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Chancellor (Finance &

Approving Body:
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Financial Regulations



Financial Regulations

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A GENERAL PROVISIONS

1 Purpose

- 1.1 The University is an exempt charity by virtue of the Charities Act 2011. As such, the University benefits from the status of a charity but is exempt from registration with the Charity Commission. From 1st April 2018, the Office for Students is the regulator (referred to in this document as ‘the Regulator’) for higher education and it is responsible for ensuring that universities as exempt charities fulfil their obligations under charity law. The Board of Governors (as the University’s trustees) are required to ensure that as an exempt charity the University has charitable purposes under the definition in Section 3 of the Charities Act 2011. As trustees of an exempt charity, the Board have the same general duties and responsibilities as trustees of other charities, these being:
- act reasonably and responsibly in all matters relating to the charity.
 - always act in the best interests of the charity and manage any conflicts of interest.
 - apply the income and property of the charity only for the purposes set out in the governing document.
 - protect all the property of the charity.
 - invest the funds of the charity only in accordance with their powers of investment.
 - take account of the Commission guidance on public benefit when appropriate
 - regularly review the effectiveness of the charity.
- 1.2 Some of the University’s activities are supported by public funds, and, as a publicly funded body, the University is accountable to its stakeholders in ensuring the most efficient and effective use of its resources in support of the University’s approved strategy.
- 1.3 The Board of Governors is responsible for ensuring that all conditions associated with public and grant funding are met. As part of this process, the University must adhere to the Regulator’s Audit Code of Practice, which requires it to have sound systems of financial and management control. The Financial Regulations of the University form part of this overall system of accountability.
- 1.4 The Financial Regulations contain the key high-level principles contained within the more detailed guidance documents. The reader of the Financial Regulations should gain an understanding of the University’s overall approach toward financial management and control. To support the Financial Regulations there are several documents which contain more detailed information on each individual area in order to provide policy or procedural guidance to the user within the University. In some cases, these can act as tools in decision making when considering activities in greater detail, all of which are available to staff either on the University’s website or shared folders.
- 1.5 The Financial Regulations and supporting policies and procedures all aim to achieve a balance between ensuring the University’s compliance responsibilities are discharged in the most effective manner whilst also supporting all members of staff in their activities and roles by providing detailed guidance and advice on those topics most frequently encountered by staff.
- 1.6 The main aim of the Financial Regulations is to ensure the University does the following:
- maintains financial viability.
 - achieves value for money.
 - fulfils its responsibility for the provision of effective financial controls over the use of public funds.
 - ensures that the University complies with all relevant legislation.
 - safeguards the assets of the University.
- 1.7 Compliance with the Financial Regulations is compulsory for all staff connected with the University. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the University’s disciplinary policy. The Board of Governors will be notified of any serious breach through the Audit Committee.

2 Status of Financial Regulations

- 2.1 The Financial Regulations have been approved by Audit Committee on behalf of the Board of Governors. Subsequent amendments to the Financial Regulations will be approved by Audit Committee. However, the authority to execute operational changes to the internal policies and procedures documents, that relate to finance, is delegated to the Vice Chancellor and Chief Executive or the Pro Vice Chancellor (Finance & Resources) where appropriate and in accordance with the Schedule of Delegation approved by the Board of Governors (see 3.2 below). This will enable the University to reflect the dynamic nature of its environment in the most efficient manner possible.
- 2.2 This document sets out the University's Financial Regulations. It applies to the University, all its subsidiary undertakings, and where relevant, any joint venture partnership.
- 2.3 The Pro Vice Chancellor (Finance & Resources) is responsible for ensuring that the Financial Regulations are published on the University's website, are accessible to all staff, and for interpreting them. However, it is the responsibility of Heads of Departments and Schools to ensure that their staff are made aware of the existence and content of the University's Financial Regulations.
- 2.4 The Audit Committee is responsible for maintaining a continuous review of the Financial Regulations, through the Pro Vice Chancellor (Finance & Resources), and has a role in scrutinising the Financial Regulations as a vehicle for financial control and testing the effectiveness of specific financial control procedures contained within these regulations.
- 2.5 In exceptional circumstances, this Committee may authorise a departure from these regulations, for which details of such a departure will be reported to the Board of Governors.
- 2.6 The University's policies and procedures, which are referred to in this document, and previously referred to in section 1.4, set out precisely how these regulations will be implemented and are available to all departments. They are reviewed and updated on a regular basis. Any references to the Financial Regulations will include these policies and procedures, which will have the same force as the Financial Regulations, except where it is the decision of the Pro Vice Chancellor (Finance & Resources) that they do not apply to subsidiary undertakings and joint ventures.

B CORPORATE GOVERNANCE

3 The Board of Governors

- 3.1 The Primary Responsibilities of the Board of Governors are as follows:
 1. To set and agree the mission, strategic vision and values of the institution with the Executive.
 2. To agree long-term academic and business plans and key performance indicators, and ensure that these meet the interests of stakeholders, especially staff, students and alumni.
 3. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the strategy and performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
 4. To delegate authority to the Vice Chancellor and Chief Executive for the academic, corporate, financial, estate and human resource management of the institution and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Head of the Institution.
 5. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and managing conflicts of interest.
 6. To establish processes to monitor and evaluate the performance and effectiveness of the governing

body itself.

7. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
8. To safeguard the good name and values of the institution.
9. To appoint the Vice Chancellor and Chief Executive, and to put in place suitable arrangements for monitoring their performance.
10. To appoint a Clerk to the Board and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
11. To be the employing authority for all 'holder of senior posts' in the institution (as prescribed in the Articles of Government) and to be responsible for establishing a human resources strategy and a framework for the pay and conditions of other staff.
12. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the institution's assets, property and estate.
13. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes accountability for health, safety and security and for equality, diversity and inclusion.
14. To receive assurance that adequate provision has been made for the general welfare of students and the management of academic quality and standards.
15. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.
16. To ensure that the institution's Instruments and Articles of Government are always followed, and that appropriate advice is available to enable this to happen.
17. To promote a culture which supports inclusivity and diversity across the institution.
18. To maintain and protect the principles of academic freedom and freedom of speech legislation.
19. To ensure that all students and staff have opportunities to engage with the governance and management of the institution.

- 3.2 The Board of Governors delegates responsibilities to its sub-committees (please refer to section 5) and designated postholders. These delegations are published in the Schedule of Delegation, on the University's website (<https://www.worc.ac.uk/discover/governance.html>).

4 Accountable Officer

- 4.1 The Vice Chancellor and Chief Executive is the University's Accountable Officer to the Regulator. As Accountable Officer, the Vice Chancellor and Chief Executive is responsible for the financial administration of the University's affairs. In this capacity, the Vice Chancellor and Chief Executive must ensure that there are effective arrangements in place for providing assurance to the Board of Governors to ensure, amongst other things, the sustainability and financial viability of the University and appropriate use of public funds for proper purposes taking into account value for money. The responsibility extends to ensuring that annual budgets for income and expenditure are prepared for consideration and final approval by the Board of Governors.
- 4.2 The Vice Chancellor and Chief Executive is required to notify the Board of Governors, if, at any time, any action or policy under consideration appears to be incompatible with the requirements of the Regulator, Charity law and/or any other legal or regulatory responsibilities. It is the responsibility of the Board of Governors to determine appropriate action. As the Accountable Officer, the Vice Chancellor and Chief Executive and/or the Chair of the Board of Governors may be required to appear before the Public Accounts Committee of the House of Commons on matters relating to the finances of the University.
- 4.3 The University Executive Board (UEB) is an advisory group to the Vice Chancellor and Chief Executive, the membership of which is available from the Vice Chancellor and Chief Executive's office. The principal role of the UEB is to advise the Vice Chancellor and Chief Executive on all aspects of the University's Strategic Plan and to provide effective and inspirational leadership within the University.

- 4.4 The University Leadership Group (ULG) provides a forum for the discussion of the external and internal issues affecting and influencing the University's strategic direction. It offers an early opportunity to discuss challenges, take advantage of opportunities whilst fostering a strong culture of cooperation across the University as a whole.

5 Committee Structure

- 5.1 The Board of Governors has ultimate responsibility for the University's finances, but delegates specific powers and processes to the Committees detailed below. These Committees are accountable to the Board of Governors.
- 5.2 A distinct relationship exists between the Finance and Development Committee and the Audit Committee in the University's corporate governance framework. The Finance and Development Committee has oversight of performance in relation to the University's financial resources and infrastructure, in contrast to the Audit Committee, the remit of which includes, but is not confined to, the monitoring of financial systems and controls. In light of the distinct role of both Committees, Board members of the Finance and Development Committee should not be members of the Audit Committee and vice versa to avoid the potential for a conflict of interest.

Finance and Development Committee

- 5.3 The Finance and Development Committee reviews in detail the University's budget, financial forecasts and annual financial statements, prior to formal approval by the Board of Governors, including consideration of accounting principles, judgements and disclosures. On behalf of the Board, it monitors the development and implementation of strategic projects approved by the Board including the Capital Development Programme. The Committee monitors in-year financial performance in relation to the budget and financial performance indicators. It will consider any other matters relevant to the financial duties of the Board of Governors and make recommendations accordingly. The Committee will also ensure that the Board of Governors has adequate information to enable it to discharge its financial responsibilities. The terms of reference for all the sub-committee are available in the Bye-Laws, which are available at: <https://www.worcester.ac.uk/about/university-information/governance>

Audit Committee

- 5.4 The Audit Committee appoints the Internal and External Auditors on behalf of the Board of Governors. It approves the Internal Audit Strategy and the Annual Internal Audit Plan and receives detailed reports with recommendations for improvements to the institution's internal control systems. It also receives the Corporate Risk Register and the annual Financial Statements and the management letter from the External Auditors, prior to their formal approval by the Board of Governors. As is the case with all sub-committees, it reports to each meeting of the Board and it also presents an Annual Report that is part of the annual assurance process required by the Regulator, which is submitted along with the Annual Opinion statement from the Internal Auditors. The Annual Report of the Audit Committee includes an assurance on: risk management, Governance, internal controls, value for money, the quality of the University's data management and the accuracy of data returned to external agencies.

5.5 Remuneration Committees

Consideration of senior management's pay and conditions is the responsibility of the relevant Remuneration Committee. It has the power to make decisions, on behalf of the Board of Governors, on the remuneration of Board-appointed posts, including pay and other benefits, as well as contractual arrangements. It does so by using comparative information on the salaries, other emoluments, conditions of service and contracts of employment at other Universities in the UK and, where appropriate, internationally, to provide a context for its decision-making.

There are two Remuneration Committees:

Remuneration Committee (Vice Chancellor and Chief Executive): this considers the Vice Chancellor and Chief Executive's remuneration. The Vice Chancellor and Chief Executive is not a member, nor do they attend meetings of this Committee.

Remuneration Committee (Board appointees): this considers the remuneration of Board appointees, excluding the Vice Chancellor and Chief Executive. The Vice Chancellor and Chief Executive attends the meetings of this Committee.

6 Senior Managers with Financial Responsibility

The Vice Chancellor and Chief Executive

- 6.1 The Vice Chancellor and Chief Executive is responsible for the management of the University and the implementation of the Financial Regulations.

The Pro Vice Chancellor (Finance & Resources)

- 6.2 The Pro Vice Chancellor (Finance & Resources) is responsible to the Vice Chancellor and Chief Executive for the administration of the financial affairs of the University and for ensuring that proper financial records are kept and that adequate and effective methods and procedures for financial control are followed.
- 6.3 The Pro Vice Chancellor (Finance & Resources) reports to the Vice Chancellor and Chief Executive and provides regular reports on forecasts, budgets and monthly and annual financial statements.
- 6.4 The Pro Vice Chancellor (Finance & Resources) attends meetings of the Board of Governors and both its Finance and Development and Audit Committees and gives direct assurances on financial matters to the Board of Governors and these Committees.
- 6.5 The Pro Vice Chancellor (Finance & Resources) keeps the Vice Chancellor and Chief Executive and the Audit Committee informed of any material changes in the University's procedures and controls and any instance of material failure to comply with approved procedures and controls relating to financial management. The Pro Vice Chancellor (Finance & Resources) also advises the Vice Chancellor and Chief Executive and the Audit Committee on relevant financial matters, and, on behalf of the Vice Chancellor and Chief Executive, ensures that adequate financial and accounting arrangements are made within the University and throughout all departments.

Finance Department

- 6.6 The Finance Department is responsible to the Pro Vice Chancellor (Finance & Resources) for promoting Financial Regulations and Procedures and ensuring:
- compliance with the Financial Regulations and Procedures.
 - transparency and accountability for decisions.
 - compliance with UK Public Procurement Regulations
 - vigilance and providing financial advice and guidance to departments.
 - that non-compliant practice is challenged, and breaches of the regulations are reported to the Pro Vice Chancellor (Finance & Resources) when appropriate.
 - that it can be demonstrated to the Regulator, partners, students and staff that the University has a sound system of internal financial management and control.
 - that Financial Regulations and Procedures are reviewed, updated and disseminated on an ongoing basis.
 - that training is provided to staff in University departments so that staff understand the importance of the Financial Regulations and Procedures and the need for full compliance.

Heads of Academic Schools and Professional Departments and Budget Holders

6.7 Heads of Departments are responsible to the Vice Chancellor and Chief Executive for the financial management of the areas or activities they control. They are advised by the Pro Vice Chancellor (Finance & Resources) in executing their financial duties. The Pro Vice Chancellor (Finance & Resources) will also supervise and approve the financial systems operating within their departments, including the form in which accounts and financial records are kept. Heads of Departments are required to establish and maintain clear lines of responsibility relating to financial matters within their department. Where responsibility for resources is delegated to designated budget holders, the Head of Academic School or Head of Professional Department, remain ultimately responsible for this resource within their overall budget and the Pro Vice Chancellor (Finance & Resources) should be informed of all persons so authorised. The Pro Vice Chancellor (Finance & Resources) may require a Head of Academic School or Head of Professional Department to personally authorise a specific transaction.

Heads of Academic Schools and Professional Departments shall provide the Pro Vice Chancellor (Finance & Resources) with such information as may be required to enable:

- compilation of the institution's financial statements.
- implementation of financial planning.
- implementation of audit and financial reviews, projects and value for money studies.
- submission of funding bids.
- sound financial control.
- provision of assurance concerning compliance with the Financial Regulations.

All Members of Staff

- 6.8 All members of staff should be aware of, and have a general responsibility for, the security of the University's property, for avoiding loss and for due economy in the use of resources.
- 6.9 Compliance with the Financial Regulations and Procedures is compulsory for all staff employed by the University. A member of staff who fails to comply with the Financial Regulations and Procedures may be subject to disciplinary action under the University's Staff Disciplinary Policy and Procedures. The Board of Governors will be notified, through the Audit Committee, of any material breach.
- 6.10 It is the responsibility of Heads of Departments to ensure that members of staff for whom they have supervisory responsibility are made aware of the existence and content of the University's Financial Regulations and Procedures and that all staff have completed any relevant on-line training requirements in the required timescales set.
- 6.11 All staff shall make available any relevant records or information to the Pro Vice Chancellor (Finance & Resources), or their authorised representatives in connection with the implementation of the University's financial policies, these Financial Regulations and the system of financial control.
- 6.12 All staff shall provide the Pro Vice Chancellor (Finance & Resources) with such financial and other information as deemed necessary to carry out the requirements of the Board of Governors.
- 6.13 Whenever any matter arises which involves (or is thought to involve) financial irregularities, including the cash, assets or property of the University, all staff shall immediately notify the Pro Vice Chancellor (Finance & Resources), unless the situation involves the Pro Vice Chancellor (Finance & Resources), in which case the member of staff should notify the Vice Chancellor and Chief Executive. Further details are set out in the University's Fraud Policy which is available on the '[Policies and Procedures](#)' pages of the University's website.

7 Risk Management

- 7.1 The Board of Governors is responsible for ensuring that systems of governance and risk management are operated effectively and delegates oversight and monitoring responsibility to the Audit Committee. The Board receives, on an annual basis, assurance concerning risk management from both the Audit Committee (in its Annual Report) and in the Internal Auditors' Annual Opinion. It also receives regular risk management reports from the University's risk manager.
- 7.2 The University's Risk Management Policy details the arrangements and is published on the University's website at ['Policies and Procedures'](#). Further guidance on risk management arrangements is available from the University Risk manager (University Secretary).

8 Whistleblowing

- 8.1 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistle blower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc.), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. In demonstrating its commitment to the highest standards of openness, honesty, integrity and accountability, the University has in place a Whistleblowing Policy which is available on the University's website at ['Policies and Procedures'](#).

9 Code of Conduct and Declarations of Interest

- 9.1 The University is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the Seven Principles of Public Life established by the Committee on Standards in Public Life (formerly known as the Nolan Committee). The Governing Body and members of staff at all levels are expected to observe these terms of selflessness, integrity, objectivity, accountability, openness, honesty and leadership. In addition, the University expects that staff at all levels will observe its detailed financial procedures and policies, which provide guidance on conduct in relation to financial matters.
- 9.2 Additionally, members of the Board of Governors, senior management or those involved in procurement are required to disclose interests in the University's register of interests maintained by the University Secretary. 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. The procedures for registration and declaration of interests are available from the University Secretary.
- 9.3 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.
- 9.4 If an employee of the University, or a member of the Board of Governors, becomes aware of a contract in which they may have a financial interest, whether direct or indirect, has been or is proposed to be entered into by the University, they must, as soon as possible, give notice in writing to the University Secretary. No such contract shall be entered into prior to consultation between the Vice Chancellor and Chief Executive, University Secretary, and the Pro Vice Chancellor (Finance & Resources).

10 Fraud

- 10.1 The University will investigate all instances of possible fraud. The Pro Vice Chancellor (Finance & Resources) is responsible for ensuring that strong financial controls across the University are in place, including the implementation and maintenance of fraud risk assessments and associated internal controls in order to

eliminate and reduce the possibility of fraud.

- 10.2 Fraud is a type of criminal activity, defined as: 'abuse of position, or false representation, or prejudicing someone's rights for personal gain'. Put simply, fraud is an act of deception intended for personal gain or to cause a loss to another party.
- 10.3 The University's response will include the involvement of both the internal audit service and, where necessary, the police in investigations, as well as taking action through its disciplinary procedures.
- 10.4 All members of staff, management and the Board of Governors have a duty to protect the University from the possibility of fraud by remaining vigilant and by reporting any suspected instances of fraud, financial irregularities or matters which may give rise to suspicion of corrupt activity, to the University Secretary. In reporting their suspicions, members of the University will be protected by the University's Policy on Whistleblowing (see section 8 above).
- 10.5 Full details are included in the University's Counter Fraud Policy, are available on the '[Policies and Procedures](#)' pages of the University's website.

11 Bribery and Corruption (including gifts and hospitality)

- 11.1 On 1st July 2011, the Bribery Act became law. The Act has created a number of new bribery and corruption offences and makes it an offence either directly or through a third party to:
 - offer, promise or give a bribe.
 - request, agree to receive or accept a bribe.
 - offer, promise or give a bribe to a foreign public official in order to obtain, or retain, business, or an advantage in the conduct of business.
- 11.2 In addition there is also a corporate offence of failing to prevent bribery. Bribery and corruption are serious criminal offences. Under the Act, offences committed by individuals can carry a maximum of 10 years imprisonment and an unlimited fine. In addition, if the University is found to have engaged in corruption, it could face an unlimited fine and face significant reputational damage that could impact on the University's future ability to conduct business.
- 11.3 The University recognises that such events are likely to be rare. Nevertheless, it commits itself to the robust implementation of the Act to ensure that it has adequate and proportionate procedures in place for the governance of the University's business affairs. The University's Gifts, Hospitality and Bribery Prevention Policy which is available at '[Policies and Procedures](#)' sets out how the University will implement and enforce effective systems to prevent bribery and corruption.

12 Money Laundering

- 12.1 Money laundering is the process by which the proceeds of crime are sanitised in order to disguise their illicit origins and are legitimised. Money laundering schemes come with varying levels of sophistication from the very simple to the highly complex. Straightforward schemes can involve cash transfers or large cash payments whilst the more complex schemes are likely to involve the movement of money across borders and through multiple bank accounts.
- 12.2 The University is required, by law, to have controls and procedures to identify and scrutinise transactions which are complex or unusually large or unusual patterns of transactions or which have no apparent economic or legal purpose.
- 12.3 Members of staff must follow the processes set out in the University's Anti Money Laundering and Counter Terrorist Financing Policy which is available on the '[Policies and Procedures](#)' pages of the University's website.

C FINANCIAL MANAGEMENT AND CONTROL

This section sets out the requirements regarding financial planning, budgetary control, financial accounting and reporting, document retention, the University's audit framework, taxation, treasury management, income, pay and non-pay expenditure, purchase and monitoring of assets, insurance, intellectual property, and arrangements for subsidiary companies and joint ventures.

13 Financial Planning

- 13.1 The University's financial year starts on 1st August and runs until 31st July the following year. The Vice Chancellor and Chief Executive is responsible, working with Pro Vice Chancellor (Finance & Resources), for preparing annually the University budget and a rolling five-year financial plan for approval by the Board of Governors on the recommendation of the Finance and Development Committee and for preparing the financial forecasts for submission to the Regulator. Financial plans should be consistent with the University's Strategic Plan approved by the Board of Governors.
- 13.2 On an annual basis, budgets will be set that include both income and expenditure targets for all departments. Budgets will be set for income and expenditure in line with the University's Finance Strategy. Heads of Departments, and relevant budget holders, are responsible for delivering financial targets, including those for the generation of income and the management of costs set for their area of responsibility.
- 13.3 The annual budget and long-term financial plans will also include forecasts in relation to assets, liabilities and cash flow in order to ensure that the University remains financially stable in the longer term.
- 13.4 The financial plans and annual budget will take account of the capital development programme, which will be based on the University's Strategic Plan and be prepared by the Pro Vice Chancellor (Finance & Resources) in conjunction with the Vice Chancellor and Chief Executive. It will include all expenditure on land, buildings, equipment, infrastructure upgrades etc. that are deemed as capital expenditure in line with the University's accounting policies, regardless of whether or not they are funded from capital grants.
- 13.5 The Vice Chancellor and Chief Executive, working with the Pro Vice Chancellor (Finance & Resources), will establish protocols for the inclusion of capital projects in the capital programme for approval by the Board of Governors. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet. The Pro Vice Chancellor (Finance & Resources) will also establish procedures for the approval of variations, including the notification of large variations to Regulator, as laid down in Regulator's guidelines.
- 13.6 The Pro Vice Chancellor (Finance & Resources) must ensure that the budgets are communicated to the Heads of Departments as soon as possible following approval by the Board of Governors.
- 13.7 The Pro Vice Chancellor (Finance & Resources) is responsible for producing monthly financial projections in consultation with Heads of Departments. These projections will reflect the expected income, expenditure, cash and balance sheet outcomes for the financial year based on patterns of activity that arise or are anticipated. The forecasts will be presented to the Finance and Development Committee and the Board of Governors, at the appropriate meetings.

14 Budgetary Control

- 14.1 The control of income and expenditure within an agreed budget is the responsibility of Heads of Departments and relevant budget holders, who must ensure that day-to-day monitoring is undertaken effectively. Budget holders are responsible to their Head of Academic School or Head of Professional Department for both the income and expenditure elements of their budget.
- 14.2 Significant departures from agreed budgetary targets must be reported immediately to the Pro Vice Chancellor (Finance & Resources), who will advise on the appropriate action.
- 14.3 Heads of Academic Schools and Professional Departments will be assisted in their duties by management accountants who will provide appropriate management information and guidance. Budget holders should

work with the management accountants and Pro Vice Chancellor (Finance & Resources) to eliminate the need to maintain additional financial records within their departments that are outside the University's financial system.

- 14.4 In consultation with the Vice Chancellor and Chief Executive, the Pro Vice Chancellor (Finance & Resources) is responsible for supplying financial management reports on all aspects of the University's finances to the Finance and Development Committee and the Board of Governors. The nature and content of these reports is determined by the Finance and Development Committee and subject to any specific requirements of the Regulator. The reports are also presented to the Board of Governors at appropriate points, which has overall responsibility for the University's finances.
- 14.5 Heads of Departments are permitted to vire (transfer) expenditure from one expenditure code to another providing they do not exceed their total expenditure forecast in the year in question and should follow the Schedule of Delegation. In this context, however, virement is not allowed between staffing expenditure and non-staffing expenditure, without the prior approval of the Pro Vice Chancellor (Finance & Resources) and providing no additional commitment is made in respect of subsequent years.
- 14.6 The expenditure referred to in 14.5 does not apply to capital expenditure. This cannot be vired (transferred) to another project. Instead, a new project approval process must be started again from the outset, whilst any underspend on an existing project will be recognised.

15 Financial Accounting and Reporting

- 15.1 The consolidated financial statements include the University and all its subsidiary companies and joint ventures for the financial year to 31st July each year.
- 15.2 The financial statements are prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, Companies Act 2006 (where appropriate) and in accordance with Financial Reporting Standards FRS 102. The principal accounting policies adopted by the University are detailed on an annual basis in the audited Financial Statements.
- 15.3 The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.
- 15.4 The University is a public benefit entity and therefore applies the relevant public benefit requirement of FRS 102.
- 15.5 In accordance with the University's responsibilities as an exempt charity, the University's audited financial statements are published and readily accessible on the University's website.
- 15.6 The University submits financial and related reports to the Regulator, in accordance with their requirements. These returns will be prepared by the Pro Vice Chancellor (Finance & Resources), or nominee, for approval by the Vice Chancellor and Chief Executive (acting as the Accountable Officer) and Board of Governors, where specified.
- 15.7 The Pro Vice Chancellor (Finance & Resources) is responsible for advising the Vice-Chancellor and Chief Executive with regard to any material adverse change to be notified to the Regulator, such as a significant and immediate threat to the University's financial position, significant loss of funds, significant fraud (at the threshold specified by the Regulator) or impropriety or major accounting breakdown.

16 Document Retention

- 16.1 The Finance Department is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities, funders and the University's Records and Document Retention Schedule which is available on the '[Policies and Procedures](#)' pages of the University's website. The University is required by law to retain prime documents for the current year and the previous six years.

These include:

- official purchase orders.
- Contracts.
- paid invoices.
- sales invoices raised.
- bank statements.
- copies of income remittances and receipts; and
- payroll records.

Further details and guidance on the retention of documents can be obtained from the University Secretary

16.2 Members of staff should ensure that retention arrangements comply with the University's Records and Document Retention Schedule and any specific requirements of funding organisations such as the European Commission and Research Councils, and where additional requirements are made in relation to the funding terms and conditions, these should be agreed with the Pro Vice Chancellor (Finance & Resources) in advance.

17 Audit Requirements

17.1 The audit framework for the University, within which the Internal and External Auditors operate, is set out by the Regulator and agreed by the Board of Governors. Both internal and external audits constitute key elements of good corporate governance arrangements within the University.

17.2 The Internal and External Auditors are appointed by the Audit Committee on behalf of the Board.

17.3 The Internal Auditors, the External Auditors and the Regulator have unrestricted access to information, including all records, assets, personnel and premises and are authorised to obtain whatever information and explanations they consider necessary.

17.4 The University may, from time to time, be subject to audit by the Regulator or a designated body, the National Audit Office, HM Revenue & Customs and other auditors. They have the same rights of access as External and Internal Auditors.

17.5 The Pro Vice Chancellor (Finance & Resources) is responsible for drawing up a timetable in relation to the preparation of the annual Financial Statements and will advise staff and the External Auditors accordingly.

External Audit

17.6 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. External Auditors must also form a view about whether the University is a going concern. Their duties will be in accordance with advice provided by the Regulator and the Auditing Practices Board's statements of auditing standards.

17.7 The award of non-audit work to the External Auditors is managed in order to ensure that the auditors are able to conduct an independent audit and are independent of the University. The performance of non-audit work by the External Auditors should be agreed by the Audit Committee, only after careful consideration.

17.8 The External Auditors may not perform internal audit work or any work where their independence in forming an audit opinion could be compromised.

17.9 Non-audit work may be awarded to the External Auditors when, by virtue of their knowledge, skills or experience, they are judged to be the best available to the University in specialist areas, such as aspects of taxation.

17.10 The nature and cost of all non-audit work awarded to the External Auditors will be reported annually to Audit Committee, together with an explanation as to why the auditors were the preferred supplier. This report will be presented to the same meeting of Audit Committee, which considers the draft Financial Statements and

the report from the External Auditors on the Financial Statements.

Internal Audit

- 17.11 The main responsibility of the Internal Auditors is to provide the Board of Governors, Audit Committee and the Accountable Officer with independent assurance about the adequacy and effectiveness of risk management, control and governance, and value for money. They will also comply with the Auditing Practices Board's auditing guidance for Internal Auditors and guidance from the Regulator. They will remain independent in planning and operation and have direct access to the Board of Governors, the Vice-Chancellor and Chief Executive and Chair of Audit Committee.
- 17.12 Responsibility for internal control remains fully with management, who recognise that internal audit can only provide 'reasonable assurance' and cannot provide any guarantee against material errors, loss or fraud. Internal Audit also plays a valuable role in helping management to improve systems of internal control and so to reduce the potential effects of any significant risks faced by the University.
- 17.13 Internal Audit can also provide independent and objective consultancy advice specifically to help management improve the internal control system. In such circumstances, Internal Auditors apply their professional skills in a systematic and disciplined way to contribute to the achievement of corporate objectives. Such advisory work contributes to the opinion that internal audit provides on internal control, including risk management and governance.

18 Taxation

- 18.1 The Pro Vice Chancellor (Finance & Resources), or appropriate delegate, is responsible for advising Heads of Departments, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the University and its subsidiary companies. The Pro Vice Chancellor (Finance & Resources) will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax and import duty.
- 18.2 The University will comply with all relevant tax legislation, which includes the submission of accurate returns by specific deadlines. It aims to obtain and maintain a standard profile with HM Revenue and Customs (HMRC) by:
- ensuring that the relevant staff in Finance have adequate knowledge to operate the day-to-day control of all tax issues.
 - providing advice and guidance within the University to enable decisions to be made with all relevant tax implications being considered.
 - ensuring that an external source is available, from either HMRC or professional advisors, to assist the internal team where issues are outside their experience or competence.
 - demonstrating an open and honest relationship with HMRC.
 - providing updates to the Audit Committee, especially of any significant changes to the legislation and their potential impact on the University or any of its subsidiary companies.

19 Value for Money

- 19.1 It is a requirement of registration with the Regulator that the Board of Governors is responsible for delivering value for money from public funds. The Board must keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the Regulator, the National Audit Office, the Public Accounts Committee or other relevant bodies. All staff are required to maintain on-going vigilance of their activities, income generated, and expenditure incurred to

ensure it represents value for money.

- 19.2 The Audit Committee is required to provide an annual opinion to the Board of Governors and the Regulator on the adequacy of arrangements in place for economy, efficiency and effectiveness.
- 19.3 To fulfil this responsibility, the Audit Committee receives an Annual Report on Value for Money which provides quantitative and qualitative data which demonstrate how the University delivers value for money to both its students and members of the public. The Annual Value for Money Report is received by the Board of Governors and published on the University's website.

20 Treasury Management

- 20.1 The Finance and Development Committee is responsible for approving the University's Treasury Management Policy (available on the ['Policies and Procedures'](#) pages of the University's website). It sets out the strategy and policies for cash management, investments and borrowing. This requires compliance with the Regulator's rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out by the Regulator.
- 20.2 The Pro Vice Chancellor (Finance & Resources) will report to the Finance and Development Committee on the activities of the treasury management operation, bank loans and associated covenants and on the exercise of treasury management powers delegated to him or her.
- 20.3 The Finance and Development Committee with the Vice Chancellor and Chief Executive is responsible for the appointment of the University's bankers and other professional financial advisers (such as investment managers). Such appointments will be reported to the Board of Governors. The appointment shall be for a specified period after which consideration shall be given to competitively tendering the service.
- 20.4 The Pro Vice Chancellor (Finance & Resources) is responsible, on behalf of the University, for liaising with the University's bankers in relation to the University's bank accounts.
- 20.5 The Pro Vice Chancellor (Finance & Resources) is responsible for opening or closing a bank account bearing the University's title and all bank accounts of subsidiary undertakings of the University. Only bank accounts opened by the Pro Vice Chancellor (Finance & Resources) and in the name of the University or one of its subsidiary companies shall be operated and managed by the University.
- 20.6 The Pro Vice Chancellor (Finance & Resources) is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.
- 20.7 All cheques and electronic transfers on behalf of the University, such as Bankers' Automated Clearing Services (BACS) or Clearing House Automatic Payment System (CHAPS) or online payments system must be signed in accordance with the University's bank mandate.
- 20.8 Any cheques and payment processing equipment, which are required from the bank, shall be ordered on the authority of the Pro Vice Chancellor (Finance & Resources) who shall make proper arrangements for their safe custody.

21 Income

- 21.1 The Pro Vice Chancellor (Finance & Resources) is responsible for ensuring that appropriate procedures are in operation to enable the University to receive all income to which it is entitled.
- 21.2 All staff receiving income have a responsibility to ensure that the Pro Vice Chancellor (Finance & Resources) is aware of, and has agreed, appropriate processes for recording, handling and banking such income. All receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the Pro Vice Chancellor (Finance & Resources).

- 21.3 The Pro Vice Chancellor (Finance & Resources) is responsible for:
- the prompt collection, security and banking of all income received.
 - ensuring that all grants notified by Regulator and other bodies are received and appropriately recorded in the University's accounts.
 - ensuring that all claims for funds, including research grants and contracts, are made by the due date.
 - maximisation of income.

21.4 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 prompt notification to the Pro Vice Chancellor (Finance & Resources) of sums due so that collection can be initiated.

Receipt of cash, cheques and other negotiable instruments

21.5 The processing of payments due to the University via the method with the minimum processing costs (e.g. direct to the bank, debit card) are preferred. The University will only receive payments by debit or credit card using procedures approved by the Pro Vice Chancellor (Finance & Resources). Any member of staff wishing to arrange for payment to be made online to the University should seek guidance from the Pro Vice Chancellor (Finance & Resources) at an early stage.

21.6 All monies received within departments from whatever source must be recorded by the department on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments, together with details of the student, research or other contract to which they relate and be either paid in or taken to the Finance Department immediately.

21.7 Wherever possible all monies owed to the University should be paid directly to the Finance Department rather than to individual departments, unless a formal process for the collection of monies has been agreed with the Pro Vice Chancellor (Finance & Resources).

21.8 All sums received must be paid in and accounted for in full and must not be used to meet miscellaneous departmental expenses. Personal or other cheques must not be cashed out of money received on behalf of the University.

Collection of debts

- 21.9 The Pro Vice Chancellor (Finance & Resources) should ensure that:
- debts are raised promptly on official invoices, in respect of all income due to the University.
 - invoices are prepared with care, recorded in the ledger, show the correct amount due, correct due date and are credited to the appropriate income account.
 - any credits granted are valid, and completely recorded.
 - VAT is correctly charged and accounted for, and relevant information is provided on the invoices, where applicable.
 - monies received are posted to the correct debtor's account.
 - swift and effective action is taken in collecting overdue debts, in accordance with the University's debt management policies.
 - outstanding debts are monitored, and reports prepared for management.

21.10 Only the Pro Vice Chancellor (Finance & Resources), Director of Finance, or Revenue and Collections Manager, can authorise credit arrangements and indicate the periods in which different types of invoice must be paid.

21.11 Requests to write off debts in excess of £500 must be approved by the Vice Chancellor and Chief Executive and reported to the Finance and Development Committee. Debts £500 or below may be written off with the permission of the Pro Vice Chancellor (Finance & Resources) and reported to the Vice Chancellor and Chief Executive.

Student fees

21.12 Levels of all tuition fees are considered annually by the Student Fees and Scholarships Committee and are approved by the University Executive Board on behalf of the Board of Governors.

21.13 The procedures for collecting tuition and accommodation fees is detailed in the University's Debt Management Policy: Student, which is available on the '[Policies and Procedures](#)' pages of the University's website.

21.14 The aim of the policy is to minimise levels of student debt, where possible, also ensuring the risk of any potential bad debt is reduced, thus ensuring the overall financial status of the University is maintained and improved.

21.15 The policy specifically covers the collection of fees and charges payable to the University by current and former students for tuition, accommodation and other miscellaneous services. It also includes the timescales and actions taken by the University to manage this process.

21.16 The Pro Vice Chancellor (Finance & Resources), in conjunction with UEB is responsible for managing and reviewing this policy. Finance staff are responsible for the implementation of the debt management procedures and all University staff are expected to be aware of this policy to ensure maximum effectiveness.

21.17 Any student who has not paid an account for tuition fees owing to the University may be excluded and will not receive the certificate for any degree, diploma or other qualification awarded by the institution until all outstanding tuition fee debts have been cleared. Such students shall be prevented from re-enrolling at the University and from using any of the University's facilities unless appropriate arrangements have been made.

21.18 Any refunds relating to payments made by students are approved by the Revenue & Collections Manager, up to £1,000, between £1,000 and £9,999.99 are approved by the Director of Finance and over this value are approved by the Pro Vice Chancellor (Finance & Resources)

22 Research Grants

22.1 Research income is an important source of funding for the University and a key objective in the University's Strategic Plan. It is the responsibility of the Deputy Pro Vice Chancellor Research, in conjunction with the Pro Vice Chancellor (Finance & Resources) or delegate, to assist staff in academic departments to ensure all bid submissions are professional, appropriately costed and compliant with the University's relevant policies.

22.2 In order to ensure that that University is not exposed to unnecessary or unknown liabilities, all bid submissions must follow the University's Research Funding Procedure, which is available to all staff on Research@Worcester pages of the University's website.

22.3 All bid submissions must be approved in accordance with the University's Schedule of Delegation (as referred to in section 3.2).

22.4 It is important that the Research Office is involved from the inception of a bid. The department proposing to submit a bid must inform them of their intentions as soon as the bid is formed so that details of the bid can be recorded appropriately without delay. Where the University is committed to the contract terms at the bid stage:

- the terms and conditions must be reviewed from a legal perspective in advance of submission of the bid.
 - the financial risks of the project must be assessed by the Finance Department, to ensure University wide financial risks are considered and safe-guarded against.
 - the relevant authorised signatory must sign the bid application.
- 22.5 Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Heads of Academic School or Head of Professional Department to ensure that the financial implications have been appraised by the appropriate finance staff and the University's approval process has been followed.
- 22.6 A designated member of the finance staff is responsible for examining every formal application for a grant and shall ensure that there is adequate provision of resources to meet all commitments and that the full cost of the research contract is established. The research agreement must be in line with the University's policy with regard to indirect costs and other expenses and taking account of different procedures for the pricing of research projects depending on the nature of the funding body.
- 22.7 Each grant or contract will have a named grant holder and will be assigned to a specific department.
- 22.8 Control of pay and non-pay expenditure will be contained within a specific budget code allocated to each project, which will form part of the overall department budget. The Head of Academic School or Head of Professional Department may delegate day-to-day control of the account to the grant holder, but any overspend or under-recovery of overheads is to be the clear responsibility of the department with any loss being a charge on the overall departmental funds.
- 22.9 Many grant-awarding bodies and contracting organisations stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. Failure to respond to these conditions often means that the University will suffer a significant financial penalty. It is the responsibility of the grant holder to ensure that conditions of funding are met.
- 22.10 All research grants are accounted for in accordance with the principal accounting policies adopted by the University, which are detailed on an annual basis in the audited Financial Statements.

23 Other Income Generating Activity

- 23.1 Goods and services (including rents and letting, conferences, short courses and consultancy) should only be supplied where it is advantageous for a University purpose, consistent with the University's objectives, and does not jeopardise its charitable status.
- 23.2 The levels of charges for all goods and services shall have regard to the University's full economic costing (FEC) procedures and where appropriate should be approved by UEB.
- 23.3 Departments are encouraged to engage in academic services to business and the community, especially where this will generate new external income.
- 23.4 Such services must be coded appropriately within the financial system to ensure that activity across the University can be measured and that relevant returns are accurate in relation to income analysis. Therefore, departments engaging in such activities should contact the management accounting section of the Finance Department for guidance on the codes to use.
- 23.5 All short courses must be fully costed in consultation with the designated member of the management accounting section of the Finance Department. The course organiser will be responsible to the Head of

Academic School or Head of Professional Department for day-to-day management of the course.

- 23.6 In this context a short course is any course which does not form part of the award-bearing teaching load of the Department. Any staff wishing to run a short course must have the permission of their Head of Academic School or Head of Professional Department.
- 23.7 All non-award bearing academic services are expected to be self-financing or surplus generating unless it is intended that a new course is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the Pro Vice Chancellor for the Academic College or UEB delegate, and the Pro Vice Chancellor (Finance & Resources) or Director of Finance.
- 23.8 All surpluses and deficits incurred on other income generating activities will form part of the management accounts for the department concerned in the year they are recognised, in line with the University's principal accounting policies.
- 23.9 Any proposal that involves additional payments to members of staff should be supported by a schedule of names and values and must be approved by the Head of Academic School or Head of Professional Department, Director of Human Resources, Pro Vice Chancellor (Finance & Resources) and the Vice Chancellor and Chief Executive. Formal approval should be sought prior to submission of tender or other initiating documentation, in accordance with the Schedule of Delegation.
- 23.10 Prior to any work being undertaken, the VAT implications on all other income generating activity must be considered. Further advice is available from the Finance Department.
- 23.11 Any off-site collaborative provision contract or arrangement under which the University provides education to students away from University premises (and also validation, distance learning and distant delivery), or with the assistance of persons other than the University's own staff or with independent contractors (partner organisations), must be approved in line with the University's Schedule of Delegation.
- 23.12 If the University sub-contracts such work to external providers, including work relating to research grants, the relevant Head of Academic School or Head of Professional Department shall ensure that:
- there is a written contract which allows for full audit access to detailed records.
 - all procurement processes have been adhered to and an official purchase order created.
 - appropriate monitoring procedures are in place to ensure that the outputs are achieved, and the provision is of suitable quality.
 - payments are only made against detailed invoices.
- 23.13 A basic principle is that all research, consultancy and other income generating activities must recover the full economic costs associated with the activity, unless it is determined through consultation with the Pro Vice Chancellor of the Academic College or Head of Professional Department, Pro Vice Chancellor (Finance & Resources) and the Vice Chancellor and Chief Executive that the activity is of strategic importance to the University, and it is acknowledged in writing that it will not generate the normally accepted return.

24 Donations and endowments

- 24.1 The University accepts funding from a wide variety of public and private sector partners from across the globe, to support the delivery of the University's mission, as articulated in its Strategic Plan. As an exempt charity, the University has a responsibility to ensure that the processes of securing and receiving funds to support the life and work of the University do not compromise its integrity, the trust of its supporters or its commitment to students, staff and the communities it serves.
- 24.2 The University must ensure it does not bring itself into disrepute by accepting philanthropic donations from questionable or inappropriate sources. Further information on donations is contained within the University's Policy on Gifts, Hospitality and Bribery Prevention which is available on the '[Policies and Procedures](#)' pages of

the University's website.

- 24.3 A donation is classified as a non-exchange transaction, which is when an individual or organisation gives value without directly receiving equal value in return. Donations and endowments are accounted for in line with the University's principal accounting policies, and where a restricted donation is given, this will be retained within a restricted reserve until such time that it is utilised in line with such restrictions.
- 24.4 The acceptance of donations up to £100,000 will be authorised by the Vice Chancellor and Chief Executive or his nominee and reported to the Board of Governors. The acceptance of donations above £100,000 will be authorised by the Board of Governors.
- 24.5 The University Secretary is responsible for maintaining financial records in respect of any donations made to the University and initiating claims for recovery of tax where appropriate.
- 24.6 The Finance and Development Committee is responsible for ensuring that all the University's restricted funds are operated within any relevant legislation and the specific requirements for each fund/ donation. Through the operations of the University's Investment Committee, they are also responsible for investment of fund balances where appropriate.

25 Non-Pay Expenditure

- 25.1 This section sets out the University's requirements regarding external commitments and expenditure of all University funds, irrespective of source, to ensure compliance with external regulations and the proper use of University funds. This includes all requisitioning, ordering and use of external suppliers to acquire goods or services, the use of University purchasing cards, cash advances and petty cash, contractual commitments and reimbursement of travel and incidental expenses.
- 25.2 It is a requirement of the University that the acquisition of supplies, equipment and services should deliver the best value for money to the University with regard to considerations of cost, quality, delivery and sustainability.
- 25.3 Value for money is the balance of whole life costs and benefits that meet the requirements of the University. Whole life costs comprise all costs involved in acquiring, owning, maintaining, operating and disposing of goods, works and services.
- 25.4 The Pro Vice Chancellor (Finance & Resources) is responsible for putting in place an appropriate Procurement Policy and Purchasing Procedures, including direction as to the appropriate routes for the purchasing of different external goods and services, for example, through mechanisms including collaborative purchasing, procurement frameworks and approved suppliers. These procedures will support those engaged in all types of purchasing and other expenditure of University funds in meeting the University's value for money requirements and ensure compliance with external regulation. The Purchasing Policy is available to all staff on the finance pages of the University's website [Purchasing Policy](#).
- 25.5 The Board of Governors has set out in the formal Schedule of Delegation the following approval limits in relation to the approval of goods and services:
- Head of Academic School or Professional Department or any other party nominated by the Vice Chancellor and Chief Executive can approve expenditure, where the total value is less than £10,000 (including VAT)
 - Delegated members of UEB, Pro Vice Chancellor (Finance & Resources) or Director of Finance (under powers delegated by the VC) must approve all expenditure where the total value is greater than or equal to £10,000 and less than £15,000 (including VAT)
 - where the total value (single contract or related contract for a specific service or project across each financial year) is greater than or equal to £15,000 (including VAT) approval must be given by the Vice

Chancellor and Chief Executive, or an appointed deputy.

- any contract or linked contracts with a total value greater than or equal to £1,000,000 (including VAT) are signed by the Vice Chancellor and Chief Executive, or an appointed deputy, on behalf of the Board with prior approval by the Board.
- 25.6 The Heads of Academic Schools and Professional Departments are responsible for arranging purchases within their department and may delegate purchasing authority to named individuals acting as budget holders to be authorised signatories for the department, up to £5,000. In the event of periods of absence the usual approver can apply a system vacation rule, in which an appropriate colleague (i.e. Deputy) can approve transactions on their behalf. However, in both of these scenarios overall responsibility remains with the Head of Academic School or Head of Professional Department. In undertaking this task all approvers are required to observe the University's purchasing policies and financial procedures.
- 25.7 Neither Heads of Department nor other budget holders are authorised to commit the University to expenditure unless sufficient funds are available in their budget, unless otherwise pre-agreed with the Pro Vice Chancellor (Finance & Resources) or Vice Chancellor and Chief Executive.
- 25.8 The member of staff (or budget holder) receipting the goods must be different from the member of staff responsible for authorising the purchase order.
- 25.9 The Head of Procurement is responsible to the Pro Vice Chancellor (Finance & Resources) for:
- ensuring that the University's purchasing policies and procedures are known and observed by all involved in purchasing for the University.
 - advising on purchasing matters.
 - advising and assisting departments where required on specific purchases.
 - developing appropriate pre-negotiated contracts on behalf of the University to assist budget holders in meeting their value for money obligations.
 - dual authorising all orders above £5,000 before they leave the University.
 - monitoring/maintaining the pre-negotiated contracts and all expenditure.
 - ensuring that the University complies with UK Public Procurement rules (see section 25.16 & 25.17 for further details) and other applicable procurement legislation and best practice procurement.
- 25.10 The ordering of goods and services must always be in accordance with the University's purchasing policies.
- 25.11 Official University orders must be placed for the purchase of all goods or services, except those made using company credit cards and must be in line with the University's purchasing policies. In exceptional circumstances, urgent orders may be given orally, but must be confirmed by an official purchase order endorsed 'confirmation order only' not later than the following working day.
- 25.12 It is the responsibility of the Pro Vice Chancellor (Finance & Resources), through the University's Head of Procurement, to ensure that all purchase orders refer to the University's conditions of contract.
- 25.13 Heads of Department and delegated budget holders must comply with the University's tendering procedures contained in the University's Purchasing Policy, which are applicable as follows:
- for purchases exceeding £ 30,000 (inclusive of VAT) the Purchasing Department must be consulted, in order to instigate a formal tender process under the new Public Procurement Act 2024
 - A minimum of three tender responses is normally required.
 - for purchases of between £5,000 and £29,999.99 (inclusive of VAT) at least three formal written quotations must be obtained.

- for purchases of up to £4,999.99 (inclusive of VAT) no formal written quotations are necessary, however, it is recommended that a minimum of three written quotations are obtained by the purchaser.

25.14 Only partnership arrangements for the supply of goods or services with the Northwest Universities Purchasing Consortium, other Higher Education Consortia and other agreed partnership arrangements will fall outside these arrangements for tenders and quotations. In exceptional circumstances, the use of a request to waive financial regulations form may be completed where the proposed purchase is not being made under a recommended contract and competitive offers are not being obtained. All requests to waive financial regulations forms must be approved by the Vice Chancellor and Chief Executive.

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

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

UK Public Procurement Rules

25.16 The Head of Procurement is responsible for ensuring the University complies with its legal obligations concerning UK public procurement rules. These apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value. The Head of Procurement will advise Heads of Department on the thresholds that are currently in operation. A breach of these regulations is actionable by a supplier or potential supplier.

25.17 It is the responsibility of Heads of Departments to ensure that their members of staff comply with UK public procurement rules by notifying the Head of Procurement of any purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements in journals such as the UK Find a Tender site and Contracts Finder

Receipt of goods

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

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

Payment of invoices

25.20 The procedures for making all payments shall be in a form specified by the Pro Vice Chancellor (Finance & Resources).

25.21 The Pro Vice Chancellor (Finance & Resources) is responsible for deciding the most appropriate method of payment for categories of invoice. The majority of payments will normally be made by BACS transfer on a weekly basis. In exceptional circumstances the Pro Vice Chancellor (Finance & Resources) can arrange for an urgent payment to be made. Where payment is required in advance of delivery, prior approval must be obtained through the Pro Vice Chancellor (Finance & Resources) or appointed nominee.

25.22 All official purchase orders state that suppliers should submit invoices for goods or services directly to the Finance Department, and only in certain circumstances should invoices be sent to individual departments. Any such arrangements need prior agreement from the Pro Vice Chancellor (Finance & Resources).

25.23 All invoices must be addressed to the University or its subsidiary companies as applicable.

Staff reimbursement

- 25.24 The University's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement. All staff expenses incurred will normally be reimbursed through the payroll, via the University's expenses system. Any deviation from this will need prior agreement from the Pro Vice Chancellor (Finance & Resources).
- 25.25 Payments in relation to student placements, bursaries and hardship payments are made through the University's non-commercial payments process. Payments in relation to Visiting Lecturers and External Examiners should be reviewed in line with the University's Employment Status guidance, which is available on the finance pages of the University's website, and where appropriate also paid via the non-commercial payments process. All transactions processed through this route are approved in line with the limits as set out in section 25.5 and the Scheme of Delegation.
- 25.26 Further information and guidance can be found in the University's Work Related Travel Policy, which is available on the ['Policies and Procedures'](#) pages of the University's website.

University purchasing cards

- 25.27 Where appropriate, the Pro Vice Chancellor (Finance & Resources) may approve the issuing of purchasing cards to members of staff. 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.
- 25.28 The Pro Vice Chancellor (Finance & Resources) will be responsible for setting in place a system to monitor the use of University purchasing cards and account for expenses charged through them. Staff with purchasing cards must follow the Purchasing Cards Users' Responsibilities procedure and any related guidelines they are issued with, or they will either be withdrawn pending further review or subject to disciplinary action.

Petty Cash

- 25.29 Purchases through petty cash are no longer permitted unless agreed with the Director of Finance in advance.

Cash advances

- 25.30 The Head of Academic School or Head of Professional Department may approve cash advances for projects carried out away from the University where cash expenditure may be unavoidable. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment or a University purchasing card.
- 25.31 Receipts or paid invoices will be retained for all sums expended in this way. Upon completion of the project to which the advance relates, within one month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to a project or individual is outstanding.

26 Pay Expenditure

- 26.1 The Board of Governors determines the principles and strategy for the reward of all members of staff, through the University's Remuneration Committees, as referred to in section 5.5, and the People and Culture Committee.
- 26.2 All University staff will be appointed to the approved salary scales and in accordance with appropriate conditions of service. Letters of appointment must be issued to all new staff by the Human Resources Department.

- 26.3 All contracts of service shall be concluded in accordance with the University's approved human resources practices and procedures, and all offers of employment with the University shall be made in writing by the Director of Human Resources. Heads of Departments, and delegated budget holders, shall ensure that the Director of Human Resources is provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.
- 26.4 The Pro Vice Chancellor (Finance & Resources) is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Pro Vice Chancellor (Finance & Resources).
- 26.5 The Director of Human Resources will be responsible for keeping the Pro Vice Chancellor (Finance & Resources) informed of all matters relating to personnel for payroll purposes. In particular these include:
- appointments, resignations, dismissals, supervisions, secondments and transfers (including any staff working outside of the UK).
 - absences from duty for sickness or other reasons, apart from approved leave.
 - changes in remuneration other than normal increments and payawards.
 - information necessary to maintain records of service for superannuation, income tax and national insurance and pensions.
- 26.6 The Pro Vice Chancellor (Finance & Resources) is responsible for ensuring all payments to individuals comply with HRMC regulations and guidance, including payments to non-employees. All casual and part-time employees will be included on the payroll.
- 26.7 The Pro Vice Chancellor (Finance & Resources) shall be responsible for keeping all records relating to payroll including those of a statutory nature.
- 26.8 The Director of Human Resources is responsible for the auto enrolment of relevant members of staff, the eligibility to pension arrangements of all members of staff, and for the initiation or cessation of pension deductions.
- 26.9 The Pro Vice Chancellor (Finance & Resources) is responsible for day-to-day pension matters, including paying contributions to various authorised pension schemes and preparing the annual return to those relevant schemes.
- 26.10 All pension schemes are accounted for in accordance with the University's principal accounting policies as set out in the annual Financial Statements.
- 26.11 Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the Board of Governors through the Finance and Development Committee and, where appropriate, the People and Culture Committee. Professional advice should be obtained where necessary. All such payments shall be authorised by the Vice Chancellor and Chief Executive and calculations made by the Director of Human Resources and checked by the Pro Vice Chancellor (Finance & Resources).

27 Assets (including inventories)

- 27.1 The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority as set out in the University's Schedule of Delegation.
- 27.2 All purchases of departmental equipment capital assets must have been approved as part of the capital approval process and follow all policies in relation to the purchasing of goods and services.
- 27.3 The University shall maintain two asset registers:

- a capital asset register of land, buildings, plant and machinery, equipment, intangible assets costing over £5,000 (including VAT) which will form part of the University's statutory accounts; and
- a departmental equipment inventory of all tangible equipment costing in excess of £500 (including VAT)

The capitalisation limit for subsidiary companies is set out in the individual accounting policies as detailed in the relevant companies' annual accounts.

- 27.4 The Pro Vice Chancellor (Finance & Resources) is responsible for maintaining the institution's capital asset register. Heads of Department are required to provide the Pro Vice Chancellor (Finance & Resources) with any information he or she may need to maintain this register.
- 27.5 Heads of Departments are required to maintain a departmental equipment inventory by recording all equipment held by the department, costing in excess of £500 (including VAT). The format of this inventory register can be determined by the department.
- 27.6 IT equipment provided by Central IT Services for use in departments should not be included on the register. This data will be maintained and submitted by IT Services.
- 27.7 Heads of Departments must arrange for inventories to be checked and brought up to date by the end of each financial year and any discrepancies, which could be an indication of fraud or theft, reported to the Pro Vice Chancellor (Finance & Resources) immediately. A register as of 31st July, signed off by the Head of Academic School or Head of Professional Department, may be requested by the Finance Department in relation to any internal or external audit requirement. Other more frequent inventory checks may also be made depending on the nature of the inventory item.
- 27.8 In relation to capital assets, an annual verification exercise will be undertaken by the Finance Department in order that the value held on the University's balance sheet at the end of each financial year can be validated. The process for this will be approved by the Pro Vice Chancellor (Finance & Resources) and instructions will be issued to appropriate staff within individual departments on an annual basis.
- 27.9 When equipment is physically transferred between departments, a transfer record must be kept, and the inventories amended accordingly. If the transfer relates to a capital asset, then an asset transfer form must be completed and submitted to the Finance Department so that the asset details, in relation to location, can be updated.
- 27.10 Heads of Department are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc. under their control. They will consult the Pro Vice Chancellor (Finance & Resources) in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 27.11 Assets owned by the University shall, so far as is practical, be effectively marked to identify them as University property.
- 27.12 Assets owned or leased by the University shall not be subject to personal use without proper authorisation from the Head of Academic School or Head of Professional Department, Director of Estates and Facilities or Vice Chancellor and Chief Executive.
- 27.13 When assets become redundant, the department holding that asset must ensure that the asset is disposed of in the most economically efficient manner, aiming to maximise sale proceeds for the University. Disposals should be conducted in such a way as to rebut any possible allegations of waste of public funds or of showing undue preference to any party.
- 27.14 Disposal of equipment and furniture must be in accordance with University policies and either a capital asset or inventory disposal form must be completed and submitted to the Finance Department. Further information on the process and approval relating to disposing of departmental equipment is available from the Finance

Department.

- 27.15 Disposal of land and buildings must only take place with the authorisation of the Board of Governors. The Regulator and/ or other funders consent may also be required.

28 Insurance

- 28.1 The Pro Vice Chancellor (Finance & Resources) is responsible for the University's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurance will be reported to the Finance and Development Committee on an annual basis.
- 28.2 The Pro Vice Chancellor (Finance & Resources) is responsible for obtaining quotes, negotiating claims and maintaining the necessary records in relation to insurance. He/she will keep a register of all insurances effected by the University and the property and risks covered and will deal with the University's insurers and advisers about specific insurance problems.
- 28.3 Heads of Departments must ensure that any agreements negotiated within their departments with external bodies cover any legal and financial liabilities to which the University may be exposed. The Schedule of Delegation in relation to the approval of contracts and agreements must be followed and the Pro Vice Chancellor (Finance & Resources)'s advice should be sought to ensure that this is the case.
- 28.4 Heads of Departments must give prompt notification to the Pro Vice Chancellor (Finance & Resources) of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks.
- 28.5 Heads of Departments must advise the Pro Vice Chancellor (Finance & Resources) immediately of any event that may give rise to an insurance claim. The Pro Vice Chancellor (Finance & Resources), or delegate, will notify the University's insurers and, if appropriate, prepare a claim in conjunction with the Head of Academic School or Head of Professional Department for transmission to the insurers.
- 28.6 The Director of Capital Developments and Campus Infrastructure is responsible for keeping suitable records of a plant which is subject to inspection by an insurance company and for ensuring that an inspection is carried out in the periods prescribed.
- 28.7 All staff using their own vehicles on behalf of the University shall maintain appropriate insurance cover for business use. They will be required to provide evidence of such cover before any claims for business mileage expenses are paid. Staff are also required to provide evidence that their vehicle is fit for purpose, has the required road fund license and has a current MOT certificate, if applicable.

29 Intellectual Property Rights and Patents

- 29.1 Certain activities undertaken by the University including research, teaching and consultancy may give rise to intellectual property that can be utilised by the University in its own core business and/or in a commercial venture.
- 29.2 Intellectual Property (IP) is the term used to describe the product(s) of any creative endeavor, artistic, literary or scientific, that can be protected under legislation.
- 29.3 In relation to the University, IP refers to all matter capable of being protected by patents, copyright, designs, database rights, topography rights, trade marks, plant breeders rights, know-how and all other intellectual or industrial property rights, in each case whether registered or unregistered and including applications or rights to apply for them together with all extensions, divisionals, continuations, continuations in part and renewals

of them, and in each and every case all rights or forms of protection having equivalent or similar effect anywhere in the world. It also refers, however, to other intellectual assets such as inventions and discoveries and any other product or attribute of intellectual or academic activity (whether or not formal property rights subsist or are capable of subsisting therein) such as (but without limitation) know-how, knowledge and expertise, skills, techniques, and the results of experiments, tests, or calculations.

29.4 Further details and guidance relating to intellectual property are available in the Intellectual Property Policy, which is available to all staff on the 'Research@Worcester' pages of the University's website. The policy sets out the University's position in respect of the following:

- the ownership of Intellectual Property created by its employees, its students and by associated staff;
- the protection of Intellectual Property owned by the University;
- the exploitation of Intellectual Property owned by the University; and,
- the distribution of revenue arising from the commercial exploitation of Intellectual Property.

30 Subsidiary companies and Joint Ventures

30.1 For legal or commercial reasons, the University may decide to carry out activity or to exploit University-owned intellectual or other property or rights through a subsidiary undertaking or joint venture.

30.2 University subsidiary undertakings and joint ventures may only be set up with the approval of the Board of Governors.

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

30.4 Where the University is the majority shareholder:

- the Chair of the Company Board of Directors will report on salient business activity during the preparation of the consolidated accounts of the University;
- the University's Internal and External Auditors shall usually be appointed to such companies;
- the company's financial year shall be coterminous with that of the University.

30.5 All wholly or majority owned subsidiary companies and joint ventures are expected to adhere to the University Financial Regulations including the above provisions and the supporting policies and procedures as they apply to the University except where the Board of Governors has approved the application of alternative arrangements on the recommendation of the Audit Committee.

30.6 A register of all University interests in subsidiary companies and joint ventures, whether or not they are controlled by the University, shall be maintained by the Pro Vice Chancellor (Finance & Resources).

30.7 In certain circumstances it may be advantageous to the University to establish a company or a joint venture to undertake services on behalf of the institution. Any member of staff considering the use of a company or a joint venture should first seek the advice of the Vice Chancellor and Chief Executive and the University Secretary, who will have due regard for relevant guidance.

30.8 The Directors of subsidiary companies, where the University is the majority shareholder must submit, via the Finance and Development Committee, an annual report to the Board of Governors. They will also submit business plans or budgets as requested to enable the Committee to assess the risk to the University.

30.9 All University subsidiary undertakings and joint ventures will be accounted for, within the University Group overall financial position, in accordance with principal accounting policies, relevant accounting standards and Companies Act requirements.

31 Other

Overseas Activity

31.1 In planning and undertaking overseas activity, all staff must have due regard to:

- the relevant guidelines issued by the Foreign Office;
- all University procedures in relation to insurance arrangements, travel, payments etc.
- the potential implications, both to the University and the individual, of the Bribery Act 2010, in relation to both domestic and overseas activities. (See section 11 above)

In the event of any concerns or queries, further information should be sought initially from the relevant Head of Academic School or Head of Professional Department, prior to travel or other business activity overseas.

Security

31.2 Keys to safes or other similar containers are to be held securely as agreed with the Pro Vice Chancellor (Finance & Resources). The loss of such keys must be reported to the Pro Vice Chancellor (Finance & Resources) immediately.

31.3 The Chief Information Officer shall be responsible for maintaining proper security and privacy of information held on the University's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the UK GDPR and Data Protection Act 2018. The University Secretary is the University's Data Protection Officer to ensure compliance with the Act and the safety of documents.

31.4 The University Secretary 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 University Secretary. All such documents shall be held in an appropriately secure, fireproof location.

Students' Union

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

31.6 The Vice Chancellor and Chief Executive shall determine the level of grant to be paid annually to the Students' Union. The grant will be approved by the Board of Governors as part of the annual budget. The Students Union are required to provide information and details of its proposed budget to assist in determining the appropriate level of grant.

31.7 The Students' Union is responsible for maintaining its own bank account and financial records and preparing its own annual Financial Statements.

31.8 At year-end the Students' Union Financial Statements will be audited by an appropriately qualified firm of auditors and will be presented to the Audit Committee for information.

Use of the University's seal

31.9 Details concerning the use of the University's seal is provided in the Schedule of Delegation as referred to in section 3.2.