

University of Central Lancashire

Financial Regulations (Tier 1 Framework)

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1 INTRODUCTION

1.1 Background

The University of Central Lancashire is a Higher Education Corporation created under the provisions of the Education Reform Act 1988, as amended by the Further and Higher Education Act 1992. Its structure of governance is laid down in its Instrument and Articles of Government. The University is accountable through its University Board, which has ultimate responsibility for the effectiveness of its management and administration.

The University is an exempt charity by virtue of the Charities Act 2011.

The University is regulated by the Office for Students (OfS) which was set up by the Higher Education and Research Act (HERA) of 2017 and is hereafter referred to as the Regulatory Body. The full Regulatory Framework can be found online at www.officeforstudents.org.uk.

The University Board is responsible for ensuring that regulatory conditions are met. As part of this process the University is required to have sound systems of financial and management control. The Financial Regulations of the University form part of this overall system of accountability.

1.2 Purpose and Status of the Financial Regulations

The purpose of these Financial Regulations is to provide control over the totality of the University's resources and provide management with assurances that the resources are being properly applied for the achievement of the University's strategic plan and business objectives on a sustainable basis, including:

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

The Financial Regulations are subordinate to the University's Instruments and Articles of Government and have been approved by the Resources Committee. Subsequent amendments must be approved by the Resources Committee.

References to any legislation, policies, procedures, practices or similar in these Financial Regulations shall include any amendments, updates or replacements thereto as may be enacted or agreed from time to time.

These Financial Regulations contain the key high-level principles which are underpinned by more detailed operational guidance contained in the Appendices, Financial Regulations Operational Guidance documents (FROGs) and supporting policies. These are collectively referred to as the Financial Regulations.

The authority for the approval and amendment of these Financial Regulations rests with the Resources Committee. The authorities relating to the approval and amendment of the Appendices

and the Financial Regulations Operational Guidance documents (FROGs) are set out in sections 16 and 17.

The Financial Regulations apply to the University and its subsidiaries and to all activities regardless of the source of funding.

Compliance with the Financial Regulations is compulsory for all staff and any other persons acting on behalf of the University.

Any person who fails to comply with the Financial Regulations may be subject to disciplinary action.

It is the responsibility of the Vice-Chancellor's Group, Budget Holders and Heads of Department to ensure that their staff and other parties engaged by them are made aware of the existence and content of the University's Financial Regulations.

2 CORPORATE GOVERNANCE

2.1 The University Board

The University Board is the ultimate decision making body of the University and its key responsibilities are set out in the University's Instrument and Articles of Government.

In order for the University Board to execute its governance role, it must ensure that clear and robust systems are in place for internal control and for monitoring and reporting activities.

Whilst the University Board has ultimate responsibility for the University's finances it delegates specific powers and processes to its Committees. These Committees are accountable to the University Board. Details of the Board Committees and their responsibilities are set out on the University's website and available from the University Secretary and General Counsel.

The University Board has appointed a Resources Committee, the responsibilities of which include approval of the Financial Regulations and any amendments or modifications thereto.

2.2 Accountable Officer

The Vice-Chancellor is the University's designated Accountable Officer responsible for the financial administration of the University's affairs. The Vice-Chancellor is responsible for reporting to the Regulatory Body on behalf of the University and must advise the University Board if, at any time, any action or policy under consideration by them appears to him/her to be incompatible with the requirements of the Regulatory Body.

The Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by the University Board and for the management of budgets and resources within the estimates approved by the University Board. As the designated Accountable Officer, the Vice-Chancellor may be required to justify any of the University's financial matters to the Public Accounts Committee at the House of Commons.

2.3 Financial Responsibilities

2.3.1 Chief Finance Officer

The Chief Finance Officer who is accountable to the Vice-Chancellor, the University Board and its Committees for financial governance, is responsible for advising on all financial matters, including tax and treasury matters, and ensuring robust financial management and controls are in place.

The Chief Finance Officer may require and shall be provided with any information and/or explanations of financial matters by any member of staff.

The Chief Finance Officer has the delegated authority to update the Financial Regulations Operational Guidance notes (FROGs) as set out in section 17.

2.3.2 Budget Holders

Budget Holders are responsible for financial management for the areas or activities they control. They are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters. They may delegate their authority to other members of staff who are thereby, for the purpose of these regulations, referred to as Delegated Budget Holders, see FROG No.102.

2.3.3 Staff and Other Persons Acting on Behalf of the University

All staff and other persons acting on behalf of the University must abide by these regulations and ensure that they are aware of the University's financial authority limits (see FROG No.100) and the values of purchases for which quotations and tenders are required (see FROG No.110).

Staff have a general responsibility for the security of the University's property and for the efficient use of resources.

Staff must ensure that any agreements or contracts involving the University and any of its subsidiary companies comply with these regulations and that no legal liabilities or obligations are entered into on behalf of the University or any of its subsidiary companies without the prior advice of the University Secretary and General Counsel.

Staff shall immediately notify the Chief Finance Officer whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, financial transactions or property of the University. The Chief Finance Officer in consultation with the University Secretary and Legal Counsel shall take such steps as he or she considers necessary by way of investigation and report and shall, when appropriate, invoke the University's Fraud Response Plan.

3 RISK MANAGEMENT, CONTROL AND GOVERNANCE

3.1 Risk Management

The University is required to have a robust and comprehensive system of risk management, control and corporate governance. This should include the prevention and detection of corruption, fraud, bribery and irregularities.

The University acknowledges the risks inherent in its business, and is committed to mitigating those risks which pose a significant threat to the achievement of its business objectives and financial health.

The University Board has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the University through the development, implementation and embedding within the organisation of a formal, structured risk management process.

The key principles underlying the University's approach are set out in the University's Risk Management Policy which documents the key responsibilities and reporting procedures.

3.2 Whistleblowing

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 whistleblower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc.), miscarriage of justice, danger to health and safety or the environment or breach of the Financial Regulations and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

The full procedure for whistleblowing is set out in the University's Public Interest Disclosure Policy.

3.3 Standards of Conduct

The University is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee) which University Board members and members of staff at all levels are expected to observe.

In addition, the University expects that staff at all levels will observe its standards of conduct contained in the policies in its Staff Handbook.

University Board members are also charity trustees and as such are subject to obligations imposed by charity law. Their dual role may introduce potential conflicts of interest which they will need to manage appropriately.

Additionally, members of the University Board, the Vice-Chancellor's Group, Budget Holders and those involved in substantial procurement of goods and services are required to disclose interests in the University's register of interests maintained by the University Secretary and General Counsel. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly.

In particular, no person shall be involved in the negotiation, approval or signature of any University contract where he or she also has any financial or other interest in the activities of any of the other parties.

3.4 Receiving Gifts and Hospitality

The Bribery Act 2010 introduced new offences for acts of bribery by individuals, corporate organisations (including Universities) or persons associated with them. The penalties are severe for any person convicted under the Act, which could mean a criminal record with ten years' imprisonment and unlimited fines.

Members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the University would be likely to provide in return.

The University's Anti-Corruption and Bribery Policy provides guiding principles for staff regarding the acceptable receipt of gifts and hospitality.

3.5 Prevention of Fraud and Corruption

It is the responsibility of all members of staff, University Board members and Committee members to ensure the correct and honest use of all University resources and to report any circumstances which may indicate the improper use of these resources.

The University's Fraud Policy Statement and Anti-Money Laundering Policy set out full details of these responsibilities.

If an instance of fraud or misappropriation is suspected, it should be reported to the Chief Finance Officer and the University Secretary and General Counsel who shall immediately invoke the Fraud Response Plan. The Fraud Response Plan is also available.

3.6 Conflicts of Interest

The University is committed to ensuring that high levels of integrity apply in all areas of its operation and that all of its activities are conducted in an honest and transparent manner and in accordance with the Nolan principles on standards in public life: <https://www.uclan.ac.uk/legal/charity-information>.

The Statement of Primary Responsibilities adopted by the University Board require it to ensure that procedures are in place for managing conflicts of interest within the University.

To this end, the University has adopted a policy on the avoidance of conflicts of interest which all staff are expected to follow. Details of this policy can be found in FROG No. 104 – Conflicts of Interest.

4 FINANCIAL MANAGEMENT AND CONTROL

4.1 Financial Strategy

The University Board is responsible for approving the overall financial strategy for the University on the recommendation of the Resources Committee. The strategy should set out the financial objectives and the measures that will be used to ensure that these objectives are met.

4.2 Financial Planning and Budgeting

The Chief Finance Officer is responsible for preparing an annual financial plan for approval by the University Board on the recommendation of the Resources Committee and for preparing financial forecasts for submission to the Regulatory Body as required.

4.2.1 Budget Preparation

The Chief Finance Officer is responsible for preparing an annual budget and subsequent forecasts for consideration by the Resources Committee before approval is sought from the University Board. These should include a Statement of Comprehensive Income and Expenditure, a Balance Sheet, Cash Flow Statement and Capital Programme.

Further guidance on Budget Preparation and Control is contained in FROG No. 103.

4.2.2 Budget Management

The control of income and expenditure within an agreed budget is the responsibility of all Budget Holders, who must ensure that day-to-day monitoring is undertaken effectively.

Budget Holders are assisted in their duties by management information provided by the Chief Finance Officer. The format and regularity of management information available will be prescribed by the Chief Finance Officer and subject to variation according to the needs of the University.

Significant departures from agreed budgets must be reported immediately to the Chief Finance Officer and, if necessary, corrective action taken.

4.2.3 Capital Programme

The Capital Programme consists of major defined projects relating to expenditure on land, buildings, equipment, furniture and associated costs whether or not they are funded from capital.

The Chief Finance Officer will establish protocols for the inclusion of capital projects in the Capital Programme for approval by the Resources Committee and the University Board. 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 Chief Finance Officer will also establish procedures for the approval of variations and is responsible for providing regular statements concerning all capital expenditure to Resources Committee for monitoring purposes.

Following completion of a capital project, a post-project evaluation or final report should be submitted to the Resources Committee including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project.

Further guidance on Capital Programmes are included in FROG No. 120 New Developments.

4.2.4 Other Major Developments including Overseas Activity

The Chief Finance Officer will establish protocols for new major developments to enable them to be considered for approval by the University Board and/or relevant decision making body. These will set out the information that is required for each proposed development including a business plan, using a risk based approach and covering risk and accountability issues, as well as the financial criteria that they are required to meet. These are set out in more detail in FROG No. 120 New Developments.

4.3 Accounting Arrangements

4.3.1 Financial Year

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

4.3.2 Basis of Accounting

The consolidated financial statements of the University Group are prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education, applicable accounting standards and in accordance with the requirements of the Regulatory Body.

The Statement of Accounting Policies is contained within the annual Financial Statements and in FROG No 171.

The annual Financial Statements of the University are available on the University's website [here](#).

4.3.3 Accounting Records

The Chief Finance Officer is responsible for keeping appropriate accounting records and for the retention of financial and other documents relating to financial transactions. These will be maintained in accordance with the corporate retention schedule and relevant policies and legislation as appropriate. All such records must be kept in a form acceptable to the relevant authorities.

Guidance regarding the retention of documents relating to financial records and information is set out in FROG No. 170.

4.4 Auditors

Internal and external auditors must be appointed by the University Board and must have unrestricted access to information - including records, assets, personnel and premises – and are authorised to obtain whatever information and explanations they reasonably deem necessary to perform their duties.

Internal and external audit services must not be provided by the same firm or provider. Procurement of the Internal and External Audit functions must follow the University's Procurement procedures.

Guidance on the responsibilities of internal and external audit is published by the Office for Students in its Terms and Conditions of Funding for Higher Education Institutions.

The activities of Internal Auditors are co-ordinated by the University Secretary and General Counsel, and those of External Auditors by the Chief Finance Officer. The use of External Auditors for non audit services over £50,000 (excluding VAT) are dealt with through FROG 105.

The University may, from time to time, be subject to audit or investigation by external bodies such as regulatory or funding bodies, the National Audit Office, the European Court of Auditors, HM Revenue & Customs. The Chief Finance Officer and the University Secretary and General Counsel must be notified of all such audits in advance and be provided with any audit report or similar document arising from the audit or investigation.

4.5 Tax, Treasury and Banking

4.5.1 Tax

The Chief Finance Officer is responsible for ensuring that the University and its subsidiaries comply with all relevant legislation and the regulatory requirements relating to taxation and similar charges and levies.

The Chief Finance Officer is responsible for maintaining the University's tax records, submitting tax returns and making payments by their due date as appropriate.

The Chief Finance Officer will advise and issue instructions to all departments on compliance with statutory requirements relating to taxation.

Further details regarding taxation matters are included in FROG No. 140.

4.5.2 Treasury Management

The Resources Committee is responsible for approving a Treasury Management Policy setting out a strategy and policies for cash management, long-term investments and borrowings which will comply with any Regulatory Body rules regarding approval for loans. The Chief Finance Officer has a responsibility to ensure the implementation, monitoring and review of such policies.

All operational decisions concerning borrowing, investment or financing (within the parameters of the approved Treasury Management Policy shall be delegated to the Chief Finance Officer and an appropriate reporting system shall be set up. All borrowing shall be undertaken in the name of the University and shall conform to any relevant Regulatory Body requirements.

The giving of financial guarantees is a matter reserved for the Resources Committee.

The Chief Finance Officer is responsible for putting in place adequate procedures for managing treasury activities.

4.5.3 Banking

The University's bankers shall be formally appointed by the Resources Committee on the advice of the Chief Finance Officer. Other professional financial advisers (such as investment managers) shall be appointed in accordance with the Treasury Management Policy. The appointments shall be made in accordance with the University's Procurement Code.

The Chief Finance Officer is responsible for managing the relationship with the University's bankers in relation to the University's bank accounts and for setting out the procedures to be used for the operation of all bank accounts of all entities within the University Group.

Only the Chief Finance Officer may open or close a bank account for dealing with the University's funds or for activities associated with the University, and this includes the activities of subsidiary companies and other entities in the University Group. All bank accounts shall be in the name of the University or one of its subsidiary companies or related entities.

All payments, including automated transfers, made on behalf of the University, must be authorised in the appropriate manner and on the basis approved by the Chief Finance Officer.

5 INCOME

It is the responsibility of all staff to ensure that revenue to the University is maximised by the efficient application of agreed procedures for the identification, invoicing, collection and banking of income.

All income relating to Tuition Fees is governed by the Tuition Fee Policy, as approved by the University Board annually.

All applications for research and other grant funding must be made on behalf of and in the name of the University or a subsidiary company and must be approved in line with the Scheme of Delegated Financial Authorities, see FROG No. 100.

All other income generating activities must pre-approved in line with the Scheme of Delegated Financial Authorities.

All income generating activities must be covered by appropriate contractual arrangements. There shall be a contract signed in accordance with the Scheme of Delegated Financial Authorities (FROG No. 100) and the form of the contract must be approved in advance of its operation by the University Secretary and General Counsel. Further guidance on the procedures for the approval of new income generating activities is included in FROG No. 121.

There will be instances where other arrangements entered into by the University or its subsidiaries require legal and insurance arrangements to be put in place. Any such associated legal documents must also be signed in accordance with the Scheme of Delegated Financial Authorities contained in FROG No. 100 following their approval by the University Secretary and General Counsel.

The Chief Finance Officer is responsible for ensuring that appropriate procedures are in operation to enable the University to receive all income to which it is entitled and for ensuring that the production of sales invoices for all goods and services supplied by the University is made using official invoices and accounting systems.

The Chief Finance Officer is responsible for the collection of University income and ensuring that swift and effective action is taken to collect overdue debts, in accordance with the University's Debt Recovery Policy.

No unpaid debt in respect of any amounts due to any part of the University Group shall be discharged in whole or in part other than on the authority of the Chief Finance Officer in accordance with the Scheme of Delegated Financial Authorities in FROG No 100.

Further guidance on Invoicing and Collection of Income are included in FROG No. 130.

6 EXPENDITURE

6.1 General

The Chief Finance Officer is responsible for making payments to suppliers of goods and services to the University and for approving all payment procedures.

6.2 Scheme of Delegation for Financial Authorities

The Scheme of Delegated Financial Authorities is approved by the Resources Committee and is maintained by the Chief Finance Officer. See FROG No. 100 for the current scheme.

Budget Holders are responsible for purchases within their department and for managing expenditure within their agreed budget. Purchasing authority may be delegated to named individuals within the department. In exercising this delegated authority, Budget Holders are required to observe the University's procurement policies and financial procedures, see FROG No. 110.

The Chief Finance Officer shall maintain a register of authorised signatories. Budget Holders and Delegated Budget Holders must supply him/her with specimen signatures on request.

Under procedures agreed by the Chief Finance Officer, central control shall be exercised over the creation of delegated authorities. Any changes to the authorities for Budget Holders or Delegated Budget Holders must follow the procedure set out in FROG No. 102.

6.3 Subsidiary Companies and Related Entities – Delegated Authority

The operation and oversight of subsidiary companies and the responsibilities of subsidiary company Directors are set out in the Code of Practice for Directorships.

Any matters that fall outside of this authority must be referred to the Resources Committee. Details of the Scheme of Delegated Financial Authorities for the University's subsidiary entities are contained in FROG No. 101.

6.4 Procurement

The Chief Finance Officer is responsible for ensuring the University complies with any legal obligations concerning procurement legislation and the Procurement Code and related policies and regulations.

Any questions regarding the applicability of legislation and / or legal provisions shall be the responsibility of the University Secretary and General Counsel.

Procurement decisions shall be based on the most economically advantageous solution across goods, services and works irrespective of the source of funds. Competition shall be sought as standard practice to deliver value for money unless otherwise specified.

All staff must procure and contract manage goods, services and works in accordance with the University's Procurement Code, Code of Conduct and related policies and procedures. The Code of Conduct applies to all staff engaged in the specifying and sourcing of goods, works and services, evaluation and appointment of suppliers either directly or indirectly their roles as a member of staff or whilst acting on behalf of the University.

The Chief Finance Officer, in consultation with the University Secretary and General Counsel, is responsible for the production and review of the University's Procurement Code.

The University operates both Procurement and Corporate Cards. Further guidance on the usage of these cards is included in FROG No 110.

Approval of budget and/or business case approval does not negate the requirement to adhere to the University's Procurement Code.

Effective segregation of duty must be maintained at all times throughout the procurement process.

The Procurement Code is available on the University's intranet here.

Further guidance on procurement is included in FROG No 110.

6.5 Payment for Goods and Services

The procedures for making all payments shall be in a form specified by the Chief Finance Officer. The Chief Finance Officer is responsible for deciding the most appropriate method of payment. BACS is the preferred method of payment.

Payments will only be made against invoices or other supporting evidence of provision of goods and/or services which have been approved in accordance with the Scheme of Delegated Financial Authorities as set out in FROG No. 100.

Further guidance on payments is included in FROG No 131 Payment of Invoices (Purchase to Pay Procedures).

6.6 Late Payment Legislation

Late Payment legislation was introduced to give businesses the right to charge interest on, and claim compensation for, late payments from large organisations and public authorities. Key points are:

- the University can be sued for late payments
- Interest may be charged at 8% above the Bank of England base rate

In view of the legislative penalties, all approved invoices must be passed for payment as soon as they are received. Budget Holders are responsible for following purchase to pay procedures set out in FROG No. 131 and the University must not unnecessarily delay or withhold payments.

6.7 Petty Cash

Wherever possible, payment for small sundry items should be made using a University Procurement Card. Where this is not possible alternative non-cash solutions should be sought, however where no alternatives exist petty cash may be made available for small purchases.

The Chief Finance Officer shall only make available to departments such cash float as considered essential for the disbursements of expenses that cannot be met by any other means. It is essential for security purposes that any such petty cash floats are kept to a minimum.

A member of staff granted a float is personally responsible for its safe keeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the University's insurers when not in use and will be subject to periodic checks.

Detailed procedures relating to the operation of petty cash floats are contained in FROG No. 134.

6.8 Giving Hospitality

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

The limits concerning acceptable expenditure for entertaining guests are set out in the Travel and Expenses Policy.

It is an offence under section 7 of the Bribery Act 2010 for commercial organisations to fail to prevent persons associated with them from bribing another person on their behalf. The University's Anti-Corruption and Bribery Policy statement can be found on the University's website.

7 SALARIES, FEES AND PENSIONS

7.1 Remuneration Policy

All University employees will be appointed to evaluated roles and to the salary scales approved by the University Board in accordance with appropriate conditions of service. All letters of appointment must be issued by the People Team.

Remuneration for the Vice-Chancellor's Group will be determined by the Remuneration Committee.

7.2 Appointment of Staff

All contracts of service shall be concluded in accordance with the University's approved People practices and procedures and all offers of employment with the University shall be made in writing by the People Team.

7.3 Staffing Changes

Budget Holders shall ensure that the People team is provided promptly with all the information they may require in connection with the appointment, transfer or exit of employees or changes to their contracts of employment.

The Chief People Officer will be responsible for keeping the Chief Finance Officer informed of all matters relating to People for payroll purposes.

7.4 Salary Payments

The Chief Finance Officer is responsible for all payments of salaries, fees, expenses and pensions. All time sheets, expenses claims and other pay documents, including those relating to fees payable to external examiners, visiting lecturers, researchers, etc., must be in a form prescribed or approved by the Chief Finance Officer, including electronic versions.

The Chief Finance Officer is responsible for payments to all workers and for informing the appropriate authorities of such payments. Where the payments are subject to deductions

HM Revenue and Customs requirements or legislation, the individuals will be included on the payroll.

All payments must be made in accordance with the University's detailed financial procedures and comply with HM Revenue & Customs regulations and other relevant legislation. Staff should be aware that the University could incur penalties for noncompliance with such regulations and legislation.

The Chief Finance Officer is responsible for keeping all records relating to payroll including those of a statutory nature. All employees are responsible for checking the accuracy of their salary payments and notifying the People Team of any discrepancies as soon as possible. In the event of any overpayment, the University reserves the right to require staff to repay overpayments in their entirety and the timing and method of recovery will be determined by the Chief Finance Officer.

7.5 Severance Payments

Severance payments shall only be made in accordance with relevant legislation, Regulatory Body guidance or under a scheme approved by the University Board or a Committee thereof. Professional advice should be obtained where necessary. All such payments shall be authorised by the Vice Chancellor or the Chief People Officer, except where severance payments relate to members of the Vice-Chancellor's Group and certain other designated senior staff which shall be authorised by the Remuneration Committee.

7.6 Employment Legislation

The University is considered to be a public sector body for the purposes of the employment legislation and is required to undertake an employment status assessment for all workers and individuals providing services to the University, including those supplying services through an agency or a limited company.

Detailed procedures relating to the assessment of the Employment Status of Workers are contained in FROG No. 141.

7.7 Pension Schemes

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

The Chief People Officer is responsible for administering eligibility in respect of pension arrangements and for informing the Chief Finance Officer when deductions should begin or cease for employees.

The Chief Finance Officer is responsible for day-to-day pension matters including paying contributions to and preparing returns to pension schemes.

7.8 Staff Handbook

Policies and procedures relating to the employment, management and conduct of staff are published in the Staff Handbook and all staff are expected to observe the standards set out therein.

8 TRAVEL EXPENSES

The University's procurement and payments procedures are in place to enable the majority of supplies to be procured without staff having to incur any personal expense. However, on occasions, staff may incur expenditure on behalf of the University and are entitled to reimbursement. In circumstances where staff have to incur expenditure personally they will be reimbursed in accordance with the Travel and Expenses Policy.

The Chief Finance Officer is responsible for the University's Travel and Expenses Policy.

Staff travelling or providing hospitality on official University business should do so at no cost to themselves. When booking travel or incurring expenditure staff must ensure that they obtain value for money as far as reasonably possible.

Any receipt of gifts, hospitality or sponsorship must be dealt with in accordance with the University Anti-Corruption and Bribery Policy and section 3.4 of these Financial Regulations.

Claims for expenses for members of the University Board will be authorised by the Clerk to the Board. Claims for meeting attendance will be based on out-of-pocket expenses but only reasonable expenses can be reimbursed. In cases of any doubt, the matter shall be referred to the Remuneration Committee.

The Travel and Expenses Policy is available on the University's intranet.

9 ASSETS

9.1 Land, Buildings, Fixed Plant and Machinery

The purchase, lease or rent of land or building or fixed plant must only be undertaken in accordance with the Scheme of Delegated Financial Authorities set out in FROG No. 100.

9.2 Asset Registers

The Chief Finance Officer is responsible for maintaining the University's Fixed Asset Register for land, buildings, fixed plant and machinery and equipment. Budget Holders will provide the Chief Finance Officer with any information that is required in order to maintain the register.

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

Stocks requiring valuation for accounting purposes must be counted and valued according to stock-taking procedures approved by the Chief Finance Officer. Further guidance is included in FROG No. 151.

9.3 Safeguarding Assets

Budget Holders are responsible for the care, custody and security of University property under their control and must advise the Chief Finance Officer in any case where security is thought to be defective or where it is considered that special security or insurance arrangements may be needed.

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

9.4 Personal Use

Assets owned or leased by the University shall not be subject to personal use without authorisation from their Head of Department.

9.5 Return of Assets

Budget Holders are responsible for ensuring that members of staff return all items of University property, including equipment, computers, laptops, mobile phones, electronic storage devices, uniforms, identity cards and keys, prior to termination of their employment with the University.

9.6 Asset Disposal

Disposal of land, buildings or equipment must only take place with the appropriate authorisation as set out in the Scheme of Delegated Financial Authorities set out in FROG No. 100. Disposal of property, equipment and furniture must be undertaken in accordance with procedures contained in the University's detailed financial procedures set out in FROG No. 150.

9.7 Funds Held on Trust

The Chief Finance Officer is responsible for ensuring that incoming funds and donations of property are properly classified and designated appropriately.

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

The Chief Finance Officer is responsible for maintaining a record of the requirements for trust funds and control and investment of fund balances in accordance with the Treasury Management Policy.

Where a donation of property is offered by a donor, the University Secretary and General Counsel is responsible for ensuring the donor is the rightful owner of the property, and if the property is in the form of stocks or shares, that the holdings align with the University's Ethical Investment Policy.

At the time of the donation, the University Secretary and General Counsel should ensure the purpose of the donation is obtained and that any special conditions or restrictions on the use of the donation are recorded in an appropriate form and any certificates or other documents evidencing ownership are retained and held securely.

10 INSURANCE

The Resources Committee is responsible for approving the overall framework and policy types for the University's insurance arrangements.

The Chief Finance Officer is responsible for the University's insurance arrangements within the framework approved by the Resources Committee.

Staff must give prompt notification to the Chief Finance Officer of any potential new risks, additional property and equipment that may require insurance and any alterations or changes that may affect existing cover.

Staff must advise the Chief Finance Officer immediately of any event that may give rise to an insurance claim, and provide the Chief Finance Officer with such information or explanation as may be required in support of a claim.

Further guidance on insurance and claims is contained within FROG No. 160.

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

Staff using their own vehicles to undertake journeys for University business must maintain appropriate insurance cover for business use and must provide evidence of this cover prior to undertaking any business journeys. Further guidance on travel is contained within the Travel and Expenses Policy.

11 NEW COMPANIES AND JOINT VENTURE ARRANGEMENTS

In certain circumstances it may be advantageous to the University to establish or take an interest in a company or joint venture arrangement to undertake services on behalf of the University.

All such arrangements must be structured in consultation with the Chief Finance Officer and the University Secretary and General Counsel.

Details on the approvals required and governance arrangements for new companies and joint ventures are included in FROG No. 120 New Developments.

12 SECURITY

Keys to safes or other facilities used to hold cash, cheques or vouchers must be kept securely at all times. The loss of such keys must be reported to the Chief Finance Officer immediately. Guidance on Petty Cash and Cash Handling is available in FROG No 133 & 134.

The Chief Information and Infrastructure Officer is responsible for maintaining proper security and privacy of information held on the University's computer network. Appropriate security measures will be maintained, such as passwords for networked PCs, together with restricted physical access to network servers.

Information relating to individuals is subject to the provisions of the General Data Protection Regulations (GDPR) which is the responsibility of The University Secretary and General Counsel. Guidance on GDPR is available [here](#).

Information relating to debit and credit cards is subject to the requirements of the Payment Card Industry Data Security Standard (PCI DSS) which is the responsibility of the Chief Finance Officer. The University PCIDSS Policy is available [here](#).

The University Secretary and General Counsel 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 him/her. Where hard copy originals of deeds, leases, agreements and contracts exist, all such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

13 INTELLECTUAL PROPERTY RIGHTS AND PATENTS

Certain activities undertaken within the University including research and consultancy may give rise to ideas, designs and inventions. These are collectively known as intellectual property.

The University Secretary and General Counsel is responsible for establishing policies and procedures to deal with the University's intellectual property and any related income accruing to the University from intellectual property, inventions and discoveries made by staff in the course of their employment at the University.

In the event of the University deciding to become involved in the commercial exploitation of inventions and research, the matter should not proceed without the prior approval of the University Secretary and General Counsel and then in line with the procedures issued by the University and contained in the within the Staff Handbook.

14 MISCELLANEOUS

14.1 Students' Union

The Students' Union is a separate legal entity from the University and is responsible for maintaining its own financial regulations, bank accounts and financial records and for preparing its own annual financial statements. It is not part of the University Group.

14.2 Use of the University's Seal

Where a deed or document requires the University's seal, it must be sealed by the Clerk to the Board, or delegate, in the presence of a member of the University Board.

The Clerk to the Board shall keep a record of all documents to which the University's seal is affixed.

14.3 Provision of Indemnities

Any member of staff asked to give an indemnity, for whatever purpose, they should consult the Chief Finance Officer or the University Secretary and General Counsel before any such indemnity is given.

14.4 Waivers

In exceptional circumstances a waiver from the requirements of these Financial Regulations and / or the Procurement Code may be approved. Any such waivers must be approved, and in some cases reported, in accordance with the delegated approvals set out in the Scheme of Delegated Financial Authorities FROG No. 100.

14.5 Settlement of Legal Claims

There are occasions when a claim is made against the University. The delegated authorities for approving settlements are set out in the Scheme of Delegated Financial Authorities [FROG No. 100](#). Advice should be obtained from the University Secretary and General Counsel where appropriate.

14.6 Compliance with Legislation

In the event of any inconsistency or conflict between these Financial Regulations and current legislation, the legislation will take precedence. The Chief Finance Officer, in consultation with the University Secretary and General Counsel, shall ensure that these Financial Regulations are updated to comply with legislation and that any such updates are approved by the Resources Committee.

15 GLOSSARY OF TERMS

Audit and Risk Committee

A Committee of the Board charged with providing independent assurance of the adequacy of the University's risk management framework, internal control environment and the integrity of its financial reporting.

Budget Holders

A Budget Holder is a member of staff who has been assigned their own budget through the University's formal budget setting process.

A Delegated Budget Holder is a member of staff who has delegated authority devolved from a Budget Holder. The Delegated Budget Holder is accountable to the Budget Holder.

Chief Finance Officer

The University's most senior finance officer. A member of the University's Vice-Chancellor's Group, charged with leading and directing financial strategy and operations.

Chief People Officer

The University's most senior human resources officer. A member of the University's Vice Chancellor's Group, charged with leading and directing human resources strategy and operations.

Clerk to the Board

See University Secretary and General Counsel below.

Delegated Budget Holder

A Delegated Budget Holder is a member of staff who has delegated authority devolved from a Budget Holder. The Delegated Budget Holder is accountable to the Budget Holder.

Deputy Chief Executive Officer

A member of the University's Vice-Chancellors Group charged with leading and directing external relations and non-financial strategy and operations.

Employee

An individual who has a contract of employment with the University or one of its subsidiaries.

External Audit

An independent examination of the financial statements prepared by the organisation for statutory purposes. External auditors review the financial statements to ensure they are a 'true and fair' account of past financial performance and current financial position.

Heads of Department

This refers to, but is not limited to, Faculty Directors, Head of Schools, Directors or Heads of Service or any other person with responsibility for a department or distinct functional area.

Internal Audit

An assurance function that provides an independent and objective opinion to the University on the control environment, by evaluating its effectiveness in achieving the University's objectives.

Pro Vice-Chancellors

Members of the University's Vice-Chancellors Group charged with leading and directing specific aspects of academic or student-focused activity.

Regulatory Body

The Office for Students (OfS) was set up by the Higher Education and Research Act of 2017 and provides the regulatory framework within which the University must operate.

The full Regulatory Framework can be found online at www.officeforstudents.org.uk

Remuneration Committee

A Committee of the University Board with authority to deal with the appointment and remuneration of members of the Vice-Chancellor's Group, other related issues (including severance payments to members of the Vice-Chancellor's Group and other designated senior employees). The Remuneration Committee also has responsibility for policies relating to the expenses of members of the University Board and the Vice-Chancellor's Group.

Resources Committee

A Committee of the University Board responsible for considering detailed financial matters, together with matters relating to the University's resources (including property and human resources) and taking decisions in accordance with their delegated authorities and/or reporting to the Board.

Staff

Staff means employees (whether permanent, fixed-term or temporary) and all other individuals engaged by the University or acting on its behalf, including senior managers, officers, directors, consultants, contractors, trainees, seconded staff, homeworkers, casual workers, volunteers, interns, agents and sponsors.

Subsidiary Company

Any legal entity that is either owned or controlled by the University.

University

The University means the University of Central Lancashire Higher Education Corporation and its subsidiary companies.

University Board

The group of people ultimately responsible for setting the strategic direction of the University and responsible for its achievement. The University Board is also known as the Governing Body.

University Secretary and General Counsel and Clerk to the Board

The University's most senior legal officer. A member of the University's Vice-Chancellor's Group, responsible for ensuring the effective provision of advice and support to the University Board and its Committees, for advising on legal and governance matters and ensuring that the University receives appropriate and cost effective legal advice (both internal and external).

Vice-Chancellor

The most senior executive role in the University and a member of the University Board. This member of staff is accountable for the University's use of public funds and may be requested to appear before the Committee of Public Accounts.

Vice-Chancellor's Group

A group of the University's most senior staff. This group is chaired and led by the Vice-Chancellor and is responsible for the execution of strategy set by the University Board.

16 LIST OF FINANCIAL REGULATIONS OPERATIONAL GUIDANCE NOTES

Name	No.	Owner	Status	Link
Accounting Policies	171	Financial Services	Complete	FROG No. 171
Asset Disposal	150	Financial Services	Complete	FROG No. 150
Budget Holders and Delegated Authority	102	Financial Services	Complete	FROG No. 102
Budget Preparation and Control	103	Financial Services	Complete	FROG No. 103
Cash Handling	133	Financial Services	Complete	FROG No. 133
Conflicts of Interest *	104	Resources Committee	Complete	FROG No. 104
Use of External Auditors*	105	Resources Committee	Complete	FROG No. 105
Document Retention Periods	170	Financial Services	Complete	FROG No. 170
Name	No.	Owner	Status	Link

Employment Status of Workers	141	Financial Services	Complete	FROG No. 141
Gifts and Donations	135	Financial Services	Complete	FROG No. 135
Income: Invoicing and Collection of Income	130	Financial Services	Complete	FROG No. 130
Income: New Income Generating / Externally Funded Activity	121	Financial Services	Complete	FROG No. 121
Insurance	160	Financial Services	Complete	FROG No. 160
New Developments *	120	Resources Committee	Complete	FROG No. 120
Payment of Invoices (Purchase to Pay Procedures)	131	Financial Services	Complete	FROG No. 131
Petty Cash	134	Financial Services	Complete	FROG No. 134
Procurement *	110	Resources Committee	Complete	FROG No. 110
Scheme of Delegated Financial Authorities *	100	Resources Committee	Complete	FROG No. 100
Scheme of Delegated Authorities for Subsidiary Entities *	101	Resources Committee	Complete	FROG No. 101
Stocks and Inventories	151	Financial Services	Complete	FROG No. 151
Taxation	140	Financial Services	Complete	FROG No. 140
Travel & Expenses *	111	Resources Committee	Complete	FROG No. 111

*The Financial Regulations Operational Guidance Notes (FROGs) listed above will be available internally to all staff. FROGs denoted * are subject to approval by the Resources Committee.*

Other FROGs are subject to approval by the Chief Finance Officer