



GCU Financial Regulations

CONTENTS

1 INTRODUCTION

- [1.1 Foreword](#)
- [1.2 Terminology](#)
- [1.3 Financial Regulations](#)
- [1.4 Responsibilities](#)
- [1.5 Breach of Regulations](#)
- [1.6 Amendments](#)
- [1.7 Confidentiality of Information](#)
- [1.8 Disclosure of Interest](#)
- [1.9 Legality of Expenditure](#)

2 FINANCIAL ADMINISTRATION

- [2.1 Financial Memorandum](#)
- [2.2 The University Structure](#)
- [2.3 University Court](#)
- [2.4 Senate](#)
- [2.5 Finance and General Purposes Committee](#)
- [2.6 University Executive](#)
- [2.7 Audit Committee](#)
- [2.8 Other Committees](#)
- [2.9 Students' Association](#)
- [2.10 The Chair of the University Court](#)
- [2.11 The Chair of the Finance and General Purposes Committee](#)
- [2.12 The Principal](#)
- [2.13 University Executive](#)
- [2.14 Chief Financial Officer](#)
- [2.15 Heads of Departments](#)
- [2.16 Signing of Official Documents](#)
- [2.17 University Seal](#)

3 FINANCIAL PLANNING

- [3.1 Strategic Plan](#)
- [3.2 Financial Statement](#)
- [3.3 Estates Strategy](#)
- [3.4 Capital Programme](#)
- [3.5 Capital Programme: Authorisation of Expenditure](#)
- [3.6 Annual Revenue Budget](#)

4 REVENUE BUDGET

- [4.1 Budgets and Resource Allocation](#)
- [4.2 Guidelines](#)
- [4.3 Budget Holders](#)

5 BANKING ARRANGEMENTS

- [5.1 Operation of Bank Accounts](#)
- [5.2 Cash Handling and Banking](#)
- [5.3 Bank Accounts](#)
- [5.4 Bank Balances](#)
- [5.5 Cheque Control](#)
- [5.6 Bankers Automated Clearing System \(BACS\)](#)
- [5.7 Borrowing Powers](#)

6 INVESTMENTS

7 CASH IMPRESTS

- [7.1 Provision of Imprests](#)
- [7.2 Limit on Expenditure](#)
- [7.3 Reimbursement](#)

8 INCOME

- [8.1 Grants](#)
- [8.2 Tuition Fees](#)
- [8.3 Accounting Arrangements](#)
- [8.4 Sales Invoices](#)
- [8.5 Credit Control](#)
- [8.6 Budgetary Control](#)

9 BUDGETARY CONTROL

- [9.1 Budgetary Control](#)
- [9.2 Virement](#)
- [9.3 Variances](#)
- [9.4 Financial Reports](#)
- [9.5 Revenue Consequences of Capital and Other Expenditure](#)

10 SALARIES & WAGES

- [10.1 Establishment](#)
- [10.2 Notification](#)
- [10.3 Payroll Records](#)
- [10.4 Arrangements for Payments](#)

11 PURCHASES GOODS & SERVICES

- [11.1 Purchasing Responsibilities](#)
- [11.2 PECOS Purchase Orders](#)
- [11.3 Scheme of Delegated Authority](#)
- [11.4 Authorisation for Payment](#)
- [11.5 Method of Payment](#)

12 EXPENSES & ALLOWANCES

- [12.1 General](#)
- [12.2 Arrangements for Travel and Accommodation](#)
- [12.3 Authorisations](#)
- [12.4 Expense Claims](#)

13 CONTROL OF CAPITAL EXPENDITURE

- [13.1 Estates](#)
- [13.2 Authorisation](#)
- [13.3 Project Sponsor](#)
- [13.4 Equipment](#)

14 CONTRACTS & TENDERS

- [14.1 Introduction](#)
- [14.2 Tendering Procedures](#)
- [14.3 Record of Contracts](#)
- [14.4 Variations to Contracts](#)
- [14.5 Interim Payments](#)

[14.6 Retention](#)

15 FINANCIAL RECORDS

[15.1 Accounting Records](#)

[15.2 Retention of Records](#)

[15.3 Internal Check](#)

16 AUDIT ARRANGEMENTS

[16.1 Introduction](#)

[16.2 Internal Audit](#)

[16.3 External Audit](#)

[16.4 Irregularities](#)

17 FINANCIAL STATEMENTS

[17.1 Responsibilities](#)

[17.2 Year End Accounting Returns](#)

18 RISK MANAGEMENT

19 INSURANCE

[19.1 Responsibility for Insurance](#)

[19.2 Notification of Claims](#)

[19.3 Review of Insurance Cover](#)

20 SECURITY

[20.1 Responsibility](#)

[20.2 Safeguarding Assets](#)

[20.3 Periodic Checks](#)

[20.4 Disposals and Losses](#)

[20.5 Cash](#)

[20.6 Cheque Signing Controls](#)

[20.7 Bankers Automated Clearing System \(BACS\)](#)

[20.8 Safe Combinations](#)

[20.9 Pre-printed stationery](#)

[20.10 Data Protection Act](#)

[20.11 Encryption](#)

21 FIXED ASSETS

22 INVENTORIES

23 STORES

[23.1 Control](#)

[23.2 Stocktaking and Pricing](#)

24 LOSSES & SPECIAL PAYMENTS

[24.1 Losses of Items](#)

[24.2 Frauds, Misappropriations of Cash & Criminal Activity](#)

[24.3 Special Payments](#)

25 COMPANIES & COMMERCIAL ACTIVITIES

26 RESEARCH GRANTS & CONTRACTS

27 SFC RESEARCH GRANTS

28 INTELLECTUAL PROPERTY RIGHTS/PATENTS/COPYRIGHTS

29 RECOVERY OF INDIRECT COSTS (OVERHEADS)

30 PRIVATE WORK/CONSULTANCY

31 OTHERS

31.1 Pension Schemes

31.2 Taxation Status

31.3 Value Added Tax

31.4 Business Gifts and Hospitality

32 AUTHORISED AMENDMENTS

1 INTRODUCTION

1.1 Foreword

Glasgow Caledonian University was established by Statutory Instrument 1993 No 556 (S75) as amended by the Glasgow Caledonian University Order of Council 2010 (SI No 198), and came into being on 1 April 1993. It is a public body whose objectives are to advance learning and knowledge by teaching and research and to enable students to obtain the advantages of higher education.

The Scottish Funding Council (SFC) is a non-departmental public body established 3 October 2005 under the terms of the Further and Higher Education (Scotland) Act 2005 to provide financial support for teaching, research and associated activities in Scottish Higher Education Institutions and Further Education Colleges. The Funding section of the [SFC website](#) sets out the terms and conditions under which Scottish Funding Council will make payments to Glasgow Caledonian University from funds made available by the Scottish Government.

The University is a registered Scottish Charity (No. SCO21474) and is compliant with all financial and regulatory requirements of The Office of the Scottish Charity Regulator (OSCR).

1.2 Terminology

The following abbreviations have been used within these Regulations.

- SFC is the Scottish Funding Council
- The Executive is the University Executive
- [Financial Procedures](#) are the detailed operational procedures for financial administration within the University
- Regulations are the Financial Regulations of the University
- Court is the University Court
- Principal is the Principal and Vice-Chancellor
- Designated Officer means the holder of the Principal Office of the University
- Principal's nominee (Finance)/Principal's nominee (Estates) - the member of the Executive appointed by the Principal with overall responsibility for the specific area indicated

1.3 Financial Regulations

The Financial Regulations set out in principle the responsibility for finance within the University, and the University's arrangements for financial control. They apply to all Court members and University staff involved with University finances and covers all income and expenditure administered by the University whether funded by SFC, research contracts or any other source.

The regulations are not intended to meet every possible situation and it is important that appropriate advice is sought in case of doubt.

Financial Regulations are required to provide assurance that there is a permanent record of rules and accountability for the income and expenditure of funds and for the achievement of value for money.

Within the Regulations, references are made to [Financial Procedures](#) where appropriate.

1.4 Responsibilities

All staff have a general responsibility for the security of the University's assets, for avoiding loss, and for due economy in the use of resources. It shall be the duty of Heads of Departments to ensure that all existing and new employees are made aware of their responsibilities within, and the requirement to

adhere to, these Regulations. Executive Members have a similar responsibility in relation to newly appointed Heads of Departments.

1.5 Breach of Regulations

Any breach or non-compliance with these Regulations must be reported immediately to the Chief Financial Officer, the Financial Controller or the Director of Financial Planning who may discuss the matter with the Principal and/or other members of the Executive as may be appropriate to determine the proper action to be taken.

1.6 Amendments

The Executive is responsible for advising the Finance and General Purposes Committee on any necessary amendments or additions to the Regulations. A full review of the Financial Regulations will normally be undertaken every 3 years.

The Regulations shall not be altered in any way without the approval of the Chair of the Finance and General Purposes Committee on the recommendation of the Principal. Such changes shall be minuted at the Finance and General Purposes Committee and reported to the first meeting of Court thereafter.

Changes will be issued to staff as appropriate. The Financial Controller shall ensure that updated copies of the Regulations are available to Court members, budget holders and persons involved with finance in the University.

1.7 Confidentiality of Information

Financial information considered to be sensitive or of a confidential nature, received or obtained by any person in connection with their role within the University, must not be disclosed to any party without prior approval of the Chief Financial Officer.

1.8 Disclosure of Interest

Any member of the University Court or member of University staff having a personal, financial or other beneficial interest in any transaction between the University and third parties must disclose their interest to the relevant senior member of staff as appropriate and in accordance with the Register of Interest Policy and Procedure.

When a member of staff becomes aware that a conflict of interest may arise in relation to any contract, requisition for purchase, or proposed payment by the University, this shall be reported promptly. A member of University Court or a University Committee must report such a conflict to the Chief Financial Officer. Any other member of University staff must report such a conflict to the relevant senior member of staff. Any requisitions of purchase should be annotated accordingly.

Personal relationships between University staff members may invoke a conflict of interest. Any decision relating to University interests including authorisations are therefore required to be independent of the person requesting approval.

Guidance is not and cannot be all embracing, and it is for individuals to use their own good sense in applying the spirit of the guidance to circumstances in which they find themselves at any given time, in the interest of maintaining the highest standards of public integrity and accountability.

1.9 Legality of Expenditure

It shall be the duty of the Executive Members and Heads of Departments, as appropriate, to ensure that expenditure is not incurred unless it is within the Legal Powers of the University. In cases of doubt, Heads of Departments must consult the Chief Financial Officer before incurring expenditure. Further guidance is contained within the [Financial Memorandum](#).

2 FINANCIAL ADMINISTRATION

2.1 Financial Memorandum

The terms and conditions under which the University receives Grants for recurrent and capital purposes from SFC are set out in the [Financial Memorandum](#) between SFC and Glasgow Caledonian University. The principal features of the memorandum are:

- The Court of Glasgow Caledonian University is ultimately responsible for ensuring that funds from SFC are used only in accordance with the Further and Higher Education (Scotland) Act 2005 and any other conditions prescribed by SFC from time to time. The Court is also responsible for ensuring that the financial and management controls applied by the University are sufficient to safeguard funds received from the SFC.
- The Principal of the University, as designated officer, is required to satisfy the Court that there is compliance with all such conditions as prescribed by SFC. The designated officer may be required to appear before the Audit Committee of the Scottish Parliament alongside the Chief Executive of SFC on any matter relating to the University which arises before that Committee.
- The Principal is responsible for advising the Court if any action or policy under consideration by the Court is incompatible with the terms of the Memorandum. Should the Court decide nevertheless to proceed, the designated officer is required to inform the Chief Executive of SFC in writing.

The remainder of the memorandum contains arrangements for the financial management, audit, acquisition and disposal of capital assets, borrowing and leasing, financial statements, research grants and contracts, repayment of grants and insurance.

2.2 The University Structure

The Committees with prime responsibility for financial matters are the University Court, the Finance and General Purposes Committee, the Audit Committee and the Executive Board.

The Chair of the Finance and General Purposes Committee and the Principal has direct access to the University Court but normally exercise their financial functions through the Finance and General Purposes Committee and Executive respectively.

The External Auditor provides an audit report certificate, for inclusion within the financial statements, to the University Court and submits audit reports to the Chair of the Audit Committee, the Principal and to SFC.

2.3 University Court

The University Court shall oversee the University's financial affairs and carry out and promote its objectives. It has powers and duties conferred on it by statutes that are discharged through delegation to the Principal who has responsibility for the management and administration of the whole of the revenue and property of the University. The Court has ultimate control over the University and all its

financial affairs, purposes and functions and has all such other powers and duties as may be conferred upon it by statute. It delegates to and/or consults with other relevant committees in particular the Finance and General Purposes Committee, the Audit Committee, Executive and Senate.

The powers and duties of the University Court in respect of finance are set out below:

- The University Court must comply with any conditions imposed by the Scottish Funding Council for the payment of grant to it.
- To receive donations, legacies, annuities, subscriptions and other gifts for furtherance of the objects of the University, provided such donations, legacies, annuities, subscriptions and other gifts shall be applied in accordance with the directions of the respective testators or donors; in the absence of any specific direction relating thereto, the University Court shall be empowered to determine the manner in which any such donation, legacy, annuity, subscription or other gift in whole or in part shall be used to further the objects of the University. The receipt of the above should be within the guidelines set out in the Anti-Bribery Policy which has been in effect since July 2010.
- To receive and expend recurrent and capital funds, lend money (with or without security), borrow or raise money, guarantee and give security for the payment of money by the University, the University Court, or any other person, firm, company or body corporate (including any such person or entity associated with the University Court) and in exercising this power the University Court shall cause accounts to be kept of income and expenditure and shall appoint external auditors annually to audit same.
- To levy and receive fees for all services, including the provision of courses (whether or not leading to a degree or other academic distinction).
- The University Court may reimburse any member of the University Court for their reasonable travel and subsistence expenses.
- To make provision for the remuneration of staff appointed.
- To make provisions for the pensions of staff and the provision of benefits to them, their spouses, their civil partners, their dependants and others.
- The University Court must approve a business plan and budget for the University for each 12 month period.

Members of the University Court are assisted in their duties by standing committees, University Executive and professionally qualified senior officers who review, evaluate and recommend policy options, and by external professional advisers. The University Court has an overall responsibility for the University's finances and must ensure that it has sufficient information to enable it to fulfil its responsibilities.

The membership of the University Court shall consist of ordinary members comprising appointed, ex officio and elected governors. Appointed Governors shall consist of not less than nine and not more than eighteen members.

Governors ex officio shall be:

- Principal and Vice-Chancellor, and
- President of the Students Association

The staff Governors shall be elected as follows:

- A Senate member from among academic staff who are members of the Senate
- An Academic staff member from among members of such staff
- A member of professional support staff from among members of such staff

The constitution of the University is set out in the Glasgow Caledonian University Order of Council 2010 SI (No 198). This Instrument also sets out the regulation for appointing Court members.

2.4 Senate

Under the terms of the Statutory Instrument which established the University, the Senate has the following authority delegated to it by the University Court:

- the functions of the University Court relating to the overall planning, co-ordination, development and supervision of the academic work of the University; and
- supervising of research and commercialisation work as well as other functions as shall be assigned to the Senate by the University Court.

The composition of Senate as amended by Senate in July 2002 and approved by the University Court allows for ex-officio members made up of the Principal (Chair), Vice-Principals and Pro Vice Chancellors, Heads of Academic Departments, 6 Heads of Department (nominated by the Principal on the advice of the Executive Deans for 3 years), and the President of the Students' Association; 4 co-opted members; 12 academic elected members and 1 student elected member. Also in attendance are appropriate Heads of Support Departments and members of the University Executive who attend as non-voting advisors.

Senate has no direct responsibility for financial matters, but may comment on such in relation to its role in the development and maintenance of the academic work of the University and has representation on the University Court.

2.5 Finance and General Purposes Committee

2.5.1 Terms of Reference

The Finance and General Purposes Committee is responsible to the University Court and has the following terms of reference.

A. Financial Oversight and Controls

- To ensure that statutory requirements relating to the University's financial affairs are adhered to.
- To ensure compliance with the Scottish Funding Council Financial Memorandum and related guidance provided by the Scottish Funding Council and the new requirement of Outcome Agreements
- To ensure compliance with the University's Financial Regulations.
- To agree action to be taken in relation to financial irregularities. [Note – certain aspects of financial regularities fall within the remit of the Audit Committee]
- To approve the writing-off of individual debts in excess of £100,000. (The Principal/Executive Board authority is up to a cumulative maximum of up to £750,000 per annum.)

- To review and recommend approval of the Annual Report and Accounts to the University Court.
- To approve policies in relation to raising money externally, by any means, domestic or foreign and for any purpose.

B. Budget Setting/Monitoring

- To approve financial principles/strategy/key assumptions for the annual budget and strategic plan financial estimates.
- To contribute to strategic planning and to propose the University-wide annual budget (capital and revenue) and strategic plan financial forecasts for approval by Court.
- To ensure that the process of monitoring spend against budget is being carried out satisfactorily by the Executive Board and reported on by exception. Exception reports to be triggered in the event of:
 - forecasted positive or negative variations of 1% of the total budget
 - adverse variations of 1% in payroll
 - adverse variation of 10% on operating cash flow or planned borrowings
 - Students' Association – adverse variation of 5% of the budget figure
 - Glasgow Caledonian University Company Ltd – adverse variation of 10% of budgeted surplus
 - Major capital projects adverse variation of 5% on any single project
- To approve any expenditure in excess of £750,000.

C. Estates

- To review the University's Estates Strategy and recommend approval to Court (to be updated quinquennially as a minimum).
- To delegate financial authority relating to the implementation of specific projects arising from the Estates Strategy.
- To approve investment in/or disposal of property.

D. *Major Reorganisations

- To consider recommendations from the Principal and, where appropriate, Senate and to submit proposals to Court

*Defined as involving the creation/dissolution of departments or divisions involving more than 30 staff. The Principal is authorised to take executive actions up to 30 posts.

E. Contracts and External Collaborations

- To approve any income generating projects worth more than £750,000 or research grants/research contracts in excess of £2,000,000 turnover.

F. Financial Claims

- To agree the strategy to be followed in relation to financial claims against the University in excess of £750,000.

G. Appointment of Bankers

- To appoint the University's bankers.

H. Early Retirements

- To monitor the adequacy of the financial provision that has been made for early retirements.

I. Students' Association

- To observe the financial affairs of the Students' Association on the basis of exception reports from the Executive Board.

J. Companies

- To approve the formation/dissolution of University companies and to monitor overall performance by exception reports from the Executive Board.

K. Insurance

- To ensure that the University is adequately covered in respect of its assets and activities.

L. Caledonian Investment Fund*

- The Caledonian Investment Fund Board may approve expenditure on individual projects up to £50,000, not exceeding £500,000 in any single financial year. Requests for expenditure approvals on any one investment exceeding £50,000 should be submitted to the Finance and General Purposes Committee.

**The Caledonian Investment Fund is available to staff and students to support a wide range of activities that will stimulate the development of enterprise and entrepreneurship across the University. The total fund available is £0.5m, with investment of up to £50k for staff and typically £5k for students. The investment policy is designed to establish a sustainable fund.*

M. Major Projects

- The Committee may create ad hoc, time limited sub-committees for major projects in areas of estates, internationalisation and commercialisation.

N. Monitoring Risk

- To map the committee's terms of reference onto the corporate risk register and to monitor those risks which are encompassed in the committee's sphere of responsibility.

O. Committee Membership

- To keep the committee membership under review in order to maintain consistently the relevant balance of skills, knowledge and experience and to advise the Membership Committee accordingly

P. Committee Objectives

- Inasmuch as benchmark information is available, to benchmark the committee's objectives annually against comparable institutions to ensure that these continue to be fit for purpose and reflect best practice in terms of corporate governance.

Q. Communication between Finance and General Purposes Committee and Audit Committee

- Communication between the Audit Committee and the Finance and General Purposes Committee is done by an exchange of committee papers and minutes between the Committee Chairs.

2.5.2 Membership

Membership of the Finance and General Purposes Committee shall include 5 lay members of Court (one of whom shall be its Chair), the Principal, the Chief Financial Officer and the President of the Students' Association. The Financial Controller and The University Secretary will also be in attendance.

2.5.3 Quorum

A quorum comprises no fewer than 3 members of the Committee, one of whom must be the Chair or Deputy Chair of the Committee.

2.6 University Executive

The University Executive consists of the Principal, University Secretary, Vice-Principals & Pro Vice-Chancellors and it is advisory to the Principal and may, through the Principal, from time to time advise the Court on financial/resource, People Services and other matters. The University Executive's remit is as follows:

- To develop, for consideration by the Senate, policy proposals relating to teaching and learning, research and the academic developments of the University.
- To prepare policy proposals for consideration by the University Court on the University budget, resource allocation priorities, estates development, staffing issues and on other matters within the remit of the University Court.
- To be responsible to the Senate or University Court (as appropriate) for the implementation and execution of their agreed policies and to keep the Senate or University Court fully informed on such matters.
- To be responsible for the overall preparation of the University Strategic Plan for presentation to the Senate and the University Court.
- To be responsible for the implementation of the agreed University Strategic Plan
- To consider and make recommendations on any matters referred to the Committee by the Senate or the University Court.
- To consider issues raised, from time to time, by Schools and Departments and to receive recommendations and observations from the Student Association Executive Committee.
- From time to time, to prepare and disseminate consultation papers on significant policy issues and to receive comments thereon.

It is the University's policy to devolve financial accountability by transferring budgetary control responsibilities to members of Executive Members, Heads of Departments and other Budget Holders.

For Academic Departments within each School, the respective Executive Dean, supported by the School's Senior Management Group, is accountable for University funds expended.

For Support Departments, the respective Head of Department is accountable to the Executive for University funds expended.

The Executive must ensure proper financial control within the University.

The staffing complement of the University is set and controlled by the Executive and is divided among Schools and Departments as set out in the annual budget of the University. Budget holders must apply for additional resources through the dedicated Resourcing Group (RG), which has been set up to oversee staffing.

The Executive can also consider and approve requests for expenditure additional to annual budget out

of contingency or other available funds where proposals are consistent with the Court's agreed strategy.

2.7 Audit Committee

The University's audit arrangements shall comply with the SFC Audit Code of Practice which is a requirement of the Financial Memorandum between the University and SFC.

The Court shall appoint an Audit Committee to keep the University's financial procedures and controls under review, ensuring compliance, and to report to the Court thereon.

The Audit Committee has the right of access to any minutes, books, documents or any information kept by the University and may inspect any assets belonging to the University. The Committee may also require officers to supply information either written or verbal on any financial matter.

The terms of reference of the Audit Committee are;

A. Internal Control and Risk Management

- reviewing and advising Court concerning the internal and external auditors' assessments of the effectiveness of the institution's risk identification and mitigation procedures and financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness;
- monitoring and reviewing the effectiveness of the institution's risk management, control and governance arrangements;
- reviewing and advising Court on its compliance with corporate governance requirements and good practice guidance; and
- advising Court on compliance with the SFC Outcome Agreement.

B. Internal Audit

- advising Court on the scope and nature of the internal audit provision;
- advising Court on the selection, appointment or re-appointment and remuneration, or removal of the internal audit provider where the service is contracted-out. The responsibility regarding selection of a contracted-out provider may be delegated to an Evaluation Committee;
- advising Court on the terms of reference for the internal audit provider;
- reviewing the scope, efficiency and effectiveness of the work of internal audit, considering the adequacy of the resourcing of internal audit and advising Court on these matters;
- advising Court of the Audit Committee's approval of the basis for and the results of the internal audit needs assessment and the strategic and operational planning processes;
- approving the criteria for grading recommendations in assignment reports as proposed by the internal audit provider;
- reviewing the internal audit provider's monitoring of management action on the implementation of agreed recommendations reported in internal audit assignment reports and internal audit annual reports;
- considering salient issues arising from internal audit assignment reports, progress reports, annual reports and management's response thereto and informing Court thereof;

- informing Court of the Audit Committee's approval of the internal audit service's annual report;
- ensuring establishment of appropriate performance measures and indicators to monitor the effectiveness of the internal audit service;
- securing and monitoring appropriate liaison and co-ordination between internal and external audit;
- ensuring good communication between the Committee, the University and the person responsible for the internal audit service; and
- responding appropriately to notification of fraud or other improprieties received from the person responsible for the internal audit service or other persons.

C. External Audit

- advising Court on the selection, appointment, annual re-appointment and remuneration, or removal, of the external auditors and the scope of their work. The responsibility regarding selection may be delegated to an Evaluation Committee;
- considering the University's annual financial statements and the external auditor's report prior to submission to Court. The Committee should consider the external audit opinion, the Statement of Members' Responsibilities and any relevant issue raised in the external auditor's management letter;
- reviewing the external auditor's annual Management Letter and monitoring management action on the implementation of the agreed recommendations contained therein;
- advising Court of salient issues arising from the external auditor's management letter and any other external audit reports, and of management's response thereto;
- reviewing the statement of corporate governance included within the University's Annual Accounts;
- establishing appropriate performance measures and indicators to monitor the effectiveness of the external audit provision;
- reviewing the external audit strategy and plan;
- holding discussions with external auditors and ensuring their attendance at Audit Committee and Court meetings as required;
- considering the objectives and scope of any non-statutory audit work undertaken or to be undertaken, by the external auditor's firm and advising Court of any potential conflict of interest;
- requiring appropriate liaison and co-ordination between external and internal audit

D. Private Meetings

- having a process in place to allow meetings (or parts thereof) with only the committee members present to discuss any issues or concerns among themselves in order to allow them to understand and constructively challenge management and the auditors better;

- having a process in place for holding private meetings with both the internal and external auditors to discuss matters which may not have been addressed as part of the audit;
- having a process in place to communicate any issues arising from such meetings to management where necessary

E. Value for Money

- establishing and overseeing a review process for evaluating the effectiveness of the institution's arrangements for securing the economical, efficient and effective management of the institution's resources and the promotion of best practice and protocols and reporting to Court thereon;
- advising Court on potential topics for inclusion in a programme of value for money reviews and providing a view on the party most appropriate to undertake individual assignments considering the required expertise and experience; and
- advising Court of action that it may wish to consider in the light of national value for money studies in the higher education sector.

F. Advice to the University Court

- reviewing the institution's compliance with the SFC Outcome Agreement and advising Court on this;
- producing an annual report for Court;
- advising Court of significant, relevant reports from the Council and Audit Scotland and successor bodies and, where appropriate, management's response thereto;
- reviewing reported cases of impropriety to establish whether they have been appropriately handled; and
- advising Court on Business Continuity and Institutional Risk Appraisal.

G. Communication with Finance & General Purposes Committee

- Communication between the Audit Committee and the Finance and General Purposes Committee is done by an exchange of committee papers and minutes between the Committee Chairs.

H. Monitoring Risk

- to map the committee's terms of reference onto the corporate risk register and to monitor those risks which are encompassed in the committee's sphere of responsibility.

I. Committee Membership

- to keep the committee membership under review in order to maintain consistently the relevant balance of skills, knowledge and experience and to advise the Court Membership Committee accordingly.

J. Committee Objectives

- In as much as benchmark information is available, to benchmark the committee's objectives annually against comparable institutions to ensure that these continue to be fit for purpose and reflect best practice in terms of corporate governance

2.7.2 Composition of Committee

Membership of the Audit Committee shall include no fewer than 4 lay members of Court (one of whom shall be its Chair) and the Senate representative on Court. Also in attendance will be the Principal, Chief Financial Officer, Financial Controller, University Secretary and when appropriate, a representative from both internal and external auditors.

2.7.3 Quorum

A quorum comprises no fewer than 3 members of the Committee, one of whom must be the Chair of the Committee or his/her nominee.

2.8 Other Committees

Where a committee has been allocated a budget for a particular purpose the budget must be controlled by a budget holder who shall in turn be responsible to a member of the Executive (see [section 2.6](#)).

2.9 Students' Association

The Officers of the Students Association are responsible to Finance and General Purposes Committee for the proper expenditure of funds allocated to the Association. The Finance and General Purposes Committee carry out an oversight role on behalf of the Court for the proper expenditure of funds. The Association shall maintain its own bank account and financial records and prepare its own financial statements. The financial statements shall be externally audited.

The Association shall operate within its own Financial Regulations as approved by the Association.

2.10 The Chair of the University Court

On occasions, in the interests of expediency, the University Court may grant delegated authority to the Chair of Court, who is a lay member of Court, to deal with a matter by Chair's action, or to some sub-set of Court to act on its behalf between meetings. Action taken under delegated authority shall normally consist of business which would not require to be discussed at a meeting of Court such as signing documents or detailed implementation of matters already discussed and agreed at a previous Court meeting. The Chair shall be answerable to the University Court for any action which he or she takes on its behalf and a written report of any such action shall be made to the next meeting of Court for homologation by Court. In all cases, the University Court shall be ultimately accountable and shall accept corporate responsibility for the actions taken.

2.11 The Chair of the Finance and General Purposes Committee

The Chair of the Finance and General Purposes Committee, who is a lay member of the University Court, is responsible, with the assistance of other members of the Committee, to the University Court for maintaining an overview of the University's financial policies.

The Chair of the Finance and General Purposes Committee will be required to have particular expertise in financial affairs.

2.12 The Principal

The Principal is the chief academic and administrative officer of the University and, as the University's Designated Officer, has the prime responsibility to SFC in respect of the financial administration of the University's affairs. The Principal is supported in her role by members of the Executive, in particular the Chief Financial Officer, senior staff and advisory groups, as well as external consultants.

The Principal may delegate authority, but not responsibility, in financial matters to the Chief Financial Officer who shall be a member of the University Executive.

2.13 University Executive

Through the Principal, the Executive has delegated responsibility for a group of cost centres and must ensure that budget holders maintain adequate financial and budgetary control. In this respect, the above officers are all accountable to the Principal.

The Executive Dean is the senior budget holder in a School. The overall level of funding for salaries and other costs within the Schools will be determined by the Executive Board. The Executive Dean is responsible for generating the funding for the School, including SFC funding for teaching and learning and research, as well as international student, knowledge transfer, consultancy and non-SFC income. Some school funding is centrally awarded. The Executive Dean will control the allocation of income to secure strategic priorities and meet the School's needs and ensure the achievement of the School's financial out-turn which shall be determined annually by the Executive Board.

Within the funding allocated by the Executive Board, the Executive Dean has discretion to hold such designated budgets as may be required within the School for subsequent allocation between Departments. Details are set out in the [Financial Procedures](#). Requests for additional funding to that provided in the budget must be made to the Executive Board.

2.14 Chief Financial Officer

The Chief Financial Officer is responsible to the Principal for the financial administration of the University and, in particular, for ensuring that the University has satisfactory systems of financial management and control. The Chief Financial Officer is supported by the Financial Controller and the Director of Financial Planning.

2.15 Heads of Departments

Heads of Departments are responsible to the Executive Dean for financial administration in their area. Heads of Support Departments are responsible to their respective Executive Director for financial administration in their area.

2.16 Signing of Official Documents

The University Court has agreed the following regulation setting out the scheme of delegated signing authority.

Court has delegated financial authority to the Principal, the University Secretary and other members of the Executive. The arrangements for the delegation of authority to sign official documents are aligned with the scheme of delegated financial authority.

- Two signatures, including the signature of a governor (appointed governors and staff governors) will be required in the following circumstances:
 - Every document to which the Seal is affixed shall be signed by a member of the University Court (except academic awards which will be signed by the Principal) and shall be countersigned by the Principal or the Principal's nominee; or where the Seal is used with the authority of Senate, by the Clerk to Senate. Such documents must have been evaluated and approved by Court or the relevant Committee or Senior Officer prior to presentation for sealing.

- Court shall delegate signing authority in the following circumstances:
 - Any individual contract or document which commits the University to expenditure in excess of the limit of financial delegation stipulated in the Scheme of Delegated Financial Authority approved by the Finance & General Purposes Committee and ratified by Court, may be signed by the principal or the Principal's nominee where the decision to commit to the expenditure has been approved by Court and duly ratified in the Court minutes.
 - All other documents may be signed by the Principal or the Principal's nominee.

2.17 University Seal

The University Seal may only be used with the Authority of Court or that of a Committee or Officer duly authorised by the University Court to use it. The University Court has delegated power to the Chair of the Court and the Chair of the Finance and General Purposes Committee to authorise the use of the seal in University business.

Every document to which the Seal is affixed shall be signed by a member of the University Court (except academic awards which will be signed by the Principal) and shall be countersigned by the Principal's nominee; or, where the Seal is used with the authority of Senate, by the Clerk to Senate. Such documents must have been evaluated and approved by the relevant Senior Officer or Committee prior to presentation for sealing.

The Principal or nominee shall be responsible for the security and use of the University Seal.

3 FINANCIAL PLANNING

3.1 Strategic Plan

The Executive shall formulate the University's objectives, identify priorities and formulate the broad strategy for inclusion in the Strategic Plan. The Finance and General Purposes Committee will contribute to the Strategic Planning Process.

The Executive shall develop and agree the policies required to implement the Strategic Plan.

The Strategic Plan shall be approved by the University Court prior to submission to SFC as appropriate.

3.2 Financial Statement

The Strategic Plan shall include a Financial Statement to quantify the financial implications in meeting the objectives of the Strategic Plan.

3.3 Estates Strategy

The Executive shall prepare for consideration by the University Court an Estates Strategy for the University which provides a framework for management decisions relating to all aspects of the University's utilisation of its property. The strategy shall recognise the need for additional accommodation, major refurbishment, asset acquisition or disposal, major buildings works and equipment in line with the priorities identified in the Strategic Plan.

3.4 Capital Programme

The Estates Strategy shall form the basis of a capital programme that identifies income and expenditure profiles within the University's financial capacity.

3.5 Capital Programme: Authorisation of Expenditure

- Estates Strategy
The approval of the Estates Strategy by the Court shall permit the Principal's nominee (Estates) to incur preliminary expenses and design costs in respect of projects included in the Plan.
- Capital Programme
The Finance and General Purposes Committee shall set a delegated level of expenditure within which the Executive shall have responsibility for approving and implementing capital schemes. Above this level, Finance and General Purposes Committee shall recommend schemes for approval by the Court.

As soon as it can be estimated with reasonable accuracy that an approved scheme will exceed the approved expenditure, a revised scheme or approval for additional expenditure shall be submitted, in accordance with the delegated level for the expenditure now estimated.

3.6 Annual Revenue Budget

The Director of Financial Planning shall prepare a draft annual budget which includes options for consideration of the Executive and the Finance and General Purposes Committee. In accordance with the Financial Memorandum the approved budget should provide that (a) the University's total income is not less than sufficient, taking one financial year with another, to meet its total expenditure; and (b) the University's financial viability is maintained.

4 REVENUE BUDGET

4.1 Budgets and Resource Allocation

The Director of Financial Planning shall be responsible for preparing short, medium and long term financial forecasts for submission to the Executive and then to the Finance and General Purposes Committee. In accordance with SFC requirements, the University must plan its affairs in such a way as to ensure that solvency is maintained.

Executive Deans and Heads of Support Departments shall provide the Director of Financial Planning with all financial, statistical and other information required to prepare estimates to a timetable approved by the Executive.

The Executive shall be responsible for evaluation and recommendation of budgets for submission to the Finance and General Purposes Committee. The Director of Financial Planning shall be responsible for ensuring that proper procedures exist for the control of expenditure against approved budgets.

4.2 Guidelines

The Director of Financial Planning shall issue guidelines to Budget Holders on procedures and requirements for completion of budget submissions. Budget Holders shall formulate estimates consistent with the University Strategic Plan. The Executive shall consider estimate submissions and ensure that the totals approved are within the resources available to the University.

4.3 Budget Holders

Budget holders are accountable to the relevant Executive Member for the proper use of funds in accordance with these Regulations and procedural notes issued to budget holders.

Budget holders shall not overspend unless specifically authorised by the Principal or the Principal's nominee (Chief Financial Officer).

Detailed guidelines are included within the [Financial Procedures](#).

5 BANKING ARRANGEMENTS

5.1 Operation of Bank Accounts

The University's choice of bankers shall be determined from time to time by the University Court on advice of the Finance and General Purposes Committee, and the Chief Financial Officer. All operational arrangements with the University's bankers concerning the University's bank accounts shall be made by the Financial Controller.

Departments shall not operate a bank account in the name of the University. Cheques or financial instruments made payable to the University shall not be endorsed or credited to any other account.

Each University Company shall be required to operate a separate bank account.

Detailed procedures are included within the [Financial Procedures](#).

5.2 Banking and Cash Handling

All monies received shall be paid intact into the University bank account at such intervals as may be approved by the Financial Controller. This shall normally be on a daily basis.

Unless separate specific arrangements are made with the Chief Financial Officer, third parties shall be directed to lodge funds due to the University in accordance with the [Cash Handling & Banking Procedures](#).

5.3 Bank Accounts

All Bank Accounts relating to the University shall include in their title "Glasgow Caledonian University".

5.4 Bank Balances

The Financial Controller shall ensure that the balances held on bank current accounts, as per the Bank's records, are maintained at the lowest operating level.

Any funds surplus to immediate requirements may be placed on deposit in accordance with the Treasury Management policy approved by the Finance and General Purposes Committee.

5.5 Cheque Control

The Financial Controller shall make arrangements for the ordering, controlling and signing of cheques on behalf of the University.

A panel of cheque signatories shall be maintained to sign cheques in the event of failure of the University cheque signing machine.

5.6 Bankers Automated Clearing System (BACS)

The Financial Controller shall ensure that adequate arrangements exist for the control of BACS payments and for the security of passwords. Details are contained within the [Financial Procedures](#).

5.7 Borrowing Powers

The authority for borrowing lies solely with the University Court. Loan agreements may only be signed on behalf of the University Court by two of the following; Chair of University Court, Chair of Finance and General Purposes Committee, the Principal and the Chief Financial Officer.

Loan agreements may involve the action of fixing of interest rates or taking out derivatives after the principle of doing so has been agreed and signed by Court. To ensure such action is taken in a timely manner, as required by the nature of these transactions, the Chief Financial Officer will seek the approval of the Chair of the Finance & General Purposes Committee to the proposed transactions.

The University must comply with the conditions set out in the Financial Memorandum in respect of borrowing.

6 INVESTMENTS

The Finance and General Purposes Committee is responsible for approving the investment policy, contained within the Treasury Management Policy, for University funds.

The Financial Controller is responsible for maintaining records of investments, both capital and income, for ensuring safe custody of all relevant documents, and for reporting investment performance regularly to the Finance and General Purposes Committee. Deposits shall only be invested in accordance with the policy approved by the Finance and General Purposes Committee.

The Financial Controller has delegated responsibility for short-term investment of surplus cash funds, in accordance with the policy approved by the Finance and General Purposes Committee.

All investment decisions should be considered in line with the University's Ethical Investment Policy which details the environmental, social and governance issues that are required to be considered.

7 CASH IMPRESTS

7.1 Provision of Imprests

A central Petty Cash Imprest shall be operated by the Saltire Base Desk. Any subsidiary imprests shall be operated at a level, agreed by, and within the guidelines issued by the Chief Financial Officer.

7.2 Limit on Expenditure

Payments from imprest accounts shall be limited to minor items of expenditure, within a maximum single item re-imbusement level. The maximum re-imbusement level shall be determined by the Chief Financial Officer and included within the [Financial Procedures](#).

7.3 Reimbursement

Single item purchases may not be split over several claim forms. Each claim for reimbursement of expenditure must be fully supported by receipts. Staff responsible for petty cash imprests shall prepare a reconciliation of the cash in hand plus the value of vouchers with the imprest amount, prior to reimbursement of the float or upon request by the Financial Controller.

8 INCOME

8.1 Grants

The Financial Controller shall ensure that arrangements are in place to receive all grants due from SFC and other funding sources.

8.2 Tuition Fees

Co-ordinated by the Finance Office, Home, EU and RUK Fees are set annually by the schools during the planning process, approved by the School Senior Management Group (SMG).

International Fees are set by the International Office and approved by the Executive Board.

8.3 Accounting Arrangements

The Financial Controller shall be responsible for implementing procedures to ensure that all monies due to the University are collected, and properly recorded in the financial records. These arrangements shall incorporate the principles of internal check and ensure an adequate segregation of duties.

All income receivable must be accounted for gross; payments may not be netted off against receipts.

Under no circumstances shall income be borrowed by staff for personal use.

The cashing of personal cheques is prohibited.

Fee levels, charges for services rendered and goods supplied, rents and lettings including students' residences, shall be determined by procedures that have been approved by the Finance and General Purposes Committee.

8.4 Sales Invoices

The Finance Office shall be advised of all income due to the University to ensure suitable arrangements can be made for collection. The Financial Controller shall be consulted, as appropriate, for advice on charges for goods and services.

I&E Accounts used for income due to the University shall be issued by the Finance Office unless alternative arrangements are agreed with the Financial Controller.

8.5 Credit Control

The Financial Controller shall develop and maintain procedures to monitor and recover outstanding debts.

A firm of solicitors or an external debt recovery agency shall be used where debts are difficult to collect and the value exceeds an amount determined by the Financial Controller.

The Finance and General Purposes Committee shall receive a regular statement of debts due to the University and approve amounts to be written off as bad debts.

8.6 Budgetary Control

The Director of Financial Planning shall include in the regular monthly monitoring report a statement comparing the actual income received against the budget.

9 BUDGETARY CONTROL

9.1 Budgetary Control

The approved cost centre budgets shall form the basis of the University's Budgetary Control System. The system adopted shall incorporate the reporting of, and the investigation into, variances. The Director of Financial Planning shall be responsible for providing budgetary information and advice to enable Budget Holders to carry out their budgetary responsibilities.

The Executive has responsibility for ensuring that budget officers carry out their function within the limits of their budgets and that resources are managed effectively.

9.2 Virement

Virements between budget heads shall be in accordance with the [Financial Procedures](#).

9.3 Variances

The Director of Financial Planning shall report any significant variances of income or expenditure from budget to Executive to determine any remedial action. Variances will be reported to Finance and General Purposes Committee, where material, in accordance with their requirements.

9.4 Financial Reports

The Director of Financial Planning shall provide such reports as may be required by the Executive and the Finance and General Purposes Committee to enable the financial performance of the University to be monitored against budget.

9.5 Revenue Consequences of Capital and Other Expenditure

Where proposals are presented to the appropriate committee they shall specifically identify the extent of any financial implications. They shall include an estimate of income and expenditure in current and future years, the revenue consequences of capital proposals and proposed sources of finance.

10 SALARIES & WAGES

10.1 Establishment

All University employees shall be paid according to the salary scales approved by the Court. All letters of appointment or variations in conditions of service are issued by the People Services and all payments of salaries and wages are made through the Finance Office after deduction of the appropriate tax and national insurance contributions. Only exceptionally, at the discretion of the Chief Financial Officer, may advances of salary be made.

The Remuneration Committee of the University Court shall be responsible for determining the salaries of the senior staff.

Payroll and other payments to individuals must be made in compliance with HMRC Regulations.

10.2 Notification

The Payroll Team shall act upon written instructions endorsed by People Services on all matters affecting the payment of emoluments, in particular:

- Appointments, resignations, dismissals, supervisions, arrestment's, secondments and transfers.
- Changes in remuneration including increments, pay awards and other agreed emoluments.
- Absences from duty for sickness or other reason apart from approved leave.
- Information necessary to maintain records of service for pension, income tax and social security purposes.

10.3 Payroll Records

The Financial Controller shall develop and maintain an adequate control system for payroll records and ensure that the principles of internal check are operated as far as possible. Additionally, payroll records shall meet all statutory and legal obligations with regard to the University's employees.

All payroll documentation shall be in a form approved by the Financial Controller.

10.4 Arrangements for Payments

The Financial Controller shall make appropriate arrangements for the payment of all salaries, wages, pensions and other emoluments to all employees, former employees or beneficiaries.

11 PURCHASES GOODS & SERVICES

11.1 Purchasing Responsibilities

The Head of Procurement is responsible for coordinating the University's purchasing arrangements.

All University staff who are authorised to purchase for Glasgow Caledonian University are required to demonstrate value for money and obtain supplies, equipment and services at the lowest possible cost consistent with quality and delivery requirements and in accordance with sound business practice, taking due account of relevant ethical and environmental standards.

Purchasing decisions must always be undertaken with the objective of securing maximum value for money, taking account of the technical requirements of the user, whole life costing, the management of commercial risks, compatibility with existing infrastructures and investments and environmental considerations.

The University will seek, together with other Higher and Further Education Institutions, sector and national centres of procurement expertise and other public sector bodies, to utilise collaborative arrangements to obtain optimal terms for the purchase of goods and services where such collaboration provides demonstrable benefit to the University.

The Procurement Team will support academic and administrative needs in obtaining goods and services at competitive costs.

Executive Deans, Heads of Departments and Budget Holders are responsible for ensuring that all purchasing activities within their areas operate in accordance with the University's Procurement Policy and Procedures, the University Financial Regulations and are compliant with all applicable legal requirements. All Procurement is subject to the approval processes and limits set out in the Scheme of Delegated Authority which forms part of the University Financial Procedures.

As part of the budgetary control process, it is the Budget Holder's responsibility to control departmental expenditure.

The Budget Holders may choose to delegate authority for procurement related matters to nominated buyers. This does not absolve the Budget Holder from the ultimate responsibility and accountability for the proper execution of the purchasing process.

The extent to which nominated buyers are accountable should be clearly defined and documented by the completion of the 'Scheme of Delegation Form'. These forms are available from the Management Accounting Section of the [Finance Office portal](#).

Budget Holders and nominated buyers should be appropriately trained in relevant aspects of purchasing.

The Procurement Team has published a Procurement Manual which contains strategies, policies and procedures. The manual is available from the Finance Office portal and should be consulted for all purchases.

Purchasing (to include the acquisition of goods and services) shall always be undertaken with the objective of securing maximum value for money and be in accordance with the [University's Purchasing Manual](#) which includes requirements for obtaining quotations and tenders.

The Financial Controller is responsible for implementing procedures for all official orders issued for the supply of goods and services required by the University. Detailed operating instructions are contained within the [Financial Procedures](#).

11.2 PECOS Purchase Orders

PECOS is used by authorised staff to raise requisitions which follow an approval route based on the Scheme of Delegated Authority and once approved the orders are transmitted electronically to suppliers. A commitment against a budget is registered within 24 hours in Oracle. Deliveries are receipted through PECOS while invoices are processed through Oracle. PECOS purchase orders must be raised for all goods and services supplied to the University by external suppliers; the only exceptions are those items which have approval by the Finance Office (e.g. periodicals). The following exceptions are detailed in the Procurement Manual:

- Petty Cash Purchases
- Goods or services supplied under contract – taxis etc.
- Library books/periodicals
- Eye Clinic

- Courses and Conferences
- Purchases made through credit cards

Exceptionally, where a verbal order is placed with a supplier subject to prior written approval under the scheme of delegated authority it shall be immediately confirmed by the issue of an official PECOS purchase order clearly marked "Confirmation Only".

11.3 Scheme of Delegated Authority

The Finance Office shall maintain a list of specimen signatories of those staff allowed to raise and approve orders and to sign for goods received. Schools and Support Departments must provide Finance with updates to the Scheme of Delegated Authority as additions or deletions are required. For further details on how this is processed refer to the Delegated Authority Policy. The Financial Controller shall review the signatory list periodically to ensure that it is up to date.

University Financial Procedures must be applied when an order is placed using either PECOS or the paper based order process (i.e. there must be a segregation of duties between the originator of the order, the requisitioner and the approver or authorisation of the order). This forms part of the business rules built into PECOS at organisational level. Full details are contained within the [Financial Procedures](#).

11.4 Authorisation for Payment

Budget Holders, or their nominated representatives, shall ensure that all goods, materials and services received are checked, in respect of price, quantity and quality prior to receipting.

The goods receipting process within PECOS completes the authorisation process and is a pre-requisite to payment of matching invoices.

Full details are contained within the [Financial Procedures](#).

11.5 Method of Payment

The Financial Controller shall determine the most appropriate method of payment for goods and services supplied to the University. The normal payment methods shall be Bankers Automated Clearing System (BACS), in exceptional circumstances cheques will be issued.

12 EXPENSES & ALLOWANCES

12.1 General

Detailed operating instructions for travel and expenses are contained within the [Financial Procedures](#). The [Financial Procedures](#) also gives guidance on claims by members of the University Court.

12.2 Arrangements for Travel and Accommodation

The Financial Controller shall implement procedures for travel and accommodation arrangements. University staff must use the appointed travel agent for the majority of their travel. Full details can be found in the [Travel and Accommodation Policy](#).

12.3 Authorisations

The Budget Holder as per the Scheme of Delegation shall ensure that the amounts approved on Authorisation Forms are within budget limits. Certification of authorisations and expense claims must always be made by an authorised signatory.

12.4 Expense Claims

All claims made by staff for payment of subsistence allowances and incidental expenses shall be submitted through iExpenses, automatically routing to the supervising manager with budget responsibility. The Finance Office will audit and process claims for payment. Expense claims shall not be reimbursed from petty cash.

The approval of an expenses claim shall be taken to mean that the approver is satisfied that the expenditure has been properly and necessarily incurred on official University business.

Travel and subsistence allowances represent the maximum entitlement to out of pocket expenditure and shall normally only be reimbursed to the extent that the claim is supported by vouchers and receipts. Exceptions to this rule shall be made only when authorised by the appropriate Head of Department. Expense Claims without supporting vouchers may be taxable.

All staff are required to process expenses through the online expenses system, iExpenses.

13 CONTROL OF CAPITAL EXPENDITURE

13.1 Estates

The Executive lead for Estates shall be responsible to the Finance and General Purposes Committee for preparing an Estates Strategy for consideration by the University Court. The Executive has responsibility for all matters relating to the acquisition, disposal and leasing of property within the context of the approved Estates Strategy. The Executive lead for Estates shall co-ordinate the proposals for submission to the Executive having considered the following factors:

- The link between the proposal and the University's strategy as summarised in the Strategic Plan;
- Demonstration of clear alignment with corporate objectives and University goals;
- Available options to meet the strategic need;
- Source of funding;
- Financial evaluation including sensitivity analysis;
- Financial and physical monitoring procedures;
- Clear identification of any risks involved.

The Chief Financial Officer shall present regular monitoring statements on the capital budget to the Finance and General Purposes Committee. The Executive lead for Estates must ensure that capital projects adhere to the conditions detailed in the [Financial Memorandum](#) and the latest issued guidance on capital funding from SFC.

13.2 Authorisation

Authorisation of capital expenditure shall be in accordance with [Paragraph 3.5](#).

13.3 Project Sponsor

The Executive shall appoint a Project Sponsor for each major capital project. The Project Sponsor shall comply with the latest issued guidance on capital funding from SFC and any other legislative requirements or other approved instructions.

13.4 Equipment

The Chief Financial Officer shall, in consultations with Executive Members, prioritise the bids for capital equipment submitted by Budget Holders for submission to the Executive.

Budget Holders receiving equipment grants must ensure that the expenditure incurred does not exceed their allocation. As regards equipment, including computers and software, purchases costing in excess of the de-minimis capital sum (currently £20,000 per individual item or group of related items) shall be charged to capital (as per the University's Statement of Principal Accounting Policies).

14 CONTRACTS & TENDERS

14.1 Introduction

Arrangements for contracts and competitive tendering shall be in accordance with procedures approved by the Executive Board and in accordance with SFC requirements as set out in the latest issued guidance on capital funding from SFC.

14.2 Tendering Procedures

All goods and services purchased on behalf of the University shall be subject to a tendering procedure with the following exceptions.

- Where such goods and services are already available without requirement for further competition from an existing framework contract tendered by the University, or a collaborative agreement from APUC, Procurement Scotland, Crown Commercial Service or other authorised body.
- The value of the supply for all University requirements of these goods and services over 4 years is less than the de minimis purchase sum (currently £50,000).
- Existing collaborative single source contracts
- The supply is for goods or services of a specific nature where constraints preclude competitive tendering. Such cases shall require the approval of the Head of Procurement.

It is Glasgow Caledonian University policy to support collaborative contracts where these provide a demonstrable benefit to the University.

Accordingly, orders should, wherever possible, be based on a current local, regional or national contract

as may be published from time to time on the Procurement portal.

Collaborative contracts should also be used for certain high value grant programmes (such as SRIF), where categories of equipment are procured collaboratively by a co-ordinator on behalf of a number of universities.

The appropriate contract reference must be noted on the purchase order. Wherever possible the addition of new suppliers must be kept to a minimum. Existing suppliers must be given full consideration to ensure best value and prevent the unnecessary administration costs of adding suppliers to the PECOS system and Oracle Financials.

All Public Sector Organisations in Europe are now required to adequately advertise opportunities below the normal EU thresholds although the timescales, processes and remedies involved in these procurements can be determined by the organisation's normal procedures. The Procurement Team uses the Public Contracts Scotland advertising portal to satisfy these requirements and to advertise all tenders above £50K based on a 4 year period.

In cases where it has not been possible to use a collaborative contract, orders must be based on sealed bid tenders from at least 4 potential suppliers issued in accordance with Glasgow Caledonian "Invitation to Tender" documents. Departments are advised not to carry out tenders without formal training or consulting Procurement and any department wishing to invite sealed bid tenders should contact the Head of Procurement who will be provide advice, guidance or assistance.

For goods and services out with the tendering process, quotations should normally be sought from a number of suppliers to ensure that value for money is obtained. Further guidance and current thresholds are contained within the University [Procurement Manual](#).

The Chief Financial Officer shall be responsible for the formulation of tendering procedures, standard terms of contract and conditions of supply, and ensuring the process is based on a minimum specification of requirements and responses are evaluated in a manner which can be considered fair and transparent providing equal treatment to all equitable competition between parties invited to tender.

The procedures for tendering for buildings and related works shall be those as specified in the latest issued guidance on capital funding from SFC.

14.3 Record of Contracts

Budget Holders shall be responsible for maintaining a record of contracts which relate to their activities.

14.4 Variations to Contracts

All instructions to contractors on capital works or major revenue projects shall be issued by the Executive lead for Estates in accordance with the [Financial Procedures](#). Approval for price increases allowed under a variation clause in a contract shall be confirmed by the Chief Financial Officer. A formal record shall be maintained by the Executive lead for Estates or nominee of all such variations throughout the duration of the contract.

14.5 Interim Payments

Interim payments to contractors shall be certified by the Executive lead for Estates or other nominee responsible for the control and supervision of the work.

14.6 Retention

Retention monies shall be released to contractors when certified by the Executive lead for Estates or other nominee responsible for verifying that all conditions under the contract have been met.

15 FINANCIAL RECORDS

15.1 Accounting Records

All accounting systems and records within the University shall be in accordance with the requirements of the Principal, as Designated Officer, as advised by the Chief Financial Officer or as otherwise determined by external sponsors and funders.

15.2 Retention of Records

The Chief Financial Officer shall be responsible for the safe-keeping of all primary books of account, records and documentation. As detailed in the Finance Office Retention Schedules, it is the responsibility of the University Record Manager to ensure the time periods in the Retention Schedules comply with statutory requirements. All other financial records shall be kept for an appropriate period of time. Where records involve personal or sensitive information, the Chief Financial Officer shall ensure that proper access and security arrangements are in place.

15.3 Internal Check

The principles of internal check shall be observed in the allocation of duties throughout the University. Procedures shall be devised to ensure that persons engaged in preparing transactions are not those responsible for examining and checking transactions.

16 AUDIT ARRANGEMENTS

16.1 Introduction

The Chief Financial Officer, his authorised representatives and internal and external auditors shall have authority, on production of identification, to:-

- Enter, at all reasonable times, any University building.
- Have access to all records, documents and correspondence relating to any financial and other appropriate transactions of the University.
- Require and receive such explanations as are necessary concerning any matter under examination.
- Require any employee of the University to account for cash, stores or any other University property under their control.

16.2 Internal Audit

The University Court, on the advice of the Audit Committee, shall appoint an internal auditor or internal audit service for the purpose of providing the Court with assurance on the adequacy, effectiveness and efficiency of the University's internal control systems. The terms of reference for such an appointment are based on the SFC Code of Audit Practice.

Delegated responsibility for internal control shall remain fully with the Chief Financial Officer. The Chief Financial Officer is responsible for ensuring that an internal audit service is maintained in respect of the University financial affairs, in accordance with the requirements laid down in the SFC Code of Audit Practice, or other guidance provided for the sector by the Government.

Management of the appointment and liaison with the internal auditors shall be the responsibility of the Chief Financial Officer, but the internal auditors shall have unrestricted access to any of the following: The Principal, Chair of Court, Chair of Finance and General Purposes Committee, Chair of Audit Committee, and such other persons and documents as they require to carry out their duties.

16.3 External Audit

The University Court, on the advice of the Audit Committee, shall appoint an independent external Auditor, whose primary purpose is to report on the annual financial statements of the University and its subsidiaries and to carry out such examination of the statements and the underlying records and control systems as is necessary to form an audit opinion on the statements. Their report should also cover the regularity of transactions (i.e. whether all terms and conditions attached to the funds provided to the institution have been complied with).

The Chief Financial Officer shall ensure compliance with the requirements detailed in the SFC Code of Audit Practice, or other guidance provided to the sector by the Government.

16.4 Irregularities

Any evidence or reasonable suspicion of any irregularity relating to funds, stores or other property of the University shall be reported immediately to the Chief Financial Officer or the Financial Controller. Such irregularities shall be dealt with in accordance with the [Financial Procedures](#), and the separate [Financial Misconduct Policy](#).

17 FINANCIAL STATEMENTS

17.1 Responsibilities

The University's financial year ends on 31 July. The financial statements are prepared in accordance with the Statement of Recommended Practice on Accounting in Higher Education Institutions (SORP) and any other relevant requirements.

The Chief Financial Officer is responsible for providing the financial statements to the Finance and General Purposes Committee and the Audit Committee, within an agreed timetable.

Audited financial statements shall be presented to the University Court and SFC before 31 December following the end of the financial year.

17.2 Year End Accounting Returns

It is the responsibility of the Executive to ensure that each Head of Department shall, at dates to be specified by the Financial Controller, submit to the Finance Office:

- All information necessary to finalise the posting of transactions relating to cost centres and projects in their Schools/ Support Departments.
- If appropriate, a certified copy of the petty cash reconciliation as at the end of the financial year.
- If appropriate, a copy of the certified stock list as at the end of the financial year.

18 RISK MANAGEMENT

Risk is the possibility that unforeseen events, outcomes or actions may adversely affect the University's ability to achieve its objectives. It arises as much from the possibility that opportunities will not be realised as from the possibility that threats will materialise. To support risk management within the organisation, the University has articulated its appetite and tolerance to risk aligned to its strategic themes and associated activities.

The application of the Risk Management Strategy is the responsibility of Court through the Principal. The Principal and the Executive Board are responsible for the implementation of the strategy. This has been delegated to the Risk Management Forum, which reports to the Executive Board, and is responsible for overseeing risk management in the University, including the successful implementation of the University's Risk Management Strategy, co-ordination of risk management activity and ensuring that the necessary processes are in place to manage University risk and achieve compliance with governance requirements.

In addition the Audit Committee has specific responsibility for monitoring and reviewing the effectiveness of the institution's risk management arrangements, providing a formalised reporting and appraisal mechanism.

Schools and departments must submit copies of their risk registers for review by the Risk Management Forum twice per annum and all new commercial projects must be supported by a project risk register.

19 INSURANCE

19.1 Responsibility for Insurance

The Chief Financial Officer shall have responsibility for the Insurance of the University and may appoint specialist advisors. Details of appropriate cover, including statutory policies, are contained within the [Financial Procedures](#).

19.2 Notification of Claims

Heads of Departments shall notify the Assistant Head of Governance immediately in writing of any loss, liability or damage or any event likely to lead to a claim. Thereafter, the Assistant Head of Governance shall be responsible, where applicable, for advising either the Insurance Company or the appointed Broker. The Assistant Head of Governance shall notify the Chief Financial Officer of all claims and potential claims on a monthly basis.

19.3 Review of Insurance Cover

The Chief Financial Officer shall periodically review all insurances in consultation, where appropriate, with Executive Deans / Heads of Departments.

20 SECURITY

20.1 Responsibility

Schools and Learning, Teaching and Infrastructure Services shall be responsible for maintaining proper security, custody and control of buildings, plant, materials, stores, furniture, equipment, cash etc within their department's jurisdiction. They shall consult the Chief Financial Officer in all matters where security is thought to be defective or where special arrangements are required.

20.2 Safeguarding Assets

Individuals as per the Scheme of Delegated Authority are responsible for proper application of funds at the disposal of their Departments. In exercising their delegated authority, individuals must have regard to security measures to safeguard University funds and other assets under their control against misuse or misappropriation.

Schools and Learning, Teaching and Infrastructure Services shall ensure that proper procedures are in place to record the movement of all assets to and from the University.

20.3 Periodic Checks

Inventory records and equipment shall be subject to periodic checks by Management, the Internal Auditor or any officer responsible for maintaining central inventory records.

20.4 Disposals and Losses

Any damage to, disposal or loss of an inventory item shall be reported in writing by the Schools and Learning, Teaching and Infrastructure Services to the Financial Controller. Refer to section 24.1 for further details.

20.5 Cash

Cash shall not be held in any area of the University other than those areas specifically approved by the Chief Financial Officer.

The Financial Controller shall ensure that adequate arrangements exist where cash is handled.

All transfers of cash within the University and between the University and the bank shall be in accordance with arrangements made by the Financial Controller and in line with the procedures set out in the Cash Handling and Banking Procedures.

20.6 Cheque Signing Controls

Details are contained in the [Financial Procedures](#)

20.7 Bankers Automated Clearing System (BACS)

Details are contained in the [Financial Procedures](#). See also [section 5.5](#).

20.8 Safe Combinations

Access to safes shall be restricted only to those persons authorised to have knowledge of the combinations.

Safe combinations shall be changed at least every 6 months.

20.9 Pre-printed stationery

The Financial Controller shall be responsible for ensuring that secure arrangements exist for storing unused cheques, order forms, receipt books and other financial documents.

20.10 Data Protection Act

The Financial Controller shall be responsible for the use and security, within the Finance Office, of all personal data generated by computer systems, and in particular by the payroll system. The nominated Data Protection Officer shall advise all Departments of their responsibilities under the Data Protection Act. Such data as specified within the Act shall not be used in any way which contravenes Data Protection legislation.

20.11 Encryption

Any staff member, who processes personally identifiable corporate data, must only do so on an encrypted workstation or laptop. Transfer of such data outwith campus must be by encrypted USB pen drive. Staff must not use personal computers, personal hand held devices to access or save any personal or corporate data.

Further information may be found in the Information Systems Policy.

21 FIXED ASSETS

The Principal has a statutory responsibility for Fixed Assets within the University including security, custody and control of all University buildings. The function is discharged by assigning duties to the Executive lead for Estates with the day-to-day management being delegated to the Head of Estates and Property Services. The Executive lead for Estates is responsible for advising the University Executive, and the Finance and General Purposes Committee on all relevant matters pertaining to the estates of the University.

22 INVENTORIES

The responsibilities in respect of Inventories are as indicated in [sections 20.1 - 20.4](#).

23 STORES

23.1 Control

Schools and Learning, Teaching and Infrastructure Services shall, where appropriate, be responsible for developing and maintaining a system for stores control and ensuring adequate security arrangements exist.

23.2 Stocktaking and Pricing

Where a Schools and Learning, Teaching and Infrastructure Service holds stores they shall ensure that:

- Stocktaking is carried out at regular intervals, and is certified by an appropriate individual as per the Scheme of Delegation.
- On an annual basis the School/ Learning, Teaching and Infrastructure Service with the Stock will be asked to carry out a stock take and return a certified list of all stock as at the yearend date (31 July).
- All obsolete, excess or scrap goods are identified and that appropriate action is taken to dispose of them.
- Stocks are valued at lower of cost and net realisable value

24 LOSSES & SPECIAL PAYMENTS

24.1 Losses of Items

Any member of staff discovering or suspecting a loss shall refer the matter immediately to the Chief Financial Officer together with a written explanation of the circumstances. The Chief Financial Officer shall investigate the matter without delay and identify the remedial action required.

Any administrative weakness within the current process should be addressed as soon as possible.

The Chief Financial Officer shall maintain a record of all losses reported, and shall have delegated authority to write off losses where appropriate. Where a loss exceeds £10,000 the matter shall be referred to the Principal and to both the Audit and Finance and General Purposes Committee.

24.2 Frauds, Misappropriations of Cash & Criminal Activity

In accordance with the University Financial Misconduct Policy, the Chief Financial Officer shall investigate suspected fraud, misappropriations or any criminal offences in respect of the University funds, and report the matter both to the Principal and Audit Committee. The Principal shall determine the appropriate action to be taken after consultation with the Internal Auditor.

In the event of a cash discrepancy being discovered, the actions outlined in the [Financial Procedures](#) shall be followed.

24.3 Special Payments

Claims or cases for special payments, which include compensation and/or ex gratia payments, shall be authorised in accordance with the limits in the Delegated Authority Policy.

25 COMPANIES & COMMERCIAL ACTIVITIES

Before a company is set up to exploit any activity to which the University has rights, specific approval shall be obtained from the University Court following advice from the Finance and General Purposes Committee.

Activities to be undertaken through a University Company shall be determined by the Executive.

Before embarking on income generation activities, whether through the Company or the University, a business plan/budget or any other appropriate costing should be agreed with the Executive Dean/Head of Department and should be consistent with guidelines issued by the Executive. Where University facilities are to be used, they should be specified in the plan and an appropriate provision made for full recovery of all costs including overheads.

University Companies shall comply with these Financial Regulations, as appropriate, in addition to financial procedures specific to the Company. GCU NYC Inc. is the only exception to this and complies with its own set of Financial Regulations and Financial Procedures

26 RESEARCH GRANTS & CONTRACTS

University guidelines for Research grants and contracts should be followed in preparing submissions for funding.

All applications for Research Funding shall be signed by the applicant and countersigned by the Chair of the Research Committee (a standing Committee of Senate). In addition, costings for all applications shall be verified by the Research, Innovation & Enterprise Office.

Where University plant, equipment, furniture or accommodation is to be provided; the Chief Financial Officer shall be consulted, if required, in advance of agreeing charges to ensure that an appropriate contribution to indirect costs is recovered. Approval for use of accommodation, the provision of services, Computer Services, Library facilities etc and additional running costs must also be obtained from the appropriate Head of Department before any commitment is made.

The Chair of the Research Committee or his nominee shall sign the acceptance of a Research Contract on behalf of the University after the Research; Innovation & Enterprise Office has confirmed that:

- the financial arrangements are acceptable
- no financially onerous conditions exist in the offer
- there is no continuing financial commitment after the expiry of the grant
- that, where appropriate, adequate provision has been made for the recovery of all University costs including overheads.

27 SFC RESEARCH GRANTS

The SFC recurrent grants for research shall be monitored by the University's Research Committee. The allocation of the Grants shall be approved by the Executive. The application of these grants shall be in accordance with the SFC funding conditions.

28 INTELLECTUAL PROPERTY RIGHTS/PATENTS/COPYRIGHTS

The Executive is responsible for determining arrangements to deal with Intellectual Property Rights/Patents/Copyrights accruing to the University from inventions and discoveries made by staff in the course of their work.

29 RECOVERY OF INDIRECT COSTS (OVERHEADS)

SFC requires all institutions to ensure that costs are fully recovered. Costs for all projects, research contracts, commercial activities, short courses etc. can be divided into 3 categories:

- **Direct Payroll Costs**
Staff working directly on a project where time and effort can be wholly or substantially attributed to the activity.
- **Other Direct Costs**
Special equipment, specific travel, printing and other directly attributable costs.
- **Indirect Costs (OVERHEADS)**
Costs incurred by the University and/or Departments which cannot be directly attributed. This will include use of premises, computer unit, general administration, finance, personnel and library.

Advice on costing and pricing will be available from the Research, Innovation & Enterprise Office.

30 PRIVATE WORK/CONSULTANCY

The regulations governing exclusivity and private work undertaken by University staff are set out in the conditions of service. The main stipulation is that staff undertaking private work must ensure that it

does not impair the performance of, or conflict with, their University duties. Any member of staff in doubt should consult with their Executive Dean/Head of Department or the Principal.

The permission of the Executive Dean/Heads of Departments (and in the case of the Head of Department, the permission of the Principal) is required for private work which involves the use of University resources. In those circumstances an economic charge will be made.

The University also reserves the right following consultation to impose reasonable conditions on the undertaking of external professional activities.

In accepting outside commitments, the staff member shall clearly indicate in writing that he acts in a personal capacity with no legal or financial liability falling on the University as a result of advice or information given, or any other services or goods provided.

31 OTHERS

31.1 Pension Schemes

The eligibility of staff for membership of the Pension Schemes in which the University participates will be detailed on individual contracts of employment. Currently, the University participates in three schemes: Scottish Teachers' Superannuation Scheme for academic staff and Strathclyde Pension Fund for non academic staff, and exceptionally the Universities Superannuation Scheme (USS).

HMRC's new Auto enrolment legislation is in place at the University.

All new salaried staff will be enrolled into the correct pension scheme from their date of joining, and can opt out if they wish by completing opt out forms. These can be obtained from the relevant pension providers. The Payroll section can refund up to three months contributions. After this date the refunds are processed by the relevant pension providers.

The University's staging date was the 1st of May 2013, but has adopted for the three year transitional postponement to 2017 for its existing salaried staff, as they have all previously had the opportunity of joining one of the Universities defined benefits schemes. The University is using the three month postponement period for non-salaried casual staff.

31.2 Taxation Status

The University is recognised as a charity by the Inland Revenue for the purposes of Section 506 (1) Income and Corporation Taxes Act 1988. It is also entitled under Section 1(7) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 to describe itself as a Scottish Charity and its charity number is SC021474.

31.3 Value Added Tax

The University is registered for VAT purposes as an "eligible body".

VAT will be set at the appropriate rate for all goods and services purchased by the University. Schools and Learning, Teaching and Infrastructure Services are reminded to allow for VAT within costs when purchasing goods and services.

Schools and Learning, Teaching and Infrastructure should charge VAT in appropriate circumstances (e.g. sale of equipment and for certain consultancy and research work). Guidance may be found in the VAT Manual which can be found on [the Finance Office portal](#).

31.4 Business Gifts and Hospitality

Personal gifts, other than items of small intrinsic value, shall not be accepted.

Modest hospitality is an accepted courtesy of business relationships. However, the recipients should not allow a position to be reached whereby they might be influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality should not be greater than the University would be likely to provide in return.

When it is not easy to decide between what is acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from senior management.

Personal inducements in any form from suppliers of goods and services to employees are forbidden. The University is required to ensure that it is in compliance with the Bribery Act 2010. It is a corporate offence to fail to prevent bribery. Full guidance and information on the procedures that are being put in place are available from the [Anti-Bribery Policy](#).

32 AUTHORISED AMENDMENTS

These Regulations were approved and adopted by the Finance and General Purposes Committee, on behalf of the University Court, at its meeting on 02 June 2014.