



**Harper Adams
University**

FINANCIAL REGULATIONS

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INTRODUCTION

Responsibility of All Staff

All members of staff should be aware of their general responsibility for the security of the university's property, for avoiding loss and for economy in the use of resources.

They should ensure that they are aware of the institution's financial authority limits and the values of purchases for which quotations and tenders are required, summarised in [Appendix 1](#).

They shall make available any relevant records or information to the Chief Financial Officer or their authorised representative in connection with the implementation of the university's financial policies, these financial regulations and the system of financial control.

They shall provide the Chief Financial Officer with such financial and other information as deemed necessary, from time to time, to carry out the requirements of the Board of Governors.

They shall immediately notify the Chief Financial Officer whenever any matter arises which involves, or is thought to involve, irregularities concerning *inter alia*, cash or property of the institution. The Chief Financial Officer shall take such steps as they consider necessary by way of investigation and report

Background

1. The university is registered in England and Wales as a Company Limited by Guarantee under Company No. 8049710 and established as a higher education institution under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its latest objects, powers and framework of governance are set out in the Articles of Association which incorporate the instrument and articles of government. These arrangements were approved by the Privy Council in 2012. The university is also a registered charity under charity no. 1147717.
2. The university's governing body is its Board of Governors which comprises of lay, academic, support staff and student members appointed in accordance with the Instrument of Government; the majority are non-executive. The role of Chair of the Board of Governors is separate from that of the university's Chief Executive, the Vice-Chancellor.
3. The Board of Governors is responsible for setting the strategic direction of the university and for the monitoring and supervision of the executive management of the university.
4. The university endeavours to conduct its business in accordance with the principles identified by the Committee of Standards in Public Life and with the guidance to Universities of Higher Education which has been provided by the Committee of University Chairmen.
5. The university maintains a Register of Interests of members of the Board (and Senior Officers) which may be consulted by arrangement with the Clerk to the Governors.
6. The Office for Students Regulatory Framework (OfS 2018.01), states how from 01 August 2019 the OfS intends to perform its various functions and provides guidance for registered higher education providers on the ongoing conditions of registration. The Board of Governors is responsible for ensuring that these conditions are met. As part of this process the university must adhere to the regulators Initial and General Ongoing Conditions of Registration which requires financial sustainability. The financial regulations of the university form part of this overall system of accountability. As regulatory arrangements transition to OfS 2018.01 the principles laid out by the OfS Terms and conditions of funding for higher education institutions (OfS 2018.15) set out the carried forward powers from the previous legislation through the transition period to 01 August 2019 and subsequent amendments issued by OfS in this regard will be hereby incorporated.

Status of Financial Regulations

7. This document sets out the university's financial regulations. It translates into practical guidance the university's broad policies relating to financial control.
8. These financial regulations are subordinate to the university's Articles of Government and to any restrictions contained within the Office for Students Regulatory Framework (OfS 2018.01) and its ongoing conditions of registration.
9. The purpose of these financial regulations is to provide control over the totality of the institution's resources and provide management with assurances that the resources are being properly applied for the achievement of the institution's strategic plan and business objectives:
 - Financial sustainability;
 - Achieving value for money;
 - Fulfilling its responsibility for the provision of effective financial controls over the use of public funds;
 - Ensuring that the institution complies with all relevant legislation;
 - Safeguarding the assets of the institution.
10. Compliance with the financial regulations is compulsory for all staff connected with the university. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the university's [disciplinary policy](#). Any such serious breach will be notified to the Board of Governors through the Audit & Risk Management Committee. It is the responsibility of Heads of Department and Line Managers to ensure that their staff are made aware of the existence and content of the university's financial regulations and that an adequate number of copies are available for reference within their departments.
11. The Finance and General Purposes Committee is responsible for maintaining a regular review of the financial regulations through the Chief Financial Officer and advising the Board of Governors of any additions or changes necessary.
12. In exceptional circumstances, the Finance and General Purposes Committee may authorise a departure from the detailed provisions herein, such departure to be reported to the Board of Governors at the earliest opportunity.

ACCOUNTING POLICIES

Accounting Records

13. The Chief Financial Officer is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.
14. The university is required by law to retain prime documents for six years. These include:
 - Official orders;
 - Paid invoices;
 - Accounts raised;
 - Bank statements;
 - Copies of receipts;
 - Paid cheques;
 - Payroll records, including part-time lecturer's contracts;
 - Research contracts with records required under the terms of the grant

15. The Chief Financial Officer will make appropriate arrangements for the retention of electronic records.
16. Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations.
17. Additionally, for auditing and other purposes, other financial documents should be retained for three years, insurance records to be retained in perpetuity. General guidance on requirements is listed in the [Records and Retention Guidelines](#) under the Publication scheme, section 5.

Accounting Returns

18. The Chief Financial Officer is responsible for consolidating and despatching financial returns and other periodic financial reports to the regulators and other agencies as required.
19. The Chief Financial Officer is also responsible for ensuring that all grants notified by the regulators and other bodies are received.

Basis of Accounting

20. The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

Format of the Financial Statements

21. The accounts are prepared for the financial year ending 31 July, in the format required by the Office for Students Accounts Direction and also comply with The Companies Act 2006.
22. The consolidated financial statements consolidate the financial statements of the university and any subsidiary undertakings for the financial year.

AUDIT REQUIREMENTS

General

23. External auditors and internal auditors shall have authority to:
 - Access university premises at reasonable times;
 - Access all assets, records, documents and correspondence relating to any financial and other 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;
 - Access records belonging to third parties, such as contractors when required.
24. Whenever any matter arises which involves, or is thought to involve, irregularities or fraud concerning cash, or other property of the university or any suspected irregularity in the exercise of the activities of the university, the Line Manager concerned shall notify the Chief Financial Officer who will take such steps as they consider necessary by way of investigation and involvement of internal audit.
25. The Chief Financial Officer is responsible for drawing up a timetable for final accounts purposes and will advise staff and external auditors accordingly.

26. Following consideration, by the Finance and General Purposes Committee, the financial statements should be reviewed by the Audit and Risk Management Committee. On the recommendation of these two committees the financial statements will be submitted to the Board of Governors for approval.

External Audit

27. The appointment of external auditors will take place annually and is the responsibility of the Board of Governors. The Board of Governors will be advised by the Audit and Risk Management Committee.
28. The primary role of external audit is to report on the university's financial statements and to carry out such examination of the statements as they may deem necessary and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the regulators Audit Code of Practice and the Auditing Practices Board's Auditing Standards.
29. Where the University wishes to appoint the external auditors' firm to undertake other work this appointment should be made in accordance with the University's Principles for Instructing External Auditors found at [Appendix 10](#).

Internal Audit

30. The appointment of the internal auditors will take place annually and is the responsibility of the Board of Governors. The Board of Governors will be advised by the Audit and Risk Management Committee.
31. The Office for Students Regulatory Framework (OfS 2018.01) requires that it has an effective internal audit function. The main responsibility of internal audit is to provide the Board of Governors, the Vice-Chancellor and senior management with assurances on the adequacy of the internal control system.
32. The internal audit service remains independent in its planning and operation and has direct access to the Board of Governors, Vice-Chancellor and Chairman of the Audit and Risk Management Committee. The internal auditor will comply with the Auditing Practices Board's auditing guideline Guidance for Internal Auditors and the Government internal audit publications.

Other Auditors

33. The university may from time to time, be subject to audit or investigation by external bodies such as the Office for Students, National Audit Office, European Court of Auditors and HM Revenue and Customs. They have the same rights of access as external and internal auditors.

BUILDING CONTRACTS

34. Building contracts are the responsibility of the Finance and General Purposes Committee and are administered by the Head of Estates and Facilities/Chief Operating Officer.
35. Proposals will normally be initiated by the Head of Estates and Facilities/Chief Operating Officer in respect of planned replacements, general improvement schemes, space planning or in response to requests from departments.
36. Consultants may be appointed if the project, as determined by the Finance and General Purposes Committee, is too large or too specialised for estates department resources. Appointments shall be subject to tendering and other procedures where appropriate.
37. Proposals shall be presented in the form of costings or investment appraisals as appropriate. Investment appraisals should comply with appropriate regulators guidance.

38. Following consideration by the Finance and General Purposes Committee and approval by the Board of Governors, Planning Permission and/or Building Regulations approval for all construction/infrastructure schemes should be sought where required and/or approval by other regulatory bodies (such as the Home office Animals in Science Regulatory Unit (ASRU) or by other organisations such as utility companies whose permission to connect to their services from a new/redeveloped building/facility may be required. Where such agreement is required from a regulator, their procedural rules should be followed. The relevant regulators guidance at the time of the works should be followed where appropriate as far as reasonably practically even when their approval is not required.
39. All contracts will attempt to ensure best value for money with both quality and cost assessed.

COMPANIES AND JOINT VENTURES

40. In certain circumstances it may be advantageous to the university to establish a company or a joint venture to undertake services on behalf of the university. Any member of staff considering the use of a company or a joint venture should first seek the advice of the Chief Financial Officer, who should have due regard to guidance issued by the regulator.
41. The Board of Governors is responsible for approving the establishment of all companies or joint ventures and the procedure to be followed in order to do so. This will have regard to any guidance provided by the regulators.
42. It is the responsibility of the Board of Governors to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the university.
43. The directors of companies where the university is the majority shareholder must submit, via the Finance and General Purposes Committee, an annual report to the Board of Governors. They will also submit business plans or budgets as requested to enable the committee to assess the risk to the university. The university's internal and external auditors shall also be appointed to such companies where the university is the majority shareholder in a company, that company's financial year shall be consistent with that of the university.

FINANCE AND ADMINISTRATION

Appointment of Staff

44. All contracts of service shall be concluded in accordance with the university's approved personnel practices and procedures and all offers of employment with the university shall be made in writing by the Chief Operating Officer. Budget holders must ensure that the Chief Financial Officer and the Chief Operating Officer are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

Assets and Inventories

Land, Buildings, Equipment, Fixed Plant and Machinery

45. The purchase, lease or rent of land or buildings can only be undertaken with authority from the Board of Governors via the budget approval process and with reference to regulators requirements where exchequer funds are involved. All proposals with a material value must be subjected to financial appraisal carried out by or approved by the Chief Financial Officer.
46. All finance leases / operating leases / hire purchase agreements must be signed by the Chief Financial Officer or by the Chief Operating Officer or University Secretary.
47. Capital variations are to be reported separately to the Finance and General Purposes Committee and amounts over £100,000 are subject to separate approval

Capitalisation and Depreciation

48. All items costing (or, where donated, deemed to cost) £5,000 or more will be capitalised and depreciated on a straight-line basis over their expected useful life. The following rates of depreciation will normally be used:

| | |
|--------------------------------|---------------|
| Freehold Buildings | 10 - 60 years |
| Plant and Equipment | 3 - 35 years |
| Fixtures and Fittings | 5 - 10 years |
| Motor Vehicles | 4 -10 years |
| Computer Hardware and Software | 4 years |

49. The Chief Financial Officer is responsible for maintaining the university's fixed asset register of the cost and value of land, buildings, plant and equipment. Heads of Department will provide the Chief Financial Officer with any information they may need to maintain the register, including the capture of information regarding any donated assets.

Inventories of Assets, Equipment and Stock

50. In addition to the asset register, Line Managers are responsible for ensuring that assets, equipment and/or stock are used for the legitimate purposes.

51. Registers of assets, equipment and/or stock must be checked at least annually and retained in accordance to the inventory checklist, which complies with insurance.

52. Line Managers are responsible for establishing adequate arrangements for the custody and control of assets, equipment and/or stock within their departments (including those donated from external sources). The systems used for accounting in departments must have the approval of the Chief Financial Officer.

53. Line Managers are responsible for ensuring that regular inspections of assets, equipment and/or stock, are carried out. Stocks and equipment of a hazardous nature should be subject to appropriate security checks.

54. Line Managers whose assets, equipment and/or stock require valuation in the balance sheet must ensure that the stock taking procedures they have in place, have the approval of the Chief Financial Officer.

Safeguarding of Assets

55. Line Managers are responsible for the care, custody and security of buildings, assets, stock, furniture, equipment, cash, etc under their control. They will consult the Chief Financial Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

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

Personal Use

57. Assets owned or leased by the university shall not be subject to personal use without proper authorisation.

Asset Disposal

58. The Head of Financial Accounting & Operations must be made aware in advance if there is any disposal of plant, equipment and/or furniture planned and the '[Asset Disposal Form](#)' must be completed.

59. Disposal of land and buildings may only take place with the authorisation of the Board of Governors. Regulators consent may also be required if exchequer funds were involved in the acquisition of the asset.

Authorised Signatories

60. Each Budget Holder is responsible for purchases within their department. Purchasing authority may be delegated to named individuals within the department.
61. The Finance department will work with budget holders to manage the delegated authority for the approval of expenditure via the DreamWeb procurement process and maintain a register of authorised signatories.
62. Line Managers and budget holders are not authorised to commit the university to expenditure without first identifying that sufficient funds are available to meet the purchase cost.
63. The member of staff or budget holder authorising an order on the Purchase Order (PO) system, or where deemed appropriate, an invoice for payment, should be different to the member of staff responsible for raising the initial order.
64. A summary of Authority and Procurement limits can be found at [Appendix 1](#).

Budgetary Control

65. The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder who must ensure that day to day monitoring is undertaken effectively. Budget holders are responsible to their Line Managers for the income and expenditure appropriate to their budget.
66. The budget holder will be assisted in this duty by management information provided by the Management and Reporting team. The types of information available to different levels of management, together with the timing at which they can be expected, are available from the Chief Financial Officer.
67. Significant departures from agreed budgetary targets must be reported immediately to the Chief Financial Officer by budget holders or their Line Manager and, if necessary, corrective action taken.
68. The Chief Financial Officer is responsible for supplying budgetary reports on all aspects of the university's finances to the Finance and General Purposes Committee on a basis determined by the committee. These reports are then presented to the Board of Governors; material variances from capital or revenue budgets should be highlighted and annotated.

Budget Objectives

69. The Board of Governors will from time to time, set strategic objectives for the university in the format of a five-year strategy; these will be linked by the Chief Financial Officer in preparing the Financial Strategy for the university and key financial performance indicators to be considered and approved by F&GP.

Budget Preparation

70. The Chief Financial Officer is responsible for preparing annually a rolling five-year financial plan for approval by the Board of Governors on the recommendation of the Finance & General Purposes Committee and for preparing financial forecasts for submission to the regulators. Financial plans should be consistent with the [Strategic Plan](#) and the [Estates Strategy](#) approved by the Board of Governors.
71. The Chief Financial Officer is responsible for preparing each year, an annual revenue budget and capital budget for consideration by the Finance and General Purposes Committee before

submission to the Board of Governors for approval. The budget should also include monthly cash flow forecasts for the year and a projected year-end balance sheet. The Chief Financial Officer must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to budget holders as soon as possible following their approval by the Board of Governors.

72. During the year, the Chief Financial Officer is responsible for submitting revised quarterly forecasts to the Finance & General Purposes Committee for consideration before submission to the Board of Governors for approval.

Capital Programmes

73. The capital programme includes all expenditure on land, buildings, equipment, furniture and associated costs, whether or not they are funded from capital grants or capitalised for inclusion in the institution's financial statements. Expenditure of this type can only be considered as part of the capital programme approved by the Board of Governors on the recommendation of the Finance and General Purposes Committee.

74. The Chief Financial Officer and Vice-Chancellor will, through the annual budget setting process establish protocols for consideration of the inclusion of capital projects in the capital programme for approval by the Board of Governors. These will set out the information that is required for each proposed project as well as the financial and strategic criteria that they are required to meet.

75. Post Project Audit Review

Principles:

As part of assurance and value for money being achieved the University will review revenue and capital projects over £1,000,000 but not limited to, at the discretion of the Chief Financial Officer and the Finance and General Purposes Committee. This limit will be based on the initial planned spend/or final spend where increased budgets have been agreed that meet the threshold.

The review will:

- Consider the extent to which the agreed benefits and outputs of the project agreed at its outset by the appointed Project Board (see [Appendix 2](#)) have been met. This should include any amendments to the original benefits and output and a summary of the key under and over achievements together with explanation for these.
- Any major financial variations (£100K or more as noted above) including the approval that was obtained should also be included for reference.
- Be undertaken in a timely manner, normally 12 months post the original delivery date for major projects. The review will be presented to Finance and General Purposes Committee.

76. The Project Board must ensure it considers and approves any design or fitting out/other build variations, including the notification of large variations to the regulators (where required), as laid down in regulators guidelines.

77. The Chief Financial Officer is responsible for providing regular statements concerning all capital expenditure to the Finance & General Purposes Committee for monitoring purposes. Such statements shall highlight any minor (below £100K) changes to budgets.

78. Where additional essential project costs over £100K are identified and need an urgent decision, these are subject to approval by the Chair of Finance and General Purposes Committee or Chair of the Board and must be reported to the Finance and General Purposes Committee. Where budget variances of £100K do not require urgent approval, such approval can be sought at a scheduled meeting of Finance and General Purposes Committee.

79. The Director of Estates and Facilities shall provide a report on major estates developments including capital projects to each meeting of Finance and General Purposes Committee

Collection of Debts

80. The cash handling limit for any payment is £300.00 and therefore the Finance Department is unable to accept cash to settle debts greater than £300.00. Prior approval from The Chief Financial Officer must be obtained for any exceptions.

Commercial Debt

81. The Chief Financial Officer should ensure that processes are in place to enable:

- Debtors invoices to be raised promptly in respect of income due to the university;
- Invoices to be raised on official university letterhead;
- Swift and effective action to be taken to collect overdue commercial debts;
- Outstanding debts to be monitored and reports prepared for managers;

Student Debt

82. Any student who has not paid their account for fees or any other items owing to the university shall be subject to appropriate sanctions as detailed within the [Collection of Student Debt Policy](#). Where applicable, such students may not be awarded a degree or any diploma, certificate or other qualification from the university until all outstanding tuition fee debts have been cleared. Any other debt may result in restrictions in relation to re-enrolling at the university or from using any of the university's facilities.

Debt Write Off

83. Requests to write off debts in excess of £10,000 must be referred by the Chief Financial Officer to the Finance and General Purposes Committee for consideration. Debts below this level may be written off by the combined authority of the Chief Financial Officer and either the Vice-Chancellor or the University Secretary.

Employee Disclosures (“whistle blowing”)

84. The university has a detailed [whistleblowing procedure](#) section 5, outlining the approach to employee disclosure or “whistle blowing”.

85. The aims of the procedure are to:

- Provide a channel and process for individual employees to raise genuine and legitimate concerns about serious incidents of misconduct or malpractice;
- Give a commitment that misconduct and malpractice are taken extremely seriously;
- Ensure confidentiality and freedom from reprisal for staff raising concerns;
- Allow the university to investigate those concerns and to take appropriate action to resolve the situation.

86. The Board of Governors has committed itself to tackling misconduct and malpractice by implementing and adopting a code of conduct which is regularly updated.

Expenses

87. The [Travel, Subsistence and Related Expenses Policy](#) contains detailed information on booking travel requirements, claiming expenses, subsistence, and other related expenses claims.

88. All claims for payment of subsistence allowance, travelling and incidental expenses shall be completed in a form approved by the Chief Financial Officer and be submitted within 3 months. Where possible these should be submitted within the financial year (1 August to 31 July). Expenses over 6 months will not be paid.
89. Expense claims by members of staff must be certified by their Line Manager or in the case of senior managers, by the Vice-Chancellor or in their absence the Chief Operating Officer or University Secretary. The certification shall be taken to mean that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the university.
90. Expenses incurred by the Vice-Chancellor must be authorised by the Chairman or Vice Chairman of the Board of Governors of which delegated authority has been granted to the Chief Financial Officer.
91. Members of the Board are entitled to claim reasonable expenses in accordance with the above policy. Any expenses incurred must be authorised by the Clerk to the Board of Governors.

Gifts

92. As part of our commitment to the highest standards of integrity, probity and ethics in all our dealings members of staff are reminded not to accept any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity this is fully summarised in the Bribery and Corruption Policy at [Appendix 3](#).
93. The guiding principles to be followed by all members of staff must be:
 - The conduct of individuals should not create suspicion of any conflict between their official duty and their private interest.
 - The action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.
94. Any vouchers bestowed upon a department or individual should be declared to the Procurement and Insurance Officer and then donated as a prize to the charity raffle which the university organises every year.
95. Any gift which is bestowed upon a department or individual of which the value is £20 or more should be declared to the Procurement and Insurance Officer and then donated as a prize to the charity raffle which the university organises each year.
96. Any gift which is bestowed upon a department or individual of which the value is of £19.99 or less may be accepted by the department or individual that has received it, provided that the circumstances in which the personal gift is being given do not conflict with the principles of the [Bribery Act 2010](#).
97. Under no circumstances should a department or individual accept a gift of money.
98. If monetary gifts or tips are bestowed upon the department then this should be declared to the Procurement and Insurance Officer who will inform the Chief Financial Officer and place in a separate nominal within the accounts. The senior management team will decide each year on how best to benefit the university with the monies.
99. A corporate gift i.e. a gift or free loan of machinery or equipment from a company may be accepted on the basis that it is not a gift to the individual but to the university for the purposes of supporting education and/or research and that this is made clear to the donor, any donations received in this way must also be registered with the Procurement and Insurance Officer see point 98 for further guidance.

100. All gifts must be declared to the Procurement and Insurance Officer within 5 working days.

Hospitality

101. Members of the university are not permitted to accept hospitality with a value of £80 or more unless prior written approval has been given by their Line Manager.

- a. It is recognised that, in some exceptional cases, it may not be possible to anticipate value nor obtain the prior approval. In these circumstances, the member of the university will make a declaration and a report to their Line Manager within three (3) working days of having accepted the hospitality.
- b. The line manager will determine whether the acceptance was appropriate and determines any course of action to be taken. It should be noted that such cases will be regarded as exceptional.

102. Recipients of gifts or hospitality should advise their Line Manager if they are unsure about the ethics of accepting the offer.

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

104. When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the relevant Line Manager or the Chief Financial Officer. For the protection of those involved, the Procurement and Insurance Officer will maintain a register of gifts where the value is of £19.99 or more and hospitality received where the value is £80 or more.

105. Members of staff in receipt of such gifts or hospitality are obliged to notify the Procurement and Insurance Officer (or other designated officer) promptly. The Bribery and Corruption policy can be found at [Appendix 3](#).

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

Income and Banking

107. The Chief Financial Officer is responsible for ensuring that appropriate procedures are in operation to enable the university to receive all income to which it is entitled. All receipt forms, invoices, or other official documents in use must have the approval of the Chief Financial Officer.

108. Levels of charges tuition fees and student accommodation charges are recommended by Finance and General Purposes Committee for approval by the Board of Governors.

109. The Chief Financial Officer is responsible for the prompt collection, security and banking of all income received.

110. The Chief Financial Officer is responsible for ensuring that all grants notified by the regulators and other bodies are received and appropriately recorded in the university's accounts.

111. The Chief Financial Officer is responsible for ensuring that all claims for funds including research grants and contracts are made by the due date.

112. 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.
113. Monies must be paid to the Finance office and custody of all cash holdings must comply with the requirements of the university's insurers.
114. The cash handling limit for any payment is £300.00 and therefore the Finance Department is unable to accept cash to settle debts greater than £300.00. Prior approval from The Chief Financial Officer must be obtained for any exceptions.
115. No deduction may be made from any cash collected on behalf of the university prior to paying into the Finance Office, unless specifically authorised by the Chief Financial Officer.

Finance Leases / Operating Leases / Hire Purchase for Plant

116. All finance leases / operating leases / hire purchase agreements must be signed by either the Chief Financial Officer, the Chief Operating Officer or University Secretary.
117. The contracts for the above have to go through financial assessment to ensure the correct accounting treatment is applied.

Overseas Travel

118. In planning and undertaking overseas activity, the university must have due regard to the relevant advice issued by the Foreign Commonwealth & Development Office (formerly FCO).
119. All staff must have the prior written approval from their Line Manager before any overseas visit is arranged.
120. All overseas visits must have clear written objectives. In order for insurance to be valid, the [staff travel form](#) must be completed before the date of travel.
121. The Vice-Chancellor must have prior approval from the Chair of the Board of Governors or a nominated member of the Board before any overseas visit is arranged.
122. Members of the Board of Governors should have the approval of the Chair of the Board before any overseas visit is undertaken, and in the case of the Chair of the Board, approval should be by resolution of the full Board of Governors.
123. All staff and Governors must ensure that appropriate insurance arrangements are made for their overseas travel prior to their departure. Details of insurance cover can be obtained from the Procurement and Insurance Officer.

Pensions

124. The Board of Governors is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.
125. The Chief Financial Officer is responsible for day to day superannuation matters including:
 - Payment of contributions to various authorised superannuation schemes;
 - Preparing the annual return to various superannuation schemes;
 - Administering the university's pension arrangements.
126. The Chief Financial Officer and payroll team are responsible for administering eligibility to pension arrangements and when deductions should begin or cease for staff.

Petty Cash

127. Where a single item is for an incidental amount, departments should look to use procurement cards where possible. If not possible, then the expense could be paid from petty cash where necessary. Any such purchase must be supported by an original VAT receipts where available.
128. The Chief Financial Officer may make available to departments such imprests as are considered necessary for the disbursement of petty cash expenses (in exceptional circumstances).
129. Requisitions for reimbursement must be sent to the Chief Financial Officer, together with appropriate receipts or vouchers before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.
130. Any member of staff granted a float is personally responsible for its safe keeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the university's insurers when not in use, and will be subject to periodic checks by the Chief Financial Officer or another nominated person.
131. At the end of the financial year a certificate of the balances held should be completed by any member of staff responsible for a float and countersigned by the Chief Financial Officer.

Purchase Orders

132. The ordering of goods and services shall be in accordance with the university's Procurement Policy ([Appendix 4](#)).
133. Official university purchase orders (PO's) must be raised via the approved university finance system for the purchase of all goods and services, with a valid PO allocated. Purchases made using a corporate credit card or virtual card should be authorised in accordance with the relevant authorisation process.
134. In exceptional circumstances where budget holders face urgent or business critical decisions / purchases, then it is intended they use their best judgement to manage the situation appropriately. Relevant information and audit trails (including authorised paperwork) should follow once the incident has been dealt with accordingly, and prior to any invoices for the work being processed.
135. When transferring goods or services between departments an interdepartmental transfer form must be used.
136. It is the responsibility of the Chief Financial Officer to ensure that all purchase orders refer to the university's conditions of contract or amendments agreed between procurement and legal team

Remuneration

137. All university staff will be appointed to the salary scales approved by the Board of Governors and in accordance with appropriate conditions of service. All letters of correspondence must be issued by the Human Resources Office and signed by the Chief Operating Officer.
138. The Board of Governors will determine what other benefits, such as cars, medical and life insurance, are to be available; the basis of their provision (contributory or not) and the staff to whom they are to be available.
139. Salaries and other benefits for senior management will be determined by the Remuneration Committee set up by the Board of Governors.

Resource Allocation

140. Resources are allocated annually by the Board of Governors on the recommendation of the Finance and General Purposes Committee, and on the basis of the above objectives. Budget holders are responsible for the economic, effective and efficient use of resources allocated to them.

Salaries and Wages

141. The Chief Financial Officer is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All time sheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers and researchers, will be in a form prescribed or approved by the Chief Financial Officer¹.

142. The Head of Human Resources will be responsible for keeping the Chief Financial Officer informed of all matters relating to personnel for payroll purposes.

In particular these include:

- Appointments, resignations, dismissals, secondments and transfers;
- Absences from duty for sickness or other reason, apart from approved leave;
- Changes in remuneration other than normal increments and pay awards;
- Information necessary to maintain records of service for superannuation, income tax and national insurance.

143. The Chief Financial Officer shall be responsible for keeping all records relating to payroll including those of a statutory nature.

144. The Chief Financial Officer is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.

145. All payments must comply with HM Revenue and Customs regulations.

Student Fees

146. The procedure for collecting tuition and residence fees must be approved by the Chief Financial Officer; they are responsible for ensuring that all student fees due to the university are received.

Student Financial Aid - Hardship/Emergency Loans

147. The university's schemes for emergency/hardship loans and student financial aid must be approved by the Board of Governors through the normal budget process. This will include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made other than in accordance with the approved scheme.

148. The Chief Financial Officer along with the Pro Vice-Chancellor, Education and Students are responsible for ensuring the adequacy of the systems in place for:

- Approving loans in accordance with the scheme;
- Paying loans that have been approved;
- Recovering loans that have been paid;

¹ Forms can be obtained from the Finance office

- Awarding scholarships to cover student tuition and / or living expenses.

Student Loans

149. Appropriate records will be maintained to support all transactions involving student loans.

Suppliers

Credit Arrangements

150. The Chief Financial Officer is responsible for implementing credit arrangements which will normally be:

- For commercial transactions: one month;
- Such different period as may be agreed with sponsors of research or consultancy.

Invoices

151. The Chief Financial Officer is responsible for deciding the most appropriate method of payment for the categories of invoice. Payment to UK suppliers will normally be made by Bankers Automated Clearing System (BACS) once per fortnight - In exceptional circumstances the Chief Financial Officer will authorise the manual preparation of cheques.

152. Suppliers should be instructed by the budget holder to submit invoices for goods or services to the university Finance department via email to purchases@harper-adams.ac.uk and not the department concerned, all invoices should state the university purchase order number.

153. Line Managers are responsible for ensuring that expenditure within their department does not exceed funds available.

154. Payments will only be made by the Chief Financial Officer against invoices which have been certified for payment by the appropriate Line Managers or delegated budget holder.

155. Receipt of an appropriately authorised purchase order on the web-based purchase order system will act as certification for payment against an invoice to confirm that in accordance with the order:

- The goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory.
- The original order details (quantity, price and discount) were correct.
- The invoice where quoting the PO number, and matching in quantity and value will be paid.
- An appropriate cost centre code was linked to the order. This must be one of the cost centre codes included in the budget holder's areas of responsibility and must correspond with the types of goods or service described on the invoice

156. Invoices must be passed directly to the Finance office (ideally direct from the supplier) as soon as possible and orders received in a timely manner. Care must be taken by the budget holder to ensure that discounts receivable are obtained.

New Suppliers

157. As part of the process to reduce unnecessary suppliers, improve efficiency and ensure timely payment of supplier invoices, new suppliers need to be set up on the finance system before any purchase order can be placed with a supplier. In order to fulfil this, a '[New Supplier Request](#)' form

must be completed and will be actioned by the Procurement & Insurance Officer. The new supplier's procedure can be found [here](#).

158. If the purchase is a one-off purchase below £2,000 a new supplier request should not be completed and use of a corporate credit card or a 'one off payment' can be made, please contact the Finance Department to discuss these arrangements.

Taxation

159. The Chief Financial Officer is responsible for advising Heads of Department/Line Managers on all taxation issues in the light of guidance issued by appropriate bodies and relevant legislation. The Chief Financial Officer will issue instructions on compliance with statutory requirements including those concerning VAT, PAYE, National Insurance, Corporation Tax and import duties.
160. The Chief Financial Officer is responsible for maintaining the university's tax records, making all tax payments, submitting tax returns by their due date as appropriate and appointing tax advisors.
161. The Personal Taxes Committee comprising of HR, Legal and Finance representatives, will consider the status of new suppliers in line with the established process and budget holders will be required to complete a 'Service Provider Status Questionnaire' to ensure that suppliers who are operating as sole traders or Personal Service Companies are paid in accordance with HMRC requirements.
162. The Criminal Finance Act Policy can be found at [Appendix 8](#).

Treasury Management

163. The Finance and General Purposes Committee is responsible for approving the TREASURY & ETHICAL INVESTMENT MANAGEMENT POLICY ([Appendix 6](#)), which sets out a strategy and policy for cash management, long term investments and borrowings. This will require compliance with regulators rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the financial memorandum. The Finance and General Purposes Committee has a responsibility to ensure implementation, monitoring and review of such policies.
164. All executive decisions concerning borrowing, investment or financing shall be delegated to the Chief Financial Officer and an appropriate reporting system set up. Any borrowings shall be undertaken in the name of the university and shall conform to any relevant regulator's requirements.
165. The Chief Financial Officer will report to the Finance and General Purposes Committee on a termly basis in each financial year with regard to the activities of the treasury management operation and on the exercise of the treasury management powers delegated to them.

Appointment of Bankers and Other Professional Advisers

166. The Board of Governors is responsible for the appointment of the institution's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Finance and General Purposes Committee. The appointment shall be for a specified period after which consideration shall be given by the Finance and General Purposes Committee to competitively tender the service.

Banking Arrangements

167. The Chief Financial Officer is responsible, on behalf of the Finance and General Purposes Committee, for liaising with the university's bankers in relation to the university's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the Chief Financial Officer, who shall make proper arrangements for their safe custody.
168. Only the Chief Financial Officer may open or close a bank account for dealing with the university's funds. All bank accounts shall be in the name of the university or one of its subsidiary companies. All cheques, CHAPS payments and Direct Debits drawn on behalf of the university must be signed

in accordance to the form approved by the relevant banking institution. Details of authorised persons and limits are held with the Head of Financial Accounting & Operations.

169. All automated transfers on behalf of the university, such as Bank Automated Clearing System, must be authorised in accordance to the form approved by the relevant banking institution i.e. certified holders of Digital Identity Smartcards. Details of authorised persons and limits are held with the Head of Financial Accounting & Operations.

170. The Chief Financial Officer is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

Treatment of Year-End Balances

171. At year-end, budget holders will not normally have the authority to carry forward a balance on their budget to the following year unless the Finance & General Purposes Committee has approved a specific scheme for carrying forward all or part of unspent amounts. Specific departmental consumables and equipment account balances may be carried forward with the approval of the Finance & General Purposes Committee.

172. Unspent balances on approved capital projects can be carried forward subject to approval from the Finance and General Purposes Committee.

Trust and Endowment Funds

173. The Chief Financial Officer is responsible for maintaining a record of the requirements for each trust fund and for advising the Finance and General Purposes Committee on the control and investment of fund balances.

174. The Finance and General Purposes Committee is responsible for ensuring that all the university trust funds are operated within any relevant legislation and the specific requirements for each trust.

Virement

175. Where a budget holder is responsible for more than one budget, with the written approval of the Line Manager, virement is permitted of up to 10% of the budget from which virement is sought.

176. Virement between budgets held by different budget holders is permitted up to 10% of the budget from which virement is sought with the written approval of the transferring budget holder and the Line Manager.

177. The Chief Financial Officer is responsible for submitting requests for virement of resources above 10% to the Finance and General Purposes Committee for consideration before submission to the Board of Governors for approval.

FRAUD AND CORRUPTION

General

178. The university is committed to ensuring the highest standards of propriety in all its activities as well as to delivering a high-class service.

179. The university has a detailed Counter Fraud Policy ([Appendix 5](#)) outlining its approach to minimising the risk of fraud, which is held centrally. The aim of the policy is to:

- Make a clear statement that incidents of fraud and corruption are taken seriously;
- Ensure confidentiality and freedom from reprisal for staff raising concerns;

- Make clear that there will be penalties against perpetrators of fraud and corruption;
- Make clear the procedures to be followed when incidents of fraud and corruption are discovered.

Detection of Fraud and Irregularity

180. All members of staff have a responsibility in the detection of fraud and irregularity.
181. If a staff member is suspicious that fraud is taking place they should inform their Line Manager in the first instance, they will then take the matter further and ensure that the Chief Financial Officer is informed of any suspected financial irregularities immediately.
182. If the suspected fraud involves the staff member's Line Manager, the member of staff has leave to make their concerns known to the Line Manager's superior. If the suspected offence is considered to be of sufficient gravity the staff member should inform the Vice-Chancellor directly and/or the Clerk to the Board of Governors and/or internal audit.
183. The Clerk to the Board of Governors should report any suspected incident of fraud and irregularity to the Chair of the Audit and Risk Management Committee, internal and external audit partners, the Office for Students and the Charity Commission in line with the requirements of the Audit Code of Practice.
184. Each staff member should satisfy themselves that any suspicion of fraud or irregularity is pursued to their satisfaction, and if they feel that insufficient action is being taken they should make these concerns known to the Vice-Chancellor and/or the Clerk to the Board of Governors. If the staff member is still unhappy with the situation, they should inform the Chair of the Audit and Risk Management Committee, and if still unhappy should contact the regulators as a last resort.
185. Line Managers who are informed of suspected fraud should document the staff member's suspicions and inform the Vice-Chancellor, together with the Clerk to the Board of Governors and the Chief Financial Officer at the earliest possible opportunity. The senior post holders should approve and document a course of action and pursue the matter to its conclusion.
186. Copies of all documentation concerning fraud or irregularity should be lodged with the Clerk to the Board Governors and the matter reported to the Finance and General Purposes Committee. Confidentiality of all these papers should be maintained at all times as they may subsequently be used in a court of law.

GOVERNANCE

Code of Conduct

187. The university is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the seven principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which are; Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership of which members of staff at all levels are expected to observe.
188. Additionally, members of the Board of Governors, senior management or those involved in procurement are required to disclose interests in the institution's register of interests maintained by the Clerk to the Governors. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly.
189. In particular, no person shall be a signatory to a university contract where they also have an interest in the activities of the other party.
190. The university expects all staff to observe the university's code of conduct. This reflects the three fundamental principles of openness, integrity and accountability, and covers:

- Probity and propriety;
- Selflessness, objectivity and honesty;
- Relationships.

191. The detailed Code of Conduct, Roles and Responsibilities of members of the Board of Governors together with information on the committee structure can be found in the [Governance Handbook](#).

The Board of Governors

192. The Board of Governors is the principal financial and business authority of the institution. The Board ensures proper books of account are kept, approves the annual budget and financial statements, and has overall responsibility for the university's assets, property and estate.

193. The Board's financial responsibilities are to:

- Ensure the solvency of the university;
- Safeguard the university's assets;
- Ensure the effective and efficient use of resources;
- Ensure that the funds provided by the regulators are used in accordance with the terms and conditions specified in the university's memorandum of assurance and accountability with the regulators;
- Ensure that financial control systems are in place and working effectively;
- Ensure that the university complies with the regulators Audit Code of Practice;
- Approve the university's strategic plan;
- Approve annual estimates of income and expenditure;
- Approve the annual financial statements;
- Appoint the university's internal and external auditors.

194. The Board of Governors terms of reference can be found in the [Publication Scheme](#).

195. The Board of Governors has ultimate responsibility for the university's finances, but delegates this to the committees detailed below.

Finance and General Purposes Committee

196. Monitoring of the university's financial position and planning is undertaken by the Finance and General Purposes Committee and reports to the Board of Governors. The committee will examine annual budgets and accounts and recommend their approval to the Board of Governors. It will ensure that short term budgets are in line with agreed longer term plans and that they are followed. It will consider any other matters relevant to the financial duties of the Board of Governors and make recommendations accordingly. The committee will also ensure that the Board of Governors has adequate information to enable it to discharge its financial responsibilities.

197. The committee also undertakes consideration of the university's medium- and long-term strategic plans. It is responsible for ensuring that all the financial implications of such plans are taken into account before their approval by the Board of Governors. In addition, the committee is responsible for considering the university's capital programme before it can be recommended to the Board of Governors for approval. Similarly, it considers and makes recommendations to the Board of Governors on the allocation of resources between academic and non-academic areas.

198. The Finance and General Purposes Committee's terms of reference can be found in the [Publication Scheme](#) (section 1).

Audit and Risk Management Committee

199. Universities are required by the regulators to appoint an Audit & Risk Management Committee. The committee is independent, advisory and reports to the Board of Governors. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors.

200. The committee is responsible for monitoring the university's financial control systems, identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

201. The audit requirements of the university are set out in the regulatory framework, which requires that the standard of internal audit should conform to HM Treasury standards which are set out in the [Government Internal Audit Publications](#).

202. The Audit and Risk Management Committee's terms of reference can be found in the [Publication Scheme](#) (section 1).

Remuneration Committee

203. Consideration of senior management's pay and conditions is the responsibility of the Remuneration Committee. It has the power to make recommendations to the Board of Governors on their remuneration, including pay and other benefits, as well as contractual arrangements.

Risk Management

204. The university acknowledges the risks inherent in its business and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable/unacceptable by the university is set out in a separate Risk Analysis and Action Plan, which can be obtained from the University Secretary or Governance Officer.

205. The Board of Governors has overall responsibility for ensuring there is a Risk Management Strategy and a common approach to the management of risk throughout the university by the development and implementation within the organisation of a formal, structured risk management process.

206. The Board of Governors requires that the Risk Management Strategy and supporting procedures include:

- The adoption of common terminology in relation to the definition of risk and risk management;
- The establishment of university wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis;
- A decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes (see above);
- A decision on the level of risk to be covered by insurance;
- Detailed regular reviews at department level or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas;

- Development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question;
- Regular reporting to the Board of Governors of all risks above established tolerance levels;
- An annual review of the implementation of risk management arrangements.
- The strategy and procedures must be capable of independent verification.

207. Line Managers must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the university may be exposed. The University Solicitor or University Secretary's advice should be sought to ensure that this is the case.

INTELLECTUAL PROPERTY RIGHTS AND PATENTS

General

208. Certain activities undertaken within the university including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property. The university has a detailed policy on Intellectual Property which can be found under (section 5) of the publication scheme.

Patents

209. The Finance and General Purposes Committee is responsible for establishing procedures, to deal with any patents accruing to the university from inventions and discoveries made by staff in the course of their research. Specific provisions are included in staff contracts which specify that any matter or thing capable of being patented in the performance of a member of staff's normal duties shall belong to the university.

Commercialisation of Intellectual Property Rights

210. In the event of the university deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property procedures issued by the university. Specific provisions are included in staff contracts which specify that all intellectual property rights are held by the university unless negotiated otherwise.

PROCUREMENT

211. The university requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice.

212. The Chief Financial Officer is responsible for:

- Ensuring that the university's Procurement Policy ([Appendix 4](#)) is known and observed by all involved in purchasing for the university;
- Advising on matters of university procurement policy and practice;
- Advising and assisting departments where required on specific departmental purchases;

- Developing appropriate standing supply arrangements on behalf of the university to assist budget holders in meeting their value for money obligations.

213. Any procurement contract that deviates from the standard terms and conditions of the university should be authorised by either the Chief Financial Officer, Chief Operating Officer or University Secretary.

Public Procurement Regulations

214. The Chief Financial Officer and Deputy Chief Financial Officer are responsible for ensuring that the university complies with its legal obligations concerning public procurement legislation. Public procurement regulations apply to written contracts for all forms of procurements or hire (whether or not hire purchase) with a total value exceeding a threshold value. The thresholds set at 01 January 2022 inclusive of VAT are:

- Supplies and services £213,477 (value is based on a particular project or continuous supply over 48 months)
- Works of £5,336,937

A breach of these regulations is actionable by a supplier or potential supplier.

Note: these thresholds are changed at least bi-annually.

Procurement Limits

215. That subject to any specific funding requirements in relation to specific projects, procurement tenders should be used for:

- Procurement of Building Construction Works and associated services in excess of £50,000
- Other purchases where the estimated total cost is in excess of £25,000

Procurement thresholds are calculated as the total committed spend over a contract duration excluding VAT. Spend should not be broken down in order to circumvent the regulations.

216. Where there is no existing contract in place all procurement below £25,000 shall adhere to the following requirements:

- Under £2,000 the budget holder will have discretion as to whether or not to obtain quotations, but value for money must always be obtained. Where appropriate the budget holder will use a corporate credit card or virtual card
- For over £2,000 and below £25,000 the budget holder will obtain three written quotations and evidence within the approved university finance system as raising a Purchase Order

A 'quote' for this purpose is defined simply as a written request for any specific item or service.

217. For procurement over £25,000 the budget holder must go through a competitive tender exercise. A 'tender' is defined as a structured invitation to vendors for the supply of goods or services with, importantly, the understanding that a range of tenderers have been approached (i.e. competition) and a set process for the evaluation of responses.

218. All tenders are issued electronically through the university tendering portal and are administered by the Procurement and Insurance Officer.

219. However, if an existing NWUPC or other public sector purchasing agreement / (framework) is available and it is advantageous to the university, that agreement may then be employed without obtaining further quotes. To ensure that this is the most appropriate route-to-market, budget holders are advised to discuss their requirements with the Chief Financial Officer.
220. All tenders should be approved prior to release to market using the [Tender Approval Document Form](#). A copy should be signed by all relevant parties and retained electronically as part of the contract file.
221. All tenders award decisions should be approved prior to supplier notification using the [Tender Award Form](#). A copy should be signed by all relevant parties and retained electronically as part of the contract file.
222. As of the 01 April 2015, all contracts of £25,000 and over, if advertised at all, must be advertised on the governments 'Contracts Finder'. This is due to rules and legislation imposed by Public Procurement Regulations. However, if a consortia framework agreement is in place then this need not apply providing that the framework has been engaged with fully. Guidance as to the form of the advertisement and how to publish must be sought from the Chief Financial Officer in the first instance.

Tendering Procedure

223. The advice of the Chief Financial Officer should be sought should a tender be required.
224. A full competitive tendering exercise shall be employed in connection with:
- Any purchases of equipment, involving expenditure of £25,000 or more (which have been previously authorised by Governors) regardless of the source of funds
 - Any proposals for major items of capital involving expenditure of £50,000 for Building Construction Works (which have been previously authorised by Governors) regardless of the source of funds
225. The competitive tendering exercise will be completed in accordance with the [templates and guidelines](#) available on the procurement pages of the HAU Portal and saved electronically in a central file.
226. Tender criteria, scoring and weighting should be clearly understood and documented prior to approaching potential suppliers. These should be explicitly stated in the tender documents as this will provide a steer to all potential suppliers and further define the requirements and priorities.
227. The university will endeavour to ensure that all goods and services purchased shall be done so with a minimal negative effect on the environment and will take into account social and economic aspects of the purchase when tendering in accordance with the Environmental Sustainability Strategy. It is important to note that 'environmental considerations' are wider than simple 'carbon reduction', taking into account the economic and social impact of any purchase. Organisations will be required to sign a declaration of compliance to all applicable minimum legislative requirements and/or university standards. Ethical and environmental considerations will also be reviewed as part of tendering documents to assess that the impact of such supply can be minimised for the benefit of Harper Adams University and the wider community / environment.

Corporate Credit Cards

228. Corporate credit cards are a cost-effective method of ordering goods and services for low value / one off purchases conducted off site. The operation and control of the university's corporate credit card is the responsibility of the Chief Financial Officer. Card holders are expected to follow the [university's procedures](#).
229. Holders of corporate credit cards must use them only for the purposes for which they have been issued and within authorised purchasing limits. Corporate credit cards must not be loaned to

another person, nor should they be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs.

- 230. Card holders are required to provide VAT receipts for all purchases and the costs should be analysed stating the reason and in respect of whom expenditure was made.
- 231. This analysis should be made on the transaction form² that is submitted monthly following the circulation of the monthly statement which details the code to which the expenditure should be charged.
- 232. The expenditure should be reviewed and authorised by the Line Manager of the card holder. Senior management card holder's expenditure should be authorised by either the Vice-Chancellor or Chief Financial Officer.
- 233. The certification by the Line Manager shall be taken to mean that the expenditure was authorised and the expenses/charges properly and necessarily incurred.

Virtual Cards

- 234. Virtual cards are a cost-effective on-site method of ordering goods and services for low value / one off purchases that do not exceed £2,000. The operation and control of the university's virtual card system is the ultimate responsibility of the Chief Financial Officer. Operational authority is delegated to the Head of Financial Accounting & Operations and the Payroll & Financial Operations Manager. All virtual card holders' users must follow the university's procedures.
- 235. Virtual card details must not be loaned to another person, nor should they be used for personal or private purchases.
- 236. Virtual card holders are required to provide VAT receipts for all purchases.
- 237. The expenditure should be reviewed by the Budget Holder monthly.
- 238. Unless a dispute is raised by the Budget Holder the expenditure shall be deemed to be authorised and the expenses/charges properly and necessarily incurred.

Embedded Virtual Cards

- 239. The operation and control of the university's embedded virtual card system is the ultimate responsibility of the Chief Financial Officer. Operational authority is delegated to Head of Financial Accounting & Operations and the Payroll & Financial Operations Manager. All use of embedded virtual cards must follow the university's procedures.
- 240. This analysis should be made on the transaction form³ that is submitted monthly following the circulation of the monthly statement which details the code to which the expenditure should be charged.

² Forms can be obtained from the Finance office

³ Forms can be obtained from the Finance office

RESEARCH GRANTS AND CONTRACTS

General

241. Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective.
242. The term “research grant” is restricted to research projects funded by the UK research councils, charities and the regulators.
243. All other externally financed research projects are classified as “research contracts”
244. 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 Line Manager to ensure that the financial implications have been appraised by the Management Accounts team.
245. The Chief Financial Officer or designated member of the Finance team is responsible for examining every formal application for grant or sponsorship to ensure that the full cost has been recognised. The research agreement must be in line with the university’s policy with regard to indirect costs and other expenses and take account of different procedures for the pricing of research projects depending on the nature of the funding body. In general, full overheads must be recovered in the price. The Chief Financial Officer or designated member of the Finance team’s approval must be obtained where the overhead recovery is less than the minimum normally payable by the Research Councils.
246. Research grants and contracts shall be accepted and signed on behalf of the university by either the University Secretary, or in their absence the Vice Chancellor.
247. The Chief Financial Officer shall maintain all financial records relating to research grants and contracts and shall initiate all claims for reimbursement from sponsoring bodies by the due date.
248. Each grant or contract will have a named supervisor or grant holder and will be assigned to a specific budget centre.
249. Control of pay and non-pay expenditure will be contained within the budget centre. The budget holder for 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.
250. The guidance for Research grants and contracts can be found via the [Research office](#).

Additional Payments to Staff

251. Any proposal which involves additional payments to members of staff should be supported by a schedule of names and values and must be approved by the Line Manager and in the case of a Line Manager by the Vice-Chancellor or Chief Operating Officer.
252. 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 Line Manager and in the case of the Line Managers, the Vice-Chancellor or Chief Operating Officer.
 - Applications for permission to undertake work as a purely private activity must be submitted to the Line Managers or Vice-Chancellor, as appropriate, 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 university resources required (for the calculation of the full economic cost);
- an undertaking that the work will not interfere with the teaching and normal university duties of the member(s) of staff concerned.

Entrepreneurial Accounts

253. Distribution of surpluses from income generation activity between central funds of the university and individual academic departments will be in accordance with the policy approved by the Finance and General Purposes Committee.
254. Any surpluses distributed to departments must be defrayed in accordance with the university's financial regulations and should not be used for the purposes of staff entertainment or hospitality, discretionary staff payments/bonuses, donations or gifts to third parties.

SECURITY

General

255. Line Managers are responsible for maintaining proper security at all times for all buildings, stock, stores, equipment, furniture, cash, etc under their control. They will consult the Chief Financial Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
256. Keys to safes or other similar containers are to be carried by the person responsible at all times. The loss of any such keys must be reported to the Chief Financial Officer immediately.
257. The Director of IT shall be responsible for maintaining proper security for all systems whilst privacy of information held on computers is the responsibility of the individual. Information relating to individuals held on computers will be subject to the provisions of the Data Protection Act and the General Data Protection Regulation (GDPR). Security of data is provided for in a separate [Data Protection Policy](#) (section 5).

Security of Documents

258. The University Solicitor is responsible for the safekeeping of official and legal documents relating to the university. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the University Solicitor. All such documents shall be held in an appropriately secure location.

SENIOR MANAGERS WITH FINANCIAL RESPONSIBILITIES

Designated Officer

259. The Vice-Chancellor is the university's designated officer responsible for the financial administration of the university's affairs. In this capacity, the Vice-Chancellor must advise the Board of Governors if at any time, any action or policy under consideration by them appears to be incompatible with the memorandum of assurance and accountability. If the Board of Governors decides nevertheless to proceed, the Vice-Chancellor must immediately inform the chief executive of the regulators in writing.
260. The Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by the Board of Governors and for the management of budgets and resources within the estimates approved by the Board of Governors. As the designated officer, the Vice-

Chancellor may be required to justify any of the university's financial matters to the Public Accounts Committee at the House of Commons (or equivalent bodies in Scotland and Wales).

The Chief Financial Officer

261. Day to day financial administration is controlled by the Chief Financial Officer. The Chief Financial Officer is responsible to the Vice-Chancellor for:

- Preparing annual capital and revenue budgets and financial plans;
- Preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
- Preparing the university's annual accounts and other financial statements and accounts which the university is required to submit to other authorities;
- Ensuring that the university maintains satisfactory financial systems;
- Providing professional advice on all matters relating to financial policies and procedures;
- Day to day liaison with internal and external auditors in order to achieve efficient, financial and related processes.

Budget Holders

262. Budget holders are responsible to the Vice-Chancellor for the financial management of the activities they control. They are advised by the Chief Financial Officer in executing their financial duties. The Chief Financial Officer will also supervise and approve the financial systems operating within their departments, including the form in which accounts and financial records are kept.

263. Budget holders are responsible for establishing and maintaining clear lines of responsibility within their departments for all financial matters. Where resources are further devolved, budget holders remain accountable for their own budgets.

UNIVERSITY SEAL

264. Where a deed or document requires the university seal, it must be sealed by the University Secretary or, in their absence, the Chief Financial Officer, in the presence of a member of the Board of Governors.

265. The University Secretary is responsible for submitting a report to each meeting of the Board of Governors detailing the use of the university seal since the last meeting.

AUTHORITY AND PROCUREMENT LIMITS

| AUTHORITY AND PROCUREMENT LIMITS | Authorising Body | | | | | | | Paragraph in Financial Regs |
|--|---|----------------------------------|----------------------------------|-------------------------------|---------------------------------|----------------------------|--------------------|-----------------------------------|
| | Head of Financial Accounting & Operations (OR) | Chief Financial Officer (AND) | Chief Operating Officer (AND) | University Secretary (AND) | Vice-Chancellor (AND) | F&GP (AND) | Board of Governors | |
| Assets | | | | | | | | |
| Purchase, Lease or Rent of Land, Buildings | | ✓ | | | ✓ | ✓ | ✓ | 45 |
| Capital Budget Variances >£100,000 | | ✓ | | | ✓ | ✓ | | 47 |
| Disposal of Land & Buildings | | | | | | | ✓ | 59 |
| Disposal of Plant, Equipment and Furniture | Notify in advance the Head of Financial Accounting & Operations and complete the asset disposal form | | | | | | | 58 |
| Bad Debt and Write Off | | | | | | | | |
| < £10,000 | | ✓ | | | ✓ | | | 83 |
| > £10,000 | | ✓ | | | | ✓ | | |
| Bank Loans, Investments, and Financing | | | | | | | | |
| Bank Borrowing | | ✓ | | | | ✓ | | 164 |
| Investments | | ✓ | | | | ✓ | | 164 |
| Financing | | ✓ | | | | ✓ | | 164 |
| Budgets | | | | | | | | |
| Approval of Revenue Budget | | ✓ | | | | ✓ | ✓ | 70 |
| Approval of Capital Budget | | ✓ | | | | ✓ | ✓ | 70 |
| Capital Variations >£100,000 | | ✓ | | | ✓ | ✓ | | 78 |
| Public Contracts Regulations 2015 | | | | | | | | |
| Supplies and services £213,477 INCLUSIVE of VAT (value is based on a particular project or continuous supply over 48 months) | | | | | | | | 214 |
| Works of £5,336,937 INCLUSIVE of VAT | | | | | | | | 214 |
| Gifts & Hospitality | | | | | | | | |
| | Procurement & Insurance Officer (or) | Chief Financial Officer | | | | | | |
| Notification of Gifts | > £20 | > £20 | | | | | | 92-100 |
| Notification of Hospitality | > £80 | > £80 | | | | | | 101-106 |
| Procurement | | | | | | | | |
| Purchases < £2,000 | Discretion of Budget Holder to obtain quotes but value for money must always be obtained / Use of Framework | | | | | | | 216 |
| Purchases > £2,000 to <£25,000 | Obtain 3 written quotes and hold evidence on file / Use of Framework | | | | | | | 216 |
| Purchases > £25,000 | Tender process / Use of Framework | | | | | | | 217-227 |
| Purchase Lease or Rent of land, buildings | | ✓ | | | ✓ | ✓ | ✓ | 45 |
| Authorisation of rental / lease / HP agreements for purchase of equipment / services | | ✓ | ✓ | ✓ | | | | 116 |
| Research Project Bids | | | | | | | | |
| | Contracts and Commercial Accountant (AND) | Line Manager (AND) | | | Associate PVC Research (AND) | Deputy Vice- Chancellor | | |
| <£19,999 | ✓ | ✓ | | | | | | |
| >£20,000 | ✓ | ✓ | | | ✓ | ✓ | | |
| Research Grants Contract | | | | | | | | |
| Authorisation of Research Contract | | | | University Secretary (or) | Vice-Chancellor | | | 246 |

GUIDELINES FOR BUILDING PROJECT MANAGEMENT

Introduction

A capital building Project is a unique, temporary activity with a start and completion date, specific goals and deliverables which provides measurable outcomes in terms of impact and benefits. A capital Project can solve a problem, upgrade an existing facility, support a new opportunity or a different way of doing things. Capital building Projects can include new buildings, refurbishment/remodelling, significant building fabric and building services replacement / upgrades or a combination of all of these. Capital Projects come with an element of commercial, reputational and health and safety risk. It is therefore important that they have defined benefits and outcomes, align with the University strategic objectives, and that design of major and minor projects fully reflect its values and commitment to equality, diversity and inclusion. The defined benefits and outcomes will be the basis on which a post project evaluation of is undertaken. The Financial Regulations define that such a post project evaluation is required for individual capital projects over £1M or where the Chief Financial Officer/Finance and General Purposes Committee determine that a review is needed.

All projects of whatever size need to be managed properly. The University's Financial Regulations set out the process by which as capital programme may be considered by the Finance and General Purposes Committee, and recommended to the Board of Governors as part of the budget setting processes. The Financial Regulations also state that where an agreed budget for a capital programme varies by £100K or more, then the variance needs to be shared with the Finance and General Purposes Committee for approval. Where such a variance is urgent and a time critical approval is required to progress the project, the Chair of the Committee or Chair of the Board would be asked to approve the change with a subsequent report to the Committee at its next meeting. The following document provides a project management framework to secure a successful Project.

Project Definition

At the outset there must be a clear definition of the Project to enable the feasibility of the Project to be assessed and to capture benefits and outcome demonstrating how these align with the University strategic objectives.

At the outset of any Project, the Project Definition will be high level based on previous experience, assumptions and judgement. In order to be robust, it will need input of relevant expertise which may be solely internal (e.g. Estates, Information Services, Student Services, etc...) or, when sufficiently complex or uncertainty, external expertise as well.

Before proceeding with any significant capital Project, the Project Definition Gateway must be signed off by the **Senior Leadership Team** to baseline the Project benefits and outcomes and confirm the willingness of the University to commit staff and financial resources to progress with the project further. This is the starting point of the Project Management Framework.

The Project Definition will inform key documents in the Project lifecycle:

- Client Brief – defining the key aspects of the Project, benefits and outcomes;
- Project Programme –the project timeline including key dates;
- Project Budget – allowable capital spend on the Project;
- Employer's Requirements – specification for the project used for procurement.

People & Skills

Successful Project implementation will require commitment from a number of internal University staff and resources. This will include both service departments and academic schools. It is essential that these roles are allocated during the initial stages of the Project and the people holding the key roles described below fully understand their responsibilities. This will be captured by the Project Manager in the Project Execution Plan.

Client

The Client is the lead stakeholder in the Project, either academic school or service department, who will use the outputs and realise the benefits of the Project. It is likely that the Client is responsible for the inception of the Project but not necessarily so.

The Client will need to:

- Define the desired benefits and outcomes for the Project;
- Lead on the preparation of the Project Definition, Project Business Case and Project Gateway submissions in collaboration with other relevant expertise and assisted by the Project Manager;
- Lead on the submission of any applications for grant funding;
- Where the Project relies on external funding streams to work with the Sponsor to secure those opportunities;
- Provide representation at key reporting and sign-offs required by Governance and the Project Gateways;
- Ensure suitable and sufficient resources are committed:-
 - To support the development of the Client Brief, design and specification and implementation phases;
 - To define and procure and manage installation of any specialist equipment;
 - To receive any training and handover of the completed Project;
- Ensure the Project Team are informed any operational changes affecting the Project;
- Assess the impact on the Project of any change in strategic objectives.

Project Sponsor

Project Sponsorship is a key role in the successful delivery of a Project. The Project Sponsor will be accountable for the Project Business Case and benefits realisation and acts as the voice of the University aligning the Project with the University's strategic objectives and financial constraints. The Project Sponsor will be a member of the **Senior Leadership Team or their nominee** responsible for the academic school or service department who is the lead stakeholder in the Project.

The Project Sponsor is accountable for the realisation of the Project benefits so will:

- Ensure that the Project Definition, Project Business Case and any Project Gateway submissions align with the University strategic requirements;
- Chair the Project Board;
- See that the Client presents the Project Definition, Business Case and Project Gateway submissions to **Senior Leadership Team** for sign off;
- Present the Project at key Project Gateways to **Senior Leadership Team** as well as Finance and General Purposes Governors Committee to secure authority to proceed;
- Support the Project Manager and the Client in resolving any implementation issues at a **Senior Leadership Team** level;
- Assist the Client and Project Manager in resolving any conflicting requirements;
- Identify any potential efficiencies with other Projects;
- Communicate strategic changes and external issues affecting the Project;
- Work with the Director of Estates and Facilities and Deputy Chief Financial Officer (or their nominees) to ensure that there is sufficient staff and financial resource available;
- Work with the Director of Estates and Facilities to ensure that there is sufficient time in the Project Programme.

Project Manager

The Project Manager is responsible for the day to day management of the capital Project and assuring that the Project is delivered in accordance with the Project Programme and to the Project Budget. The Project Manager will also be responsible for the coordination of the various workstreams and activities that are required for the successful delivery of the Project:

- Supports the Client in the preparation of the Project Business Case and Gateway submissions;
- Assists the Client in the preparation of the Client Brief;
- Collaborates with Finance to develop an appropriate Project Budget;
- Prepares and maintains the Project Execution Plan;
- Forms and manages the Project Team reporting to the Project Sponsor;
- Maintains and reports against the Project Programme;
- Procures and manages any Construction Consultants and Contractors;
- Is responsible for ensuring that the Project is delivered in accordance with statutory obligations;
- Manages the construction contracts for the Project from the outset to completion;
- Is responsible for ensuring that obligations under the Construction (Design Management) Regs 2015 are met;
- Coordinates the Project workstreams (e.g. construction, equipment, furniture, IT, etc...);
- Provides reports as necessary including any change reports to Project Board, Senior Leadership Team and Governors;
- Escalates critical blockers to progress and conflicting Project requirements for resolution;
- Owns and administers the stakeholder management process;
- Provides communications on key points on the Project through appropriate channels;
- Ensures that the client brief, Project programme and operational requirements are captured in procurement packages;
- Keep up to date financial records and provides financial reports and forecasts;
- Ensures procurement is in accordance with the Financial Regulations;
- Ensures that the Project meets any specific funding obligations.

Project Team

The Project Team is arranged for the life of a Project which includes the Client, the Project Manager as well as significant internal stakeholders in the Project who will deliver the Project and be involved in the day to day operation or as set out in the Project Definition. The Project Team is collectively responsible for the successful implementation of the Project.

The Project Team may include operational representation (e.g. Estates & Facilities, Catering, IT/AV, Grounds), academic representation (Client and nominated representatives) and where appropriate student representation (e.g. Student Services, Students Union). Recognising that different skills will be required during the lifecycle of a Project; the active participation of the significant stakeholders will vary.

A successful Project will require the Project Team subscribing collectively to that success:

- Understanding the Project benefits and outcomes;
- Contributing and buying into the Project Programme;
- Taking responsibility for their own workstreams;
- Understanding of the alignment with the University strategic objectives;
- Working with an approach of professionalism, communication and mutual support.

Project Board

A Project Board may be an appropriate form of Governance for a significant project although may not be necessary for smaller capital works. Determination on whether a Project Board is required will be decided at the approval of Project Definition at Gateway 1 in the Project Management Framework.

The Project Board will be chaired by the Project Sponsor, administered by the Project Manager and will include the Client, Finance and key internal delivery stakeholders as well as independent representation from within the University to ensure the Project is on track to deliver. Terms of reference for the Project Board will be agreed at Project Definition including membership and meeting frequency. Responsibilities of the Project Board include the sign-off of the Project Gateways.

Construction Consultants

For significant or complex Projects, a team of Construction Consultants will be required by the University once the Project Definition is agreed and capital financial resources are allocated.

It is the responsibility of the Project Manager to ensure:

- Appropriate and competent Construction Consultants are procured in accordance with the Financial Regulations on terms which are appropriate to the Project, taking into account the Client Brief and the Project Programme;
- Allocation of risk is commercially reasonable considering market conditions, making sure the University understands any residual risk and responsibilities;
- Insurances are appropriate to the size and level of risk of the project;
- The Construction Consultants scope of service meets the requirements of the Project and the responsibilities of the Consultants, the University and the Principal Contractor are coordinated and defined in contracts;
- The Client Brief, Employer's Requirements and Project Programme are accurately captured in any procurement so the Project achieves the desired benefits and outcomes.

Project Management Framework

The following defined the Project Gateways requiring sign-off through the life cycle of a Project. These align to key stages of a Project. However, in the event of any significant change to the strategic or operational requirements and market conditions affecting the Project Budget and Project Programme it may be determined by the Project Sponsor to seek an exceptional Project Gateway approval before proceeding further with the Project.

The Project Management Framework assumes a staged approval to proceed approach. Resources and funding will be sought at each Project Gateway for the next tranche of work to limit the University's financial commitment.

Gateway 1 - Project Definition (RIBA Stage 0 - 1)

Sign-off by **Senior Leadership Team**

Outline Business Case. To confirm high level Project scope and requirements before any financial or resource commitments to feasibility stage:

- Clear high-level Project Definition:-
 - Desired benefits and outcomes as a result of the Project;
 - Likely financial commitment required (capital & operational);
 - Assessment of the likely scale and complexity of the Project;
 - Assessment of the potential project commercial, reputational and operational risks;
- The different potential options of achieving the desired benefits and outcomes;
- Potential locations for the Project on or off-campus for built solutions;
- Demonstration of alignment with University strategic objectives;
- Key dates required;
- Make-up of the internal Project Team and terms of reference;
- Membership of the Project Board and terms of reference;
- Identification of specialist skills required to deliver the Project;
- Procurement strategy for Construction Consultants and specialist surveys;
- Capital funds required to develop the Project to Gateway 2.

Gateway 2 - Feasibility Stage (RIBA Stage 1 - 2)

Sign-off by Project Board and the **Senior Leadership Team**

Full Business Case. Outputs of more detailed investigations, surveys and explorations of Project scope. The Project Gateway 2 sign-off will confirm the outputs of the feasibility studies and the selection of the preferred option before any financial or resource commitments to prepare materials for statutory approvals:

- Defined the Client Brief;
- Options appraisal & recommendation for preferred Project solution;

- Assessment of Project size and siting;
- Surveys & investigations;
- Review of site infrastructure & utilities requirements;
- Estimated carbon emissions (tCO₂e) & mitigation;
- Confirmation of requirements for environmental assessments (e.g. BREEAM)
- Capital budget estimated forecast:-
 - High level coordinated capital budget estimates;
 - Level of contingency required;
 - Recommended Project Budget;
- High level operational budget impacts (utilities, staffing costs, etc...);
- Statutory pre-application advice if necessary;
- Project Programme for preferred Project solution;
- Project commercial Risk Register;
- Project health & safety Risk Register;
- Consideration of construction logistics;
- Stakeholder management plan;
- Capital funds required to develop the Project to Gateway 3.

Gateway 3 – Applications for Statutory Approvals (RIBA Stage 3 - 4)

Sign-off by the Project Board

The Project design and specification is developed with clear description of the preferred built solution and financial commitment. The Project Gateway 3 sign-off will confirm the developed Project proposals before committing publicly to statutory approvals, such as Town Planning, and incurring statutory application fees:

- Summary of any operational and strategic changes to the Project Definition, Client Brief and Business Case;
- Confirmation Construction Consultants appointments in place;
- Summary of Project proposals:-
 - Siting, massing, space created, appearance and external materials;
 - Heating and ventilation strategy;
 - Likely utilities (gas, water, electric) requirements;
 - Estimated scope 1 and 2 carbon emissions and any mitigation included;
- Progress against Project Programme and forward look to key dates;
- Financial reports:-
 - Spend to date;
 - Capital budget cost estimated forecast including tendered professional fees;
 - Capital budget contingency included;
- Progress update on environmental assessment tools giving secured and forecasted score;
- Procurement strategy for tendering the Principal Contractor;
- Coordinated capital budget cost estimated forecast;
- Updated commercial Risk Register;
- Updated health and safety Risk Register;
- Capital funds required to develop the Project to Gateway 4.

Gateway 4– Contract Commitment (RIBA Stage 3 - 4)

Sign-off by Project Board

The Project is fully developed with sufficient specification to secure the outcomes and benefits within the Employers Requirements. The Project Gateway 3 sign-off will confirm the developed Project proposals before significant commitment to contract:

- Summary of any operational and strategic changes to the Project Definition, Client Brief and Business Case;
- Tender report for Principal Contractor with recommendation to appoint;
- Confirmation of form of construction contract and terms;

- Updated Project proposals / Employer's Requirements:-
 - Siting, massing, space created, appearance and external materials;
 - Heating and ventilation strategy;
 - Utilities (gas, water, electric) requirements;
 - Scope 1 and 2 carbon emissions and any mitigation included;
- Progress against Project Programme and forward look to key dates;
- Progress update on environmental assessment tools giving secured and forecasted score;
- Construction phasing and enabling works defined;
- Construction logistics and site arrangements;
- Financial reports
 - Spend to date against forecast;
 - Updated capital budget cost estimated forecast including tendered prices;
 - Proposed cash flow for construction work and associated work packages;
 - Contingency and delegated authority for Project Manager;
- Confirmation of statutory approvals and any pre-start conditions;
- Updated commercial Risk Register;
- Updated health and safety Risk Register;
- Confirmation F10 submitted to the Health and Safety Executive;
- Capital funds required to complete the Project.

Gateway 5 – Project Review and Close (RIBA Stage 6 - 7)

Sign-off by the Project Board. Lessons learnt to be shared with **Senior Leadership Team**

The Project is completed, handed over and in operation. The Project Gateway 5 sign-off will confirm the Project benefits and outcomes are being realised as well as providing financial close:

- All completion certificates received;
- All conditions associated with statutory approval cleared;
- All operation and maintenance manuals received;
- All health and safety file information received;
- Training for operational staff and users completed;
- University insurers notified of practical completion;
- Schedule of maintainable assets added to planned maintenance programmes;
- Environmental assessment tool final scoring;
- Audit and evidence requirements for any external funding completed;
- Lessons learnt from the Project;
- Final accounts agreed.

NB: Where there are significant issues arising from Gateway 5, that cannot be resolved by the Project Board, the Vice-Chancellor or CFO or their nominee may determine that a full post project review is required to consider these matters and shall set a reasonable timescale for this to be completed by the Project Board and presented to Senior Leadership Team.

Risk Management

The commercial Project Risk Register will be prepared and maintained by the Project Manager in collaboration with the Project Team. The Project Risk Register will be a live document throughout the lifecycle of the Project updated for each Project Gateway and with any significant change to the Project Definition, Project Programme, Client Brief or Business Case. The Risk Register will identify the risks that could affect Project Budget, Programme or Business Case looking at:

- The probability and potential impact of the risks;
- Measures to be put into place to mitigate the risk;
- Ownership of the impact of the risk;
- Ownership of any mitigating actions.

The level of detail in the Risk Register will be appropriate to the stage of the Project lifecycle. The Risk Register must be reviewed and updated by the Project Team for each Project Gateway submission for approval.

Project Programme

The Project Programme defines the timeline to deliver the Project taking into account any key dates for the University. It is important that sufficient time is given to in Project Programme and it allows for the necessary Project stages and Project Gateway sign-offs:

- Project Definition;
- Developing the Client Brief;
- Feasibility studies and option appraisals including surveys;
- Statutory approvals (e.g. Town Planning);
- Developing the Employer's Requirements;
- Any enabling works necessary for site clearance or service diversions;
- Connection to utilities where required (e.g. gas, water, electric, data);
- Procurement in accordance with the Financial Regulations;
- Construction (including phasing), commissioning, handover and training.

Competent professional advice and market testing may be required to validate appropriate timescales for a Project Programme. If appropriate timescales are not realistically possible as a result of funding constraints, then time will become a significant risk to the project with implications on Project Budget and potentially the Project outcomes. If insufficient time is allowed this will lead to increased overall risk across the Project and increased costs.

Financial Management

Projects must be delivered in accordance with the University Financial Regulations.

Capital Costs

For capital budgets, it will be the responsibility of the Project Manager to:

- Defining the capital Project Budget;
- Keep a record of the Project capital financial commitments and transactions;
- Organise the raising and receiving purchase orders
- Administering appropriate invoice payments in accordance with contract requirements;
- Providing capital budget cost estimated forecast at key Project Gateways;
- Agreeing final accounts with the Principal Contractors and Construction Consultants.

The capital financial forecasts may require Professional Construction Consultant advice for enabling and construction work as well as and collaboration with the Project Team for associated work packages (e.g. furniture, equipment, AV / learning technologies, IT, etc...).

Operational Costs

Operational financial forecasts will be required for the Business Case and Project Gateways. These will be prepared by Finance supporting the Client as the lead stakeholder and supporting service departments affected by the Project taking into account operational and establishment costs and income streams set out in the Project outcome and benefits.

Sustainability

University Net Zero Commitment by 2030

Harper Adams University is committed to achieve net zero scope 1 and 2 carbon emissions by 2030. Any new capital Project will need to estimate the likely 1 and 2 carbon emissions through operation of the finished project whether new build, refurbishment/remodelling, building fabric or building services

upgrade. These are to be reported at each Project Gateway and in the Project Business Case based on the current DEFRA Conversion Factors and the likely 2030 scope 1 and 2 carbon emissions using the current BEIS projected energy emissions factors.

It is expected that Projects will adopt an approach to building fabric, heating, cooling and ventilation strategy which mitigates the increase of scope 1 and 2 carbon emissions through a number of measures, e.g. adoption of passivhaus, energy efficient fittings and enhancements above statutory requirements. In the event that a Project is expected to increase scope 1 and 2 carbon emissions then the Project will need to include mitigation either through the Project such as generation through renewables.

Use of Environmental Assessment Tools

It will be the responsibility of the Project Manager to ascertain whether a formal Environmental Assessment tool (e.g. BREEAM or SKA) is necessary either as a requirement of the University or through external funding grants.

Procurement

The University Financial Regulations must be adhered to with the procurement process of Principal Contractors, Construction Consultants and associated work packages (e.g. furniture, AV, IT and specialist equipment).

The Project Manager will be directly responsible for the procurement of Construction Consultants and Principal Contractors for the Project. However, procurement of the work package associated with a Project outside of this (e.g. specialist equipment, IT, AV, etc.) will be delegated to the lead stakeholder for that element of works in the Project Team.

The Project Manager will ensure that in procurement of works and services:

- Allow for staged instructions to allow the Project to be stopped at any Project Gateway stage without the University incurring costs for the remaining project as far as reasonably possible;
- Contain employer's requirements which capture the relevant parts of the Client Brief and Project outcomes and benefits;
- There is clear coordination of responsibilities across the workstreams to avoid gaps;
- There is accountability through supplier, construction and professional services contracts;
- There is clear responsibility for design and specification;
- Procured is done in good time to meet the Project Programme;
- Contract terms are favourable to the University, are appropriate to the Project and agreed with the University legal advisors.

Construction (Design Management) Regulations 2015

Construction (Design Management) Regulations 2015, or CDM Regs, deal with health and safety in construction projects above a specified size or of a defined type. The CDM Regs have specific definitions for key roles in the construction process and give those roles legal obligations. It is important that the roles are clearly defined and notified to the Health and Safety Executive for some projects prior to start on site.

Obligations on the University acting as "Client" under the Construction (Design Management) Regulations 2015. This is a corporate responsibility which is different to the role as Client for the lead stakeholder in the Project.

- Suitable arrangements for managing a Project with sufficient time and resources allocated;
- Competent persons acting as Designers to provide designs and specification;
- Competent persons acting as Principal Designer to plan, manage, monitor and coordinate health and safety in the pre-construction phase of a Project;
- All relevant information is provided to the team to help them fulfil their duties;

- Principal Contractor appointed to plan, manage, monitor and coordinate health and safety in the construction phase of a Project, developing a suitable and sufficient construction phase health & safety plan prior to works starting and adequate welfare facilities on site.

Successful Handover

It will be the responsibility of the Project Manager to prepare for operational readiness and facilitate a smooth and efficient handover of the completed Project to the University operational teams (e.g. Estates and Facilities, Catering, Information Services, etc.) and end users. The Project Manager will ensure:

- Planning for handover starts once the Gateway 2 Project Feasibility is approved, engaging operational teams on standard specifications and integration into the existing campus infrastructure;
- Handover requirements will be clearly detailed in tender documents for both Construction Consultants and the Principal Contractor;
- The finishing programme will be developed in good time and agreed with the Project Team with allocation of responsibilities;
- Nominated Client and operational representatives will be familiarised with the built Project during the later stages of construction for orientation;
- Appropriate training will be provided close to or at completion to allow smooth transition to operational and use;
- Suitable handover documentation will be provided – both detailed information in the operational and maintenance manuals and appropriate easy guides at point of use;
- Lessons learnt from handover should inform the Project Gateway 5.

Chief Operating Officer
June 2023

BRIBERY AND CORRUPTION POLICY

Introduction

1. The university has a zero-tolerance approach to fraud, bribery and corruption. It is committed to reducing fraud in the university and will seek the appropriate disciplinary, regulatory, civil, and/or criminal sanctions against fraudsters and where possible will attempt to recover losses. The aim of the policy and procedure is to protect the property and finances of the university.
2. This document clarifies all existing university policies and financial regulations relating to this area and introduces revised policies and regulations and new practices to enable the university to comply with the Bribery Act 2010. The document should be read in full.
3. This document sets out how the university complies with the Bribery Act 2010. It has been approved by the Board of Governors.

Definitions

4. For the purposes of this document the following definition will apply:

'Bribery': the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal or a breach of trust.

Bribery is defined as:

The Bribery Act makes it clear that a corporate body should take all reasonable steps to ensure that it prevents bribes being offered on its behalf. It should also be noted:

That it does not matter whether the advantage is offered, promised or given by an individual or organisation directly or through a third part.

And

That where an act of bribery is committed overseas, it may constitute an offence under UK law. Convictions under the Bribery Act 2010 may have far-reaching consequences for individuals, and for organisations and employers

5. In summary, the following constitute individual offences under the Bribery Act 2010:
 - Bribing another person;
 - Accepting a bribe;
 - Bribing a foreign official.
6. The following constitutes a corporate offence under the Bribery Act 2010:
 - Failing to prevent bribery within a commercial organisation (which includes Higher Education Institutions for the purposes of the Act).
7. For the purposes of this document the following definition will apply:

'Corruption' the misuse of public office or power for private gain or the misuse of private power in relation to business outside of the realm of the government.
8. Under the Bribery Act 2010, bribery can be committed by an employee, officer or director; by any person acting on behalf of these individuals (a third-party representative and by individuals and organisations where they authorise someone else to carry out these acts.)

Scope

9. This policy applies to all employees of the university; students of the university where they undertake work for or on behalf of the university (e.g. research students carrying out work related to research grants or consultancy contracts); all members of the Board of Governors and committees of the Board; any Trustee of the Harper Adams University Development Trust; all employees of the university's subsidiary companies; any other persons associated with or contracted to provide services to the university or its subsidiary companies, including *but not limited to*, consultants; third party representatives including, but not limited to agents working overseas.

Policy

10. The university is committed to:

- the highest standards of openness, probity and accountability;
- it will, at all times, act honestly and with integrity and conduct its business without the use of any corrupt, unfair or unlawful practices, such as bribery, fraud and the use of facilitation payments;
- it seeks to conduct its affairs in a responsible manner taking into account the requirements of relevant funding bodies and the standards in public life determined by the Nolan Committee;
- undertaking risk assessments in relation to areas in which it may face bribery and corruption risks;
- it regards the creation of false, misleading or inaccurate records as a breach of this policy;
- it will maintain accurate books, records and financial reporting throughout its structures and subsidiaries and in its relationships with third party representatives;
- a programme of action to ensure that this policy is implemented, is effective and is brought to the attention of all members of the university, relevant third parties, and as necessary, other individuals and legal entities.

Disciplinary Action

11. The university will take disciplinary action where it is alleged that has breached this policy.

Responsibilities

12. All members of the university:

- have a personal duty to act in accordance with this policy and all relevant legislation and are required to comply with the regulations set out in this document;
- will lead by example and will act and conduct the affairs of the university honestly, fairly, legally and transparently;
- will ensure that this policy is drawn to the attention of:
 - staff for whom they have responsibility;
 - students where they are engaged as an employee (whether paid or unpaid);
 - business clients and prospective business clients;
 - providers of goods and services and prospective providers of goods and services;
 - third party representatives and prospective third-party representatives;
 - Any other individual or organisation, as appropriate.

13. The prevention, detection and reporting of bribery is the responsibility of everyone associated with the university.
14. The university requires any potential breaches of this policy and bribery offers to be reported

Note: *Although students are often regarded as 'clients' of the university, there is no requirement at present to bring this policy to their specific attention unless they are working for and employed by the university in any capacity.*

- will, where they are responsible for existing contracts and/or the negotiation/formation of new contracts with: business clients/prospective business clients; providers of goods and services/prospective providers of goods and services; third party representatives/prospective third-party representatives or other individuals or organisations;
- ensure that contracts include appropriate clauses to provide for immediate termination where it is discovered that the conduct of a party to the contract is inconsistent with the policy and regulations set out in this document or any relevant legislation;
- when instructing third party representatives, have regard for the significant potential risks to the university of such arrangements/relationships in the event that the individuals or organisations concerned conduct university business in a manner that is inconsistent with the policy and regulations set out in this document or with relevant legislation and will, therefore, make an assessment of risk in each case prior to entering such an arrangement/relationship and prior to the renewal of any such arrangement/relationship;
- maintain accurate and transparent records and financial reports, which reflect each underlying transaction, concerning business activities and relationships, including relationships with third party representatives;
- no member of the university shall intentionally offer or receive any bribe or engage in any corrupt practice nor instruct others to do so;
- Where a staff member is working overseas, it is particularly important that they comply with this policy at all times.

Threats and Blackmail

15. Threats or blackmail, either direct or implied, must be reported, in confidence, to the Chief Operating Officer or University Secretary or Head of Human Resources (or nominee) and, where appropriate, to the Police.

Declaration and Registration of Interests, Benefits and Gifts

16. All members of the university are required to comply with the regulations and procedures set out in the financial regulations and referred to in the attached Notice for Suppliers, contractors, partners and clients. All staff must take steps to ensure that any external company or persons they are working with are aware of this Notice as indicated above.

Negotiation and Formation of Contracts

17. All members of the university must report to the University Secretary or Chief Financial Officer any instance where it appears that during a negotiation a person or a company/organisation may have acted or proposed to act in breach of this policy.

Public Interest Disclosure

18. Any member of the university who observes or becomes aware of practices which they reasonably believe may breach this policy or any relevant legal obligation, should raise the matter by means of the Public Interest Disclosure (Whistleblowing) procedures.

Conflicts of interest in Relation to Research

19. Members of the university engaged in research ('researchers') are required to declare any circumstances where the commitments and obligations owed by them to the university or to other bodies, for example funding bodies, are likely to be compromised in ways that might lead to that person's personal gain. Such conflicts/potential conflicts of interest would include but are not limited to financial or non-financial gain or both, may relate to conflicts between the private interests of a research organisation and those of the researcher, and conflicts between the interests of the researcher and the interests of research participants

Hospitality and Gifts

20. Members of the university are not normally permitted to accept hospitality with a value in excess of £80 unless prior written approval has been given by their Head of Department/Line Manager, and a declaration has been made. It is recognised that, in some exceptional cases, it may not be possible to anticipate value nor obtain the prior approval. In these circumstances, the member of the university will make a declaration and a report to their line manager within three (3) working days of having accepted the hospitality. The line manager will determine whether the acceptance was appropriate and determine any course of action to be taken. It should be noted that such cases will be regarded as exceptional. Where hospitality with a value in excess of £80 has been declined, a declaration must, nevertheless, be made by the member of the university to whom the offer was made.
21. No member of staff may accept a gift unless the gift is a scholarly work which relates to the staff member's academic discipline. A personal gift with a value of less than £20 may be accepted provided that the circumstances in which the personal gift is being given do not conflict with the principles of the Bribery Act 2010.
22. A corporate gift e.g. a gift or free loan of machinery or equipment from a company that exceeds the value of £20 may be accepted on the basis that it is not a gift to the individual but to the university for the purposes of supporting education and/or research and that this is made clear to the donor.
23. **All gifts must be declared to the relevant contact within the finance department within 5 working days.**

Private Work, including Private Consultancies, Directorships and paid memberships of External Committees

24. All such matters must be declared in accordance with a staff member's contract, or in the case of Governors, be included in the Register of Interests.

Family and Close Personal Relationships

25. Members of the university are required to declare any family relationship or where there is a conflict of interests or potential conflict of interests, any close personal relationship with another member of the university which exists either at the time of their employment/the commencement of their association with the university or any such family or close personal relationship that may arise and/or cease thereafter during the period of their employment/association. Please complete the form [Close personal or family relationships disclosure form](#)

Personal Relationships with Students

26. Where there is a conflict of interests or potential conflict of interests, members of staff and members of the Board of Governors are required to declare any personal relationship, other than a relationship of a normal recognised professional nature, with any student of the university which exists either at the time of their employment/appointment or any such relationship that may arise thereafter. Staff should declare the conflict of interest to their line manager and the Academic Registrar, by completion and submission of the [close personal or family relationships disclosure form](#) Governors should declare their conflict of interest to the Clerk to the Board.
27. Line Managers are asked to inform HR of all such declarations.

ROLES AND RESPONSIBILITIES

Board of Governors

28. The Board of Governors will determine university policy and regulations in relation to bribery, corruption and related matters, including the regulations relating to the declaration and registration of interests, benefits and gifts and the university's Register of Interests and retain overall responsibility for the effective operation of the policy and regulations set out in this document and for their review and revision. The Board will ensure that appropriate processes are in place such that all suspected irregularities, financial or otherwise, are reported, and in cases where the irregularity is of sufficient seriousness, to the Accounting Officer of OFS, in compliance with the OFS Code of Practice and/or to the Charity Commission.

Audit and Risk Management Committee

29. The Board of Governors has delegated responsibility to the Audit Committee for monitoring compliance with the policies and regulations set out in this document; reviewing the effectiveness of internal control processes and procedures; providing assurance to the Board; reviewing this policy and supporting regulations and recommending revisions for approval by the Board; annually, reviewing the value limits that apply to the declaration and registration of gifts and hospitality to be reported in compliance with this policy and its supporting regulations

The Vice-Chancellor

30. The Board has delegated responsibility to the Vice-Chancellor for the day-to-day implementation and operation of the policy and regulations set out in this document and for ensuring compliance.
31. The Vice-Chancellor (or nominee) may authorise any necessary investigations required in cases where non-compliance is suspected or has been alleged; initiate the relevant disciplinary procedure where the findings of an investigation indicate dishonest behaviour; contact the Police where there is evidence that a criminal offence may have been committed; liaise with the Police and the Crown Prosecution Service concerning whether any prosecution will take place; ensure that Registers of Interest are maintained.
32. The Vice-Chancellor has the overall responsibility for funds entrusted to the organisation as the Accountable Officer. This includes instances of fraud, bribery and corruption. The Vice-Chancellor must ensure adequate policies and procedures are in place to protect the organisation and the funds entrusted to it. The Vice-Chancellor will report annually to the Board and Governors on the adequacy of internal financial control and risk management, as part of the Board's overall responsibility to prepare a statement of internal control for inclusion in the university's annual report.

The University Secretary

33. The University Secretary (or nominee) will: (normally on a case-by-case basis), provide guidance and, where necessary, determine whether and how the policy and regulations set out in this document are to be interpreted/applied; report annually to the Audit and Risk Management Committee of the Board of Governors the number and type of declarations made to the Registers of Interest; at the earliest opportunity, alert the Audit and Risk Management Committee, the Vice-

Chancellor and, where appropriate, the university's auditors to any serious conflict of interest which has arisen and the name of the individual who has declared it and the nature of the conflict; alert the appropriate officer or body where there is evidence of under-reporting by any member of the university.

The Chief Financial Officer and the Head of Financial Accounting & Operations

34. The Chief Financial Officer and the Head of Financial Accounting & Operations shall support the Vice-Chancellor and the university to implement this policy and shall attend meetings of the Independent Committee on Bribery and Corruption. They will review the financial regulations and undertake such work as is required to ensure that the policy is upheld at all times.

Managers and Staff

35. All Managers and staff are required to ensure that they adhere to this policy at all times and immediately report any concerns they may have in relation to the policy or a particular incident they are aware of.

Personnel

36. Personnel will liaise closely with their manager from the outset if an employee is suspected of being involved in fraud, bribery or corruption, in accordance with agreed liaison protocols. Personnel staff are responsible for ensuring the appropriate use of the university's disciplinary procedure. The HR department will advise those involved in the investigation on matters of employment law and other procedural matters, such as disciplinary, as requested.

Reporting Concerns

37. All employees and others associated with the university are encouraged to report any concerns that they may have regarding potential breaches of this policy, including incidents relating to external agencies and third parties. This includes any instances where you may be the victim of attempted bribery.
38. The university has a comprehensive Whistle-blowing procedure, section 5 in the Publication Scheme.
39. The university is fully committed to ensuring that there is a safe and confidential method of reporting any suspected wrong-doing to nominated offices. The university's Whistle-blowing procedure also permits employees and anyone contractually associated with the university to raise concerns of malpractice in the university.
40. Any allegations of misconduct under this policy within the jurisdiction of the university will be taken very seriously. If appropriate, action may be taken under the university's disciplinary process. Attempted bribery or acceptance of a bribe may be considered as gross misconduct and, where it is considered that a criminal offence has occurred, the police may be informed.

HARPER ADAMS UNIVERSITY

IMPORTANT NOTICE FOR SUPPLIERS, CONTRACTORS PARTNERS AND CLIENTS

Anti-Bribery and Corruption

41. Harper Adams University has established policies, regulations and procedures, with the aim of ensuring that the highest standards of openness, probity and accountability are maintained in the conduct of all aspects of its business. They apply to all members of the university's staff and to other individuals, including members of the university's Board of Governors and the Directors and employees of the university's subsidiary companies.

42. These regulations and procedures also apply to any person undertaking any business with the university and all wholly owned subsidiaries or any person acting on their behalf (whether under contract or not) and are available to suppliers, contractors and clients on request.
43. Suppliers, contractors, consultants (including third party representatives), clients and partner organisations should note that a failure on the part of an employee or a person associated with the university or its subsidiary companies (an 'associate'), to comply with university policy and regulations relating to bribery and corruption, including the regulations relating to interests, benefits and gifts, may be a disciplinary matter and are strongly advised, therefore, to ensure that their actions do not compromise an employee or associated person.

Declarations by Suppliers, Contractors and Clients

44. To ensure that the university is able to demonstrate the highest level of probity in its business dealings, suppliers, contractors and clients must declare in writing, any interest, personal relationship or other matter which might compromise or reasonably be deemed to compromise any relationship or contract with the Harper Adams University or its subsidiary companies. Where an employee/associate of the university or of its subsidiary companies has declared an interest in the company or organisation, the University Secretary or Chief Financial Officer (acting on behalf of the Independent Committee on Bribery and Corruption established by the university) may judge that interest to be of sufficient significance to warrant the exclusion of the company or organisation from the list. Their decision may be reviewed by the Vice-Chancellor. The Vice-Chancellor's decision shall be final.

Declarations by Staff

45. All employees of the university or its subsidiaries and any other persons carrying out any duties for the university are required to declare, in the context of carrying out such duties, any interest, including any matter that confers, or could reasonably be deemed to confer, directly or indirectly, an advantage, claim or legal share and/or any personal benefit. Suppliers, contractors and clients are also required to declare, in the context of their relationship with the university, any interest which could or does affect their relationship with the university.

Personal Gifts

46. Suppliers, contractors and clients should note that with the exception of items of very small intrinsic value, such as business diaries or calendars, those employed by or associated with the university or its subsidiary companies, are not permitted to accept personal gifts and are, nevertheless, required to declare any personal gift which is offered to them. As a general principle, the university discourages suppliers, contractors and clients from making gifts to persons employed or associated with the university.
47. Where a visitor to the university from overseas wishes to make a presentation of a gift of small intrinsic value to a member of staff and to refuse the gift would cause offence, the staff member should accept the gift on behalf of the university and display the gift in their office or where appropriate in the display case in the Main Building. The staff member must also declare the gift to the Procurement and Insurance Officer within 5 working days, for recording in the Register of Gifts.
48. It should be noted that the offering of any personal gift or hospitality of an inappropriate type which could reasonably be construed as being intended to induce the university to enter into or maintain a relationship will be regarded as an inducement. Inducements are prohibited and staff must refuse such gifts without giving offence.
49. Under no circumstances should a staff member accept a gift of money.
50. Staff are required to seek advice from the University Secretary or Chief Financial Officer if they are unsure whether to accept a gift or not.

Hospitality

51. The university's regulations place certain restrictions on employees/associates with regard to the acceptance of offers of hospitality which take place during and/or outside normal working hours. Staff may, therefore, refuse offers of hospitality and are asked to do so without giving offence.

Breaches of the Policy

52. The university reserves the right, at its absolute discretion, to terminate any relationship or contract in cases where an inducement has been offered/accepted and also where a matter has been declared after taking place which would make it inappropriate for the university to continue with the relationship/contract.

Chief Financial Officer
May 2023

PROCUREMENT POLICY

Introduction

1. The university requires optimal Value for Money (VfM) for all goods and services supplied to the university.
2. VfM is determined where the mix of whole life cost, sustainability, quality, fitness for purpose, timeliness and results to be achieved by a product or service, when taken together as a whole, deliver good value.

Procurement Objectives

3. To support the university in effective and efficient use of resources to enable the delivery of the overall university strategy and the university's sustainability strategy, which enables the success of the Carbon Management Plan.
4. To develop data collection and information systems to support effective procurement through a simple streamlined process.
5. To develop a database of preferred suppliers to enable best value for money to be achieved and to support environmental and ethical codes of procurement
6. To integrate the ethical procurement practice throughout the purchasing chain, with particular reference to areas of Health & Safety and sustainability.
7. To support budget holders and their departments to achieve VfM procurement and to provide the university with relevant, up to date information and advice on current purchasing policies and techniques.
8. To pursue, develop and use 'Shared Services' wherever possible and support the delivery of the overall procurement objectives.

Authority to Procure

9. The authority to purchase will be in accordance to the Financial Regulations. The delivery of goods or the provision of services should be requested on an official purchase order prior to delivery and invoicing.
10. No lease, loan or hire purchase arrangement should be undertaken without prior consultation and authorisation to proceed from the Head of Financial Accounting & Operations or Chief Financial Officer. Legal review of applicable terms is required before agreements can be authorised by the University Solicitor or University Secretary.
11. Whenever possible contracts made available by various public sector agencies should be supported; these include NWUPC contracts. Details of these negotiated agreements are available from the Procurement and Insurance Officer.
12. Where appropriate, technical expertise should be sought from stakeholder departments within the university or if necessary externally to ensure that a specification meets the end users need. External meetings with suppliers should be conducted in a fair and transparent manner and be able to demonstrate such.

Ethical Procurement Practice

13. Every effort should be made to ensure that all goods and services received, regardless of value, originate from a source which is ethically sound.

14. Ensure that Equality and Diversity has been considered throughout the procurement process and the supply chain.
15. The university reserves the right not to do business with any institution or company that does not adhere to this code of conduct. Should doubt arise regarding the ethical conduct of any supplier in relation to this code, all trading must cease until this doubt is satisfied by evidence and/or investigation.

Responsibility

16. Budget holders will be responsible for effectively implementing the policy and will be guided by the Chief Financial Officer and/or Procurement and Insurance Officer where necessary.

Chief Financial Officer
May 2023

COUNTER FRAUD POLICY

Definition

1. The Fraud Act 2006 was introduced in 2007 and created the following specific offences of fraud:
 - Fraud by false representation (s.2) – lying about something using any means, e.g. by words or actions;
 - Fraud by failing to disclose (s.3) – not saying something when you have a legal duty to do so;
 - Fraud by abuse of a position of trust (s.4) – abusing a position where there is an expectation to safeguard the financial interests of another person or organisation.
2. It should be noted that all offences under the Fraud Act 2006 occur where the act or omission is committed dishonestly and with intent to cause gain or loss. The gain or loss does not have to succeed, so long as the intent is there.

Purpose

3. The purpose of this plan is to define authority levels, responsibilities for action and reporting lines in the event of a suspected fraud or irregularity. The use of the plan should enable the university to:
 - Prevent further loss.
 - Establish and secure evidence necessary for criminal and disciplinary action.
 - Notify the OfS, the Charities Commission, internal and external auditors and the Chair of the Audit and Risk Management Committee, if the circumstances are covered by the mandatory requirements of the audit code of practice.
 - Recover losses.
 - Identify the culprits and take action in accordance with University policies and law.
 - Deal with requests for references for employees disciplined or prosecuted for fraud.
 - Review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud.
 - Keep all personnel, with a need to know, suitably informed about the incident and the university's response.
 - Assign responsibility for investigating the incident.
 - Establish circumstances in which external specialists should be involved.
 - Establish lines of communication with the Police.

Definition and Scope

4. At a practical level, fraud is deemed to be deliberate intent to deprive the university (and its associate activities) of money or goods through the falsification of any records or documents (e.g. submission of false invoices, inflated time records or travel claims and/or the use of purchase orders to obtain goods for personal use). This is an important distinction, intended to clarify the crucial difference between deliberate fraud and unintentional error, removing, wherever possible, any potential confusion or ambiguity.
5. The university is absolutely committed to the highest standards of honesty, accountability, probity and openness in its governance. As a direct consequence of this, the university is committed (i) to reducing fraud associated with any of its activities, operations and locations to the absolute practical minimum and (ii) to the robust investigation of any fraud issues that should arise. Any such investigation will be conducted without regard to factors such as position, title or length of service.
6. Where any acts of fraud or corruption are proven, the university will make every endeavour to ensure that the perpetrator(s) are dealt with to the full extent of the law and university disciplinary policy/contractual processes (where a third-party is involved), and will also take every step to recover any and all losses in full.
7. It is the responsibility of everyone associated with the university - including staff, students,

employees, contractors and third parties - to report any fairly based suspicions of fraud or corruption. The university has a “no retaliation” policy for people reporting reasonably-held suspicions, and concerns can be raised if necessary under the university’s [Whistle-blowing procedure](#).

8. This policy applies to any fraud, or suspected fraud involving everyone and anyone associated with the university - including staff, students, employees, contractors and third parties.
9. The university has in place a number of policies and related guidance that assist in preventing fraud. These can be found on the website/portal and include the following:
 - Financial Regulations
 - Anti-Bribery policy
 - Travel and Subsistence policy
 - Whistle blowing policy

10. Common types of University and Higher Education fraud

These can include, but are not limited to:

- Fraud involving cash, physical assets or confidential information
- Misuse of accounts
- Procurement fraud
- Payroll fraud
- Financial accounting fraud, including fees
- Fraudulent expense claims
- Reference, qualification and related employment fraud
- Recruitment and appointment fraud
- Bribery and corruption fraud
- Academic fraud including immigration, admissions, internships, examinations and awards
- Accommodation-related fraud, including preference and payment

11. The university has a no retaliation policy for people reporting reasonably held concerns and suspicions, and any retaliation against such people - including victimisation and deterring/preventing reporting - will be treated as a Serious Offence under the university’s disciplinary processes. Equally, however, abuse of process by reporting malicious allegations will also be regarded as a disciplinary issue.
12. Any contravention of the no-retaliation policy should be reported through the dedicated process contained in university’s Whistle-blowing procedure.

ROLES AND RESPONSIBILITIES FOR PREVENTING AND DETECTING FRAUD

13. All university staff have a clear responsibility for the prevention and detection of fraud.
14. The key responsibilities of individuals and groups are set out below:

Harper Adams University Board and Audit Committee

The Board is ultimately responsible for ensuring that systems are in place for the prevention, detection and investigation of fraud, whilst day-to-day operation of relevant policies, procedures and controls is delegated to management.

The Board, together with the Audit Committee, are responsible for:

- Adopting and approving a formal fraud policy and response plan.
- Setting the framework with regard to ethos, ethics and integrity.
- Ensuring that an adequate and effective control environment is in place.
- Ensuring that adequate audit arrangements are in place to investigate suspected fraud.

Line Managers

Line managers are responsible for implementing this Policy in respect of fraud prevention and detection and in responding to incidents of fraud. In particular, this involves ensuring that the high legal, ethical and moral standards are adhered to in their areas of responsibility. The practical requirements of line managers are to:

- Have an understanding of the fraud risks in their areas and to consider whether processes under their control might be at risk.
- Have adequate processes and controls in place to prevent, deter and detect fraud.
- Be diligent in their responsibilities as managers, particularly in exercising their authority in authorising transactions such as timesheets, expense claims, purchase orders, returns and contracts.
- Deal effectively with issues raised by staff including taking appropriate action to deal with reported or suspected fraudulent activity.
- Report suspected frauds according to the process outlined.
- Provide support / resource as required to fraud investigations.

All Employees

Harper Adams University expects all employees to be responsible for:

- Upholding the high legal, ethical and moral standards that are expected of all individuals connected to the university.
- Adhering to the policies and procedures of the university
- Safeguarding university's assets
- Alerting management and / or other contacts should they suspect that the possibility of a fraud exists.
- Being aware of university policies and procedures to the extent they are applicable to their role

External Audit

External Audit is not responsible for detecting fraud. However, should the impact of fraud, as with all material misstatements, be of such magnitude as to materially distort the truth and fairness of the financial statements, the external auditors should detect the fraud and report it to the Audit Committee.

Initiating Action

15. All actual or suspected incidents should be reported without delay to the Chief Financial Officer.
16. The Chief Financial Officer should, within 24 hours, hold a meeting of the following project group to decide on the initial response:
 - Chief Operating Officer
 - University Secretary
 - Vice-Chancellor
 - A senior representative of internal/external audit if appropriate.

17. Depending on the nature of the suspected fraud and the facts that have already been established, the Project Group will consider reporting the suspected fraud to the Police, the University Board Chair or the ARMC Chair or other agencies e.g. Insurers/Specialist Legal Advisors/Action Fraud ahead of the initial investigation and this will be reviewed once the investigation is concluded though a report may be made at any stage during the investigation process.
18. The project group will decide on the action to be taken. This will normally be an investigation, led by the Chief Financial Officer. The decision by the project group to initiate a special investigation shall constitute authority to the Chief Financial Officer to use time provided in the internal audit plan for special investigations, or contingency time, or to switch internal audit resources from planned audits if appropriate.
19. Where initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the project group will decide how to prevent further loss. This may require the suspension, with or without pay, of the suspects. It may be necessary to plan the timing of suspension to prevent the suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.
20. In these circumstances, the suspect(s) should be approached unannounced. They should be supervised at all times before leaving the university's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the university. Any security passes and keys to premises, offices and furniture should be returned.
21. Advice should be obtained on the best means of denying access to the university while suspects remain suspended (for example, by changing locks and informing security staff not to admit the individuals to any part of the premises). Similarly, access permissions to the university's computer systems should be withdrawn without delay.
22. The Chief Financial Officer shall consider whether it is necessary to investigate systems, other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the university's assets.
23. If either the Chief Financial Officer or the Clerk to the Board is implicated in the issues, then the Vice-Chancellor shall determine who is responsible for carrying out the duties normally assigned to their roles as outlined in the document in such circumstance.

Establishing and Securing Evidence

24. A major objective in any fraud investigation will be the punishment of the perpetrators, to act as a deterrent to other personnel. The university will follow disciplinary procedures against any member of staff who has committed fraud. The university will normally pursue the prosecution of any such individual.
25. The Chief Financial Officer will:
 - Maintain familiarity with the university's disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation.
 - Establish and maintain contact with the police where appropriate.
 - Establish whether there is a need for the nominated officer to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act.
 - Ensure that staffs are involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

Notifying the Office for Students (OFS)

26. The circumstances in which the university must inform OFS about actual or suspected frauds are detailed within its publication 'Regulation up to 31 July 2019 of providers that were previously funded by HEFCE'.

27. The Clerk to the Board of Governors is responsible for informing the OFS of any such incidents.

Notifying the Charities Commission

28. The circumstances in which the university must inform the Charities Commission about actual or suspected frauds is detailed on the Charities Commission website <https://www.gov.uk/guidance/how-to-report-a-serious-incident-in-your-charity>

29. The Charities Commission reports states that serious or significant incidences include:

- Significant financial loss to the charity.
- Serious harm to beneficiaries and, in particular, vulnerable beneficiaries.
- Threats to national security, specifically terrorism.
- Criminality and/or illegal activity within or involving a charity.
- Sham charities set up for an illegal or improper purpose.
- Charities deliberately being used for significant private advantage.
- Where a charity's independence is seriously called into question.
- Issues that could damage the reputation of an individual charity or class of charities or the wider charity sector.
- Issues that could damage public trust and confidence in charities or in the Commission as an effective regulator.

30. In addition to reporting the above issues, the Charities Commission expects trustees to report an incident if:

- The incident is also reported to the police or other statutory agencies (unless it is a technical or minor issue that poses little or no risk).
- You decide that the incident presents a serious or significant risk to the charity, its beneficiaries, reputation or assets.
- The internal risk assessment of the incident concludes that the charity should act to avoid a serious or significant risk to the charity, its beneficiaries, reputation or assets, or
- Your professional advisers have advised you to notify the Commission of the incident.

31. The Clerk to the Board of Governors is responsible for informing the Charities Commission of any such incidents.

Recovery of Losses

32. Recovering losses is a major objective of any fraud investigation. The Chief Financial Officer shall ensure that in all fraud investigations, the amount of any loss will be quantified.

33. Repayment of losses should be sought in all cases.

34. Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice should also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The university would normally expect to recover costs in addition to losses.

References for Employees Disciplined or Prosecuted for Fraud

35. The staff handbook includes a requirement that any request for a reference for a member of staff who has been disciplined or prosecuted for fraud shall be referred to the Chief Operating Officer who will seek advice from other senior colleagues as necessary. The Chief Operating Officer or where requested to, the Head of Human Resources shall prepare any answer to a request for a reference having regard to employment law.

Reporting to Governors

36. Any incident matching the criteria in OfS's audit code of practice shall be reported without delay by the Clerk to the Governors to the Chairs of both the Board of Governors and the Audit and Risk Management Committee.
37. Any variation from the approved fraud response plan, together with reasons for the variation, shall be reported promptly to the chairs of both the Board of governors and the Audit and Risk Management Committee.
38. On completion of a special investigation, a written report shall be submitted to the Audit and Risk Management Committee containing:
 - A description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud.
 - The measures taken to prevent a recurrence.
 - Any action needed to strengthen future responses to fraud, with a follow-up report on whether or not the actions have been taken.
39. This report will normally be prepared by internal audit.

Reporting Lines

40. The Clerk to the Governors shall provide a confidential report to the Chair of the Board of Governors, the Chair of the Audit and Risk Management Committee, the Vice Chancellor and the external audit partner at least monthly, unless the report recipients request a lesser frequency.
41. The scope of the report shall include:
 - Quantification of losses.
 - Progress with recovery action.
 - Progress with disciplinary action.
 - Progress with criminal action.
 - Estimate of resources required to conclude the investigation.
 - Actions taken to prevent and detect similar incidents.

Responsibility for Special Investigation

42. All special investigations shall normally be led by internal audit. Special investigations shall not be undertaken by management, although management should co-operate with requests for assistance from internal audit.
43. Some special investigations may require the use of technical expertise; in these circumstances, the project group may approve the appointment of external specialists to lead or contribute to the special investigation.

Review of Fraud Response Plan

44. This plan will be reviewed by the Chief Financial Officer for fitness of purpose at least annually or after each use. Any need for change will be reported to the Audit and Risk Management Committee for approval.

Liz Furey
Chief Financial Officer
May 2023

TREASURY & ETHICAL INVESTMENT MANAGEMENT POLICY

Introduction

1. This statement sets out the university's policy concerning raising capital finance and investment of surplus funds. It also deals with the internal movement of surplus funds between accounts established by the university. This statement has been adopted by the university in accordance with its financial regulations. It covers the university and any subsidiary undertaking. A copy has been forwarded to both internal and external audit for information purposes.

Scope

2. Treasury management comprises the management of all cash, money market investments, long-term investments and capital market transactions in connection with the cash and funding resources of the university and the control of associated risks.
3. All treasury and investment management activities involve risk and potential reward. The policy of the university on borrowing is to minimise cost while maintaining the stability of the university's financial position by sound debt management techniques. The objective for investment purposes is to achieve the best possible return while minimising risk. The overriding principle for long-term investments is to generate an appropriate financial return within an appropriate level of risk.

Approved Activities

4. Subject to the provisions of the policy statement, the Chief Financial Officer and the designated members of staff indicated in the 'Scheme of Delegation Policy' are authorised by Finance and General Purposes Committee, to:
 - Deposit surplus funds of the university and purchase certificates of deposit issued by any of the organisations listed in 'Approved Institutions' of this statement up to a maximum limit or sub-limit specified for each individual organisation: and
 - Borrow funds subject to the strategy agreed by Finance and General Purposes Committee.
 - Appoint an Investment Manager(s) to oversee all or part of the long-term investments in compliance with donor's wishes.
5. The university will hold limited balances of regularly used foreign currency i.e. US\$ and Euro, not to exceed £500k.

Formulation of Treasury and Ethical Investment Management Strategy

6. The university's strategy for the application of its treasury policy mirrors that set out in "Treasury Management in Higher Education: A Statement of Best Practice" (CIPFA 1995) and in the annual financial strategy prepared by the Chief Financial Officer and approved by Finance and General Purposes Committee.
7. The Chief Financial Officer will prepare for the approval of Finance and General Purposes Committee:
 - An annual forecast of surplus funds and loan repayment requirements for the coming financial year; and
 - A strategy for funding the university's capital finance proposals and investing surplus cash for the period covered by the forecast.
8. In preparing the strategy the Chief Financial Officer will have regard to:

- The maintenance of the stable financial position of the university. They will ensure that the university has appropriate facilities available to meet its capital and interest repayments; for funding needs arising from uncertainties inherent to the planning process and from the timing and amount of cash flows;
 - The current level of interest rates and forecasts of future changes in interest rates. They will prepare a recommendation for approval by Finance and General Purposes Committee of any new proposals to raise capital finance and the impact of forecast interest rates on these proposals. In addition, they will indicate the maximum proportion of interest on borrowing which is subject to variable rates of interest;
 - The policies contained in other planning documents within the university e.g.:
 - The strategic plan;
 - The revenue budget and capital programme;
 - The estates strategy and;
 - Working capital management, including debt collection policy and policy on creditor payments, including payroll.
9. Based on the annual forecast the Chief Financial Officer will prepare rolling three-month cash flow projections of the short-term surplus cash for the purpose of applying the strategy on a day to day basis. The results of applying the strategy will be reported to Finance and General Purposes Committee. Where applicable during the course of the year the Chief Financial Officer will recommend amendments to the strategy to Finance and General Purposes Committee.
10. The Chief Financial Officer has the authority to carry out the university's strategy for depositing surplus funds and managing the cash flow of the university. In exercising these powers, they will have regard to the perceived credit risk associated with the approved organisations with which funds may be deposited or invested; to the effect of possible changes in interest rates on the cost of borrowing and the return from investing and to the need to maintain adequate liquid funds to meet the university's obligations.
11. The Chief Financial Officer and Vice Chancellor have the delegated authority to appoint Investment Managers and/or deposit monies with approved investment funds in accordance with the policy. In exercising these powers, they will have due regard to the achievement of the investment objectives as well as the level of investment risk and potential investment returns after all associated costs.
12. More detailed guidance concerning the contents of the annual financial strategy is set out in the 'Matters to be Included in the Annual Financial Strategy' of this statement.

Ethical Investment Policy

13. Harper Adams University promotes active engagement with the community and fully accepts its broad responsibilities towards society. It promotes environmentally sustainable ways of working and living, and welcomes donations from alumni, corporate benefactors and other supporters. To enable the educational purposes of donations to be achieved, the university will, from time to time, invest surplus funds and endowments with third party organisations.
14. Wherever possible and in accordance with Charity Commission guidelines, the university wishes to make such investments in ways that are consistent with the mission and values of the university.
15. Harper Adams University expects its investment managers, as part of their normal investment research and analysis process, to take account of social, environmental and ethical considerations in the selection, retention and realisation of investments. The university will strive to invest in companies where the activities of the company are, on ethical grounds, consistent with the educational and/or research objectives of the university. The university will also take into account the published guidance of the Charity Commission on ethical and socially responsible investment of charitable funds.

16. The university will not knowingly invest in companies whose activities include practices which directly pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the mission and values of the university.

17. In order to give effect to its commitment to this policy the university will:

- Monitor and review the university's investments annually to ensure that ethical standards are maintained;
- Seek investment opportunities with companies which have demonstrated a positive record of ethical performance;
- Not engage in any investment with companies which have demonstrated a negative record of ethical performance and/or withdraw from engagement with companies should their ethical performance decline;
- Engage with companies in which it considers investing, and where appropriate use its influence to encourage ethical standards, practices and lines of business acceptable to the university;
- Issue guidance for fund managers responsible for the university's investments.

18. Where appropriate, the university would expect the issues raised with fund managers to include the following;

| | |
|----------------------------|--|
| Environment | The quality of their environmental management, policies and reporting, their efficient use of resources and any pollution convictions that they may have. |
| Overseas Operations | Their policies towards human rights, the nature of any operations in the third world and their observance of labour standards. Also, their marketing techniques, supply chain management and the quality of internal controls. |
| Workplace | Their approaches to equal opportunities, training, health and safety and employee welfare. |
| Product/Service | The effect of the manufacture and sale of their products and services on public health and safety. The significance and benefits of any positive products and services. |
| Community | Their involvement and impact in local communities both in the UK and overseas, the extent and nature of charitable donations and the significance of any advertising complaints. |
| Political Activity | The extent to which they donate money and/or services to local, national and international political bodies. The extent of any lobbying activity and membership of lobby groups. |

19. This policy is intended to be entirely consistent with the duty to secure maximum returns from the investment of charitable funds. It is consistent with the university's general Environmental Policy and its Carbon Management Strategy and shall apply to everyone who specifies and buys goods and services on behalf of the university.

20. Staff or students who wish to propose investment or divestment may do so by writing at any time to the Chief Financial Officer or University Secretary. Such representations shall be reported to and considered by the Finance and General Purposes Committee at the next meeting that occurs after the comments are received.

Approved Methods of Raising Capital Finance

21. For each proposed capital borrowing the Chief Financial Officer will prepare a report for Finance and General Purposes Committee detailing the following:

- Borrowing requirement;
- Proposed lender;
- Interest rate structure;
- Interest rate;
- Arrangement fees;
- Security arrangements;
- Purpose;
- Projected cash flow;
- Comparison with alternatives;
- Compliance with approved borrowing strategy;
- Arrangements for draw-down;
- Legality;
- Arrangements for compliance with the Office for Students Regulatory Framework (OfS 2018.01)
- Any other matters which might assist Finance and General Purposes Committee in considering the proposal.

Approved Sources of Finance

22. For each capital borrowing requirement, the Chief Financial Officer will seek the approval of Finance and General Purposes Committee for their proposed sources and methods of finance. Such approval will take account of the following:

- The university's powers and regulations;
- Statutory restrictions;
- The requirements of the Office for Students Regulatory Framework (OfS 2018.01), and;
- Terms and covenants of borrowing.

Money Market Investments and Depositing of Surplus Funds

23. The overriding principle guiding the investment of surplus cash balances is the preservation of the capital value of the university's resources. The Chief Financial Officer has delegated authority to invest the funds of the university in accordance with the annual financial strategy and in accordance with the terms of this statement. They are authorised to deposit or invest funds only with the organisations and subject to the limits set out in the 'Approved Institutions' of this statement and approved annually by Finance and General Purposes Committee.

24. The Chief Financial Officer is responsible for monitoring the creditworthiness of approved deposit takers using appropriate external sources of information including credit agency reports and continuing exposure below the approved limits where appropriate. Individual limits can only be exceeded with the prior consent of Finance and General Purposes Committee.

Long-Term Investments as required by Donors

25. The objective of investments as required by donors is to meet the terms of the stipulated conditions.

26. Long-Term Investments held shall be limited to permitted investments as follows:

- Treasury Bills
- Commercial Paper
- Corporate Bonds
- Sovereign Bonds
- Supra-national Bonds
- Eurobonds

- Collective investment schemes
- Quoted Securities
- Structured Products
- Alternative Investments

27. Long-Term Investments pose a greater risk than cash deposits or money market investments but offer potentially greater reward. The policy of the University to seek the optimum return for an appropriate level of risk. The Finance and General Purposes Committee set the overall attitude to risk.

Interest Rate Exposure

28. The Chief Financial Officer is responsible for monitoring the university's interest rate exposure and for determining the interest rate exposure strategy within the limits set by this statement and by the annual financial strategy.

29. The principle factor governing the exposure of surplus funds to interest rate movements is the university's cash flow forecast.

30. Where surplus funds are required to meet possible cash outflows in the near future they will necessarily be deposited for short term periods which will ensure that funds are available. For investment for longer periods the annual financial strategy will give guidance on interest rate exposure policy.

31. Policy governing the exposure of loans to interest rate movements should be informed by:

- The current level and structure of interest rates.
- Current interest rates compared with historical trends.
- Estimates of future movements in the level and structure of interest rates.
- The extent to which estimated future movements in interest rates would affect the revenue account and the effect of estimated future movements in interest rates on the revenue account if all loans were to be converted to floating rates.
- The sensitivity of the revenue account to fluctuations in future interest rates compared with estimates.

Legal Issues

32. Prior to entering into any borrowing or investment transaction it is the responsibility of the Chief Financial Officer to satisfy themselves (by reference, if necessary, to the university's legal advisors) that the proposed transaction does not breach any statute, the university's financial regulations, the requirements of the Financial Memorandum with the OFS or any terms and covenants concerning borrowing.

Use of External Managers

33. The university may appoint external managers to assist in the university's treasury positions and/or investments. The terms of any engagement of external managers, which will set out in detail the matters for which the external managers are responsible together with the demarcation between external managers' responsibilities and those of the university's own staff, will be approved by the Finance and General Purposes Committee. The terms of engagement will formally require the external managers to be bound by the requirements of this statement and the annual financial strategy.

34. External managers may be appointed with responsibility for day to day treasury and/or investment matters, but the university will retain full responsibility for the safeguarding of its funds and for setting the treasury and investment strategy. Consequently, all the matters set out in this statement and in the annual financial strategy would continue to apply to those areas of treasury and/or investment management with which the external managers might deal including, in particular, the policy for interest rate exposure and credit policy, although it is recognised that the external managers would be consulted in drawing up the aspects of treasury and/or investment policy relevant to their work.

Delegation

35. The university has drawn up an 'Approved Scheme of Delegation' for the operation of treasury policy.

Review and Reporting

36. The Chief Financial Officer will report quarterly to Finance and General Purposes Committee. The matters to be included in the report are:

- Analysis of current loans, deposits and investments by instrument, counterparty, maturity and interest rollover period.
- Commentary on treasury operations for the period.
- Commentary on the performance of long-term investments for the period including a comparison against a relevant benchmark index.
- Cashflow compared with budget/forecast with commentary on major variances.
- Revisions to cashflow forecast and future estimates of interest rates and the impact on the financial forecast.
- Proposed amendments to the list of approved counterparties and to limits (where appropriate).
- Areas of non-compliance with the treasury management policy.

37. Other matters will be drawn to the attention of Finance and General Purposes Committee as appropriate.

Systems and Procedures

38. The Chief Financial Officer maintains the treasury systems document which sets out the detailed systems and procedures which are in place to ensure delivery of the policy.

Scheme of Delegation for Treasury Policy

| Delegated power | Exercised by |
|---|---|
| Approval and amendment of Treasury Management Policy | Finance and General Purposes Committee |
| Amendment of list of approved institutions and limits | Finance and General Purposes Committee |
| Approval of annual financial strategy | Finance and General Purposes Committee |
| Application of approved strategy | Chief Financial Officer/ Head of Financial Accounting & Operations |
| Treasury dealing with counterparties | Chief Financial Officer/ Head of Financial Accounting & Operations |
| Authorisation of cash transfers | Chief Financial Officer/ Head of Financial Accounting |
| Borrowing and lending documentation | Chief Financial Officer/ University Secretary/ Board of Governors |
| Bank and dealing mandates | Chief Financial Officer/ Head of Financial Accounting under authority of the Finance and General Purposes Committee |

Authorisation of terms of reference
of external managers

Chief Financial Officer under authority of the Finance and
General Purposes Committee

Approved Institutions

39. The types of investment that may be represented in the portfolio include securities and money market instruments listed below (all denominated in sterling):

a) Banks and Building Societies

- i. Deposits with approved institutions
- ii. Certificates of Deposit issued by approved institutions:
 - Barclays Bank plc.
 - HSBC Bank plc.
 - Lloyds Banking Group plc.
 - Royal Bank of Scotland Group plc.
 - Santander UK plc.
 - Scottish Widows Bank plc.
 - Nationwide Building Society

b) Investment Funds

- i. Deposits with approved investment funds.
- ii. Shares and Certificates of Deposit issued by approved investment funds:
 - COIF Charities Deposit Fund
 - M&G Investments
- iii. A portfolio of long-term investments, managed by an approved investment manager:
 - Brewin Dolphin

Notes:

- 40. The maximum deposit with any one approved institution at any one time is £12,000,000. This restriction does not apply to the university's clearing bank (currently Lloyds Banking Group plc.).
- 41. To qualify for entry on the approved list, an institution should have a long-term rating of at least A2 from Moody's or A- from Standard & Poor's. Institutions subsequently falling below these thresholds should be removed from the list.
- 42. To qualify for entry on the approved list as an Investment Manager, an institution should be authorised and regulated by the Financial Conduct Authority, be of sound repute and have been selected after an appropriate tender process.

Matters to be Included in the Annual Financial Strategy

- 43. Forecast cash flows for the next financial year and for the following three years.
- 44. Maturity ladder for existing loans.
- 45. Analysis of present levels of short- and long-term interest rates, comparison with historical trends and estimated trend movements in interest rates over the next financial year.
- 46. Proposals to be submitted to Finance and General Purposes Committee for information and approval:
 - Total outstanding borrowing.
 - Maximum proportion of interest payable on variable rate borrowing.

47. Strategy for financing new loan requirements over the next four years:

- Proposed sources of finance.
- Proposed maturity structure.
- Whether fixed or floating rate and, if floating rate, proposed rollover periods
- Suggested mechanisms for controlling interest rate exposure.
- Estimated rates of interest.
- Effect of proposed loans on the university's overall security position.
- Proposed new maturity ladder.
- Estimated effect on revenue budget of financing strategy.
- Expected maximum total outstanding and expected maximum proportion of interest payable on variable rate borrowing.

48. In respect of surplus funds:

- The extent to which surplus funds are earmarked for short term requirements or to repay maturing loans, if applicable.
- The extent to which surplus funds should be held available to meet contingencies.
- The proposed strategy (type of instrument and maturity period) for each of:
 - Surplus funds earmarked for short term requirements or to repay loans.
 - Surplus funds to be held available to meet contingencies.
 - Surplus funds not held against an anticipated requirement and the revenue effect of the proposed strategy.

49. Changes to the organisations and limits set out in the Treasury Management Policy statement.

50. Proposals to be submitted to the Finance and General Purposes Committee for amendments to the Treasury & Ethical Investment Management Policy statement.

| | |
|-------------------------|---|
| Liz Furey | Craig Jones |
| Chief Financial Officer | Head of Financial Accounting & Operations |
| October 2022 | October 2022 |

ANTI-MONEY LAUNDERING POLICY

Introduction

1. The university and its subsidiary companies are committed to the highest standards of ethical conduct and integrity in their business activities in the UK and overseas. This Policy outlines how the university and its employees will manage money laundering risks and comply with its legal obligations, in accordance with the Proceeds of Crime Act 2002 and Money Laundering Regulations 2007. It aims to ensure that the university and its employees comply with the legislation, and that the highest standards of due diligence are applied.
2. This policy also sets out the procedure to be followed if money laundering is suspected, and defines the responsibility of both the university and individual employees in the process.

Definitions

3. Money laundering relates to any involvement or interaction with the proceeds of crime. This can apply to cash, goods, services and property (including intellectual property rights).
4. The statutory framework surrounding money laundering is centred on the following legislation:
 - The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
 - Terrorism Act 2000
5. This legislation now defines the following money laundering offences:
 - Concealing, disguising, converting, transferring criminal property or removing it from the UK.
 - Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person.
 - Acquiring, using or possessing criminal property.
6. There are further associated offences regarding due diligence and disclosures.

Due Diligence

7. Offences include:
 - Failure to apply customer due diligence.
 - Failure to apply on-going monitoring of business relationship and customer due diligence.
 - Failure to comply with timing on verification of clients and any beneficial owner.
 - Failure to apply enhanced customer due diligence and monitoring where required.
 - Failure to keep required records.
 - Continuing with a business relationship where unable to apply customer due diligence.

Disclosures,

8. offences include:
 - Making a disclosure to a person which is likely to prejudice a money laundering investigation (“tipping off”).
 - Failing to disclose.
 - Prejudicing an investigation.

Scope

9. Who it applies to:

Money laundering legislation applies to ALL university staff and Governors, and covers university activities undertaken in the UK or overseas. Potentially any member of staff could be committing an offence under the money laundering laws if they suspect money laundering or if they become involved in some way and do nothing about it.

10. What it applies to

Money laundering regulations apply to all transactions and can include dealings with students, agents, third parties, and involve property or equipment, cheques, card, cash or bank transfers. It requires that appropriate due-diligence checks are undertaken at the establishment of a business relationship, when significant transactions occur, and when money-laundering is suspected. It also covers the keeping of appropriate records.

Particular rules apply to foreign students, and the immigration service needs to be notified if a student with a visa discontinues their study. These cases should be dealt with by Student and Academic Services in the normal course of business.

11. Cash payments

It is best practice to avoid accepting large cash payments for reasons associated with security and the risks associated with money laundering. It is therefore the university's policy not to accept cash payments above £300 for any purposes including the payment of accommodation or tuition fees, unless otherwise agreed by Chief Financial Officer.

12. Requests for refunds

Precautions should also be taken in respect of refunds requested following a payment by credit card or bank transfer. In these cases, refunds must only be made by the same method to the same account. In the event of an attempted payment by credit or debit card being rejected, the reason should be checked prior to accepting an alternative card. If in any doubt about the identity of the person attempting to make a payment the transaction should not be accepted.

Fees paid in advance by overseas students who have subsequently been refused a visa are only refundable providing appropriate documentary evidence is available to demonstrate the circumstances. Other than in exceptional circumstances, refunds must only be made to the person making the original payment, or in the case of a transfer by payment to the new university.

Examples of Money Laundering

13. Typical examples of money laundering include:

- Payment by a person or company of any substantial sum, particularly if they fail to provide proper evidence to confirm their identity and address.
- A person or company doing business with the university lacks proper paperwork, e.g. invoices that exclude VAT, failure to quote a VAT number or invoices issued by a limited company that lack the company's registered office and number.
- A person or company attempts to engage in circular transactions, where a payment to the university is followed by an attempt to obtain a refund from the university's accounts. (This may occur where a student pays a significant sum in fees, and then withdraws and seeks a refund).
- Unusual or unexpected large payments are made into the university's accounts.
- A secretive person or business e.g. that refuses to provide requested information without a reasonable explanation.
- Students requesting a large cash transaction, particularly where the cash is used notes or small denominations.
- Absence of any legitimate source for funds received.

- Overpayments for no apparent reason.
- Involvement of an unconnected third party without a logical reason or explanation.
- Significant changes in the size, nature, frequency of transactions with a customer that is without reasonable explanation.
- Requests for payments or refunds after funds have been paid into the university's bank account by a third party, particularly if there is a request to return money to a different account or individual to the payer.
- Cancellation, reversal or requests for refunds of earlier transactions.

Please note these examples are not intended to be exhaustive, but provide a general indication of the range of matters covered by this Policy.

What the University will do

14. Under the Money Laundering Regulations 2007 the university has a responsibility to:

| Requirement | Response |
|---|--|
| Appoint a Money Laundering Reporting Officer (MLRO) to receive, consider and report as appropriate, disclosure of suspicious activity reported by employees. | The university has appointed the Chief Financial Officer as the nominated Money Laundering Reporting Officer (MLRO). In the absence of the Chief Financial Officer, the Deputy Chief Financial Officer will act as MLRO. |
| Implement a procedure to enable the reporting of suspicious activity, such as complex or unusually large transactions, or unusual patterns of transactions which have no apparent economic or visible lawful purpose. | The MLRO will implement and maintain anti-money laundering procedures. They will: <ul style="list-style-type: none"> • receive reports of suspicious activity from any employee in the business; • respond to reports of suspected money laundering activity; • consider all reports and evaluate whether there is - or seems to be - any evidence of money laundering or terrorist financing; • report any suspicious activity or transaction to the National Crime Agency by completing and submitting a Suspicious Activity Report; • ask NCA for consent to continue with any transactions that they have reported and make sure that no transactions are continued illegally. |
| Maintain customer identification procedures in relevant circumstances. | <ul style="list-style-type: none"> • It is important that controls are in place to identify the student, customer or other party dealing with the university, as well as the intended nature of the business relationship. For students, this is done during enrolment checks by Student and Academic Services, so checking identity to a valid university ID card is considered adequate evidence of identity for making payments to the university. • Where a payment is made on behalf of a student, then evidence of the payer's identity and relationship to the student concerned must be obtained. • If a person or an organisation is not known to the university look for letter headed documents, check web sites, request credit checks, or aim to meet or contact key sponsors as you feel appropriate to verify validity of contact. |

| | |
|---|---|
| | <ul style="list-style-type: none"> • Cheques drawn on an unexpected or unusual source should always be verified with regard to validity of the source. • Cash payments in excess of £300 to any single account will not be accepted by the university cashier's office. Any individual wishing to pay their fee or other invoice in cash amounting to more than £300 will need to obtain prior approval from the Chief Financial Officer |
| Maintain adequate records of transactions | <p>The MLRO will maintain a Register of all Report Forms. All disclosure reports and relevant documents will be retained in a confidential file for a minimum of six years. Departments conducting relevant transactions must maintain records for at least six years of Student / Customer identification evidence, and details of financial transactions carried out.</p> |
| Additional steps | <p>In addition, the university will implement effective policies and controls to prevent and detect illegal activity by:</p> <ul style="list-style-type: none"> • carrying out regular risk assessments to identify activities and areas of operation most vulnerable to money laundering; • undertaking appropriate staff awareness and training; • enacting due diligence checks on the identity of customers, the accuracy of identifying information, and the intended nature of business relationships; • implementing strong internal controls, to prevent and detect illegal activity, and learn from any incidents in order to improve internal controls further. |

What the University Expects Staff to do

15. Money laundering legislation applies to ALL employees. Potentially any member of staff could be committing an offence under the money laundering laws if they suspect money laundering or if they become involved in some way and do nothing about it.

Anti-Money Laundering (AML) training

16. The university will ensure that new members of finance and fundraising teams receive appropriate anti-money laundering training as part of their induction. Each member of the team will be required to sign a record to verify that they have read and understood the AML policy. Refresher training will take place at each revision of the policy, at which point all staff will be asked to update their signed record.
17. This AML policy will be drawn to the attention of other university staff involved in student ID and finance checks at enrolment as part of the training organised by Student and Academic Services. These staff will be updated as necessary when the policy is revised.

Handling the proceeds of crime

18. All staff must avoid handling any money, goods or other items known or suspected to be associated with the proceeds of crime, or becoming involved with any services known or suspected to be associated with the proceeds of crime.

Reporting requirement

19. If any individual suspects that money laundering activity is or has taken place, or if any person becomes concerned about their involvement, it must be disclosed as soon as possible to the MLRO in accordance with the procedure contained in this policy below.

Cooperating with investigations

20. The individual must then co-operate fully with any investigations into reported concerns. They must maintain confidentiality about any suspected or actual incidents involving the university. They should not make further enquiries into the situation or discuss their concerns with anyone else at any time, unless instructed by the MLRO. This is to avoid committing the offence of "tipping off" those who may be involved.
21. **Failure to report money laundering concerns or "tipping off" anyone who may be involved in the situation may result in the member of staff being personally liable to prosecution under the 2007 Regulations.**

How to Report a Concern

22. If a person suspects money laundering activity or becomes concerned about their involvement then they should:
 - use the Suspected Money Laundering Report Form ([which can be found on the Finance unit of the Portal](#)) to report the concern, giving as much information as possible, in writing, and without delay;
 - send the Report Form as soon as possible to the university's Money Laundering Reporting Officer (MLRO), marking the envelope "Confidential";
23. Remember not to make further enquiries into the situation or discuss their concerns with anyone else at any time, unless instructed by the MLRO. This is to avoid committing the offence of "tipping off" those who may be involved.

What the University will do in Response

MLRO response

24. Upon receipt of a completed Money Laundering Report Form, the MLRO will complete the Response form. Consideration will be given to all relevant information, including:
 - reviewing other relevant transaction patterns and volumes, and the length of any business relationship involved;
 - reviewing the number of any one-off transactions, linked one-off transactions, and any identification evidence held;
 - confirm receipt of the form to the reporter, and advise the timescale within which a response can be expected.

MLRO inquiries

25. The MLRO will make other reasonable inquiries as appropriate in order to ensure that all available information is considered when deciding whether a report to the NCA is required. Inquiries will be made in such a way as to avoid any appearance of "tipping off" those involved.

Reporting to NCA

26. If the MLRO suspects money laundering or terrorist financing they will normally suspend the transaction and make a Suspicious Activity Report to NCA. However, a judgment will be made regarding how safe and practical it is to suspend the transaction without "tipping off" the suspect. It may be necessary to make the report as soon as possible after the transaction is completed.

Maintaining a Register

27. The MLRO will keep a separate Register of money laundering Report Forms and will update this Register with any relevant documents, including a copy of any "Suspicious Activity Reports" made to NCA and other NCA correspondence. These report Forms and associated documentation should be kept for at least six years.

Disciplinary procedures

28. The university may follow disciplinary procedures against any member of staff who has committed a money laundering offence, which could result in dismissal.

References

29. Any request for a reference for a member of staff who has been disciplined or prosecuted for money laundering shall in all cases be referred to the Head of Human Resources, who will respond having regard to employment law.

Reporting to the Regulators

30. The MLRO should have regard to regulators guidance on the reporting of "serious incidents" in order to establish whether suspected or actual money laundering should be reported to them. Specifically, donations over £25,000 from unknown donors, or where the source cannot be verified, must be reported as a "serious incident".

Review

31. The policy will be reviewed annually.

Chief Financial Officer
February 2023

CRIMINAL FINANCES ACT POLICY

Introduction

The university has a zero-tolerance approach to tax evasion. HMRC guidance and a summary of offences can be found [here](#).

Responsibilities

All members of staff should consider the potential risks in any relationship being formed on or behalf of the university, which may include the following:

Who are the business's associated persons? Consider both internally (employees) and externally (agents, representatives, contractors etc.).

What do they do for the business? Do they have the opportunity and/or incentive to facilitate tax evasion? For example, do they deal with invoicing and VAT? Do they provide financial services? Do they provide tax advice?

Where does the business operate? Does it deal with "tax havens" or other jurisdictions where tax evasion is more prevalent?

What kind of transactions does the business enter into? Does it engage in high-value projects or projects involving multiple parties, jurisdictions or intermediaries?

What products and/or services does it deal with that could lend themselves to the facilitation of tax evasion.

Have any actual examples of facilitation of tax evasion occurred? If so, what happened? Who was involved?

Taxation

The Chief Financial Officer is responsible for advising Heads of Department/Line Managers on all taxation issues in the light of guidance issued by appropriate bodies and relevant legislation. The Chief Financial Officer will issue instructions on compliance with statutory requirements including those concerning VAT, PAYE, National Insurance, Corporation Tax and import duties.

The Chief Financial Officer is responsible for maintaining the university's tax records, making all tax payments, submitting tax returns by their due date as appropriate and appointing tax advisors.

The Personal Taxes Committee comprising of HR, Legal and Finance representatives, will consider the status of new suppliers in line with the established process and budget holders will be required to complete a '[Service Provider Status Questionnaire](#)' to ensure that suppliers who are operating as sole traders or Personal Service Companies are paid in accordance with HMRC requirements.

New Suppliers

As part of the process to reduce unnecessary suppliers, improve efficiency and ensure timely payment of supplier invoices, new suppliers need to be set up on the finance system. In order to fulfil this, a '[New Supplier Request](#)' form must be completed and then actioned accordingly by the Procurement and Insurance Officer and Finance Department. The new supplier's procedure can be found [here](#).

Due Diligence

The university has implemented the following measures:

- Formal written due diligence in respect of associated persons, especially contractors, representatives etc.

Contract clauses obligating associated persons to warrant that they:

- Will not engage in any facilitation of tax evasion of any kind.
- Have in place their own reasonable prevention procedures.
- Will report any suspected tax evasion in the conduct of their services.

Contract clauses entitling the business to terminate the contract in the event that the associated person breaches their obligations in this regard.

Review

The policy will be reviewed annually to ensure that staff are aware and adhering to it.

Chief Financial Officer
February 2023

TRAVEL AND SUBSISTENCE POLICY

1. Introduction

This policy applies to all employees who are travelling or claiming expenses on official legitimate university business and must be adhered to at all times. In relation to travel/subsistence costs it also applies, where relevant, to members of the Board of Governors and Trustees of the Harper Adams Development Trust.

The university is an exempt charity, receives public funds and is subject to Freedom of Information requests. It is also subject to scrutiny from external auditors, research project funders and regulatory bodies, therefore employees should seek to demonstrate they have considered value for money.

Coronavirus Impact

Staff should make themselves aware of the Universities most recent travel guidance in relation to coronavirus, along with ensuring they are aware of any requirements or restrictions in place as advised by the FCDO (<https://www.gov.uk/foreign-travel-advice>).

2. Requirements

The university has to demonstrate that adequate controls are in place to ensure compliance with HMRC rules and requirements for tax dispensations.

It is intended that travel and accommodation where possible is booked through our approved supplier. All bookings must be supported by a purchase order number.

Employee expense claims / University procurement card reconciliations must be supported by the original itemised receipt (where possible VAT receipt), along with details of the purpose of expenditure, which staff member etc

All claims for subsistence allowances, travelling and incidental expenses shall be submitted within 3 months. Where possible all expenses should be submitted within the financial year (1 August - 31 July) in which they occurred.

Please note: No expenses over 6 months old will be paid.

3. Approved Travel Suppliers

The university holds accounts with approved suppliers. These suppliers should be used in the first instance.

The following suppliers are approved:

- | | |
|-----------------------|---|
| • Train | Clarity Travel Management |
| • Flights | Clarity Travel Management |
| • Hotel Accommodation | Clarity Travel Management |
| • Hire Vehicle | SSH Corporate |

All bookings or orders must be supported by a purchase order number, including hiring vehicles.

3.1. Other Suppliers

All requests for stationery should be ordered through an email to stationery@harper-adams.ac.uk, where the approved supplier will be used.

Any purchase of IT equipment must be directed through the service desk ServiceDesk@harper-adams.ac.uk where the approved supplier will be used.

4. Approved Rates

The following approved rates apply to any bookings with the approved travel provider and all relevant expenditure and subsistence claims:

| Area of Expense/Subsistence | HAU Rate (incl. of VAT) ** |
|--|-------------------------------|
| Mileage for personal car use (all fuel types) | 45p |
| Overnight Rate - Meals (in a 24hr period) | £35.00 |
| Hotel (Room Only) - outside London # | £145.00 |
| Hotel (Bed & Breakfast Basis) - outside London # | £160.00 |
| Hotel (Room Only) - London Premium # | £210.00 |
| Hotel (Bed & Breakfast Basis) - London Premium # | £230.00 |
| Breakfast Only (where not in Hotel) | £5.00 |
| Lunch Only | £10.00 |
| Dinner Only | £20.00 |

**ALL EXPENSE CLAIMS MUST BE SUPPORTED WITH VALID ITEMISED RECEIPTS
(VAT RECEIPT WHERE POSSIBLE) AND DETAILS OF PURPOSE FOR EXPENDITURE.**

Key: -

Where possible all stays should be booked through the University's approved travel management company (Clarity Travel Management).

** Where proposed caps are not achievable, this must be pre-authorized by either the Vice-Chancellor or Chief Financial Operator.

It is understood that some roles and activities performed by departments will fall outside of the standard "working day" such as (but not limited to) attendance at events and shows. Where this is the case, logistical consideration can be given to limiting factors based on venue locality or accessibility and availability of suitable refreshments. This will be at the budget holders discretion.

5. Expense Claims

Claims for subsistence allowances, travelling and incidental expenses can be claimed at rates described in the Approved Rates section by all staff and must be supported by original itemised receipts (where possible a VAT receipt). If the original itemised VAT receipt is not possible then the costs cannot be reimbursed, with the exception of mileage.

Expense claims must clearly include a description of the expense, who the expense was incurred for, and the reason for the expense. In relation to mileage claims, this should also include the "From" and "To" locations, less the individuals standard commute, along with the reason for the journey and fuel type of vehicle used.

All claims for subsistence allowances, travelling and incidental expenses shall be submitted within 3 months. Where possible all expenses should be submitted within the financial year (1 August - 31 July) in which they occurred.

Please note: No expenses over 6 months old will be paid.

Expense claims by members of staff must be certified by their Line Manager or in the case of senior managers, by the Vice-Chancellor or in their absence the University Secretary. The certification shall be taken to mean that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the university.

Expenses incurred by the Vice-Chancellor must be authorised by the Chair or Vice Chair of the Board of Governors of which delegated authority has been granted to the Chief Financial Officer.

Members of the Board are entitled to claim reasonable expenses in accordance with the above policy. Any expenses incurred must be authorised by the Clerk to the Board of Governors.

Where an employee is being sponsored by an external organisation in full or in part to attend a conference e.g. as a speaker they should ensure that their Line Manager is made aware of the sponsorship and its purpose and provide evidence of payment /acknowledgement of intention to meet costs by the external organisation.

6. Travel by Car

6.1. Hire Vehicle

Employees are encouraged to book hire vehicles through the approved supplier. All bookings must be supported by a purchase order number.

Employees are expected to hire a vehicle for journeys (particularly where the distance travelled will be of 100 miles round trip (per day) or more) through the approved supplier.

A copy of your [licence summary](#) must be recorded with the Procurement and Insurance Officer before you drive the vehicle for insurance purposes.

The cost of fuel purchased for re-filling the hire car can be claimed on the expenses claim form, supported by the original itemised receipt (where possible a VAT receipt).

For any journey the starting point and the destination should be detailed on the claim form, together with the number of passengers and the reason for the journey.

For more information please refer to the '[Driving on University Business](#)' policy.

Where in exceptional circumstances, a booking cannot be made via the approved supplier the following is acceptable:

A *corporate credit* card can be used to make the booking which must include fully comprehensive insurance, but must be supported by;

- a note of explanation included on the transaction form as to why the approved supplier was unable to be used
- all original, itemised receipts (where possible a VAT receipt) attached
- a note of who the booking was for and the reason for the journey

6.2. Private Vehicle Use

Where travel by private car is considered to provide better value for money i.e. for journeys of less than 100 miles round trip per day, the rate as detailed in the Approved Rates table will be paid for the first 10,000 miles in any tax year and can be claimed on the expenses claim form as an expense, please ensure the fuel type is stated on the expense claim form.

The rate applies to anybody who is entitled to claim mileage as an expense from the university. For any journey the starting point and the destination should be detailed on the claim form, together with the number of passengers and the reason for the journey.

The mileage should be calculated as follows:

The lower of:

- The mileage actually incurred

OR

- The mileage which would have been incurred if the journey had started and finished at the normal place of work.

The private vehicle must be insured for business use, for more information, please refer to the ['Driving on University Business'](#) policy.

If your own car is used for business use you may only claim mileage, no reimbursement of hire car charges or fuel can be claimed. Please state the fuel type of the vehicle where indicated on the expense claim form.

Electric Vehicles

Where staff personally use an electric / hybrid vehicle the same rates and treatment applies as stated for petrol / diesel models. Again, please state the fuel type of the vehicle where indicated on the expense claim form.

7. Rail Travel

Employees are encouraged to book train tickets through the approved supplier. All bookings must be supported by a purchase order number.

All staff are expected to travel using the lowest available fare except where express permission is given by the Vice-Chancellor.

Where in exceptional circumstances, a booking cannot be made via the approved supplier the following is acceptable:

A *corporate credit* card can be used to make the booking, but must be supported by;

- a note of explanation included on the transaction form as to why the approved supplier was unable to be used

- all original, itemised receipts (where possible a VAT receipt) attached
- a note of who the booking was for and the reason for the journey

OR

If an individual incurs a legitimate expense for rail travel, a claim via an expenses claim can be made, but must be supported by;

- a note of explanation included on the transaction form as to why the approved supplier was unable to be used
- all original, itemised receipts (where possible a VAT receipt) attached
- a note of who the booking was for and the reason for the journey

8. Air Travel

All bookings should be made through the university approved travel supplier

All bookings must be supported by a purchase order number.

All staff are expected to travel economy class except where express permission is given by the Vice-Chancellor.

In exceptional circumstances, if a booking cannot be made via the approved supplier then the University Procurement and Insurance Officer needs to be made aware of the journey along with the reason / saving for not booking with the approved travel supplier.

9. Hotel Accommodation

All bookings should be made through the university approved travel supplier in line with the Approved Rates.

All bookings must be supported by a purchase order number.

Where in exceptional circumstances, a booking cannot be made via the approved supplier, the following is acceptable provided it has been approved by the Vice-Chancellor / Chief Financial Officer:

A corporate credit card can be used to make the booking, but must be supported by:

- a note of explanation included on the transaction form as to why the approved supplier was unable to be used
- all original itemised receipts (where possible a VAT receipt) attached
- a note of who the booking was for and the reason for the journey

OR

If an individual incurs a legitimate expense for hotel accommodations, a claim via an expenses claim can be made, but must be supported by:

- a note of explanation included on the transaction form as to why the approved supplier was unable to be used
- all original itemised receipts (where possible a VAT receipt) attached
- a note of who the booking was for and the reason for the journey

10. Overseas Travel and Expenses

All employees must have the prior written approval of their Line Manager and Budget Holder before any overseas visit is arranged and complete a [staff travel form](#)⁴ for insurance purposes which should be sent to the Procurement and Insurance Officer. Employees should also refer to the Foreign Commonwealth & Development Office (FCDO) for any international travel and where there are any restrictions indicated, then the requirement to travel should be discussed with the Procurement and Insurance Officer prior to the completion of the travel form.

For all employees who are on university business overseas, expenses will be reimbursed using the worldwide subsistence rates on the [HMRC website](#)⁵. Expenses will be reimbursed in sterling using the exchange rate in force at the time of incurring the expenditure, therefore, as part of their expense claim submission, staff will need to:

- Complete an exchange rate calculation to convert the currency value into its sterling equivalent.
- Provide details of the date and source of exchange rate used (e.g. a currency exchange slip, or a printout from a reliable website such as xe.com).
- Attach original itemised receipts with their claim.

Note: the 24-hour benchmark rate is only applicable if:

- There is a complete period of 24 hours, starting from the time when the employee arrives at the destination airport and ending when they leave the Country.
- The hotel accommodation will be reimbursed at actual cost (receipts required) but at no more than the advertised HMRC room rate.
- The rate does not cover incidental, allowable expenses that employees may incur en-route e.g. the cost of a taxi to the airport in the UK, or necessary refreshments taken at the airport; the university will reimburse these other expenses separately, in addition to paying the benchmark rate.

Employees who are travelling on university business outside the UK must be adequately insured.

The university's insurance policy will provide cover for these business journeys. A staff travel form must be completed and authorised by your Line Manager and provided to the Procurement and Insurance Officer before you travel, for insurance to be in place.

Travel insurance can also be obtained for departments that organise student and staff travel tours. The department will be charged the additional premium for this activity. Please see the Procurement and Insurance Officer to arrange such cover.

11. Foreign Exchange Currency

It is the responsibility of the employee to arrange the purchase of foreign currency or travellers cheques. Members of staff can claim expenses back on the expenses claim form when they return.

The itemised exchange rate receipt must be attached to the claim form in order to provide the rate of exchange. If the receipt is not present then the rate will be based on the day the expenses are processed.

Where agreed with appropriate department heads or line managers, an advance of funds / pre-loaded cards may be requested to purchase foreign currency. Staff should ensure the finance office

⁴ The staff travel form can be found on the Portal under Insurance Forms

⁵ <http://www.hmrc.gov.uk/employers/emp-income-scale-rates.htm> (benchmark expenses scale rate expenses payments)

have two weeks' notice as a minimum for any funds requests. As stated above, it is the responsibility of the employee to arrange the purchase of foreign currency.

12. Subsistence Allowances

Claims for subsistence during normal working hours e.g. a lunchtime meal where employees would normally provide themselves, will not generally be allowed unless this can be justified by the claimant due to unusual circumstances.

Members of the university should always meet the costs of their own subsistence when travelling on business and should follow the correct procedure to claim their expenses, via the expenses claim form / platform.

Where members of staff are away from their normal place of work and incur expenses, the following rates as detailed in the Approved Rates table can be claimed (this excludes private phone calls, mini bar, tobacco, laundry, newspapers and alcoholic drinks with or without meals).

The rates within the table above are the normal maximum amounts that will be paid and should not be used as a flat rate without supporting receipts. They will only be allowable in the case of breakfast / dinner where an employee is not away overnight, but is working/travelling for an extended day outside the hours of 7am – 7pm commensurate to the nature of their role.

All claims for subsistence must be for actual expenditure incurred and supported by original itemised receipts (where possible a VAT receipt).

13. Alcoholic Drinks

Where staff members are entertaining visitors from outside the university and are wholly on university business, alcoholic drinks may be claimed for with a meal. A note to this effect must be included on the expenses claim form, along with names of the external visitors and the nature of the business. The claim for alcoholic drinks must not be excessive.

14. Entertainment Expenses

Employees must ensure that any hospitality offered or received is in compliance with the [Bribery and Corruption Policy](#). Hospitality should be appropriate and give value for money for the university.

The university's catering facilities should be used wherever possible for all hospitality requirements e.g. working lunches, entertaining guests, staff leaving events. Catering ordered outside the university's facilities will be at the individual's expense.

Staff social functions, such as Christmas meals, office parties etc. are not recoverable from the university. This rule has been relaxed to allow for retirement functions only, providing they are in accordance with the following conditions and limits:

- The function is for a retirement.
- The retiring employee has worked for the university for the previous 10 years, as a minimum.
- Limits are in place and the level of expenditure should reflect the number of years' service immediately prior to retirement:
 - A total of £50 for service of 10 years but less than 15 years
 - A total of £75 for service of 15 years but less than 20 years
 - A total of £100 for service of 20 years or more

15. Responsibility

Budget holders and/or Line Managers will be responsible for effectively implementing the policy and will be guided by the Chief Financial Officer.

**Liz Furey
Chief Financial Officer
November 2022**

PRINCIPLES FOR INSTRUCTING EXTERNAL AUDIT FIRMS

1. Background

The tender for External Audit Services in 2021 included corporate tax computations preparation on behalf of the University Group. Therefore, corporate taxation is already contracted to the current external auditor firm. Typically, other services provided by external auditors are grant audits required by project grant funders i.e. research, knowledge exchange, consultancy projects.

The Financial Reporting Council issued a Revised Ethical Standard in December 2019 which sets out the key principles which external auditors must follow when undertaking additional work, The University will ensure that the Auditors can demonstrate adherence with these principles in the event of undertaking other work on behalf of the University.

Key principles

External auditors are required to meet overarching principles of integrity, objectivity and independence. The Standard includes definitions of these terms:

Integrity being trustworthy, straightforward, honest, fair and candid; complying with the spirit as well as the letter of applicable ethical principles, laws and regulations; behaving so as to maintain the public's trust in the auditing profession; and respecting confidentiality except where disclosure is in the public interest or is required to adhere to legal and professional responsibilities.

Objectivity acting and making decisions and judgments impartially, fairly and on merit (having regard to all considerations relevant to the task in hand but no other), without discrimination, bias, or compromise because of commercial or personal self-interest, conflicts of interest or the undue influence of others, and having given due consideration to the best available evidence.

Independence freedom from conditions and relationships which, in the context of an engagement, would compromise the integrity or objectivity.

The "third party" test

Consideration of whether the ethical outcomes required by the overarching principles and supporting ethical provisions have been met should be evaluated by reference to the perspective of an "objective, reasonable and informed third party"

2. Audit related services which do not need additional safeguards:

Audit related work which does not need additional safeguards includes work which:

- is on financial information or financial controls but the objective is not to enable auditor to provide an opinion on the financial statements
- is integrated with the work performed in the audit and performed largely by the existing audit team; and
- is performed on the same principal terms and conditions as the audit.

In general, threats to independence are insignificant for this type of work and further safeguards are not required

Audit related services include:

- Reporting required by law or regulation to be provided by an auditor;
- Reviews of interim financial information;
- Reporting on regulatory returns;
- Reporting to a regulator on client assets;
- Reporting on government grants;

- Reporting on internal financial controls when required by law or regulation;
- Extended audit work that is authorised by those charged with governance performed on financial information and/or financial controls where this work is integrated with the audit work and is performed on the same principal terms and conditions.

There are no restrictions under the Ethical Standard on the fees associated with audit related services.

3. Non-audit services which do require additional safeguards

Any addition work which does not meet the above definition of an “audit related services” is considered to be an “other non-audit services”.

The auditor must assess the potential threat associated with undertaking any other non-audit service and the mitigations in place. Potential mitigations available include:

- the non-audit/addition services being provided by a separate team from the engagement team
- evidence that the entity is acting as “informed management” when commissioning the audit service which reduces potential risks relating to management and advocacy threats

Fees for non-audit services

Where the level of fees from non-audit services are greater than the annual recurring audit fees for an entity, the engagement partner is required to have regard to the possibility that there may be perceived to be a loss of independence resulting from the expected or actual level of fees for non-audit / additional services.

4. Prohibited non-audit services

The following services are prohibited from being carried out by External Auditors;

- Internal audit
- Information technology services relating to the design, provision and implementation of IT systems relating to accounting systems or financial reporting, or where the auditor is undertaking part of the role of management
- Valuation services where the valuation involves a significant degree of subjective judgement and is material to the financial statements
- Actuarial valuation services where the valuation involves making significant judgements (such as assumptions) and is material to the financial statements
- Tax work which involves the auditor undertaking a management role or acting as an advocate for the entity in the resolution of a dispute
- Litigation support or legal services where the outcome of the matter could be material to the financial statements
- Advice on recruitment appointments or determination of remuneration packages
- Corporate financial or transactional services where the auditor would take responsibility for dealing in, underwriting or promoting shares, or which could give rise to a material accounting treatment which is not in line with well-established interpretations, or which would involve the auditor undertaking a management role.
- Restructuring services which would involve the auditor undertaking a management role or acting as an advocate in relation to matters material to the financial statements
- Accounting services
 - those accounting services would involve the firm undertaking part of the role of management, or initiating transactions; or
 - the services are anything other than of a routine or mechanical nature, requiring little or no professional judgement.

Procedure

As with all services, any appointment of a third party would be undertaken in accordance with the University Financial Regulations and the University Procurement policies.

If through those processes, the incumbent External Auditors were an acceptable preferred supplier, their appointment would be evaluated to ensure compliance with the requirements contained in this framework. The appointment would be authorised by the Chief Financial Officer (or appropriate delegate) or the University Secretary (or appropriate delegate).

Where the service falls into the category of non-audit services requiring additional safeguards” a written assurance from the External Auditors that any threats had been addressed and appropriate mitigations put in place would be required before instructions could be authorised.

Related policies/procedure

The University maintains the following policies which should also be referenced in these matters

- Financial Regulations, which includes Bribery and Corruption Policy, Procurement Policy
- Whistleblowing Policy
- Policy for Research Ethics

Liz Furey
Chief Financial Officer
February 2023