's figures constitute the University's revenue budget with the subsequent two years' figures being regarded as indicative.
- 11.2. The budget will be presented in the format of the Statement of Recommended Practice (SORP) for FE and HE 2015. It will therefore include a Statement of Comprehensive Income (SOCl), Statement of Financial Position, cash flow and Infrastructure Plan. The budget must be consistent with the University's Strategic Plan and Plan for Academic Success. The budget will be used as the basis for preparing financial forecasts for submission to the Scottish Funding Council.
- 11.3. The Director of Finance must ensure that the detailed budgets prepared to support the resource allocation process, are communicated to the Deans of Faculties/Service Directors as soon as possible following their approval by the University Court. The Dean of Faculty/Service Director is then responsible for the economic, effective and efficient use of resources allocated to them. Resources allocated to Faculties are consolidated in a Faculty Funding Profile.

### **12 FINANCIAL CONTROL**

#### **Budgetary Control**

- 12.1. The control of income and expenditure, whether revenue or capital, within an agreed budget is the responsibility of the relevant Dean of Faculty/Service Director, who must ensure that day to day monitoring is undertaken effectively. Whilst authority may be delegated to other authorised persons, responsibility will still remain with the relevant Dean of Faculty/Service Director.
- 12.2. Significant departures from the approved income and expenditure budgets, whether actual or forecast, revenue or capital must be reported immediately to the Director of Finance by the Dean of Faculty/Service Director concerned and, if necessary, corrective action taken.

#### **Financial Information**

- 12.3. The Deans of Faculties/Service Directors are assisted in their duties by frequent and regular management information provided by the Director of Finance.
- 12.4. The Director of Finance is responsible for supplying regular financial management accounts together with Infrastructure Plan reports to the Joint

Policy, Planning and Resources Committee on a basis determined by them. These accounts and reports will be presented to the University Court.

### **Changes to Approved Budget Out-Turn**

- 12.5. In circumstances as may arise from time to time, changes proposed to the approved budget out-turn will first be considered by the Joint Policy, Planning and Resources Committee, which will make proposals to the University Court.

### **Virement**

- 12.6. Joint Policy, Planning and Resources Committee will approve a Budget Virement Policy which gives delegated authority for Budget virements, whether income or expenditure, revenue or capital, to be actioned. The Budget Virement Policy will be updated from time to time.

*Link to be inserted following approval of policy*

### **Treatment of Year End Balances**

- 12.7. At the year-end, Deans of Faculties/Service Directors will not normally have the authority to carry forward a balance from their budget to the following year, unless the Director of Finance has approved a specific scheme for carrying forward all or part of unspent accounts. Expenditure from any retained balances will be closely monitored to ensure it is in line with the University's strategic objectives.

## **13 ACCOUNTING ARRANGEMENTS**

### **Financial year**

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

### **Basis of Preparation**

- 13.2. The University's financial statements are prepared in accordance with the SORP for FE and HE 2015 and in accordance with applicable accounting standards, The financial statements conform to the Accounts Direction and other guidance published by the Scottish Funding Council.

### **Basis of Consolidation**

- 13.3. Where applicable, the financial statements consolidate the financial statements of the University and all its subsidiary undertakings for the financial year, except where the subsidiary activities are not material.

## **Accounting Returns**

- 13.4. The Director of Finance is responsible for collating and dispatching financial returns and other periodic financial reports to the Scottish Funding Council and other agencies as required.

## **Capitalisation and Depreciation of Tangible Fixed Assets**

- 13.5. The accounting policy applied to the capitalisation and depreciation of all tangible fixed assets is reviewed annually to ensure its appropriateness, and considered by the Joint Policy, Planning and Resources Committee before submission to the University Court. The policy can be found within the Accounting Policies, Estimates and Errors section of the most recent financial statements at:

<http://www.stir.ac.uk/finance-office/publications/>

## **Accounting Records**

- 13.6. The Director of Finance is responsible for the retention of financial documents. These will be kept in a form acceptable to the relevant authorities.
- 13.7. The University is required by law to retain prime documents for six years, including:
- official purchase orders
  - paid invoices
  - accounts raised
  - bank statements
  - copies of receipts
  - paid cheques
  - payroll records
- 13.8. The Director of Finance will make appropriate arrangements for the retention of electronic records.
- 13.9. For auditing and other purposes, other financial documents will be retained for three years.
- 13.10. The Director of Research and Enterprise should ensure that the Director of Finance is notified of any retention arrangements required to comply with any specific requirements of organisations funding research or enterprise.
- 13.11. The Director of Advancement should ensure that the Director of Finance is notified of any retention arrangements required to comply with any specific requirements of organisations or individuals gifting or donating funds to the University.

## **Public Access**

13.12. Under the terms of the Charities and Trustee Investment (Scotland) Act 2005, the University is required to supply on request any person with a copy of the University's most recent financial statements. The University will also make available a copy of the financial statements on the University's website at:

<http://www.stir.ac.uk/finance-office/publications/>

## **Taxation**

13.13. The Director of Finance is responsible for advising the Joint Policy, Planning and Resources Committee on all taxation issues that relate to the University and will issue instructions to Faculties and Service Areas on compliance with statutory requirements, including those concerning VAT, corporation tax and import duty.

13.14. The Director of Finance is responsible for maintaining the University's tax records (except income tax, national insurance and other payroll deductions, which are the responsibility of the Director of Human Resources and Organisational Development).

13.15. The Director of Finance is responsible for making all tax payments, receiving tax credits and submitting tax returns by their due date.

13.16. The Director of Finance (through the Director of Advancement) is responsible for making appropriate reclaims for tax deducted on donations made under Deed of Covenant.

13.17. Deans of Faculties and Service Directors are responsible for informing the Director of Finance immediately of all and any contact and correspondence with Her Majesty's Revenue and Customs (HMRC) and equivalent overseas tax authorities.

## **14 AUDIT REQUIREMENTS**

### **General**

14.1. External auditors and internal auditors 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
- 14.2. The Director of Finance is responsible for drawing up a timetable for the preparation of the financial statements and will advise staff and the external auditors accordingly.
- 14.3. The financial statements are submitted to the University Court for approval following consideration by the Joint Policy, Planning and Resources Committee and the Audit Committee.

### **External Audit**

- 14.4. After a tendering process the external auditor will be appointed by the Court on the recommendation of the Audit Committee, normally for a period of three years with the possibility of an extension of up to five years subject to satisfactory performance.
- 14.5. The primary role of external audit is to report on the University's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties are set out by the Financial Reporting Council.

### **Internal Audit**

- 14.6. After a tendering process the internal auditor will be appointed by the Court on the recommendation of the Audit Committee, normally for a period of three years with the possibility of an extension of up to five years subject to satisfactory performance.
- 14.7. The University's Financial Memorandum with the Funding Council requires the University to have an effective internal audit function. The main responsibility of internal audit is to provide the University Court, the Principal, and senior management with assurances on the adequacy of the internal control system. This is done via an annual cycle of internal audits looking at internal controls and ensuring the University is making effective use of resources and achieving value for money.
- 14.8. The internal audit service remains independent in its planning, operation and reporting and has direct access to the University Court, Principal, and Chair of Audit Committee as it deems it may require.

### **Other Auditors**

- 14.9. The University may, from time to time, be subject to audit or investigation by external bodies such as the Scottish Funding Council, Audit Scotland, National Audit Office, European Court of Auditors, HMRC and UKVI. These bodies have the same rights of access as external and internal auditors.

## 15 FRAUD POLICY

- 15.1. The University has a responsibility to the Scottish Funding Council, its staff, students, suppliers and the public in general to take all reasonable steps to detect and prevent the occurrence of fraud. The University's policy on Fraud is set out in the Fraud Policy Statement available at:

<http://www.stir.ac.uk/finance-office/staff/policiesandprocedures/>

- 15.2. The primary responsibility for detecting fraud lies with management through the implementation, documentation and operation of effective systems of internal control. The University's internal auditors, through their evaluation of the control framework also have a role in preventing and detecting fraud, although this is not the main function of internal audit.
- 15.3. All staff have a responsibility to be aware of the potential for fraud and take the necessary steps to minimise the risk to the University. Management should ensure staff in their areas of operation are familiar with the common types of fraud. The University is not advocating the creation of an overtly suspicious environment, but expects staff to be generally alert to the potential for fraud in areas where they operate.
- 15.4. Staff will often be the first to notice the potential for, or actual, fraud. Staff suspicious of fraud should in the first instance report their concerns to the University Secretary. If for any reason it is felt that reporting in this manner is inappropriate, staff may report directly to any of the following officers – the Director of Finance, the Deputy Director of Finance, the Head of Treasury and Systems, or the Director of Human Resources and Organisational Development.
- 15.5. Proper and consistently applied procedures for reporting and investigating fraud will play an important part in preventing further fraud. The University expects that reported suspicions will be investigated. Such investigations will by necessity remain confidential, but management will ensure that the lessons learnt from each incident are disseminated to the appropriate members of staff. Where fraud is suspected the Fraud Response Plan will be implemented, details are available at:

<http://www.stir.ac.uk/finance-office/staff/policiesandprocedures/>.

## 16 TREASURY MANAGEMENT

### **Treasury management policy**

- 16.1. The Joint Policy, Planning and Resources Committee is responsible for approving a Treasury Management Policy statement setting out a strategy and policies for cash management, long term investments and borrowings that reflects good practice. This will require compliance with funding body rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the Financial Memorandum. The Joint Policy,

Planning and Resources Committee has responsibility for ensuring the implementation, monitoring and review of such policies.

- 16.2. The Director of Finance is required to act in accordance with best practice. For current purposes this is defined as being based on CIPFA's Treasury Management in Higher Education: A Statement of Best Practice. The University's Treasury Management Policy can be found at:

<http://www.stir.ac.uk/media/internal/finance/documents/TreasuryManagementPolicy.pdf>

- 16.3. All executive decisions concerning borrowing, investment, or financing (within policy parameters) shall be delegated to the Director of Finance who will report back to the Joint Policy, Planning and Resources Committee as laid out in the Treasury Management Policy. All borrowing shall be undertaken in the name of the University and shall conform to any relevant Funding Council requirements.
- 16.4. The Director of Finance will report from time to time to the Joint Policy, Planning and Resources Committee on the activities of the treasury management function and on the exercise of any delegated treasury management powers.

#### **Appointment of Bankers and other professional advisors**

- 16.5. The University Court is responsible for the appointment of the University's bankers and other professional advisors (such as investment managers and other specialist advisors) on the recommendation of the Joint Policy Planning and Resources Committee. The appointment shall be for a specified period, after which consideration shall be given by the Joint Policy Planning and Resources Committee to retender the service in accordance with the University's procurement guidelines and policies.

#### **Banking Arrangements**

- 16.6. The Director of Finance is responsible, on behalf of the Joint Policy, Planning and Resources Committee, for liaison with the University's bankers in relation to the University's bank accounts.
- 16.7. Only the Director of Finance, with the authority of Court, 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.
- 16.8. All systems for receiving payments over the internet or via other electronic means, e.g. PayPal must be approved by the Director of Finance. The internet payment systems must comply with accepted standards for security, data protection, prevention of money laundering and ensure the existence of a full audit trail.
- 16.9. All BACS same day and international payments must be authorised in line with the bank mandate of the University. Details of authorised signatories and automated transfer procedures approved by University Court are detailed in the Treasury Procedures Manual.

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

## 17 INCOME

### **General**

17.1. The Director of Finance is responsible for ensuring:

- 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 have prior approval of the Director of Finance
- the prompt collection, security and banking arrangements for all income received
- all grants notified by the Funding Council and other bodies are received and appropriately recorded in the University's accounts
- all claims for funds, including research grants and contracts, are made by the due date

### **Maximisation of income**

17.2. 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 so that collection can be initiated.

### **Receipt of Cash and Cheques and other negotiable instruments**

17.3. It is the responsibility of all Faculties and Service Areas to record daily all monies received from whatever source together with the form (cash/cheques) in which they were received.

17.4. All monies received must be paid over daily to the Finance Office promptly. The custody and transit of all monies received must comply with the requirements of the University's Fidelity Guarantee insurance conditions.

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

## **Receipts by Credit or Debit card**

- 17.6. The University can receive payments by debit or credit card over the telephone or cash office counter using merchant terminals provided by the University's chosen Card Acquirer.
- 17.7. The receipt should be retained to support evidence of payment.
- 17.8. The arrangements to receive credit or debit card payments using terminals or on line facilities must be approved by the Director of Finance.
- 17.9. The Director of Finance is responsible for ensuring compliance with Payment Card Industry Data Security Standards. Procedures dealing with the controls required over the transmission, processing, and storage of all data and information received in respect of all card receipts accepted by the University can be obtained at:

*<http://www.stir.ac.uk/media/internal/finance/documents/card-payment-policy.pdf>*

## **Collection of Debts**

- 17.10. The Director of Finance shall ensure that:
  - debtors invoices are raised promptly on official invoices in respect of income due to the University
  - invoices are prepared with due care, properly recorded in the finance system, show the correct amount due and credited to the appropriate income account
  - paper/hard copy invoices are only raised on official University invoices
  - 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 to collect overdue debts in accordance with the University's debt policy
  - outstanding debts are monitored and reports are prepared for management
- 17.11. The Director of Finance is responsible for implementing credit arrangements and indicating the period in which an invoice must be paid.
- 17.12. Requests to write off individual debts in excess of £5,000 must be authorised by the Director of Finance.

## **Student Fees**

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

17.14. Any student who has outstanding tuition fees or any other academic related debt owing to the University will not be awarded their qualification by the University, or allowed to participate in a graduation ceremony until all outstanding debts have been settled in full. Such students shall also be prevented from re-enrolling at the University and from using any of the University's facilities.

17.15. Further guidance on the procedures for collecting student fees can be found at:

<http://www.stir.ac.uk/media/internal/finance/documents/student-payment-policy.pdf>

## **Refunds**

17.16. The University seeks to minimise the opportunities for money laundering in accordance with the Money Laundering Regulations 2007. Where refunds are required, they will be made to the original payer and follow the method by which the money was received. For further information see the University's policy on anti-money laundering at:

*<http://www.stir.ac.uk/media/internal/finance/documents/anti-money-laundering-policy.pdf>*

## **Student Loans**

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

## **Emergency/Hardship Loans**

17.18. The University receives funds from the Scottish Government and also operates its own funds in order to assist qualifying individuals. Under no circumstances should payments be made other than in accordance with approved guidelines.

17.19. The Deputy Secretary via the Student Support Services Office is responsible for:

- approving loans in accordance with the scheme
- paying loans that have been approved, and
- setting repayment terms

17.20. The Director of Finance is responsible for recovering loans that have been awarded.

## **18 RESEARCH GRANTS AND CONTRACTS**

### **Definition**

18.1. Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective. There are many different funders of research projects including Research Councils UK, the NHS, the European Commission, the Higher Education Funding Councils and Industry.

18.2. The term "research grant" is restricted to research projects funded by Research Councils UK, charities and higher education funding bodies. All other externally financed research projects are classified as "research contracts".

### **Application**

18.3. All applications for research projects must be submitted by the principal investigator to the Research and Enterprise Office for submission by the

University to the funder. All applications will be on behalf of and in the name of the University of Stirling.

### **Costing and Pricing**

- 18.4. The Research and Enterprise Office is responsible for providing appropriate costing and pricing advice.
- 18.5. In order to price a research project appropriately, the full cost of the research and other financial implications needs to be identified by the principal investigator and discussed and appraised by the Research and Enterprise Office.
- 18.6. It is University policy that all externally funded research projects will be costed in accordance with TRAC principles and the University policy on Full Economic Cost (fEC) and has Dean of Faculty approval. In addition the research agreement must be in line with the University's policy with regard to indirect costs and other expenses.
- 18.7. For full guidance on the costing and pricing of research activities reference should be made to the University's Pricing Policy which can be found on the web pages of the Research and Enterprise Office at:

<http://www.research.stir.ac.uk/supporting/policy/pricing-policy.php>

### **Grant and contract conditions**

- 18.8. Many funding bodies stipulate conditions under which funding is awarded. There are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. It is the responsibility of the principal investigator to obtain a full set of terms and conditions from each funding body to enable appropriate monitoring of compliance. Failure to respond to these conditions often means that the University will normally suffer a significant financial penalty.
- 18.9. It is the responsibility of the principal investigator to ensure that all conditions of funding are met.

### **Acceptance of a research project**

- 18.10. Once proposals have been successful, it is the responsibility of the Research and Enterprise Office to accept awards and negotiate contracts on behalf of the University.

### **Post award financial management of research grants and contracts**

- 18.11. Each research project will be allocated a specific project code and budget and will have a named principal investigator.
- 18.12. The Finance Office will maintain all financial records relating to research projects and shall initiate all claims for reimbursement from funding bodies on the due date.

- 18.13. Control of staff and non-staff expenditure shall be the responsibility of the Dean of Faculty. The Dean of Faculty may delegate day-to-day control of a budget to a grant holder or project manager but each Dean of Faculty will be responsible for any overspend or under-recovery of overheads, with any loss being charged on Faculty funds.

## 19 OTHER INCOME GENERATING ACTIVITY

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

- 19.1. Engaging in consultancy and other work for external bodies is subject to formal approval in advance by the employee's Dean of Faculty.
- 19.2. The University does not prescribe a maximum limit on the amount of time spent by employees on these activities provided that they do not negatively impact on, or compromise, the discharge of the employee's contractual responsibilities to the University.
- 19.3. In some circumstances, consultancy and other work for external bodies can also be undertaken on a private basis. Permission to undertake such work is also subject to formal approval in advance by the University, given the potential impact on the time of the individual and their contractual responsibilities to the University.

Further details on staff undertaking consultancy and other work for external bodies can be viewed on the web-site at:

<http://www.research.stir.ac.uk/documents/ConsultancypolicyUpdatedJan2011.pdf>

### **Short course and services rendered**

- 19.4. In this context a short course is any course that does not normally form part of the award-bearing teaching load of a department.
- 19.5. Any staff wishing to run a short course must have the permission of his or her Dean of Faculty. The course organiser will be responsible to the Dean of Faculty for day-to-day management of the course.
- 19.6. The term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information.

### **Collaborative Partnerships**

- 19.7. New academic associations and collaborative partnerships are approved by the Education and Student Experience Committee (a Committee of Academic Council) upon completion of the process outlined on the web-site at:

<http://www.stir.ac.uk/academicpolicy/handbook/module-and-programme-approval/#q-6>

- 19.8. Following approval by the partner institution, the agreement is signed and dated by the University Secretary. A copy of the signed agreement is held in the central register of collaborative provision.

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

- 19.9. Certain activities undertaken within the University including research and consultancy may give rise to intellectual property (i.e. ideas, designs and inventions) which may have commercial potential. The University's core business is the generation and transmission of new knowledge and ideas. As such, the University is committed to managing intellectual property assets and resources effectively. These remain the property of the University unless determined otherwise by contract. For the avoidance of doubt the University does not intend to assert ownership of copyright in books, articles, lectures or other written work or in computer related work except as specified in the aforementioned regulations.

- 19.10. Full guidelines on the University's Policy on Intellectual Property Rights is available at:

<http://www.stir.ac.uk/media/services/calendar/rules/rules-and-regulations-intellectual-property.pdf>

## **20 EXPENDITURE**

### **General**

- 20.1. The Director of Finance is responsible for making all payments to suppliers of goods, services and works to the University.

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

- 20.2. The Dean of Faculty/Service Director is responsible for purchases within his/her Faculty/Service Area. All expenditure must be authorised, in accordance with the scheme of delegation, prior to any financial commitment being made.
- 20.3. It is an essential internal control requirement that the ordering of goods, services and works and authorising payment are segregated and the Dean of Faculty/Service Director is responsible for ensuring that such separation is maintained within their Faculty/Service Area.
- 20.4. In practice this means that the authorised member of staff (usually the budget holder) who authorises a purchase order must be a separate individual to the one who raised the purchase order.

- 20.5. Similarly, for goods, services and works that fall outside of the purchase ordering system the authorised member of staff (usually the budget holder) who certifies a supplier invoice should be a different individual to the one who originally committed the expenditure.
- 20.6. The Director of Finance shall maintain a register of authorised signatories both paper based and electronically within the finance system to facilitate purchase ordering.
- 20.7. The delegation of authority hierarchy for committing expenditure is automated with the University's finance system. Any changes to the authorities to commit expenditure must be notified to the Director of Finance immediately.
- 20.8. Deans of Faculties/Service Directors and budget holders are not authorised to commit the University to expenditure without ensuring that there are sufficient funds to meet the purchase cost.

### **Procurement of Goods, Services and Works**

- 20.9. The University Court requires that the purchase of goods, services and works be strictly controlled so as to ensure the achievement of best value for money, that all spending is kept within budgetary limits and that the opportunities for misappropriation of funds are reduced or eliminated. Guidance on determining best value can be found in the Procurement Policies and Procedures at:  
  
<http://www.stir.ac.uk/finance-office/procurement/policyandprocedures/>
- 20.10. All budget holders, irrespective of sources of funds, must obtain goods, services and works at the lowest possible cost consistent with quality, delivery requirements and sustainability and equality legislation, and in accordance with sound business practice.
- 20.11. The Director of Finance (or other designated officer) is responsible for ensuring that purchasing throughout the University conforms to European Union, national, legal, ethical and University requirements and provides best value for money. All purchasing must be undertaken in accordance with the Procurement Policies and Procedures.
- 20.12. The procurement function is the responsibility of the Director of Finance. Specifically it will:
  - Develop, maintain, promote and implement the University's Procurement Strategy (including Category Strategies), Policies, and Procedures.
  - Measure and report institutional procurement performance.
  - Ensure that the University complies fully with all relevant Scottish, UK and EU procurement regulations and legislation.
  - Assist appropriately in the procurement of the goods, services and works required by Faculties and Service Areas.

- Conduct or support all regulated tenders on behalf of Faculties and Service Directorates.
- Query and constructively challenge the initial definitions of requirement created by end users and suggest alternatives as Procurement Services deem appropriate.
- Support unregulated spend activity undertaken by Faculties and Service Directorates.
- Provide information on current procurement frameworks and contracts and advice on their use.
- Provide training opportunities, as appropriate, for all University staff who have purchasing responsibilities.
- Provide information and advice on all procurement related matters.
- Provide market intelligence and conduct market engagement and research as requested by Faculties and Service Directorates.
- Pursue and develop co-operative relationships with all those involved in purchasing within Faculties and Directorates and those who represent the University on regional, inter-regional and national procurement bodies.
- Have positive and proactive engagement with APUC and other HE/FE and public sector entities in relation to issues of policy, practice, information sharing and collaboration and specifically to represent the University on the Policy and Strategy Group (PSG).
- Embed proportionate Supplier Relationship Management (SRM) with the University's key strategic suppliers and so mitigate supply chain risk.
- Ensure the University meets its obligations under the Suppliers Charter.

20.13. Faculties and Services must make use of extant and relevant framework agreements which are established by Procurement Services or by national, regional and sectoral contracting bodies including Advanced Procurement Universities and Colleges Ltd (APUC) and Scottish Procurement. Faculties which have a need to purchase goods, services and works for which no appropriate framework agreements exist are advised to promptly involve Procurement Services, particularly when a major i.e. financially material procurement is being contemplated.

### **Purchase Orders**

20.14. The following principles with respect to the acquisition of goods, services and works must be observed at all times:

- Official purchase orders must be raised for all goods, services or works before the purchase is made.

- The only exceptions to this rule are items purchased with a University purchase card and minor purchases paid by petty cash.
- A purchase order will convey the University's acceptance of a supplier's offer and normally establish a binding contract on the University's terms and conditions of purchase. The purchase order therefore provides protection for the individual buyer and the University.
- When accounting for the value of goods, services or works bought on behalf of another Faculty or Service a journal form must be completed and uploaded.

20.15. It is the responsibility of the Director of Finance (or a designated officer) to ensure that all purchase orders refer to the University's terms and conditions of purchase available at

<http://www.stir.ac.uk/finance-office/procurement/policyandprocedures/>

## Tenders

20.16. Faculties and Services must comply with the University's tendering procedures. These procedures are contained in the University's Procurement Policy and Procedures and are applicable to all purchases *with a value at or exceeding* the University's tender threshold. Extant University, Scottish and EU tender thresholds determine the type of tender process which must be undertaken and are shown below and on Procurement Services web pages.

20.17. The following thresholds prescribe how different levels of proposed expenditure are to be treated:

Value of Expenditure (ex VAT)	Tender Procedure
<u>Supplies and Services</u> Above £25,000 to £50,000	Unadvertised tender. A minimum of FOUR companies will be invited to tender. Contact Procurement Services
<u>Supplies and Services</u> Above £50,000 to current EU supplies and services thresholds	Nationally advertised tender. Contact Procurement Services
<u>Supplies and Services</u> Above current EU supplies and services thresholds	EU tender Contact Procurement Services
<u>Works</u> £100,000 to £1,000,000	Unadvertised tender. A minimum of FIVE companies will be invited to tender. Contact Procurement Services
<u>Works</u> Above £1,000,000 to EU works threshold	Nationally advertised tender. Contact Procurement Services
	EU tender

Works Above current EU Works contract threshold	Contact Procurement Services
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- 20.18. Cognisance must also be given to any special rules imposed by funding bodies and external authorities.
- 20.19. The intentional disaggregation of like requirements, to create lower value items of expenditure and thereby avoid the necessity to conduct a tender, is not permitted.

### **Quotations**

- 20.20. Where proposed expenditure is *below* the University's tender threshold, there is a requirement to treat that expenditure in a particular way. If no appropriate framework agreement exists, quotations may need to be requested from suitably qualified companies. In such circumstances the numbers of quotations that must be sought is determined by the value of the anticipated expenditure and availability of suitable suppliers. Procedures for seeking quotations are contained in the Procurement Policy and Procedures.

### **Scottish and European Union (EU) Public Procurement Legislation.**

- 20.21. The Director of Finance is responsible for ensuring that the University complies with its legal obligations in regard to Scottish and EU public procurement legislation. Scottish legislation and EU procurement directives apply to written contracts for all forms of procurement or hire (whether or not hire purchase) which have a total value exceeding the applicable (Scottish or EU) threshold value.
- 20.22. A breach of these regulations is actionable by a supplier or potential supplier in the Scottish/UK/European courts. Fines and other penalties may be imposed for some breaches.
- 20.23. The current tender thresholds for supply, service and works contracts are shown on the Procurement Services web pages.
- 20.24. It is the responsibility of Deans of Faculties and Service Directors to ensure that members of staff notify the Director of Finance (or a designated officer) of any purchases likely to exceed the Scottish or EU tender thresholds. This notification needs to be provided timeously in order to ensure that the University's compliance with public procurement legislation.

### **Building (including all 'Works') Contracts**

- 20.25. Building contracts are administered by the Director of Estates and Campus Services.
- 20.26. Proposals will normally be initiated by the Director of Estates and Campus Services in respect of planned replacements, general improvement schemes, space planning, or in response to requests from Faculties and Services.

- 20.27. Consultants may be appointed if a project, as determined by the Director of Estates and Campus Services, is deemed too large or too specialised for in-house resources. Appointments will be subject to normal tendering procedures.
- 20.28. All tendering for building contracts shall be reported to the Joint Policy, Planning and Resources Committee.

### **Goods Receipts**

- 20.29. In order for a supplier invoice to be paid, it must have a corresponding authorised purchase order number and the goods received.
- 20.30. When goods are received from a supplier they should be checked by the receiving Faculty/Service against the supplier's advice note and the University Purchase Order. All goods received should be appropriately recorded on the day of delivery.
- 20.31. All discrepancies, whether of quality, specification or quantity, should be immediately communicated to the supplier by the Faculty/Service receiving and inspecting the goods. Appropriate action should be agreed and confirmed in writing/by email.

### **Payment of invoices**

- 20.32. The procedures for making payments shall be in the form specified by the Director of Finance who is responsible for deciding the most appropriate method of payment for categories of invoice.
- 20.33. Invoices approved and due for payment will be paid on a weekly BACS run. International payments are processed via the payment platform on a weekly basis. To mitigate exchange rate risks EURO and United States Dollars (USD) invoices are paid in the invoice currency. All other currency payments are made from the University's main sterling current account. Same day payments can only be processed by Finance on an approved payment form with supporting evidence justifying the need for such expediency.
- 20.34. Each Dean of Faculty/Service Director is responsible for ensuring their Faculty/Service Area expenditure does not exceed the allocated budget funds available.
- 20.35. Suppliers are required to submit invoices for goods, services and works to the Finance Office. Invoices received by the Finance Office and for which a purchase order has been raised will be matched to the order and released for payment. Invoices received by the Finance Office which have not had a corresponding purchase order raised will be registered and only released for payment once the invoice has been certified by the appropriate Dean of Faculty/Service Director, budget holder or designated authorised signatory.
- 20.36. Invoices that have been registered to the Faculty must be passed to the Finance Office as soon as they have been certified.

20.37. Certification of an invoice or receipting of an electronic order should (or must) ensure that:

- the goods have been received, examined, and approved with regard to quality and quantity
- any services rendered or work done is satisfactory
- where relevant, the invoice is matched with the purchase order issued previously
- 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 the Faculty stores inventory record
- a relevant account code is quoted - this must be a cost code under the responsibility of the budget holder and should correspond with the types of goods supplied or service rendered. All non-salary payments must be charged to a non-pay code and under no circumstances charged to a pay code)
- there is clear separation between the person certifying the invoice for payment and the person who ordered the supplies.

#### **Late payment rules**

20.38. Payment to suppliers is governed by the Late Payment of Commercial Debts (Scotland) Regulations 2013, which allows for interest and compensation claims in the event of late payment of debts.

20.39. In view of the penalties in this Act, goods, services and works should be receipted on the finance system upon or shortly after delivery to ensure invoices can be passed for payment within the supplier's terms.

#### **Purchasing cards, credit and debit cards**

20.40. The operation and control of the University's purchasing, credit and debit cards are the responsibility of the Director of Finance. The Director of Finance must ensure that there is appropriate oversight of the distribution of such cards and the associated card limits.

20.41. Holders of cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Such cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. Cards must not be loaned to another person, nor should they be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant budget holder and should ensure there is sufficient budget to meet the costs. The Director of Finance will be responsible for setting in place a system to monitor the use of University credit cards and account for expenses charged through them. There should be

segregation of duties, with those reviewing and reconciling cards not holding and using those cards.

- 20.42. The normal rules for travel, subsistence, and hospitality extend to the use of credit cards. It is the responsibility of the Dean of Faculty/Service Director to ensure that a University credit card is not used to take out a cash advance unless prior approval has been received in writing from the designated officer within the Finance Office.

### **Petty Cash**

- 20.43. Where a single payment item is for less than £25 it may be paid from Faculty/Service Area petty cash. Each item must be supported by a receipt or voucher, where available.
- 20.44. The Director of Finance shall make available to Faculties/Service Areas such imprests as he or she considers necessary for the disbursement of petty cash expenses. However, it is important for security purposes that petty cash imprest floats are kept to a minimum.
- 20.45. The member of staff granted a float is personally responsible for its safe-keeping.
- 20.46. A petty cash box should be used to hold any cash balances and it 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 Dean of Faculty/Service Director or another nominated person. A secure place would not be a readily accessible desk drawer, which would be regarded as too vulnerable to theft.
- 20.47. Reimbursement requisitions should be sent to the Cash Office on a regular basis, together with all original receipts or supporting vouchers, before the total amount held has been expended, in order to retain a working balance until the imprest has been refreshed.
- 20.48. Remuneration payments, including casual payments to students or others, are expressly prohibited from petty cash and all such payments must be paid through the Payroll system, operated by Human Resources and Organisational Development.
- 20.49. At the end of the financial year a certificate of the balance(s) held must be completed by the member of staff responsible for the float and counter signed by the Dean of Faculty/Service Director and sent to the Director of Finance.

### **Other Payments**

- 20.50. Payments for maintenance and other items to students on behalf of sponsoring organisations shall be made on the authority of the Director of Finance, supported by detailed claims approved by the Dean of Faculty.
- 20.51. Individual payments under 'outward collaborative provision' contracts shall be authorised by the Director of Finance. The authority shall be on the basis that the

payment represents a bona fide element of the contract which has been approved under a scheme set out by the Education and Student Experience Committee.

- 20.52. The University's procurement and payment procedures are in place to enable the majority of non-pay supplies to be procured through the purchase ledger system without staff having to incur any personal expense. However on occasions staff may incur expenses, most often in relation to travel and are entitled to reimbursement.
- 20.53. Where such purchases by staff are planned, the Director of Finance and the relevant Dean of Faculty/Service Director may jointly approve cash advances to staff who are going to incur expenditure on the University's behalf. Upon completion of the travel or 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 an individual is still outstanding.

### **Giving Hospitality**

- 20.54. Staff entertaining guests from outside bodies at lunchtime should normally use the University's catering facilities. Where this is not the case reasons must be stated when submitting a claim for reimbursement.
- 20.55. The levels of acceptable expenditure for entertaining guests are set out in the Expenses Policy.

*<http://www.stir.ac.uk/media/internal/finance/documents/expenses-policy.pdf>*

- 20.56. It is an offence under section 7 of the Bribery Act 2010 for commercial organisations to fail to prevent persons associated with them from bribing another person on their behalf. The University's anti bribery policy statement can be found at:

<http://www.stir.ac.uk/media/internal/finance/documents/AntiBriberyPolicy.pdf>

### **Telecoms**

- 20.57. The University will reimburse staff for the cost of necessary business calls made from a private home phone or personal mobile in performance of employment duties.
- 20.58. The University does not reimburse the cost of private line rental or broadband connections.
- 20.59. The University provides mobile phones to a limited number of employees where there is a genuine business requirement to enable performance of employment duties.

### **Provision of Clothing**

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

### **Payment to Volunteers**

20.61. It is the responsibility of the Dean of Faculty to ensure that payments made to volunteers are correctly administered. The University allows two types of payment from approved budget:

- Reimbursement of actual travel costs supported by receipts
- A small gift or thank you as long as it is clearly a token of appreciation, not compensation, and there is no sense that those goods, vouchers or cash are expected in advance.

## **21 PAY AND BENEFITS**

### **Remuneration Policy**

21.1. All University staff will be appointed to the salary scales approved by the University Court and in accordance with the appropriate terms and conditions of service. All offers of appointment will be issued by Human Resources and Organisational Development.

21.2. Salaries, terms and conditions and any other benefits for senior management will be determined by the Remuneration Committee set up by the University Court.

### **Appointment of Staff**

21.3. All offers of employment and contracts for service shall be concluded in accordance with the University's approved procedures. Budget holders shall ensure that Human Resources and Organisation Development and Finance are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

### **Pay**

21.4. The Director of Human Resources and Organisational Development is responsible for payments of salaries to all staff including payments for overtime or services rendered and for all other payroll matters. All time sheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Director of Human Resources and Organisational Development.

21.5. The Director of Human Resources and Organisational Development will be responsible for keeping the Director of Finance informed of all matters relating to personnel for payroll purposes. In particular these include:

- appointments, resignations, dismissals, secondments and transfers
  - absences from duty for sickness, or other reasons, apart from annual leave (which is a devolved responsibility)
  - changes in remuneration, other than normal increments and pay awards
- 21.6. The Director of Human Resources and Organisational Development will be responsible for maintaining records of service for pension, income tax and national insurance.
- 21.7. The Director of Human Resources and Organisational Development shall be responsible for keeping all records for all employees relating to payroll including those of a statutory nature.
- 21.8. All payments must be made in accordance with the University's detailed payroll financial procedures and comply with any Her Majesty's Revenue and Customs regulations.
- 21.9. The Director of Finance is responsible for payments to non-employees and for informing the appropriate authorities of such payments.

### **Pension Schemes**

- 21.10. The University Court is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.
- 21.11. The Director of Human Resources and Organisational Development is responsible for day to day pension matters including:
- paying of contributions to various authorised pension schemes
  - preparing the annual return to various pension schemes
- 21.12. The Director of Human Resources and Organisational Development is responsible for administering eligibility to pension arrangements.

### **Waiver of Entitlement to Fees etc.**

- 21.13. An employee may enter into an arrangement to waive some or all of their remuneration in terms of conducting lectures, examinations or other work undertaken on behalf of external parties. In order to meet the necessary compliance criteria, in particular, taxation regulations, the individual must forfeit any right to the remuneration before it is earned. Such forfeiture also covers any right to direct how the remuneration might be used in future. Such funds may then be placed in a Faculty Discretionary Fund, which the Dean of Faculty will have full discretion as to how such funds may be disbursed.

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

- 21.14. Severance payments shall only be made in accordance with the University's policy on Severance as approved by the University Court. Such payments may be arranged on an individual basis or as part of a wider scheme.
- 21.15. In contemplating or agreeing to such arrangements professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments will be authorised formally by the Principal as advised by the Director of Human Resources and Organisational Development and the Director of Finance.
- 21.16. Where payments are made within the parameters of an agreed scheme, a report should also be given to Remuneration Committee in respect of sums expended under any such scheme, normally within six months of the scheme's closure. Any individual amounts that do not fall within the parameters above or are not within an approved scheme or are in excess £100k shall require approval of the Principal and Chair of University Court and should be reported to the Remuneration Committee.
- 21.17. In exceptional circumstances approval in these cases may be given by the Chair of the Remuneration Committee in consultation with the Principal and Director of Human Resources and Organisational Development, to be reported to the next meeting of the Remuneration Committee. Amounts paid should be declared in the financial statements.
- 21.18. Severance payments which involve the Principal and Vice Chancellor and any member of the senior management team should be approved by University Court (normally by recommendation from the Remuneration Committee).
- 21.19. All matters relating to employment tribunals shall be notified to the Human Resources and Organisational Development Directorate and the Finance Directorate in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

## **22 EXPENSES AND ALLOWANCES**

- 22.1. The University has a dispensation from Her Majesty's Revenue Collection to make payments to employees for certain specified items without deduction of income tax.
- 22.2. Reimbursement by the University of expenditure not included in the dispensation is subject to the deduction of income tax before payment and so payments of this kind are administered by Human Resources and Organisational Development via payroll.
- 22.3. Claims for travel, subsistence and other expenses will not be reimbursed if submitted more than three months after the date that the cost was incurred.

- 22.4. Full details of the University's policies on expenses and allowances are given in the Finance Office web site at:

*<http://www.stir.ac.uk/media/internal/finance/documents/expenses-policy.pdf>*

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

- 22.5. All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Director of Finance
- 22.6. All claims must be supported by relevant receipts and vouchers.
- 22.7. Claims by members of staff must be authorised by their Dean of Faculty/Service Director (or their delegated authority) or in the case of the Dean of Faculty/Service Director the appropriate authorised signature. The certification by the Dean of Faculty/Service Director shall be taken to mean that;
- the journeys were authorised
  - the expenses were properly and necessarily incurred
  - the allowances are properly payable by the University
  - consideration has been given to value for money in choosing the mode of transport
- 22.8. The University reimburses actual costs of travel except where private vehicles are used for business. In such cases Her Majesty's Revenue and Customs mileage rates are applied.
- 22.9. All expenses claimed by the Principal are approved by the University Secretary and published on the University website.
- 22.10. Expense claims made by lay members of Court or other committees shall be approved by the Deputy Secretary's office.
- 22.11. All arrangements for overseas travel must be approved by the Dean of Faculty/Service Director or Budget Holder in advance of committing the University to any arrangements.

## **23 ASSETS**

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

- 23.1. The purchase, lease, or rent of land or buildings, or fixed plant can only be undertaken with authority from the University Court or within authority delegated by the University Court. Reference to Scottish Funding Council requirements should be made where exchequer funded assets or exchequer funds are involved or where such funds are thought to be involved.

23.2. The Director of Finance in conjunction with the Director of Estates and Campus Services is responsible for maintaining the University's register of land, buildings, fixed plant and machinery. Deans of Faculties/Service Directors will provide the Director of Finance with any information he or she may need to maintain the register.

### **Inventories**

23.3. Each Dean of Faculty/Service Director is additionally responsible for maintaining an inventory (which should be held electronically) of all plant, motor vehicles, equipment, furniture and stores in their Faculty/service area which has a value in excess of £500. The inventory must include items donated or held on trust.

23.4. The inventory should include the following details:

- Date of purchase of asset
- Location of asset
- Name of supplier of the goods
- Price paid (including VAT)
- Asset number (optional) which can be used as a unique identifier
- Date when check conducted (see below)
- Person responsible for check
- Specific observations on the condition of assets (fitness for purpose/obsolescence)

23.5. Inventories must be checked at least annually and the relevant records annotated to indicate the date(s) on which the check was conducted and by whom. This is an important part of the University's system of internal control

23.6. When transferring equipment, etc. between Faculties/Service Areas, a transfer record must be kept and inventories amended accordingly.

### **Stocks and Stores**

23.7. Deans of Faculties/Service Directors are responsible for establishing adequate arrangement for the custody and control of stocks and stores within Faculty/Service Areas. The systems used for stores accounting in the Faculty/Service Area must have the approval of the Director of Finance.

23.8. Deans of Faculties/Service 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.

23.9. For those stocks that require valuation in the Statement of Financial Position, the Dean of Faculty/Service Director must ensure that the stock-taking procedures in place have the approval of the Director of Finance and are performed in line with the timetable issued for the preparation of the financial statements.

## **Safeguarding Assets**

23.10. Deans of Faculties/Service Directors are responsible for establishing adequate arrangements for the care, custody and security of all assets under their Faculty/Service Area control, which are either owned, donated, or held in trust by the University, whether tangible e.g. stock, cash, equipment etc. or intangible e.g. intellectual property, including electronic data.

## **Personal Use**

23.11. Assets owned or leased by the University's shall not be subject to personal use without proper authorization by an agreed University policy

## **Asset Disposal**

23.12. Disposal of equipment and furniture must be in accordance with the policy agreed by the Joint Policy, Planning and Resources Committee.

23.13. Disposal of land and buildings must only take place with the authorization of the University Court. Scottish Funding Council consent may also be required if exchequer funds were involved in the acquisition of the asset.

## **24 FUNDS HELD IN TRUST**

### **General**

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

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

24.2. The Director of Advancement in conjunction with the Director of Finance is responsible for maintaining financial records in respect of gifts, benefactions and donations, advising on the conditions of their use and initiating claims for recovery of tax where appropriate

24.3. Gifts and benefactions will only be accepted if they are from appropriate sources. Guidance on the acceptance of donations, gifts and similar funding in accordance with the Ethical Gift Policy is available at

<http://www.stir.ac.uk/policy/>

### **Donations of equity shares**

24.4. When shares are offered by a donor the Director of Advancement is responsible for the same due diligence they would normally undertake for a donation of cash. In addition they should ensure that:

- the donor is the rightful owner of the donated shares, and

- that the company the shares are held in is an appropriate entity for the University to be associated with (i.e. the donation is in line with the Socially Responsible Investment Policy).
- 24.5. All share certificates must be forwarded to the Director of Finance to be held in the safe.

### **Trust Funds**

- 24.6. The Director of Finance is responsible for maintaining a record of the requirements for each trust fund and for advising from time to time as may be required the Joint Policy, Planning and Resources Committee on the control and investment of fund balances.
- 24.7. The Director of (either Finance or Advancement) is responsible for ensuring that all the University's trust funds are operated within relevant legislation and the specific requirements for each trust. They will also be responsible for investment of fund balances.

### **Student Welfare and access funds**

- 24.8. Records of welfare funds will be maintained according to funding body requirements.

### **Voluntary funds**

- 24.9. The Director of Finance shall be informed of any fund, not being 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.

## **25 OTHER**

### **Companies, Joint Ventures and Consortium Arrangements**

- 25.1. In certain circumstances it may be advantageous to the University to establish a company, joint venture or consortium arrangement to undertake activities on its behalf. Any member of staff considering the use of such arrangements should first seek the advice of the Director of Finance, who should have due regard to guidance issued by the Scottish Funding Council.
- 25.2. The University Court is responsible for approving the establishment of all companies, joint ventures or consortiums and the procedure to be followed in order to do so. This will have due regard to any guidance provided by the Scottish Funding Council.
- 25.3. It is the responsibility of the University Court to establish the shareholding arrangements and appoint directors of companies, whether wholly or partly owned by the University.

- 25.4. The directors of companies, where the University is the majority shareholder must submit, via the Joint Policy, Planning and Resources Committee, an annual report to the University Court. They will also submit business plans or budgets as requested to enable the Joint Policy, Planning and Resources Committee to assess the risk to the University.
- 25.5. Where the University is the majority shareholder in a company, that company's financial year shall be consistent with that of the University.

## **Security**

- 25.6. Each Dean of Faculty/Service Director is responsible at all times for maintaining proper security for all buildings, stock, stores, furniture, equipment, cash, etc. under their control. The Director of Estates and Campus Services should be consulted without delay in any case where security is thought to be defective, or where it is considered that special security arrangements may be needed.
- 25.7. Keys to safes, or other similar containers are the responsibility at all times of the nominated person. The loss of such keys must be reported to the Director of Finance immediately.
- 25.8. The Director of Information Service has responsibility for maintaining proper security and privacy of electronic information as detailed in the Information Technology Use Policy. Appropriate levels of security are provided which include restriction of access to network server areas and the use of passwords to network aware devices. Information relating to individuals held on computer is subject to the provisions of the Data Protection Act. Further details are available in the Data Protection Policy and Guidance at:  
  
[http://www.stir.ac.uk/media/services/registry/planning/legalcompliance/Data\\_Protection\\_Policy\\_and\\_Guidance.pdf](http://www.stir.ac.uk/media/services/registry/planning/legalcompliance/Data_Protection_Policy_and_Guidance.pdf)  
  
and the IT Security Policy.
- 25.9. The Director of Finance 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. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

## **University of Stirling Students' Union**

- 25.10. The University of Stirling Students' Union is a separate legal entity from the University but is recognised to fulfill a valuable role in relation to the University's students.
- 25.11. Subject to any constraints imposed by the Scottish Funding Council, the University Court shall determine the level of grant to be paid annually to the Students' Union.

- 25.12. The Students' Union is responsible for maintaining its own bank account and financial records and preparing its own annual financial statements.
- 25.13. The Students' Union's annual financial statements will be audited by an appropriately qualified firm of auditors and will be presented to the Joint Policy, Planning and Resources Committee for information.
- 25.14. The University's Internal Auditor shall have access to records, assets and personnel within the Students' Union in the same way as other areas of the University.

**Use of the University's seal**

- 25.15. The use of the University's seal is specified in the Sealing Document Guidance at:

<http://www.stir.ac.uk/media/services/registry/governance/universitycourt/SealingDocumentsGuidance.pdf>

The custody and officers authorized to use the common seal are specified in the Schedule of Delegations at:

<http://www.stir.ac.uk/media/services/registry/planning/Scheduleofreservationsanddelegations.pdf>