

- 3.06 The duties of the Audit Committee are set out at Appendix C.
- 3.07 The audit requirements of the College are set out in the Funding Council's Accountability and Audit Code of Practice.

AUDIT REQUIREMENTS

- 3.08 External auditors and internal auditors shall have authority to:
 - access College premises at reasonable times
 - access all assets, records, documents and correspondence relating to any financial and other transactions of the College.
 - require and receive such explanations as are necessary concerning any matter under examination
 - require any employee of the College to account for cash, stores or any other property of the College under his/her control
 - access records belonging to third parties, such as contractors, when required
- 3.09 Whenever any matter arises which involves, or is thought to involve, irregularities or fraud concerning cash, stores or other property of the College or any other suspected irregularity in the exercise of the activities of the College, the head of department concerned shall notify the Secretary and Registrar who will take such steps as he/she considers necessary by way of investigation and involvement of internal audit.
- 3.10 The timetable for final accounts purposes is drawn up in conjunction with the external auditors.
- 3.11 Following consideration by the Finance Committee, the accounts will be reviewed by the Audit Committee. On the recommendation of Finance and Audit Committees they will be submitted to the Council.

- 3.15 The College's Financial Memorandum with the Funding Council requires that it has an effective internal audit function. The main responsibility of internal audit is to provide the Council, the Principal and senior management with assurances on the adequacy of the internal control system.
- 3.16 The internal audit service remains independent in its planning and operation and has direct access to the Council, Principal and Chairman of the Audit Committee.
- 3.17 The formal responsibilities of internal audit are detailed at Appendix D. The internal auditor will also comply with the Governance and Internal Audit Standards and the Institute of Internal Auditors Code of Ethics and Internal Audit Standards.

Other Auditors

- 3.18 The College, may from time to time, be subject to audit or investigation by external bodies such as the Funding Council, National Audit Office, European Court of Auditors, HM Customs and Excise and the Inland Revenue. They have the same rights of access as external and internal auditors.

RESPONSIBILITIES

The Principal

- 3.19 The Principal is the academic and administrative Head of the College. As such he is the chief adviser to and executive officer of the Council. He has the twofold responsibility for preparing forward plans concerning the College for submission to the Council and of putting agreed policy into effect. He is a member of and is accountable to the Council for actions taken on its behalf. Under the provisions of the Financial Memorandum between the College and the Funding Council the Principal is the designated accounting officer and as such is responsible for the financial administration of the College's affairs and may be required to justify any of the College's financial matters to the Public Accounts Committee at the House of Commons.

The Secretary to Council

- 3.20 The Secretary to Council has a key role to play in the operation and conduct of the governing body, and ensuring that appropriate procedures are followed. It is the responsibility of the secretary to alert the governing body if he/she believes that any proposed action would exceed the governing body's powers or be contrary to legislation or to the Funding Council's Financial Memorandum.

The Director of Finance

- 3.21 The Director of Finance is responsible for the day-to-day financial administration of the College and is responsible to the Principal for:-
- preparing annual budgets and financial plans
 - preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations

3.30 The Director of Finance is responsible for providing regular statements concerning all

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Committee. These reports or a summary thereof are presented to the Council.

Virement

- 3.37 Where a budget holder is responsible for more than one budget, virement is permitted between budgets, excluding staff budgets, only with the written approval of the Head of Department.
- 3.38 Virement between budgets other than staff budgets held by different budget holders is permitted only with the written approval of the transferring budget holder and the Head of Department.
- 3.39 In all cases Heads of Department should ensure that virement between budgets does not adversely affect the overall departmental position.

Treatment of Year End Balances

- 3.40 In the case of academic departments and certain academic and support services the carrying forward of credit or debit balances is normally permitted on the basis that any over-expenditure will represent the first charge on allocations for the following financial year.

In the case of balances representing under spends carried forward, any proposed expenditure in excess of £10,000 against these balances will require the authority of the Principal.

ACCOUNTING POLICIES

Basis of Accounting

- 3.41 The accounts shall be prepared on the basis of the following policies: 4.77839(p)-4.78107(a)-4.77839(r)3.13011(t)3.10719()-1.28301() the unding ouncil.

ACCOUNTING RECORDS

3.45 The Director of Finance is responsible for the

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Copies of Policies and Documents are available on the website
Financial Records Final documents are available on the website

APPOINTMENT OF BANKERS

4.07 The Council is responsible for the appointment of the College bankers on the recommendation of Finance Committee.

BANKING ARRANGEMENTS

4.08 The Director of Finance is responsible for, on behalf of the Finance Committee, liaising with the College's bankers in relation to the College's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the Director of Finance who shall make proper arrangements for their safe custody.

4.09 Only the Director of Finance may open or close a bank account for dealing with the College's funds. All bank accounts shall be in the name of the College or one of its subsidiary companies.

4.10 All cheques drawn on behalf of the College must be signed in the form approved by the Finance Committee as follows:

- cheques for less than £25,000
 - Director of Finance or Assistant Director of Finance
- cheques in excess of £25,000
 - Director of Finance or Assistant Director of Finance plus one other from Principal, Secretary, Vice- Principal

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

CASH RECEIPTS

4.12 All monies received within Departments from whatever source must be recorded by the department on a daily basis together with the form in which they were received.

4.13 Money must be paid to the cashier and custody of all cash holdings must comply with the requirements of the College's insurers.

4.14 No deductions may be made from any cash collected on behalf of the College prior to paying into the cashier.

4.15 Personal or other cheques must not be cashed out of money received on behalf of the College, other than in accordance with procedures approved by the Director of Finance.

THE COLLECTION OF DEBTS

4.16 The Director of Finance shall ensure that:

- debtors invoices are raised promptly in respect of income due to the College

documents shall be held in an appropriately secure, fireproof location. A register of all official and legal documents will be maintained by the Director of Finance.

STOCKS AND STORES

- 4.24 Heads of Departments are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their Departments. The systems used for stores accounting in Departments must have the approval of the Director of Finance.
- 4.25 Heads of Departments are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.
- 4.26 Those Heads of Department whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Director of Finance who should be informed of any adjustments to stock levels where a write-off is required.

5 RESEARCH GRANTS AND CONTRACTS

GENERAL

- 5.01 Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective.
- 5.02 The term 'research grant' is restricted to research projects funded by the UK research councils, charities and the higher education funding councils.
- 5.03 All other externally financed research projects are classified as 'research contracts'.
- 5.04 Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Head of Department to ensure that the financial

- 5.08 Each grant or contract will have a named supervisor or grant holder and will be assigned to a specific budget centre.
- 5.09 Commitments may not be made against funds provided under a research grant or contract before the offer of the grant or contract has been formally approved.
- 5.10 Control of pay and non-pay expenditure will be contained within the budget centre. The head of the budget centre may delegate day-to-day control of the account to a supervisor or grant-holder, but any overspend or under recovery of overheads is to be the clear responsibility of the budget centre with any loss being a charge on departmental funds. The named supervisor or grant-holder shall be responsible for prompt submission of all financial and other information to enable full, accurate and timely final claims for reimbursement to be at the expiry of any grant or contract.
- 5.11 Further detailed information on College policy relating to research grants and contracts is contained in the 'Guidance Note for Academic Staff on Research Grants and Contract Applications from time to time issued by the Secretary.

ADDITIONAL PAYMENTS TO STAFF

- 5.12 Any proposal, which involves additional payments to members of staff, should be supported by statement of the reason for the payment and a schedule of names and values and must be approved by the Head of Department, and in the case of a Head of Department, the Principal. All such additional payments shall be in accordance with general policies promulgated by or on behalf of the Council.

PRIVATE CONSULTANCIES AND OTHER PAID WORK

- 5.13 Unless otherwise stated in a member of staff's contract:
- outside consultancies or other paid work may not be accepted without the consent of the Principal.
 - applications for permission to undertake work as a purely private activity must be submitted through the Head of Department to the Principal, and include the following information:
 - the name of the member(s) of staff concerned
 - title of the project and a brief description of the work involved
 - the proposed start date and duration of the work
 - full details of any College resources required (for the calculation of the full economic cost)
 - an undertaking that the work will not interfere with the teaching and normal institution duties of the member(s) of staff concerned.

INTELLECTUAL PROPERTY RIGHTS AND PATENTS

- 5.14 Certain activities undertaken within the College including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property and under the provisions of the Patents Act 1977 ownership resides with the College.
- 5.15 Finance Committee is responsible for establishing procedures to deal with any patents accruing to the College from inventions

order to retain a working balance pending receipt of the amount claimed.

- 6.10 The member of staff granted a float is personally responsible for its safekeeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the College's insurers when not in use, and will be subject to periodic checks by the Director of Finance or another person nominated by him or her.
- 6.11 Standard College petty cash forms are supplied by the Director of Finance and must be used for recording all imprest accounts.
- 6.12 Petty cash imprests should not be used for personal purposes, for cashing personal cheques, for the payment of salaries or wages or for travelling or subsistence expenditure.
- 6.13 At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float and countersigned by the Line Manager.

PURCHASE ORDERS

- 6.14 Budget holders must ensure that official College orders are completed using the Online Purchasing System (OPS) for the supply of all goods and services. Suppliers' own order forms should not be used.

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6.21 Budget holders must ensure that goods have been received or services performed satisfactorily and that the prices are in accordance

the tendering process will normally be sought.

4. For the provision of goods and services priced at between £5,000 and £25,000, competitive quotations shall be sought, ordinarily from three suppliers. A formal record shall be kept if it is decided to accept a quotation not at the lowest price.
5. In all cases where goods and services are being ordered budget holders, in placing orders, shall have regard to the following:
 - a) value for money
 - b) reliability and workmanship of contract or manufacturer
 - c) the need to avoid undue dependence upon single suppliers.
6. For the purchase of goods and services for which London University Purchasing Consortium recommended suppliers are available, College orders shall not be placed with alternative suppliers without good and sufficient reason.
7. The Principal or his designated nominee shall have authority to waive the requirement for competitive tendering in cases of emergency, or where the goods or services to be supplied are of such a highly specialised nature that alternative suppliers are not available.
8. Tendering for Goods and Services above the EU Threshold - Contracts for supplies and services valued at over 211,129 Euro (approximately £180,000) will be decided as follows:

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6. For

6.30 Heads of Department are responsible for ensuring that expenditure within their

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- 9.08 Heads of Department must advise the Director of Finance immediately, of any event which may give rise to an insurance claim. The Director of Finance will notify the institution's insurers and, if appropriate, prepare a claim in conjunction with the Head of Department for transmission to the insurers.
- 9.09 The Director of Finance will keep a register o

- 9.18 Any staff wishing to run a short course must do so through the College's CDP unit, with the permission of their Head of Department. The course organiser will be responsible to the Head of Department for day-to-day management of the course.
- 9.19 Courses or conferences organised by members of staff must be priced by the CPD unit to ensure that all costs are included and then agreed with the Head of Department before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with the institution's policy. All courses must be self-financing or surplus generating.
- 9.20 The term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information.
- 9.21 The costing and pricing of such services must be in accordance with the College's costing and pricing procedures.
- 9.22 Any deficits on short courses or services rendered accounts will be a charge on departmental funds.

CONDUCT OF STAFF

- 9.23 The College expects that staff at all levels will observe the standards of conduct set out in the Nolan and other similar Reports. These reflect the three fundamental principles of openness, integrity and accountability, and covers
 - probity and propriety
 - selflessness, objectivity and honesty
 - relationships.
- 9.24 Members of the Council and all senior members of staff are required to disclose interest in the College's register of interest.

HOSPITALITY

- 9.25 Staff entertaining guests from outside bodies at lunchtime should normally use the College's catering facilities. Where the

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USE OF THE INSTITUTION'S SEAL

- 9.32 Where a deed or document requires the College's seal, it must be sealed by the Secretary or, in his or her absence, the Director of Finance, in the presence of a member of the Council.
- 9.33 The Secretary is responsible for submitting a report to each meeting of the Finance Committee detailing the use of the College's seal since the last meeting.

TRUST FUNDS

- 9.34 The Director of Finance is responsible for maintaining a record of the requirements for each trust fund.
- 9.35 The Finance Committee is responsible for ensuring that all the institution's trust funds are operated within any relevant legislation and the specific requirements for each trust.