

Financial Regulations

and

Standing Orders Relating to Contracts

Revised September 2008

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CHAPTER 1

INTRODUCTION

1. The Financial Memorandum governing the relationship between the Higher Education Funding Council for England and the Board of Governors of the University sets out the financial responsibilities of the Board of Governors. The Board of Governors is, inter alia, responsible for: -
 - i) Ensuring that funds provided by the Higher Education Funding Council for England are used only in accordance with the Education Reform Act.
 - ii) Ensuring that the financial planning and other management controls applied by the University are appropriate and sufficient to safeguard public funds.
 - iii) Securing the efficient, economical and effective management of all the University's resources and expenditure.
2. The University Financial Regulations provide a framework within which a reliable system of internal control may operate. They seek to make certain that responsibilities outlined above can be sustained through the establishment of a system of management controls designed to ensure that the University conducts its activities in an efficient and well-ordered manner.
3. Compliance with the Financial Regulations is compulsory for all staff employed by the University. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the University's Disciplinary Procedures. It is the responsibility of the Deans and Directors to ensure that their staff are made aware of the existence and content of the University's Financial Regulations, and that an adequate number of copies are available for reference within their Faculty/Service.
4. Definitions: -

In these Regulations, the following terms have the meanings give below: -

 - i) The "Board of Governors" shall include, unless specifically provided otherwise, those committees to which financial arrangements may, in whole or in part, have been delegated.
 - iii) A "holder of a Senior Post" means the Vice-Chancellor, the Deputy Vice-Chancellor, the Finance Director, the University Secretary, the Executive Pro Vice-Chancellor, or the Director of Human Resources.
 - iii) A "Dean or Director" means the officer in charge of a Faculty or Service of the University and shall include other appropriate officers as may from time to time be designated by the Vice-Chancellor as officers to whom the definition shall apply.

CHAPTER 2

ADMINISTRATION OF THE FINANCIAL AFFAIRS OF THE UNIVERSITY

1. An Audit Committee of the Board of Governors shall be established with the following Terms of Reference: -
 - i) To advise the Governing Body on the external auditor, the audit fee, the provision of any non-audit services by the external auditor and any questions of resignation or dismissal of the external auditor.
 - ii) To discuss, if necessary, with the external auditor before the audit begins the nature and scope of the audit.
 - iii) To discuss with the external auditors problems, and reservations arising from the interim and final audits, including a review of the Management Letter incorporating management responses and any other matters which the auditor may wish to discuss (in the absence of management, where necessary).
 - iv) To consider and advise the Governing Body on the appointment and Terms of Engagement of the internal audit service (and head of internal audit, if applicable), the audit fee, the provision of any non-audit services by the internal auditors and any questions of resignation or dismissal of the internal auditors.
 - v) To review the internal auditor's audit needs assessment and audit plan, to consider major findings of internal audit investigations and management's response, and promote coordination between the internal and external auditors. The Committee will ensure that the resources made available for internal audit are sufficient to meet the University's needs (or make a recommendation to the Board of Governors as appropriate).
 - vi) To keep under review the effectiveness of internal audit and risk management systems and, in particular, review the external auditor's management letter, the internal auditor's annual report and management responses.
 - vii) To monitor the implementation of agreed audit based recommendations, from whatever source.
 - viii) To ensure that all significant losses have been properly investigated and that the internal and external auditors, and where appropriate the HEFCE Accounting Officer, have been informed.
 - ix) To oversee the University's policy on fraud and irregularity, including being notified of any action taken under that policy.
 - x) To satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.
 - xi) To receive any relevant reports from the National Audit Office, the HEFCE and other organisations.
 - xii) To monitor annually the performance and effectiveness of external and internal audit, and to make recommendations to the Board of Governors concerning their reappointment, where appropriate.
 - xiii) To consider elements of the annual financial statements in the presence of the external auditor, including the auditor's formal opinion, the statement of members responsibilities and any corporate governance statement. This responsibility should be extended to include consideration of internal control and risk management statements. This is in line with the 2000 Accounts Direction, which includes a phased timetable leading to the adoption of internal control and risk management statements from 2002/03.

2. An Employment and Finance Committee of the Board of Governors shall be established, the Terms of Reference of which include: -
 - i) To consider the University's revenue and capital estimates and make recommendations to the Board of Governors.
 - ii) To consider reports on the monitoring and control of the University's budget.
 - iii) To determine, on behalf of the Board of Governors, appropriate Financial Regulations and Standing Orders Relating to Contracts.
 - iv) To determine, on behalf of the Board of Governors, matters of employment policy, pay and conditions of service for staff employed at the University.
 - v) To consider and make recommendations to the Board of Governors on matters in regard to Information Systems and Technology.
 - vi) To determine, on behalf of the Board of Governors, any other matters as referred to the Committee from time to time by the Board.

3. A Remuneration Committee of the Board of Governors shall be established, the Terms of Reference of which include: -
 - i) To determine the employment, contract and remuneration arrangements applying to the designated holders of senior posts, including pay, non-pay benefits, and terms and conditions of service and related matters.
 - ii) To determine any changes to the employment remuneration arrangements and related matters applying to the designated holders of senior posts, including, for example, the review of salary levels which normally takes place on an annual basis.
 - iii) To monitor and evaluate the individual performance of the designated holders of senior posts, with particular reference to the University Corporate Plan, the Annual Operating Statement and other objectives as agreed with the postholder.
 - iv) To approve the relevant statements to be included in the University's annual published Board of Governors Report and Financial Statements in regard to the Remuneration Committee and salaries for holders of senior posts.
 - v) To determine the terms, as appropriate, of any special severance arrangements applying in the event of any required and unplanned early termination of employment or any holder of a senior post.

4. The systems of accounting, the accounts and the audit of those accounts must comply with all statutory requirements including in particular Schedule 7 of the Education Reform Act 1988 and any Accounts and Audit Regulations in force from time to time.

CHAPTER 3

RESPONSIBILITY OF OFFICERS

1. The Vice-Chancellor
 - i) on behalf of the Board of Governors shall be responsible for ensuring economy and efficiency in the use of the resources of the University and will set up appropriate mechanisms to monitor other members of staff in this respect.
 - ii) shall, after taking into account advice and guidance given by the Finance Director, or, in his/her absence, his/her authorised nominee, be responsible for ensuring the implementation of the University's financial operations.
 - iii) shall have responsibility for the submission to the Board of Governors of such estimates of expenditure and income as the Board of Governors may from time to time require.
 - iv) shall be the final arbiter in the interpretation of the University's Financial Regulations and shall receive the written advice of the Finance Director.
2. The Finance Director
 - i) shall be the officer responsible for the administration of the financial affairs of the University. He/she shall provide financial advice to the Board of Governors and its officers; shall supervise the implementation of the Board of Governors' financial policies; design, implement and supervise financial control systems; and prepare and maintain such accounts, estimates, records and reports as the Board of Governors may require for the purpose of carrying out its duties.
 - ii) shall require, of any member of staff, that the form in which financial records are kept shall be to his/her satisfaction.
 - iii) shall be responsible for the maintenance of the University's financial systems of control including computing systems. No other computer systems shall be used for the keeping of accounting or other records relating to the finances of the University.
 - iv) shall ensure that Deans/Directors are informed of their responsibilities within the University's Financial Regulations in compliance with Chapter 1 (paragraph 3).
 - v) shall, in liaison with Personnel Services, obtain references in a prescribed format, for all staff handling cash or cheques.
3. All members of staff of the University:-
 - i) have a general responsibility for the security of the University's property, for avoiding loss and for due economy in the use of resources. They must comply with the systems of financial control laid down by the Finance Director and with any directions made by the Vice-Chancellor in relation to his control of budgets and the keeping of records.
 - ii) shall make available any relevant records or information to the Finance Director or his/her authorised representative in connection with the carrying out of his/her duties of implementation of the University's financial policies and systems of financial control.
 - iii) shall provide the Finance Director with such financial and other information as he/she may deem necessary, from time to time, to carry out the requirements of the Board of Governors.
 - iv) shall immediately notify the Finance Director whenever any matter of financial probity arises which involves, or is thought to involve, the University. The Finance Director

shall take such steps as he/she considers necessary by way of investigation and report.

CHAPTER 4

ESTIMATES, BUDGETS AND BUDGETARY CONTROL

1. The Board of Governors shall exercise financial supervision and control by requiring financial estimates, by such date as they shall specify.
2. The Finance Director shall, for consideration by the Vice-Chancellor, compile such financial estimates and forecasts, on both revenue and capital account as may be required from time to time by the Board of Governors.
3. The Vice-Chancellor shall require members of staff to provide the Finance Director with all financial, statistical and other relevant information, as necessary, for the compilation of such estimates and forecasts.
4. The Finance Director shall devise and maintain systems of budgetary control. All members of staff shall comply with the requirements of those systems. The systems of budgetary control shall incorporate the reporting of, and investigations into, expenditure variances from budget.
5. The Vice-Chancellor may, within budgetary limits approved by the Board of Governors, delegate responsibility for a budget or part of a budget, to an individual member of staff or group of employees, to permit the performance of defined activities. Responsibility for overall budgetary control, however, shall remain with the Vice Chancellor and delegated budget holders shall strictly observe any budgetary limits and control procedures. The Finance Director or his/her representative shall have right of access to information from budget holders on all budget matters at all times.
6. The Vice-Chancellor in conjunction with the Finance Director shall monitor the use of delegated budgets to ensure that financial control is maintained and that the Board of Governors' plans and policies are implemented in such a manner that individual officers or groups of officers do not exceed the budgetary limits set for them.
7. The Vice-Chancellor may vary individual budgets within the limit of the overall budget subject to the effects of significant permanent variations being reported to the Board of Governors.
8. Expenditure for which no provision has been made in an approved budget shall only be incurred after authorisation by the Vice-Chancellor in consultation with the Chairman of the Board of Governors.

CHAPTER 5

BANKING AND INVESTMENT ARRANGEMENTS

- 1 The Finance Director shall be responsible for the operation of all matters in relation to the University's bank accounts.
- 2 No member of staff, other than the Finance Director, acting under the delegated authority of the Vice-Chancellor of the University, shall open any bank account in the name of the University or issue instructions to the University's bankers.
- 3 All cheques or negotiable instruments drawn on the Staffordshire University's General Payments account and other University bank accounts shall be signed by the Finance Director or his/her nominated representative and for cheques or negotiable instruments in excess of £10,000 additionally by a holder of a senior post in the University.
- 4 The Finance Director shall be responsible for the investment of the Endowment Funds; surplus working balances and any other earmarked funds of the University. The Finance Director shall be empowered to seek such advice as he/she deems necessary for the efficient handling of the University's funds.

CHAPTER 6

SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS

1. Maximum limits for overnight un-banked money shall be agreed with the Finance Director and shall not be exceeded without his/her express permission.
2. Responsible members of staff must make appropriate arrangements for the safety of any keys to safes and similar receptacles. The loss of any such keys must be reported to the Finance Director immediately.
3. The Finance Director shall, in consultation with the Director of Information Services, be responsible for maintaining proper security and privacy as regards all information held in the computer installation in his/her Section.
4. All receipt books or other forms officially acknowledging or recording amounts received or receivable, shall be in a form approved by the Finance Director. Such stationery shall be ordered and controlled by him/her.
5. All members of staff whose duty it is to collect or hold cash shall be provided with a safe or with a lockable cash box which should normally be deposited in a safe. The employee concerned shall hold only one key and all other duplicates shall be lodged with the University's bankers or such other officer authorised by the Finance Director and suitable receipts or acknowledgements obtained. The Finance Director shall maintain a register of all authorised key holders.
6. The Finance Director shall prescribe the system for the transporting of cash.
7. All cheques, postal orders, cash, etc., shall be banked intact within two working days of receipt. Disbursements shall not be made from cash received.
8. The opening of coin-operated machines and accounting and recording of the takings shall be undertaken not less than fortnightly by two members of staff together and the coin box key held by a nominated officer.
9. The opening of incoming mail shall be undertaken by two members of staff, neither of whom shall be the Cashier, and all cash, including stamps, cheques, postal orders or other negotiable instruments, shall be entered immediately into a register approved by the Finance Director of his/her representative and certified by both employees. All postal orders shall be crossed immediately "Not Negotiable - Staffordshire University". The remittances shall be passed to the Cashier, from whom a signature shall be obtained.
10. Under no circumstances shall University monies be used for the encashment of private cheques; neither must change be given when payment is made by cheque.
11. It shall be the duty of members of staff who are authorised to hold cash, to keep up-to-date at all times in respect of each separate holding, a record of amounts received and/or paid in chronological order and, at least once a week, to reconcile that account with the amount in hand. Any discrepancies shall be reported to the Finance Director without delay.

12. Members of staff shall be informed, on appointment, by the appropriate Dean or Director, of their responsibilities and duties for the collection, handling or disbursement of negotiable instruments.
13. Any loss or shortfall of cash, cheques or other negotiable instruments, however occasioned, shall be reported immediately in accordance with the agreed procedures for reporting losses, to the Finance Director.
14. The Vice-Chancellor shall authorise the establishment of such imprest accounts as he/she considers appropriate for the purposes of defraying petty cash and other expenses. Unless otherwise agreed by the Finance Director, in exceptional circumstances, no income received on behalf of the University shall be paid into an advance account but must be banked or paid to the University as provided elsewhere in these Regulations. Payment shall be limited to minor items of expenditure up to the value of £50 and to such other items as the Finance Director may approve and shall be supported by a receipted voucher to the extent that the Finance Director may require. A member of staff responsible for an imprest account shall, if so requested, give to the Finance Director a certificate as to the state of his/her imprest advance.

CHAPTER 7

SECURITY OF ASSETS

- 1 Each Dean or Director shall be responsible for arranging proper security for all buildings, stocks, stores, furniture, equipment and money under his/her control.
- 2 Any item of plant or equipment having an original purchase cost of £10,000 or more will be added to the University's Asset Register. This register will be maintained by the Finance Director
- 3 Inventories shall be maintained by all Faculties and Services in which shall be recorded an adequate description of furniture, fittings, equipment and plant, having an original purchase cost of between £500 and £10,000.

Inventory records will provide the following information.

- i) a description of the asset
 - ii) the date of purchase of the asset
 - iii) the purchase cost (excluding VAT) of the asset
 - iv) the location of the asset
 - v) the supplier of the asset
4. The University's property shall not be removed otherwise than in accordance with the ordinary course of the University's business or used otherwise than for the University's purposes except in accordance with specific instructions issued by the appropriate Dean or Director. Items held "off-site" will be covered under the University's insurance policy but will be recalled annually the by the Faculty/Service for electrical testing when required.
 5. Each Dean or Director shall be responsible for checking at six monthly intervals that all items are accounted for, and that appropriate disposal or transfer notes have been issued.
 6. No property shall be disposed of except on the authority of: -
 - i) the holder of a senior post on the recommendation of the appropriate Dean or Director, if the higher of the book value or the current value on the open market of each item, is not estimated to exceed £500.
 - ii) the Vice-Chancellor, if the higher of the book value or the current value on the open market of each item is estimated to exceed £500, but is not estimated to exceed £5,000.
 - iii) the Board of Governors, if the higher of the book value or the current value on the open market of each item is estimated to exceed £5,000.
 - 7 No property disposed of under 6 above shall be sold or otherwise disposed of without complying with any relevant provisions of the University's Standing Orders Relating to Contracts.
 8. The Finance Director, or his/her representative, shall have access to all inventories and any relevant documents.

CHAPTER 8

CONTRACTING AND PURCHASING

1. All contracts entered into on behalf of the University shall be subject to the University Standing Orders with respect to contracts.
2. Orders should be issued by Faculties and Services through the University's Purchase Order Processing System for all goods and services required except for supplies of gas, electricity, water, rent, rates and petty cash disbursements. Such orders shall be signed by the Dean or Director or his/her nominated representative and authorised by the Finance Director or his/her nominated representative, who shall satisfy himself/herself at the time of issuing the order that authority exists for the expenditure and that it can be met from the approved estimates. Where, as a matter of emergency, goods or services are ordered verbally, a written official confirmatory order raised through the system shall be issued within two working days thereafter.
3. Each order shall conform with the University Standing Orders relating to contracting procedures.
4. Official orders shall include such information concerning prices or costs as the Finance Director may require, identifying discounts where appropriate. Where it is not possible to quote a firm price, the best estimate available shall be shown.
5. On no account may University orders be used to obtain goods for private use by members of staff of the University, except that educational equipment and materials may be purchased by the University for resale to students.
6. Purchasing cards are issued to Faculties/Services for minor purchases. Such cards are issued only on the authority of the Finance Director, who is also the authority for establishing the credit limit on such cards. Cards will be issued to Deans or Directors or their nominated representative. Any amendments to credit limits will be authorised by the Finance Director or, in his absence, the University's Deputy Finance Director.

Failure by Faculties/Services to maintain financial records as required by the Finance Director will lead to withdrawal of the card.

7. All leases will be authorised by a Dean/Director and signed by a holder of a Senior Post or the Finance Director.
8. A copy of all such leases must be lodged with the Finance Director
9. All VAT returns to H. M. Customs and Excise must be signed on behalf of the University by the Finance Director or, in his/her absence, by the Deputy Finance Director.

CHAPTER 9

STOCKS AND STORES

1. Each Dean or Director shall be responsible for keeping proper records and for the custody of stocks and stores in his/her Faculty/Service. Accounts and records, including the record of write-offs and other adjustments, shall be kept by the Dean or Director in such form as may be approved by the Finance Director from time to time.
2. A delivery note signed by the person receiving the goods must be obtained in all appropriate circumstances in respect of deliveries of goods, and all practicable steps must be taken to ensure that such delivery note is handed in at the time of delivery. All goods must be checked for quantity at the time delivery is made and inspected for quality and compliance with the specification as soon as practicable after delivery.
3. Annually at 31 July in each year, or as near to that as is practicable, or at such other date as may be nominated by the Finance Director, a complete stock-taking of all stores shall be carried out by a responsible member of staff deputed by each Dean or Director. Annual stock-taking may be waived in the case of Faculties/Services where the Finance Director is satisfied that a satisfactory system of continuous stock-taking is in operation.
4. A representative of the Finance Director may be present at any stock-taking for the purposes of making any checks.
5. Any material in stocks or stores which is in excess of requirements shall be disposed of in accordance with the provisions of the University Standing Orders Relating to Contracts.
6. No deficiency in stocks, and no stores which have become unserviceable, obsolete or irrecoverable shall be disposed of except on the authority of:
 - i) the holder of a senior post, on the recommendation of the appropriate Dean or Director, if the higher of the book value or the current value on the open market of each item, is not estimated to exceed £500.
 - ii) the Vice-Chancellor, if the higher of the book value or the current value on the open market of each item, is estimated to exceed £500, but is not expected to exceed £5,000.
 - iii) the Board of Governors, if the higher of the book value or the current value on the open market of each item is estimated to exceed £5,000.

CHAPTER 10

PAYMENT OF ACCOUNTS

1. All payments made on behalf of the University shall be made by the Finance Director. All accounts for payment shall be certified for payment by the Dean/Director of the appropriate Faculty/Service or an appropriate senior member of staff specifically authorised by him/her who shall certify that the account is properly payable by the University. Such certification shall be in the form approved by the Finance Director.
2. The certification of an account shall provide: -
 - i) that the Standing Orders and Financial Regulations of the University have been complied with and that the account is correct in all respects.
 - ii) that each account has been checked against a University order.
 - iii) that subject to (iv) below, either:
 - a) the goods have been duly received, detailed, examined, are in accordance with the specifications on the order, are satisfactory and the prices are correct, and/or
 - b) the work done or services rendered have been satisfactorily carried out in accordance with the order and that, where applicable, the materials used were of the requisite standard, and that the charges are correct.
 - iv) in relation only to sub-paragraph (iii) above, where in exceptional circumstances the supplier will only deliver on the basis of payment with the order or otherwise in advance of delivery, the Dean or Director may certify accounts for payment in respect of fees, licences, premiums, publications, travel or accommodation bookings, subscriptions, security services, annual maintenance contracts and services provided by public utility undertakings. In any other case, prior approval to payment in advance must be obtained from a holder of a senior post of the University. If the goods, works or services are not received in accordance with the reasonable expectations of the Dean or Director, the Dean or Director shall as soon as possible notify the Finance Director.
 - v) that the account is arithmetically correct.
 - vi) that entries have been made in inventories and stock records, as appropriate.
 - vii) that the account has not previously been passed for payment and is a proper liability of the University.
 - viii) that the net amount of the account is within the estimates.
 - ix) that payments are made in time to take advantage of discounts.
3. Where the goods received are not precisely in accordance with the order and/or invoice, the Finance Director shall be entitled to receive such information and explanations as he/she may deem necessary.
4. Where a member of staff certifying accounts relies upon other employees to carry out preliminary checking, he/she shall wherever possible, ensure that those who check delivery or execution of work act independently of those who have placed orders and have negotiated prices and terms.
5. Each Dean or Director shall arrange for all accounts to be stamped with the date received in his/her Faculty/Service.

6. Any account which the Dean or Director considers should be paid forthwith shall be forwarded to the Finance Director immediately after examination and certification, with an indication as to the reason for urgency.
7. The Finance Director shall be entitled to rely on the certification of authorised members of staff of spending departments and shall be empowered to pay, on behalf of the University, all accounts so certified, his/her responsibilities being confined to ensuring that the expenditure incurred is intra vires.
8. Each Dean or Director shall, as soon as possible, and not later than such date as the Finance Director may reasonably specify in each financial year, notify the Finance Director of all outstanding expenditure relating to the previous financial year within any limits specified by him/her
9. The Finance Director shall have the right in respect of any account to carry out either before or after payment such additional checks as he/she may consider appropriate and also satisfy himself/herself that the proper procedure laid down as to the authorising and ordering of goods or services and the examination of accounts has been properly carried out in the Faculty/Service. All explanations and information regarding such accounts or claims and all books and documents relating to them and facilities for inspecting goods supplied or work done shall be placed at the disposal of the Finance Director or his/her representative.
10. In the case of contracts for engineering or building works which require payment to be made on account during progress of the work, the Finance Director shall make payment on receipt of a certificate from the appropriate technical consultant or officer. Without prejudice to the responsibility of any consultant or works officer appointed to a particular building or engineering contract, a contractors account shall be subjected to such financial examination by the Finance Director and such general examination by the works officer as may be considered necessary before the person responsible to the University for the contract issues the final certificate.
11. The Finance Director shall be responsible for the agreement of the date of payment to any member of staff or third party.

CHAPTER 11

SALARIES, WAGES AND PENSIONS

1. The Director of Human Resources shall be authorised to make arrangements to calculate all salaries, wages, Superannuation benefits, compensation and other emoluments properly payable by the University. The Finance Director, in consultation with the Director of Human Resources, shall be responsible for ensuring that payments to staff are made in accordance with agreed timescales, either by cheque or to nominated bank accounts by electronic means.
2. Each Dean or Director shall, subject to any special arrangements agreed by the Director of Human Resources, notify him/her as soon as possible and in the form prescribed by him/her, of all matters affecting the payment of items referred to in paragraph 1 above, and in particular:
 - i) appointments, resignations, dismissals, suspensions, secondments and transfers.
 - ii) absences from duty for sickness or other reason, apart from approved annual leave with pay
 - iii) changes in remuneration other than increments and pay awards and agreements of general application.
 - iv) information necessary to maintain records of service for Superannuation, income tax, national insurance, etc.
3. Appointments of all employees shall be made in accordance with approved policies, establishments, grades and rates of pay.
4. All time records and other pay documents shall be in a form prescribed or approved by the Director of Human Resources and shall be certified by or on behalf of the Dean or Director.

CHAPTER 12

INCOME

1. The Finance Director shall be responsible for making and maintaining arrangements for the proper recording and collection of all monies due to the University and for the financial organisation and accounting necessary to ensure the proper recording of all sums due to the University and for the collection, custody, control, disposal and prompt and proper accounting of all money.
2. All members of staff shall inform the Finance Director of monies due to the University arising from transactions which they initiate. The Finance Director shall be consulted about policy for pricing goods and services offered for sale.
3. Only members of staff authorised by the Finance Director shall collect or accept monies due to the University and official receipts shall be issued for all such amounts at the time of collection.
4. No member of staff shall give a receipt for money received on behalf of the University on any form other than the University receipt form.
5. University receipt forms shall be consecutively numbered and of a design approved by the Finance Director and shall be obtained, stored, recorded and distributed in such a manner as he/she may require.
6. All monies received on behalf of the University in any Faculty/Service shall be paid daily to the Finance Director without any deduction or at such other intervals as he/she may decide.
7. Every transfer of University money from one member of staff to another shall be evidenced in the records of the Faculty/Service concerned by the signature of the receiving employee.
8. Personal cheques shall not be cashed out of money held on behalf of the University.
9. The Finance Director shall be solely responsible for the prompt raising of all debtors accounts and for the collection of all amounts due to the University.
10. No debt in respect of an amount due to the University, once established, shall be discharged in whole or in part otherwise than:-
 - i) by payment in full
 - ii) by the issue of an official credit note
 - iii) on the authority of the Finance Director if the value of the debt does not exceed £100.
 - iv) on the authority of the Vice-Chancellor if the debt exceeds £100, but does not exceed £5,000.
 - v) on the authority of the Board of Governors if the debt exceeds £5,000
11. Faculties and Services wishing to make use of the Internet to receive University income must seek prior written approval from the Finance Director or his/her nominated representative
12. A credit check will be undertaken on companies where it is proposed that the University enters into a contract for services which is estimated to be valued in excess of £10,000. The Finance Director will arrange for the credit check to be undertaken. Deans and Directors are responsible for notifying the Finance Director of proposals to enter into contracts for services valued in excess of £10,000.

CHAPTER 13

INSURANCES

- 1 The Finance Director shall be responsible for effecting appropriate insurance cover of the University.
- 2 Except where otherwise provided for in agency agreements, the Finance Director shall, after such consultation as he/she thinks appropriate with other members of staff, negotiate with the insurers a settlement of all claims.
- 3 Deans or Directors shall give prompt notification to the Finance Director of all new risks which require to be covered and of any alterations affecting existing insurances.
- 4 Deans or Directors shall notify the Finance Director in writing, and as soon as practicable, of any loss, liability or damage or any event likely to lead to a claim.
- 5 The Finance Director shall annually or at any such other period as he/she may consider necessary, review all insurances.

CHAPTER 14

AUDIT

1. The Audit Committee shall be responsible for the provision of an internal audit service to carry out a systematic audit for the purposes of providing an independent evaluation of compliance with the University's internal control procedures in the use of resources.
2. The Internal Auditor, or his/her authorised representative, shall have the right of access at all times to such documents relating to the accounting and financial operations of the University as appear to him/her to be necessary for that purpose.
3. It shall be the specific responsibility of the Internal Auditor to review, appraise and report upon:
 - i) the adequacy and application of financial and other management-related controls.
 - ii) the extent of compliance with, relevance and the financial effect of, established policies, plans and procedures.
 - iii) the extent of which the University's assets and interests are accounted for and safeguarded from losses of all kinds arising from:
 - a) fraud and other offences
 - b) waste, extravagance and inefficient administration, poor value for money and other causes.
 - iv) the efficient use of resources.
 - v) the suitability and reliability of financial and other related management data developed within the University.
 - vi) the adequacy of follow-up action to his/her reports.
4. In advance of each financial year, the Internal Auditor, in consultation with the Finance Director, shall be responsible for the preparation of an operational work plan for internal audit. This plan will be subject to the approval of the Audit Committee to the Board of Governors
5. The Internal Auditor should submit an annual report on the working of the Internal Audit Service to the Audit Committee of the Board of Governors indicating the extent of audit cover achieved and providing a summary of audit activity during the year.
6. The Finance Director, normally in consultation with the Internal Auditor, shall investigate cases of fraud, misappropriation, or other irregularities, in consultation with the police, where appropriate.
7. The Internal Auditor shall normally report direct to the Vice-Chancellor who shall refer audit reports to the appropriate senior members of staff of the University. Failure to take any necessary remedial action within a reasonable period shall be reported by the Internal Auditor to the Vice-Chancellor. In exceptional circumstances, the use of normal reporting channels could be seen as a possible limitation of the objectivity of the audit. In these circumstances the Internal Auditor shall have the right to seek the advice of the Vice-Chancellor or the Chairman of the Board of Governors, as appropriate.

CHAPTER 15

SEPARATION OF DUTIES

1. The duty of providing information, calculating, checking and recording the sums due to or from the University shall be separated as completely as possible from the duty of collecting or disbursing these sums, and members of staff charged with the duty of examining and checking the accounts of cash transactions shall not, themselves, be engaged in any of these transactions.
2. Arrangements should be made within each Faculty/Service to ensure that:
 - i) the ordering of goods and services
 - ii) the acknowledgement of the receipt of goods or the rendering of services.
 - iii) the examination of accounts are performed by different persons.

CHAPTER 16

TRAVEL AND SUBSISTENCE ALLOWANCES

- 1 Deans or Directors or their nominated representatives shall be responsible for an arithmetical check of travelling allowances, the accuracy of the mileage claimed, the validity of the journeys undertaken and for ensuring compliance with the University's car allowance regulations.
- 2 Deans or Directors or their nominated representatives shall be responsible in relation to subsistence allowances for an arithmetical check of the accuracy of the allowances and for ensuring compliance with the University's agreed Scheme.
- 3 Payments to members of the Board of Governors, including co-opted members of committees of the Board of Governors, who are entitled to claim in relation to any scheme which may from time to time be approved by the Board of Governors, will be made by the Finance Director on receipt of the appropriate information from the member concerned.

CHAPTER 17

DATA PROCESSING

- 1 The Finance Director shall be responsible, in consultation with the Director of Information Services, for the accuracy and security of the financial data of the University.
- 2 No system or the automatic processing of financial data shall be introduced without the proper approval of the Finance Director.
- 3 The Finance Director shall devise and implement any necessary procedures to protect the University and individuals from misuse of any financial information put on computer files, for which he/she is responsible after taking account of the relevant requirements of the Data Protection Act 1998.
- 4 The Finance Director, in consultation with the Director of Information Services, shall be responsible for the development and implementation of adequate contingency plans designed to minimise the financial consequences for the University of a failure in the University's computing services.
- 5 The Finance Director shall approve all procedures for the acceptance of income via the Internet.

STAFFORDSHIRE UNIVERSITY

STANDING ORDERS RELATING TO CONTRACTS

1. Introduction

Every contract made by, or on behalf of, the University shall comply with the Standing Orders and Financial Regulations of the University.

2. Definitions

In this appendix, the following terms have the meanings given below.

- 2.1 A "quotation" means an offer whether in writing or not, to executive works or supply goods or materials or services.
- 2.2 A "tender" means a written offer to executive works or supply goods or materials or services.
- 2.3 A "contract" means an accepted offer whether in writing or not for the execution of works or the supply of goods or
- 2.4 A "Sub-contract" means any contract to which the University is not a party, but in respect of which a sub-contractor or supplier is specified by the University to the contractor.
- 2.5 "Supply" includes the provision of goods or materials by way of sale or lease or hire to the University.
- 2.6 "Estimated Value" means:-
 - a) In the case of contracts for the provision of goods or materials by way of lease or hire to the University, the total capitalised value of the contract in question or of the series of contracts of which it forms a part.
 - b) In any other case, the total amount which the Dean or Director reasonably expects the contract or sub-contract in question or any series of contracts or sub-contracts of which it forms part will be worth provided that no account shall be taken in either case of any trade-in transaction.
- 2.7 Where an amount is specified, that amount shall be deemed to be exclusive of Value Added Tax.
- 2.8 The "Board of Governors" shall include, unless specifically provided otherwise, those committees, members of staff of the University to whom the power of making the contract in question shall have been delegated.
- 2.9 The "Chairman" means the Chairman or in his absence the Deputy-Chairman of the Board of Governors or any Committee of the Board of Governors to which power of making the contract in question shall have been delegated.
- 2.10 A "Dean or Director" means the officer in charge of a Faculty or Service of the University and shall include other appropriate officers as may from time to time be designated as officers to whom the definition shall apply.

3. Requirements to Obtain Tenders

- 3.1 Where the estimated value of any contract for the supply or sale of goods or materials does not exceed £2,000 the Dean or Director shall have discretion to decide whether or not to invite quotations.
- 3.2 Where the estimated value of any contract for the supply or sale of goods or materials exceeds £2,000 but does not exceed £10,000 the Dean or Director shall invite quotations unless in any particular case, the Finance Director approves in writing that the invitation of quotations be waived. Under normal circumstances, three quotations should be obtained.
- 3.3 Where the estimated value of any contract for the supply or sale of goods or materials exceeds £10,000, but does not exceed £25,000, the Dean or Director shall invite quotations, unless in any particular case the Vice-Chancellor approves in writing that the invitation of quotations be waived. Under normal circumstances, three quotations should be obtained.
- 3.4 Where the estimated value of any contract for the supply or sale of goods or materials exceeds £25,000 but does not exceed £500,000, a minimum of 3 tenders shall be obtained from a list of approved firms. Where European Community directives stipulate the need for public advertisement for the procurement of goods and services, then this requirement supersedes the requirement to obtain a minimum of 3 tenders.
- 3.5 No contract or sub-contract for the execution of works or for the provision of services or for the supply or sale of goods or materials the estimated value of which exceed £500,000 shall be made or entered into unless public tenders have been obtained in accordance with the procedures in Section 4 of the Standing Orders Relating to Contracts.
- 3.6 The Vice-Chancellor shall have the discretion to waive the requirement for tenders for the supply or sale of goods or materials or the provision of services the estimated value of which exceeds £25,000 but does not exceed £250,000. The Vice-Chancellor and either the Chairman or Deputy Chairman of the Board of Governors shall have the discretion to waive the requirement for tenders for the supply or sale of goods or materials or the provision of services the estimated value of which exceeds £250,000 but does not exceed £500,000. This discretion may only be exercised where the requirements of European Community directives as in force at the time being have been satisfied.
- 3.7 The Employment and Finance Committee of the Board of Governors shall have the discretion to waive the requirement for public tenders for the provision of goods and services the estimated value of which exceeds £500,000. This discretion shall only be exercised where the supplier is the sole supplier of these goods or services or where the supplier is the only supplier able to provide compatible goods or services.

4. Procedures for Obtaining Tenders

- 4.1 All invitations to tender on a competitive basis shall state that no tender will be accepted unless submitted in either:
 - a) A plain sealed package bearing a pre-printed label (supplied by the University) or the word "Tender" followed by the subject to which it relates and the latest date and time for the receipt of such tender, or
 - b) In a special envelope supplied by the University to prospective tenderers and that tenders envelopes/packages shall not bear any names or marks indicating the sender.
- 4.2 Notice inviting persons to tender or to apply for permission to tender shall be given in one or more newspapers or journals as the Dean or Director concerned shall consider desirable.

- 4.3 Where, under Section 3.2 of these procedures quotations are to be obtained for a proposed contract for the supply or sale of goods or materials or for the execution of any works or services, the estimated value of which does not exceed £10,000 then such quotations need not be invited by public notice but in that event no less than three quotations shall, under normal circumstances, be received in writing in each case.
- 4.4 The requirement to seek public notice for tenders shall be dictated, where appropriate, by the stipulations of the European Community Directives for the supply of building works and the supply of goods and services as they are in force at the time being. This requirement cannot be waived.
- 4.5 The University shall maintain lists of approved firms from whom tenders and quotations may be invited and shall keep these under frequent review.
- 4.6 Every invitation to tender or to apply for permission to tender shall state the nature and, where appropriate, the purpose of the contract or sub-contract, the place at which tenders or applications shall be submitted and the date and time before which tenders or applications for permissions to tender shall be submitted. Wherever practicable, this shall be not less than 10 days after the appearance of the public notice or the issue of invitations to tender.
- 4.7 Every invitation to tender shall:
 - a) Indicate that the University does not bind itself to accept or nominate the lowest tender where payment is to be made to the University, and
 - b) Give notice of all the requirements of Sections 4 and 8 of these standing orders and any relevant specification, and
 - c) Give notice of the form of any formal contract or sub-contract document which the contractor will be required to sign or execute.

5. Submission, Receipt, Custody and Opening of Tenders

- 5.1 Where a tender is invited without public notice, the invitation for such a tender shall require the tender to be sent to the University Purchasing Officer.
- 5.2 No tender will be considered unless contained in a plain sealed envelope bearing the word "Tender" followed by the subject to which the tender relates but no other name or mark indicating the identity of the sender or tenderer and every invitation to tender shall so state.
- 5.3 The University Purchasing Officer shall retain custody of the unopened tenders until the time appointed for its opening.
- 5.4 Tenders shall be opened and recorded at one time only by the University Purchasing Officer. The University Purchasing Officer shall be accompanied throughout the opening of tenders by the Finance Director or his/her nominated representative.

- 5.5 No tender received after the time and date by which it is to be received or which contravenes any provision of this section shall be opened except with the authority of the University Purchasing Officer in consultation with the Finance Director.
- 5.6 Where, in their view, circumstances so warrant, the University Purchasing Officer in consultation with the Finance Director may postpone for such period as they may consider reasonable the time and date by which the tenders concerned shall be received.
- 5.7 Every tender received shall be stamped with the date of opening and initialled by two of those present at the opening.
- 5.8 A record shall be maintained to show for each set of competitive tender invitations despatch.
- a) the name of all firms invited to tender.
 - b) The name of and number of firms from which tenders have been received.
 - c) The date of which the tenders were opened.
 - d) The record shall be signed by the persons at the opening.

6. Acceptance of Tenders

- 6.1 When tenders have been received under the procedures required by the Standing Orders, the Vice-Chancellor may either:
- a) Accept the lowest tender when payment is to be made by the University or the highest tender when payment is to be made to the University, or
 - b) If he/she is satisfied that to do so is in the best interests of the University, authorises the appropriate member of staff of the University to negotiate with any tenderer prior to a final decision, or
 - c) If he/she is satisfied that to do so is in the best interests of the University, authorise the acceptance of a tender other than the lowest when payment is to be made by the University or other than the highest tender when payment is to be made to the University.

7. Contract Documents

- 7.1 Every contract shall be evidenced by a written acceptance of a written offer and if, because of urgency or emergency any offer is made or accepted orally, such offer or acceptance shall be put in writing within two working days thereafter.
- 7.2 Every contract shall: -
- a) Specify the work or services to be undertaken and/or the goods, materials or services to be purchased or sold as the case may be; and
 - b) State the price to be paid by or to the University with a statement of discounts or other deductions; and
 - c) State the time or times in which the contract is to be performed or the duration of the contract; and
 - d) Be based, wherever practicable, upon a definite specification which shall be included in the contract.

8. General Conditions of Contract

- 8.1 The general conditions set out in paragraphs 2 to 7 shall apply to every contract or subcontract made by or on behalf of the University unless the paragraph in question otherwise provides.
- 8.2 The contractor shall not without the previous consent in writing of the University Secretary transfer, assign or sub-let either directly or indirectly the contract or any part or parts thereof.
- 8.3 Every contract in relation to which a specification or code of practice issued by the British Standards Institution is applicable shall require as a minimum that goods and materials used in its execution and all the workmanship shall be in accordance with that specification or code of practice.
- 8.4 The University may cancel the contract and recover from the contractor the amount of any loss resulting from such cancellation, if the contractor has offered or given or agreed to give to any officer of the University any gift or consideration of any kind as an inducement or reward for placing the contract with the contractor.
- 8.5 Every contractor shall provide to the satisfaction of the University Secretary such indemnities and such insurances as the University Secretary may require.
- 8.6 All obligations and responsibilities placed upon the contractor in relation to the execution of works or services or the supply of goods or materials concerned either directly or indirectly or by reason of the Health and Safety at Work Act, 1984 or any other enactment relating to the contract in question and any regulations, orders, directions, rules or the like made under that Act or other enactment shall be observed and performed by the contractor.
- 8.7 Proper books, vouchers, accounts and records relating to any contract valued over £100,000 shall be maintained by every contractor at his place of business and shall be available for inspection by any member of staff authorised by the Vice-Chancellor at all reasonable times during the contract and for three years after making the final payment by or the University there under.
- 8.8 No increase in the amount payable by the University or decrease in the amount receivable by the University unless approved by the Vice-Chancellor will be permitted except as specifically provided for in the contract in question.