

Meeting of the Group Audit and Risk Committee

3.30 pm on Thursday, 5 November 2020
via MS Teams

Supplement two: financial regulations

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
22.	Financial regulations	289 - 382	RF

Date of next meeting
4.00 pm on Thursday, 11 February 2021

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FINANCIAL REGULATIONS

Originating Department:	Finance and Management Information
Enquiries to:	Natalie Ferer – Financial Controller
Version Date:	October 2020
Target Audience:	All staff of the University and its subsidiary companies , especially those with financial responsibilities
Brief Summary of Purpose:	<p>This document sets out the University's financial regulations. It translates into practical guidance the University's broad policies relating to financial control. It applies to the University and any subsidiary companies, including South Bank University Enterprises Limited and South Bank Colleges.</p> <p>The purpose of the financial regulations is to provide control over the University's resources and provide management with assurances that the resources are being properly applied to ensure delivery of the University's corporate plan and its financial objectives including:</p> <ul style="list-style-type: none"> • financial viability • value for money • The provision of effective financial control over the use of public funds • Compliance with all relevant legislation • Safeguarding the assets of the institution.

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1. Terminology

- 1.1 The following will apply in the Financial Regulations:
- 1.2 **University or University Group** shall mean 'London South Bank University' and its subsidiary companies including South Bank University Enterprises Ltd [South Bank Colleges](#).
- 1.3 **Budget holder** shall mean an individual who has been given delegated authority and responsibility for managing a budget within a department.
- 1.4 **Department** shall mean one of the several Departments in the [University University Group](#) and will include, for example, any Unit, school or Professional Service Group which has Departmental status for financial management purposes
- 1.5 **Finance** shall mean the Finance and Management Information [Teams at LSBU and SBC](#).
- 1.6 **PSG** shall mean Professional Services Groups
- 1.7 **Audit Committee** shall mean the [Group Audit Committee or subsidiary audit committees](#).

2. Introduction

2.1 Purpose and Scope of the Regulations

- 2.1.1 This document sets out the [University University Group's](#) financial regulations. It translates into practical guidance the [University University Group's](#) broad policies relating to financial control. It applies to the University and any subsidiary companies, including South Bank University Enterprises Limited [and South Bank Colleges](#).
- 2.1.2 The purpose of the financial regulations is to provide control over the [University University Group's](#) resources and provide management with assurances that the resources are being properly applied to ensure delivery of the [University University Group's](#) corporate plan and its financial objectives including:

- financial viability
- value for money
- The provision of effective financial control over the use of public funds
- Compliance with all relevant legislation
- Safeguarding the assets of the institution.

2.2 Compliance with the financial regulations

- 2.2.1 Compliance with the financial regulations is compulsory for all staff, including those employed by University subsidiary companies. Specific regulations relating to South Bank University Enterprises Limited [and South Bank Colleges](#) that override [University University Group](#) regulations are detailed in [Appendix C - Separate Financial Regulations have been approved by the Board of South Bank Academies Trust override these regulations](#).
- 2.2.2 Staff are individually responsible for ensuring that they understand the [University University Group's](#) Financial Regulations and how they apply to the conduct of their role and all other staff in their departments. Staff are expected to observe the LSBU values of Excellence, Professionalism and Integrity when undertaking their financial responsibilities.
- 2.2.3 A member of staff who fails to comply with the financial regulations may be subject

to disciplinary action under the [University/University Group](#)'s disciplinary policy.

2.3 Approval and amendment of the financial regulations

2.3.1 Proposals to amend the regulations shall be considered by the ~~Finance, Planning and Resources Committee~~[Group Audit and Risk Committee](#). The Vice Chancellor shall have the authority to make minor changes to the regulations following guidance from the Group Chief Financial Officer.

2.3.2 The Finance Department is responsible for continuous review of the Financial Regulations and will advise the Executive of any changes that are necessary.

2.3.3 This version of the regulations was approved by ~~The Finance, Planning and Resources~~[Group Audit and Risk](#) Committee on **2020**.

3. Corporate Governance

3.1 Board of Governors

The Board as a whole is collectively responsible for promoting the success of the University by leading and supervising its affairs, including oversight of its subsidiaries and their success. The Board has adopted a Statement of Primary Responsibilities and these include being the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements and to have overall responsibility for the [University/University Group](#)'s assets, property and estate.

3.2 The Vice Chancellor

The Vice Chancellor is responsible for the executive management of the [University/University Group](#) and for implementing the decisions of the Board of Governors. The Vice Chancellor is the Accountable Officer as identified by the Office For Students ("OFS").

The Vice Chancellor is the Accountable Officer of South Bank Colleges (SBC) and the Principal Accountable Officer of South Bank Academies (SBA).

3.3 Code of conduct

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

3.3.2 All members of staff who have a beneficial financial or other interest in any contract between the University or any of its subsidiaries and a third party must disclose that interest to their Dean or Head of Professional Services area, the Group Chief Financial Officer and the ~~Chief People Officer~~[Executive Director of Organisational Development and HR](#). As a result of the Bribery Act 2010, it is illegal for any employee to accept or offer a personal inducement or bribe. It is also a corporate offence to fail to prevent bribery.

3.3.3 Colleagues must follow the Gifts & Hospitality policy applicable to each institution with the Group. The guiding principle is that Mmembers of staff should not accept any gifts, rewards or hospitality 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.

- 3.3.4 The frequency and scale of hospitality accepted should not be significantly greater than the [relevant institution of the University/University Group](#) would be likely to provide in return.
- 3.3.5 The [relevant institution of the University/University Group](#) itself must not provide levels of hospitality or entertainment for students, external visitors, alumni, external stakeholders or actual/potential business partners that could be deemed to be an attempt to influence decision making.
- 3.3.6 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 should be sought from the relevant Dean or Head of Professional Service area or the Group Chief Financial Officer.

3.4 Speak Up

The [University/University Group](#) has a separate Speak Up Policy under the Public Interest Disclosure Act 1998.

4 Risk Management

- 4.1 At a corporate level, the principal risks are identified and managed through the [University/University Group](#)'s risk management processes. The Corporate Risk Register is the subject of careful and frequent review, and is aligned to the Corporate Strategy.
- 4.2 The Statement of Internal Control sets out the responsibilities of the governing body for ensuring that there is a process for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives of the [University/University Group](#), whilst safeguarding public and other funds.

5 Financial Management and Control

5.1 Financial Planning

The Finance Department is responsible for preparing annually an income and expenditure budget, a capital budget and a five-year financial forecast for approval by the Board of Governors on the recommendation of the Finance, Planning and Resources Committee.

5.2 Budget preparation

- 5.2.1 [LSBU's The University Group's](#) annual budget preparation is led by the Group Chief Financial Officer.
- 5.2.2 The completed budget is presented to the Executive for approval before being submitted to the Finance, Planning and Resources Committee for recommendation to the Board of Governors, who confer final approval.

5.3 Budgetary control

- 5.3.1 The Finance Department will prepare monthly management accounts for discussion at Operations Board and hold monthly meetings with Schools and Professional Service Groups to discuss performance against the agreed budget.

5.3.2 The control of income and expenditure within the agreed budget is the responsibility of the designated budget holder. This responsibility is formalised in the letter of delegated authority issued by the Vice Chancellor to budget holders at the start of the academic year. Budget holders will be given access to and training in the use of the [UniversityUniversity Group](#)'s web-based finance system to enable them to monitor income and expenditure on a daily basis. The Finance Department will also provide monthly management information to budget holders in the form of budget monitoring reports.

5.3.3 The budget holder must report significant departures from agreed budgetary targets immediately to the Group Chief Financial Officer

5.3.4 In cases of emergency, The Finance Member of the Emergency Management Team (EMT) can authorize emergency expenditure. In these circumstances the Finance Member will be responsible for ensuring records of expenditure are kept to report during and after the incident takes place.

5.4 Forecasting

Budget holders, in collaboration with their Finance Business Support Managers, will be responsible for in year budget re-forecast. The output of this process will be the latest expected position on income, expenditure and surplus compared to original budget. Budget holders are expected to incorporate all relevant information they have into these forecasts. Ownership of the forecast will remain the responsibility of the local budget holder.

5.5 Year end balances

Budget holders will not be permitted to carry forward any unspent amounts at year end.

5.6 Financial year

The [UniversityUniversity Group](#)'s financial year runs from 1 August until 31 July.

5.7 Basis of accounting

The consolidated financial statements are prepared on a historical cost basis and in accordance with the Companies Act, the Higher Education SORP (Statement of Recommended Practice) and other applicable accounting standards.

5.8 Capitalisation and depreciation

5.8.1 New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal installments over their estimated remaining useful life. Land will not be depreciated.

5.8.2 Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

~~5.8.3~~ Expenditure on equipment, software and motor vehicles will be recorded in the balance sheet where the acquisition cost per item or group of items making up one asset is £10,000 or more. Depreciation will be charged [according to accounting policies as set out in the Financial Statements and in line with the financial procedures, on a straight line basis commencing in the month of acquisition at rates of:](#)

~~5.8.4~~

~~5.8.5~~ Equipment, fixtures and fittings and motor vehicles — 5 years Computer hardware and software — 4 years

[5.8.6—Refurbishment expenditure—15 years Freehold buildings—50 years](#)
[5.8.7—Leasehold buildings—lower of 50 years and life of the lease.](#)
[5.8.8—](#)
[5.8.95.8.3](#) [Assets funded by project grants are depreciated over the lifetime of the project.](#)

5.9 Accounting records

In accordance with the Companies Act 2006, the Group Chief Financial Officer is responsible for the completeness and accuracy of accounting records.

5.10 Document Retention

5.10.1 The Finance Department is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.

5.10.2 The [UniversityUniversity Group](#) is required by law to retain prime documents for 6 years. These include:

- Official purchase orders
- Paid invoices
- Accounts raised
- Bank statements
- Copies of receipts
- Paid cheques
- Payroll records, including part-time lecturers' contracts.

5.10.3 Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as regional development agencies and the EU and with the [UniversityUniversity Group](#)'s record retentions schedule.

6. Taxation

6.1 The Group Chief Financial Officer is responsible for advising Deans and Heads of Professional Service Groups on taxation matters, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies to the [UniversityUniversity Group](#). The Group Chief Financial Officer is responsible for maintaining the [UniversityUniversity Group](#)'s tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date.

6.2 The [UniversityUniversity Group](#) is an exempt charity and as such is exempt from corporation tax in respect of income or capital gains to the extent that such income or gains are applied to exclusively charitable purposes. The [UniversityUniversity Group](#) receives no similar exemption in respect of VAT, except in the case of medical equipment and advertising.

6.3 To preserve corporation tax exemption, all commercial activities must be channeled through the University's trading subsidiary South Bank University Enterprises Limited (SBUEL).

6.4 SBUEL is subject to corporation tax and VAT in the same way as any commercial organisation.

6.5 The Group Financial Controller should be notified of any activities that are thought to be commercial in nature before they are undertaken.

7. Audit requirements

7.1 Auditors

7.1.1 The [UniversityUniversity Group](#) shall appoint both external and internal auditors. In accordance with the [HEFCE OfS Audit Code of Practice](#) the same firm shall not under any circumstances be appointed as both external and internal auditors.

7.1.2 Both the external and internal auditors shall have authority to: **Access [UniversityUniversity Group](#) premises at reasonable times.**

7.1.3 Access to all records, documents and correspondence relating to any financial and other transactions of the institution received from any member of staff require prompt explanations as are necessary concerning any matter under examination.

7.2 External audit

7.2.1 The appointment of external auditors will take place at least every seven years following a competitive tendering process. Appointment of the external auditors is the responsibility of the Board of Governors following recommendation of the Audit Committee.

7.2.2 During their period of office, the external auditors will be re-appointed annually by the Board on the recommendation of the Audit Committee.

7.2.3 The primary role of external audit is to report on the [UniversityUniversity Group's](#) consolidated financial statements. This will involve carrying out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the consolidated financial statements.

7.2.4 The Group Financial Controller is responsible for drawing up a timetable for year-end accounts purposes and will advise staff and the external auditors accordingly.

7.2.5 Separate auditors may, at the discretion of the Audit Committee, be appointed to carry out audits of grant claims as and when required by the relevant funding bodies.

7.3 Internal audit

7.3.1 The appointment of internal auditors will take place every seven years following a competitive tendering process. Appointment of the internal auditors is the responsibility of the Board of Governors following recommendation by the Audit Committee.

7.3.2 The primary role of internal audit is to deliver a risk based internal audit service which provides the Board of Governors with assurances on:

- The adequacy and effectiveness of the system of internal control and governance
- Risk management
- Data quality, and
- Value for money

7.3.3 The University's financial memorandum with the OFS requires that it has an effective internal audit function and their duties and responsibilities must be in accordance with advice set out in Accountability and Audit: OFS Code of Practice.

7.4 Fraud and corruption

7.4.1 The Anti-Fraud Policy outlines the [UniversityUniversity Group's](#) position on fraud and sets out responsibilities for its prevention and detection. The policy is intended to ensure that all cases of suspected fraud are promptly reported, investigated and dealt with as necessary, thereby safeguarding the finances and resources of the University and its subsidiaries. This policy applies to all staff and students.

7.4.2 When an incident of fraud is identified, appropriate action should be taken in

accordance with the fraud response plan (Appendix A).

7.5 Financial statements approval

- 7.5.1 The consolidated financial statements and those [of SBUEL for subsidiary companies](#) are prepared by the finance department in line with the agreed external audit timetable.
- 7.5.2 The financial statements must be reviewed and approved by both the Finance, Planning and Resources Committee and the Audit Committee.

8 Income

8.1 General

- 8.1.1 The Group Chief Financial Officer is responsible for ensuring that appropriate procedures are in place to enable the University to receive all income to which it is entitled.
- 8.1.2 The Finance Department is responsible for:
- the prompt collection, security and banking of all income received.
 - invoices being raised for customers where credit facilities are offered.
 - the online payments system being maintained.
 - Checking grants notified by the OFS and other funding bodies are received and recorded appropriately in the [University University Group](#)'s accounts.
 - claims for funds, including research grants and contracts being made by the due date.
 - Maintaining a fees matrix within the Student Records System (SRS) which accurately calculates the tuition fee for each student.

8.2 Tuition Fee Income

The [University University Group](#) Executive, within the overall strategy, budget and five year plan, is responsible for the setting of tuition fees within the overall framework of the [University University Group](#) budget and five year plan.

8.3 OFS Recurrent Grant funding

An agreement between the OFS and the University sets out the minimum number of funded places which the University will provide in each academic program and mode, and the funding per student place.

8.4 Specific Grant funding

- 8.4.1 The Group Chief Financial Officer shall ensure that all specific or capital grants are applied in accordance with their terms, and that income from such grants is only recognised to the extent that it has been spent. The Finance Department will provide a unique source of funds code to ensure that expenditure can be accurately monitored.
- 8.4.2 The Group Chief Financial Officer shall:
- ensure that expenditure is within the terms of the grant
 - monitor allocations to avoid overspending; ensure that funds are claimed from the OFS on a timely basis.

8.5 HEFCE Inherited liabilities reimbursement

8.5.1 The OFS reimburses in full expenditure on capital and staff-related liabilities inherited by the University from the former ILEA where these liabilities were previously met from the former Advanced Further Education pool for capital-related payments. The liabilities eligible for reimbursement are:

- Debt charges on land and buildings;
- Pension increase payments in respect of pre 1989 retirements;

8.5.2 The Finance Department must ensure that:

- claims for reimbursement are submitted promptly at the end of each financial year;
- a record is kept, updated annually, with details of the amount and date when claimed, and the amount and date when paid.

8.6 Receipt of cash, cheques, card, or electronic transfer payments

8.6.1 The Finance Department deals with all monies received in payment of tuition fees and schools or any other department must not collect payment for fees directly from students or their sponsors.

8.6.2 Any other department collecting monies from students or any other customer must follow procedures authorised by the Group Financial Controller or Group Chief Financial Officer.

8.6.3 The current single cash transaction limit for the University is the sterling equivalent of €15,000, translated at the most recent rate published by the Financial Times. This is to comply with the Money Laundering Regulations 2003. The cash office must not accept cash over this limit. Further details of the [UniversityUniversity Group's](#) Money Laundering Plan are contained in appendix B.

8.6.4 The [UniversityUniversity Group's](#) contractor must carry out all banking and the amount banked reconciled to the accounting system.

8.6.5 All cash awaiting banking should be stored in a locked safe, and staff should ensure that insurance limits for the level of cash holding are not breached.

8.6.6 Receipts must be recorded and posted to the student record, accommodation and finance system on the day, or closest working day, to receipt.

8.7 Collection of tuition fee debt

Any student who has not paid an account for tuition fees or any other item owing to the [UniversityUniversity Group](#) shall not receive their certificate for any degree, diploma or other qualification until all outstanding debts have been cleared. The name of such students shall not be included on pass lists. In addition such students shall be prevented from re-enrolling at the [UniversityUniversity Group](#) and from using any of the facilities.

8.8 Collection of other debt

8.8.1 The Finance Department should ensure that:

- Debtor invoices are raised promptly on official invoices;
- Invoices are prepared accurately and are credited to the appropriate income account;
- Any credits granted are valid and properly authorised;
- VAT is charged at the correct rate where appropriate and accounted for;
- Outstanding debts are monitored and chased in a systematic manner.

8.8.2 Debts over 6 years old will be written off on an annual basis unless there is a reasonable expectation that the money can still be recovered. If the total value of the annual write off is less than £50k it can be approved by the Group Chief Financial Officer. Audit Committee approval is required where the total value of the annual write off exceeds £50k.

8.8.3 In exceptional circumstances debts may be required to be written off during the year (e.g. in the event of company liquidation). This will require the approval of only the Group Chief Financial Officer. The maximum limit for write off on any individual debt is £10k. Above this limit, approval of Audit Committee is required.

8.9 Halls of residence income

8.9.1 The Executive shall determine the level of term time fees for student halls of residence, taking account of the implications for student welfare and the financial position of the [University/University Group](#) and the surplus or deficit on halls of residence operations.

8.9.2 The Executive will determine the level of fees for vacation lettings at halls of residence. In doing so they must take account of the need to maximise the income to the [University/University Group](#) from these activities.

8.9.3 Finance shall be responsible for invoicing students and other users and ensuring payment. Every effort shall be made to recover amounts owed, including the use of debt collection agencies and the withholding of academic qualifications.

8.9.4 All students in halls of residence shall be required to sign a formal accommodation agreement.

8.10 Catering income

8.10.1 The parts of the [University/University Group](#) authorised to provide food and drink for sale to staff students and visitors are:

- ~~The Department of Estates or it's~~ [The University's](#) contracted catering provider;
- The National Bakery School
- ~~Authorized outlets within Lambeth College.~~

8.10.2 No other school, Professional Service Group or individual member of staff shall provide food and beverages for sale on the [University/University Group's](#) premises.

8.10.3 ~~The Heads of Estates and of The National Bakery School shall determine the p~~Prices charged in the refectories and other catering outlets ~~should, taking~~ account of:

- the welfare of students and staff;
- the financial position of the [University/University Group](#) and the surplus or deficit on catering operations.

9. Research grants

9.1 General

9.1.1 Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective. It can use existing knowledge in experimental development to produce new or substantially improved materials, devices, products and processes including design and construction. It excludes routine testing and analysis of materials, components and processes.

9.1.2 The term 'Research Grant' is restricted to research projects funded by the UK and EU Research Councils, Charities and OFS. All other externally funded research projects

are classified as 'Contract Research'. These are managed by University Enterprise and dealt with in the section of these regulations covering other income generating activities.

- 9.1.3 Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken, it is the responsibility of the Dean to ensure that the financial implications have been appraised by the Central Research Support Office. This will include obtaining a set of grant terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance, and to ensure that appropriate insurance cover has been costed and is in place for any contract start.
- 9.1.4 The approval and managing research projects follows the process for Enterprise activities.
- 9.1.5 The Finance Department 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.
- 9.1.6 All aspects of any research grants must comply with these Financial Regulations. Where services or supplies need to be bought as part of a research agreement or grant, they must be procured in line with these regulations and procurement support must be requested if this is required in the research grant terms and conditions.
- 9.1.7 Each grant or contract will have a named supervisor and will be assigned to a specific school.

9.2 Full Economic Costs

- 9.2.1 All UK universities are now obliged to identify the full economic cost of research activities and recover the best price possible for the work taking into account the funder's own regulations.
- 9.2.2 Where possible, full economic costs should be recovered from the funder.

9.3 Authorisation of Research Grant applications

- 9.3.1 The table below sets out the delegation of authority with respect to authorisation of Research Grants. Contracts for Research Grants should normally be signed by the Deputy Vice Chancellor & Chief Business Officer and always in line with these Financial Regulations.

Total contract value (including VAT)	LSBU
Over £2m	Vice Chancellor and Group Chief Financial Officer
Over £1m and up to £2m	Deputy Vice Chancellor & Chief Business Officer
Below £1m	Director of Enterprise

9.3.2 Contracts for commercial sales should normally be signed by either the Deputy Vice Chancellor & Chief Business Officer) or Group University Secretary and always in line with section 17. of these financial Regulations.

10. Research and Enterprise income-generating activity (“REI”)

10.1 Types of activity

Income generating activities, including those that are coordinated via University Enterprise, include:

- Research grants
- Research collaborations
- Studentships
- Regeneration programmes
- Research grants
- Research collaborations
- Studentships
- Regeneration Programmes
- Knowledge Exchange
- Letting of Facilities (when requiring Student Enterprise)
- Events & Conferences (when bespoke)
- Short Courses
- University Accredited Courses
- Consultancy
- Contract Research
- Intellectual Property
- Other Income Generating Activities

10.2 Approval for Research and Enterprise Incoming Generating Contracts

- 10.2.1 Approval to submit a contract for negotiation or review for all research and enterprise income generating activities must be obtained using the HAPLO system, following published guidelines.
- 10.2.2 If for any reason, the HAPLO system is not being used, the GovLegal Checklist (Appendix G attached) must be completed showing that approval has been given and by whom. This should be sent to the Legal Team together with the draft third party contract and any supporting documentation to enable contract negotiation or review.
- 10.2.3 In the absence of a draft third party contract, the GovLegal Checklist (showing that approval has been given and by whom) must be submitted to the Legal Team, together with any supporting documentation, in order to request negotiation or review of a contract on University paper.
- 10.2.4 The Legal Team should not commence contract negotiation or review unless the requisite approval for that contract negotiation has been given.
- 10.2.5 Approval is required before submission of a proposal to a Funder or Client, in addition to final authorisation for contract signature. The Dean or Director of PSG is responsible for ensuring timely compliance of all their staff.
- 10.2.6 The proposal cost and claim/price is developed by REI staff, Finance BSMs and academics working together as appropriate. All costs relating to the proposed project

must be identified, regardless of whether or not it is anticipated they are recoverable from the Funder or client. Formal approval of the cost is the responsibility of the Finance Department.

10.2.7 When considering whether to approve a proposal, the return to the [UniversityUniversity Group](#) versus both full economic cost and the direct cost of undertaking the project should be considered alongside other non-financial value for the [UniversityUniversity Group](#).

10.2.8 The Finance Department 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.

10.2.9 Where services or supplies need to be bought as part of a research agreement or grant, they must be procured in line with these regulations and procurement support must be requested if this is required in the research grant terms and conditions. Insurance must also be fully costed from the outset of any research project bid or contractual commitment.

10.2.10 Procurement and internal legal advice must be sought at the earliest opportunity to ensure that obligations are clear between all parties.

10.2.11 The table below sets out the delegation of authority for final contractual ~~authorisation~~[authorization](#). ~~Authorisation can~~ [should go up the management line if an authority is absent](#).

Total contract value (including VAT)	SBUEL	LSBU
Over £2m	SBUEL Board	Vice Chancellor and Group Chief Financial Officer
Over £1m and up to £2m	Deputy Vice Chancellor & Chief Business Officer or Group Chief Financial Officer	Deputy Vice Chancellor & Chief Business Officer or Provost
below £1m	Chief Executive Officer	Director of Research, Enterprise and

10.2.12 Contracts for commercial sales should normally be signed by either the Deputy Vice Chancellor & Chief Business Officer or Group Secretary and always in line with section 17. of these Financial Regulations.

10.3 South Bank University Enterprises Ltd

All activities that are commercial in nature and carried out with the intention of making a profit should be handled through the University's trading company SBUEL. VAT must be charged on all standard rated activities carried out by SBUEL.

11. Staff expenditure

11.1 Staffing budget

11.1.1 The Board of Governors approves the annual staffing budget which forms part of the overall budget.

- 11.1.2 Staffing shall be at a level that ensures that staff expenditure remains within budget for the financial year.
- 11.1.3 No permanent or temporary appointments in excess of the annual staffing budget shall be made without [first obtaining approval through the staff requisition process maintained by the HR department, which includes approval by the HR Business Partner, Finance Business Partner and the Dean or Director of the School or PSG approval of the Group Chief Financial Officer.](#)
- 11.1.4 The Executive Director of Organisational Development and HR must maintain staffing statistics and report to the University at regular intervals staff in post and vacancies.
- 11.2 Appointments to posts**
- 11.2.1 The Vice Chancellor is responsible for the appointment of staff. The Board of Governors is responsible for the appointment of senior post holders.
- 11.2.2 Permanent and temporary appointments should be made within the [University/University Group's](#) recruitment and selection procedures, [Via LSBU Employment](#) or through the [University/University Group's](#) approved supplier of agency staff. [Through the approval process.](#) The Human Resources Department shall seek confirmation from the hiring department that sufficient funds are available within the departmental budget in the current financial year to pay for the post before beginning the recruitment process. Holders of letters of delegated authority are responsible for ensuring that staffing levels remain within budget.
- 11.2.3 Staff wishing to engage consultants or other self-employed individuals must first, in consultation with their HR Business Partner, establish if the person is to be treated as a worker or a contractor using guidelines published by the Finance Department and then either HR or Procurement processes must be followed.
- 11.2.4 The Executive Director of Organisational Development and HR [should ensure that new staff onboarding to the HR/Payroll system and changes to standing data takes place and that leavers be notified must notify to the Payroll team promptly the Payroll Department of all appointments and terminations of employment, and any changes during employment,](#) in sufficient time to enable the appropriate changes to be made to the payroll ~~department~~.
- 11.2.5 The permanent promotion of staff shall operate through normal recruitment procedure for vacant posts
- 11.3 Conditions of employment**
- The Board is responsible for setting the framework for the employment of university staff (which it may delegate to the Finance Planning and Resources Committee or the Executive).
- 11.4 Payroll**
- The Group Chief Financial Officer shall ensure that appropriate arrangements are in place to:
- a) transcribe HR information into the form required to process accurate payments;
 - b) the Group Financial Controller shall make validation checks of the proposed payment schedule before authority is given for payment;
 - c) payslips shall be released to staff;
 - d) reconciliation of payroll control accounts ~~are~~ undertaken and reviewed at least monthly.
- 11.5 Deductions**

The Group Chief Financial Officer shall arrange for deductions of income tax, national insurance, pension contributions and other deductions, and ensure that proper records are kept.

11.6 **Sickness, Maternity and Other Benefits**

The Executive Director of Organisational Development and HR shall verify the entitlements and notify the Group Financial Controller of payments to be made.

11.7 **Pay Awards**

11.7.1 The Board of Governors through its remuneration committee shall determine the annual pay level of senior post holders remuneration of the Vice Chancellor and the members of the Group Executive. The Vice Chancellor is not a member of the remuneration committee and leaves the meeting when it considers the remuneration of the Vice Chancellor.

11.7.2 The Board of Governors shall decide annually whether the [UniversityUniversity Group](#) should opt in or out of national pay negotiations. The Executive shall then make a recommendation to the Board based on budgetary consideration from year to year.

11.7.3 The Vice Chancellor shall after consultation with the Finance Planning and Resources Committee approve the offer made to the trades unions. When agreement on the size of the pay award and the date of implementation has been reached, the Vice Chancellor shall approve the pay award having regard to the financial implications for the [UniversityUniversity Group](#).

11.7.4 The Executive Director of Organisational Development and HR shall notify the Group Chief Financial Officer of:

- the nature of the payaward and the groups of staff to whom it applies,
- any other arrangements for other groups of staff,
- Increases in pay due as a result of pay awards.

11.8 **Bonus payments**

The Vice Chancellor shall determine the principles each year underlying the performance bonus payments to eligible staff and the amount of the annual performance bonus to be paid to each of these staff.

12 **Expenditure**

12.1 **Scope**

These regulations apply to all expenditure, including spending of grant monies and leasing arrangements, but exclude expenditure processed through the payroll which is covered in the section on pay expenditure

12.2 **Purpose**

The purpose of these regulations is to:

- Ensure that the University's expenditure represents Value For Money and complies with European and UK legislation and statutory requirements;
- Manage and minimise risks, including commercial protection in all contractual arrangements and mitigation against fraud and corruption.

12.3 **Order of Events**

When reviewing and committing expenditure, the following order of events must be followed:

- Procurement engagement
- Review the need and value for money
- Advance authorisations and budget control
- Supplier selection
- Contract award
- Contract management and Procure to Pay

12.4 Procurement Engagement

12.4.1 Procurement Services are to be contacted from the outset to agree the level of professional Procurement input required and the procurement sourcing strategy.

12.4.2 Professional Procurement input will be determined following consideration of the potential impact on strategic objectives, value for money opportunities, and legislative risk.

12.4.3 Discrete requirements with a total contract value over the contract term of less than £50,000 may be able to follow Procurement guidance, rather than require direct engagement with Procurement Services. Refer to the Supplier Selection section for further details.

12.4.3 Any potential conflict of interest which a member of staff making or influencing a procurement may have with a supplier, must be notified to Procurement as soon as the conflict is known. All staff involved in a Procurement process are required to complete a Declaration of Interest form, at the start of their involvement.

12.4.5 Procurement must be involved from the outset on any procurements involving personal data, irrespective of value. Procurement will work with [the LSBU's](#) Data Protection and Information Compliance Officer to ensure LSBU's applicable data protection legislation obligations are met. [LSBU-The University Group](#) has obligations to consider data protection by design wherever personal data is processed, which may include mandatory data protection impact assessments. Procurement or the Data Protection and Information Compliance Officer will advise.

12.4.6 Procurement will advise on how to engage the market on contracts over £50,000 during the tender planning phase, to ensure that there is no inadvertent market distortion or legislative risk created. A challenge on a high value contract, could result in a significant financial impact to the [UniversityUniversity Group](#). Procurement advice must be sought before any contact with suppliers is made.

12.5 Review the need and value for money

12.5.1 Value for money is not about cuts. It is about making sure that the [UniversityUniversity Group's](#) resources are used in the right way to generate outcomes that align with the [UniversityUniversity Group's](#) corporate objectives, and that any expenditure or time spent on an activity is appropriate to the outcome.

12.5.2 Value for money is defined by the OFS as effectiveness, economy and efficiency. LSBU's working definition is:

- Effectiveness – Doing the right thing (the extent to which corporate objectives are met);
- Economy – At the right price (appropriately minimising the cost of an activity);
- Efficiency – The right way (performing tasks well)

12.5.3 Value for money is the combination of all three aspects. Disproportionate emphasis on one of the three aspects could impact on overall value for money.

12.5.4 The [UniversityUniversity Group](#) requires all budget holders to ensure that all

commitments to supplies, services and works represent value for money. Budget holders must assess the need and review how value for money can be optimised by working with Procurement and other relevant stakeholders across the [University/University Group](#) from the outset.

- 12.5.5 Value for money is the over-riding principle on procurement, ordering and tendering. The [University/University Group](#) requires all budget holders to obtain supplies, services and works at the most economically advantageous cost, consistent with quality, delivery requirements, whole life cost and always in accordance with sound business practice.
- 12.5.6 It is in contravention of the Financial Regulations to procure from suppliers for reasons other than value for money, as defined above. Procurement decisions need to be justified and 'audit trail' records must therefore be completed.

12.6 Advance authorisations and budget control

12.6.1 Investment Appraisal Process and

Business Cases

- 12.6.1.1 Budget holders must ensure that planned expenditure is within their allocated budget referred to in the Financial Management and Control sections of these regulations. In certain circumstances, authorisations must be obtained before engaging with the supply market.
- 12.6.1.2 The [University/University Group](#)'s Investment Appraisal Process must be followed, and a business case needs to be submitted for approval if:
- the requirement relates to a new change initiative;
 - the requirement incorporates aspects of capital expenditure;
 - the expenditure will exceed the existing allocated department or school budget;
 - the contract relates to revenue expenditure that is in budget and exceeds £2million over the contract term.
- 12.6.1.3 The Investment Appraisal process also applies to all activities with a significant impact on current business activities or activities with significant resource requirements.
- 12.6.1.4 Where the value of the bid is no more than £250k, a short business case can be submitted. The Finance department will maintain guidance on the investment approval process.
- 12.6.1.5 Authorisation for all expenditure must be sought in accordance with approval limits set out in the Authorised Expenditure Limits section below. Procurement Services must be consulted to support the completion of Procurement and Insurance related content of any proposed Business Case involving expenditure or potential insurance liability.
- 12.6.2 **Total Contract Value / Expenditure**
- 12.6.2.1 The total contract value will determine the authorization routes and levels of competition to follow.
- 12.6.2.2 The total contract value refers to the value of the contract over its full contract term, including any potential extensions. It does not refer to the annual contract value. If items are bought on a rolling contract basis, the estimated per annum value should be multiplied by 4 to determine the estimated total contract value.
- 12.6.2.3 Where the total expenditure or contract value cannot be determined, usage and values should be estimated to determine the total value. Where more than one

area of the [UniversityUniversity Group](#) is likely to use the contract, [UniversityUniversity Group](#)-wide demand should be used to calculate the total contract value.

12.6.2.4 Where there is a need for a single requirement that can be divided into a number of stages, or a number of similar or identical requirements, the total value must be used when assessing the application of these regulations. Contracts must not be disaggregated and split into separate contracts with smaller values to avoid having to comply with the authorization and competition routes detailed in these regulations.

12.6.2.5 Where a Purchase Order constitutes the formal contract, in place of a formally signed contract, then the requirements within these regulations for contracts apply to the Purchase Order value.

12.6.3 Authorised Expenditure Levels

Authorisation for all expenditure must be sought in accordance with the value threshold requirements below. Thresholds relate to the value over the total contract term including any potential extensions – not to per annum values.

Total Contract Value (Including VAT)	Capital		Revenue	
	Planned	Unplanned	Within Budget	Outside Budget
Over £5 million	Board of Governors			
Over £2m and up to £5m	Major projects and Investment Committee	Board of Governors	Major Project and Investment Committee	Board of Governors
Over £1 million and up	Executive	Board of Governors	Delegated Levels of Authority	Board of Governors
Over £500,000 and up to	Executive	Major Projects and Investment Committee	Delegated Levels of Authority	Major Projects and Investment Committee
up to £500,000	Vice Chancellor and Group Chief Financial Officer	Vice Chancellor and Group Chief Financial Officer	Delegated Levels of Authority	Vice Chancellor and Group Chief Financial Officer
Unplanned capital projects should be very rare. The Major Projects and Investment Committee will review masterplans and the majority of capital expenditure will be planned. Expenditure proposals should be submitted to the lowest level of authorisation first, being escalated up through the approval hierarchy on the table above following each approval stage.				

** Requirement still remains to deliver against agreed budget*
Capital and Revenue budgets are as defined in the department and school budgeting process.

12.6.4 Approval Documents and Delegation

Board of Governor, Major Projects and Investment Committee or Executive approval is to be sought through submission of a Strategic Outline Business Case at initial project stages prior to tendering. When approving, the Board of Governors, Major Projects and Investments Committee, and Executive shall specify any future delegations that may apply during the remaining stages of the competitive procurement process, to enable timely contract awards within the approved Business Case parameters.

12.6.5 Delegated Budget Authority

- 12.6.5.1 Holders of letters of delegated authority are responsible for the approval of expenditure within the budget set out in their letter of delegated authority subject to the limits stated in table 2. Holders of letters of delegated authority are responsible for agreeing with the Group Financial Controller a scheme of delegation within their departments. Where authority has been formally delegated to Heads of Department (“HoD’S”) and other staff, these staff will be responsible for the approval of expenditure within their departmental budget up to the limit set out in the appendix to their letter of delegated authority. Changes to agreed authorization levels must be recorded on the Authorised Signatory list and maintained by the Group Financial Controller.
- 12.6.5.2 These arrangements are also to be applied to employees of subsidiary companies who are given delegated authority in respect of budgets.

12.6.6 Contractual Commitments by Group Entities

- 12.6.6.1 Under the Governance Agreements between the University and South Bank Colleges / South Bank [Academies](#), consent is required for any expenditure above £100,000. Transactions in group companies must follow their financial regulations but University consent must be given before contracts can be executed.
- 12.6.6.2 University’s consent to the transaction of expenditure must follow the levels of authority shown above in section 12.6.3.
- 12.6.6.3 For SBUEL, the Statement of Governance sets out when consent of the University is required.

12.7 Supplier selection

12.7.1 Use of existing and Mandatory Contract Arrangements

- 12.7.1.1 The [University University Group](#) has a number of contracts that must be used for specified services, supplies or works. A list of mandatory contracts can be found on the Procurement intranet.
- 12.7.1.2 Where approved contracts are available, these must be used for all purchases. These contracts cover a wide range of goods and services and have been selected through a competitive process. These contracts should be used by either directly calling off from the existing contract, or where a framework agreement is in place with multiple suppliers, through requesting quotes from the specified list of suppliers in that category. Call-off methods are detailed for each mandatory contract and are listed on the Procurement intranet.
- 12.7.1.3 The [University University Group](#) has a number of expenditure categories where specific Professional Service Groups lead and manage any orders that need to be made. The relevant Professional Service Group must be used to advise and process expenditure in these areas. Mandatory usage of departments by

category is listed on the Procurement intranet, together with any related policies that apply to that area of spend.

Competition and Audit Trail Requirements:

Total Contract Value (Including VAT)	Level of Competition Required	Supporting 'Audit Trail' Documents Required
Over £50,000	Competitive Tender *	Business Case Approval Form (where Board/Exec approval required) + Full Evaluation Matrix Or Single Quotation/Tender Form** + Authority to Award Report
Over £10,000 and up to £50,000	3 Competitive Proposals	Competitive Quotes Form Or Single Quotation/Tender Form**
Up to and including £10,000	Department's Discretion ***	None

**Procurements exceeding £50,000 over the total contract term must be discussed with Procurement Services at the beginning of the planning stage, to agree the procurement strategy and route and professional Procurement input required. Procurement will instruct on minimum tenderer numbers, EU compliance requirements and use of e-tendering.*

**

1. Where there is extreme urgency (which has occurred for reasons which were unforeseeable and are beyond the control of LSBU)
2. Where there is only one supplier capable of providing the relevant goods, works or services due to technical, artistic or copyright reasons.
3. Where incompatibility or disproportionate technical difficulties apply.
4. Where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure.

*** *Heads of Dept/school will have the discretion to decide whether or not to obtain quotations, however value for money must always be obtained. It is advised that at least one written quotation is obtained for items with a value of £10,000 or under.*

12.7.2 Threshold Application for Framework Agreements

- 12.7.2.1 For some categories, the [University/University Group](#) puts in place overarching framework agreements, which are 'umbrella agreements' with either one or several suppliers, Framework agreements set out the terms, mainly relating to scope of service/supply, price, quality and potential quantity, under which individual contracts (call-offs) can be made. The [University/University Group](#) becomes committed to expenditure when a call off is made, and a discreet contract is entered into.
- 12.7.2.2 Framework agreements are to be authorised according to the approval levels in Table 2, based on expenditure levels estimated over the term of the framework. Subsequent call offs are also subject to the approval requirements indicated in Table 2, with Executive approval replacing any Board of Governor approval requirement indicated.

12.7.3 External Funding with Specific Procurement or Insurance Requirements

12.7.3.1 Where the [UniversityUniversity Group](#) is receiving external funding (for example from OFS) towards the purchase of goods or services there may be specific procurement or insurance requirements which must be followed (for example the limit for carrying out competitive tenders may be lower). These may differ from the procedures set out within the Financial Regulations.

12.7.3.2 If these requirements are not adhered to, the [UniversityUniversity Group](#) may not receive the funding or LSBU may be exposed to risk. In order to ensure that these procurement and insurance requirements are fully understood and adhered to, Procurement Services must be consulted before purchasing any goods or services for which the [UniversityUniversity Group](#) is receiving external funding with specific procurement requirements.

12.7.3.3 Capital grants allocated by external organizations must be spent solely for the purposes specified. The Finance Department shall maintain records of expenditure of grants in the form required by the funding body.

12.7.4 **Most Economically Advantageous Approach**

The best value tender or quote shall be accepted (following appropriate valuation of price and quality criteria). Approval by the Head of Procurement shall be required in all cases when award is not recommended to the most economically advantageous tender /quote.

12.7.5 **E-Tendering**

The University's e-tender system must be used to run competitive tenders, unless otherwise agreed with Procurement Services.

12.7.6 **Terms and Conditions**

12.7.6.1 Appropriate terms must be clearly established at the outset of all competitive procurements. Procurement Services must be consulted in all instances where the University's standard terms and conditions are not used, in advance of committing the [UniversityUniversity Group](#).

12.7.6.2 The Contracts (Rights of Third Parties) Act 1999 came into force on 11 May 2000. It applies to all contracts made on or after this date in England, Wales and Northern Ireland. The Act gives third parties named in contracts, or expressed to benefit from them, the right to sue under those contracts. The majority of contracts entered into by the University will exclude this right as far as possible. This exclusion is incorporated into the University's standard contract documentation. Where, in a particular case, the parties to a contract are considering conferring a benefit on one or more third parties, advice must be sought from the Group Secretary/Procurement Services as to the implications of any such arrangement, before entering into negotiations with any of the other parties that may be involved in the proposed contractual arrangements.

12.8 **Contract Documentation and Award**

12.8.1 Contract Documentation

Every contract issued by the University shall use the appropriate standard contract documentation. Copies of all standard contract documentation are available from Procurement Services. The advice of Procurement Services or from the Legal Team should be sought if any amendments are required to the standard documentation.

12.8.2 Contract Award Authorisation

Current legislation requires the University to be transparent and publish details of certain contract awards. Procurement Services will ensure that these legal requirements are met. Procurement Services must be notified of all procurement contracts requiring formal signature (requiring signature either by hand or electronic). Procurement Services will coordinate the necessary contract authorisations in accordance with these regulations. All contract documentation must be approved by the Head of Procurement Services. A Pro19 form should be completed and signed to demonstrate that approval. Once that is completed the contract can be sent to the Authorised Signatory for

signature' (see Clause 17 of these Regulations).

12.9 Contract Management and Procure to Pay

12.9.1 Contract Management

- 12.9.1.1 Holders of letters of delegated authority must ensure that all expenditure contracts within their budget area have a contract owner responsible for monitoring performance through regular meetings with the contractor. Reports of any discrepancy or failure must be completed.
- 12.9.1.2 Procurement Services advice should be sought in order to assist in the management of poor contract performance and emerging risks. Comprehensive contract management guidance is available on LSBU's staff intranet, including managing specific areas of high risk such as contracts involving personal data.
- 12.9.1.3 Procurement Services must be notified of all procurement contract, variation, extensions and terminations in advance of any commitments being made on behalf of the University. Procurement Services will then coordinate the necessary authorisations and publications in line with these regulations, legislation and Procurement procedure.

12.9.2 University Procurement Cards

- 12.9.2.1 University Procurement Cards are to be used for low value, high volume transactions and separate guidelines applicable to these cards must be followed. Requirements detailed within these regulations to use approved contracts and to follow competition requirements apply to Procurement Card orders. Purchasing cards cannot be used:
- for personal purchases;
 - by anyone other than the person to whom the card was issued
 - to withdraw cash unless the cardholder is specifically authorized to do so;
 - for purchases involving the processing of personal data.
- 12.9.2.2 The misuse or non-compliance of the Procurement Card procedures will result in the card being withdrawn and in certain cases may result in disciplinary action being taken. Detailed procedures for the use of purchasing card are contained in the Purchasing card guide.

12.9.3 New Suppliers

Where a supplier is new to the University, a New Supplier Form must be completed. Procurement Services and Finance may review the level of risk relating to suppliers at supplier set up stage and on an ongoing basis, and alternative procurement solutions may be required.

12.9.4 Purchase requisitions and Purchase Orders

- 12.9.4.1 Purchase requisitions, and subsequent official University orders must be placed to commit all expenditure, with the exception of supplies listed in appendix to this document, or when paid for via a University Procurement Card.
- 12.9.4.2 There must be adequate segregation of duties in place, as specified in the Procurement procedures and guidance, in particular requisitions must be raised and authorised by different individuals where staff make a commitment on behalf of the University [Group](#). The

[University University Group](#) operates an electronic requisition system and the authorisation hierarchy within the system must be maintained in such a way that requisitions have to be raised and authorised by different individuals. Authorisation of requisitions must be within a budget holder's delegated budget authority

12.9.4.3 In addition to budget holder approval, each requisition may be subject to Procurement Services approval to ensure that requisitions, and related procurement exercises, comply with procurement and tendering policy. Procurement Services are to determine which Purchase Orders require their approval, following approval by budget holders and other supporting authorisations as required the 'Advance Authorisations and Budget' section.

12.9.4.4 Purchase Orders fulfil the role of acceptance of a supplier's offer and bind a contract on the University's terms and conditions. The University's standard terms and conditions are automatically applied to University orders. Where a contract already exists, contract terms must be specified by requisitioners on requisitions, to ensure that they take precedence.

12.10 Estate Specific Expenditure

12.10.1 In addition to the above regulations, there are specific requirements regarding expenditure on the University estate.

12.10.2 Estates Strategy

12.10.2.1 The Estates Department should only carry out work approved as part of the Estates Strategy, and that approved by Executive in order to maintain existing estate through planned and reactive maintenance and project works.

12.10.2.2 The Board of Governors shall approve an Estates Strategy and consider amendments to it where updating is required at regular intervals. The strategy shall take account of:

- a) The quantity, quality, configuration and legal interests in the current estate;
- b) Planned student numbers and course provision and teaching methods;
- c) Consequential anticipated growth in staff numbers, both academic and non-academic;
- d) The efficiency of management of existing accommodation and space utilization.

12.10.2.3 The financial implications, with investment appraisals where appropriate, in consultation with the Group Chief Financial Officer.

12.10.2.4 All recommendations to the Board of Governors for property acquisitions and disposals shall ~~comply with be supported by surveyor's report as laid down in~~ the Charities Act [20114993](#).

12.10.2.5 All proposed building projects shall be considered by the Executive and they should meet the overall objectives of the Estates strategy and approved financial limits.

12.10.3 [EU Directives Public Contracts Regulations 2015 \(PCRs\)](#)

12.10.3.1 ~~Higher Education Institutions (HEI's) are currently required by law~~

to ~~L~~SBU must comply with the PCRs (or from 1 January 2021 any successor regulations) EU Directives if they ~~it~~ intends to let a contract (or series of contracts) above or equal to the thresholds for goods, services or works contracts prescribed by the PCRs EU Directives.

- 12.10.3.2 Estates & Facilities is responsible for consulting with Procurement Services at the planning stage of any works or project to ensure that EU Directive and UK-statutory procurement obligations under the PCRs will be met.

12.10.4 **Progress and Completion Reports**

- 12.10.4.1 The Director of Estates & Facilities shall make regular reports to the Vice Chancellor on the progress of building projects with an estimated cost of over £50,000, indicating:

- Expenditure to date against budget;
- Remaining expenditure;
- Emerging problems;
- Changes to risk profile

- 12.10.4.2 Reports shall be made to meetings of the Property Committee on the progress of all projects approved by the Board of Governors.

- 12.10.4.3 The Director of Estates shall conduct a formal post completion review after all major capital projects to identify strengths and weaknesses and to feed these into the procedure for managing future projects.

12.10.5 **Procedures for disposals of Exchequer Funded Assets**

Disposal of items purchased from specific external research grant or similar sponsored activity shall only be made within the rules and with the approval, if required, of the sponsoring body. Disposal of land and buildings must only take place with the authorisation of the Council or Finance and Resources Committee, in accordance with the Financial Authority Limits. OFS consent may also be required if exchequer funds were involved in the acquisition of the asset.

12.11 **Supplier invoices**

12.11.1. **Receipt of invoices**

All supplier invoices should be sent by the supplier to the Finance Department. On receipt, invoices should be registered on the finance system.

12.11.2 **Approval of invoice**

- 12.11.2.1 Invoices that relate to goods or services for which a purchase requisition was raised are known as 'committed' invoices. Committed invoices will quote a purchase order number. Invoices that relate to goods and services for which no purchase requisition was raised are known as 'uncommitted' invoices. Uncommitted invoices will not contain a purchase order number.

- 12.11.2.2 Committed invoices should be receipted on the finance system by the person who raised the original requisition as evidence that the invoice has been checked, the goods or service has been received and the department wishes the supplier to be paid. Where an invoice exceeds the original purchase order, the invoice will be referred forward to the budget holder to approve payment of the invoice.

- 12.11.2.3 Uncommitted invoices should be approved only by the relevant budget holder in line with levels of delegated authority. If the invoice exceeds the budget holder's delegated authority. This is because the approval of an uncommitted invoice is

giving authority for a budget to be spent. In the case of committed invoices, this authority has already been given by the raising and approval of a purchase requisition.

12.11.2.4

For both committed and uncommitted invoices, receipting or invoice approval confirms that:

- a) Goods or services have been received or undertaken in accordance with specification and are satisfactory;
- b) The prices or charges are in accordance with the contract or order;
- c) The invoice is arithmetically accurate and VAT has been applied at the correct rate;

12.11.3 **Payment of invoices**

Once approved, Finance Staff should arrange payment within the University's Standard Terms of Business or any bespoke terms of business agreed with particular suppliers.

12.12 **Authorised signatory list and authorisation hierarchy**

The Authorised signatory list is kept and maintained by the Group Financial Controller. It is the responsibility of the School or Professional Service Group to ensure that an up to date set of authorised signatory sheets are given to the Group Financial Controller. The [UniversityUniversity Group](#)'s electronic Procurement to Pay system is set up with hierarchies for the raising and approval of requisition and approval of non-committed invoices and it is the Group Financial Controller who has responsibility for ensuring electronic authorisations are in line with the authorised signatory list.

12.13 **Fixed Asset Register**

The Group Chief Financial Officer shall:

(a) Ensure there is a central register of all items of capital expenditure with a purchase value of £10,000 or over including VAT within the finance system Agresso.

Deans and Heads of Professional Service Groups shall:

- a) Ensure the safekeeping of all equipment held in the school or Professional Service Group;
- b) Ensure that the equipment is marked as the property of London South Bank [UniversityUniversity Group](#).
- c) Report all losses of equipment through theft or damage on the prescribed forms to the Director of Estates & Facilities with copies to the Vice Chancellor and Group Chief Financial Officer

12.14 **Equipment Removal**

12.14.1 Land and Buildings may only be disposed of with the authorization of the Board of Governors on the recommendation of the Finance, Planning and Resources Committee.

12.14.2 Equipment, vehicles, fixtures and fittings shall not be removed from the [UniversityUniversity Group](#) without the written approval of the Dean or Head of Professional Service Group. In all such cases, the Group Chief Financial Officer shall be informed at least two working days in advance so that, appropriate insurance arrangements can be made.

12.14.3 Schools and Professional Service Groups shall notify the appropriate Professional Service Group of any item of standard equipment or other goods which are no longer required, who shall advise if the item can be redeployed elsewhere in the [UniversityUniversity Group](#).

12.14.4 Where an item cannot be redeployed, Deans or Heads of Professional Service Groups shall make arrangements to dispose of obsolete items. The Dean or Head of Professional Service Group is responsible for disposing of the item in a way that maximizes the proceeds and value for money to the [UniversityUniversity Group](#). This includes obtaining valuations where appropriate and quotes for costs of disposal. In exceptional circumstances, the Group Chief Financial Officer may authorize the item to be donated or offered at reduced cost to students, other educational establishments, charities or local

community groups.

- 12.14.5 The school or Professional Service Group shall advise the Group Chief Financial Officer of any proposed disposal of equipment or other goods so that, if appropriate, she or he may arrange for an invoice to be raised for payment to be obtained by the [UniversityUniversity Group](#) and for accounting entries to be made in the [UniversityUniversity Group](#) Accounts.

13 Cash management

13.1 Bank accounts

13.1.1 The Board of Governors shall approve:

- (a) the appointment and terms of engagement of the [UniversityUniversity Group](#)'s bankers;
- (b) the bank mandate which determines the terms on which cheques [and other payment instructions](#) may be drawn on the [UniversityUniversity Group](#)'s bankers;
- (c) the bank account signatories and levels of authority;
- (d) overdraft and loan facilities.

13.1.2 All bank accounts for the [UniversityUniversity Group](#)'s transactions shall be held in the name of the [UniversityUniversity Group](#), and may be opened only on the authority of the Board of Governors. No bank account other than one authorised by the Board of Governors shall be operated for [UniversityUniversity Group](#)'s purposes. No member of staff shall open an account bearing the name of the [UniversityUniversity Group](#), or any abbreviation of it.

13.2 Signatories

The [UniversityUniversity Group](#)'s bank accounts shall be operated in accordance with the mandates given to the bankers under the authority of the Board of Governors. The Board of Governors has determined that the holders of the following posts shall be signatories to the [UniversityUniversity Group](#)'s bank accounts;

Vice Chancellor
Provost
Deputy Vice Chancellor & Chief Business Officer
Chief Customer Officer
Group Chief Financial Officer
Group Secretary
~~Chief Operating Officer & Deputy Vice Chancellor~~
Group Financial Controller
Director of Financial Planning, Reporting and Registry

13.3 Signatory limits

Signatory limits apply for both cheque limits and electronic payments such as BACs:

- For Payments of less than £10,000 - one signature and may be signed in holograph by cheque writing machine;
- For payments of £10,000 and above - but less than £20,000 - one signature but may not be signed in holograph by cheque writing machine;
- For payments of £20,000 and over- two signatures only one of which can be a member of the Finance Department.

13.4 Cheque Payments

Cheque payment controls shall be maintained by the Payments Manager. The cheque stationery shall be kept in a secure place at all times, and proper controls maintained on

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the use of cheque stationery.

13.5 Records and reconciliation

The Group Chief Financial Officer shall:

- maintain a record of all bank accounts, signatories and levels of authority;
- ensure adequate procedures are in place to control the issue and use of cheque stationery and for the control of electronic payment authorization
- maintain proper records of all bank payments;
- ensure that all bank accounts are reconciled at monthly or more frequent intervals, independently of the staff involved in making payments and banking cash.
- The following accounting controls shall apply:
 - there shall be a monthly bank reconciliation for each bank account;
 - The reconciliation shall be verified by the Financial Accountant;
 - Unresolved discrepancies shall be reported to the Group Financial Controller and if still unresolved to the Group Chief Financial Officer;
 - Cashbook records shall be maintained as part of the integrated accounting system.

13.6 Borrowing

13.6.1 All raising of capital finance, including finance lease arrangements, must be approved, in advance, by the Major Projects and Investment Committee and the Board of Governors. The Board of Governors may, at its discretion, authorise an ad-hoc committee of its members to agree final documentation and execute documents within certain parameters set by the Board of Governors.

13.6.2 All borrowing raised on the security of any of the [UniversityUniversity Group](#)'s assets must be approved, in advance, by the Major Projects and Investment Committee and the Board of Governors. The Board of Governors may, at its discretion, authorise an ad-hoc committee of its members to agree final documentation and execute documents within certain parameters set by the Board of Governors.

13.6.3 Unsecured, overdraft borrowing must be within limits set by the Group Chief Financial Officer. Authorisation by the Group Chief Financial Officer must be given for unsecured, overdraft borrowings within such limits.

13.6.4 The [UniversityUniversity Group](#) has no pre-determined restrictions on sources of funding with any consideration of suitability of potential lenders being carried out at the time of approval.

13.6.5 The [UniversityUniversity Group](#) has no pre-determined requirements on the mix between fixed and variable rates of interest. The suitability of the mix will be reviewed at the time of approval and should bear in mind market expectations and future cash requirements; the costs of doing so should be related to the need to spread the risk through a balanced portfolio.

13.7 OFS borrowing limits

The University must get written permission from OFS to increase EBITDA (Earnings before interest, taxes, depreciation and amortisation) -based threshold, before it agrees to any new financial commitments that would increase the measure to above five times its average EBITDA. Details of how the EBITDA based financial commitment threshold is calculated is contained in the Memorandum of Assurance and Accountability with

OFS.

13.8 Cash and cheque and electronic receipts

13.8.1 The current single cash transaction limit for the University is the sterling equivalent of €15,000, translated at the most recent rate published by the Financial Times. This is to comply with the Money Laundering Regulations 2003.

13.8.2 All cheques or cash received shall be paid to the cashier with the minimum of delay.

- The Group Chief Financial Officer shall agree with a Dean or Head of Professional Service Group the arrangements under which the School or Professional Service Group may receive cash, cheques and other receipts. These arrangements shall ensure that:
- The cash and cheques shall be paid to the cashier at the earliest possible opportunity in their entirety.
- They shall not be used to cash any cheques or pay any item of expenditure:
- no monies other than petty cash floats shall be held in Schools/Professional Service Groups except as authorised by the Group Chief Financial Officer

13.8.3 Schools and Professional Service Groups which are authorised to receive cash and cheques shall keep proper records in the form specified by the Group Chief Financial Officer.

13.8.4 The Group Chief Financial Officer shall make arrangements for receiving cash and cheques. They shall ensure that every sum of cash received shall be immediately acknowledged by the issue of an official receipt with the exception of cheques, where receipts should only be issued for cheques from students;

13.8.5 The Group Chief Financial Officer shall determine the form and serial numbering of all official orders, receipts, books and tickets of value etc., and shall control their issue to Schools and Professional Service Groups and ensure that all receipts and issues are properly recorded.

13.9 Cash Collection procedures

The Group Chief Financial Officer shall arrange for independent checks to be carried out at annual intervals of the cash collection procedures at each of the catering sites where these are managed by the [University University Group](#). The arrangements shall ensure that:

- the checks are carried out by a designated member of the Finance Department;
- a diary is kept with details of checks and the results;
- A senior member of staff of the Finance Department reviews the checks; and discusses any action to be taken with the budget holder of the department receiving the receipts.

13.10 Non-[University University Group](#) Monies

13.10.1 The Group Chief Financial Officer may make arrangements from time to time, with the agreement of the Vice Chancellor, to handle monies that do not belong to the [University University Group](#). Examples include prize or scholarship funds, hardship funds distributed on behalf of another organization or monies belonging to an associated company.

13.10.2 In such cases, the Group Chief Financial Officer is responsible for setting up appropriate accounting arrangements.

14. Petty cash

14.1 Cash Floats

14.1.1 The Finance Department shall make advances for defraying petty cash expenses to authorised person in a school/Professional Service Group.

They shall:

- sign a receipt for cash advance from the Finance Department;
- Be responsible for keeping the cash in a secure place;
- Keep an account of payments in the form required by the Group Chief Financial Officer;
- Be required to account for payments made and cash remaining at regular intervals.

14.1.2 Reimbursement of expenses by petty cash are limited to occasional and minor items of expenditure up to a value of £50 per payee; shall be supported by receipts personal cheques shall not be cashed.

14.1.3 All vouchers shall be sent to the Finance Department with a claim for reimbursement at least monthly.

14.1.4 No cash received other than cash advances and cash reimbursements shall be paid into petty cash accounts.

14.2 Year end certification of petty cash

All petty cash holders are required to certify the balance on their respective floats at the financial year end of 31 July. The cash office of the finance department may carry out spot checks to ensure the amounts certified are correct.

15 Treasury Management

15.1 Policy

15.1.1 The Finance, Planning and Resources Committee shall be responsible for establishing a Treasury Management Policy for the [University University Group](#) and the Group Chief Financial Officer shall be responsible for Implementing the policy;

15.1.2 Detailed procedures covering the management and investment of [University University Group](#) funds are contained in the Treasury Management Policy.

15.2 Charitable funds investment strategy

15.2.1 The charitable funds investment strategy shall be approved by the Finance, Planning and Resources Committee. The current strategy is that the target income should be expressed in monetary terms and should be set at £20,000. This target to be achieved to within a 10% margin.

15.2.2 The Fund Manager should be permitted to invest up to 7 – 8% of the portfolio in overseas equities. It is expected that this would be in multinational European or North American securities.

15.2.3 The capital growth target to exceed the Wood MacKenzie index by 1%.

16. Insurance

16.1 Cover

16.1.1 The Group Secretary and the Group Chief Financial Officer shall ensure that appropriate insurance cover is provided for all aspects of the [University University Group](#)'s activities.

16.1.2 The [University University Group](#)'s insurance portfolio is reviewed

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annually in consultation with the [UniversityUniversity Group](#)'s brokers, after the Finance, Planning and Resources Committee have approved the proposed terms, and shall negotiate all claims with the [UniversityUniversity Group](#)'s brokers.

16.2 Tendering for insurance contracts

The contract for brokerage services (or for direct insurance services, if a broker is not used) shall be put out to open tender every five years.

16.3 Cover required

16.3.1 The insurance cover shall include:

Buildings (all risks)
Contents of buildings (all risks) Public liability
Employer's liability Fidelity guarantee Professional indemnity Cheque signing indemnity
Personal accident (assault)
Travel / personal accident (UK and overseas) Engineering equipment
Computers Deterioration of stock Motor fleet
All risks of radioisotopes Governors' liability
Directors and Officers Liability
And any other that, in the opinion of the Finance, Planning and Resources Committee, is appropriate.

16.3.2 Deans and Heads Professional Service Groups shall review the school's or Professional Service Group's activities and advise the Group Secretary, Group Chief Financial Officer and Procurement if in their opinion a material risk not covered by insurance is being incurred. All new activity must be checked for insurance cover and risk prior to commitment being made.

16.4 Claims and Incident Reports

16.4.1 Deans and heads of Professional Service Groups shall, as a matter of urgency, notify fires, accidents or other incidents which might give rise to an insurance claim to:

- The Vice-Chancellor
- The Group Secretary
- The Group Chief Financial Officer

16.4.2 The report should give as much information as possible to include in particular:

- a detailed description of the incident, its time and cause (if known);
- practical consequences - particularly details of any interim measures required to cope with the effect of the incident;
- Financial consequences, if assessable in advance of insurance appraisal.

16.4.3 The Group Secretary and Group Chief Financial Officer shall verify the insurance of any incidents which may give rise to a claim and submit a full claim where appropriate.

16.4.4 In instances where members of staff may incur loss of or damage to personal possessions and where the [UniversityUniversity Group](#) has no insurance cover or responsibility, claims may be considered in very exceptional circumstances provided that full details, in writing, to the Group Secretary and Group Chief Financial Officer and support is given by the member of staff's Senior Line Manager.

17. Binding the University

17.1 Deeds

17.1.1 ~~Some documents, such as a Deeds require extra legal formality, may require the Common Seal to be used when the document is signed. A Deed may be validly executed, without the Seal, if it is signed on behalf the University/University Group. The preferred method for executing a deed by LSBU is:~~

- ~~• by two authorised signatories (as below); or~~
- ~~• by a Governor (normally by the Vice Chancellor (who is a governor) in the presence of a witness who attests the signature.~~

A signatory to a Deed must always be witnessed which is why two signatories are required to be in the same room for either example above. Even if the signature is being done electronically, in both of the instances above in 17.1.1 a) and b) the second signatory/witness must be present to physically witness the first person's signature. This legal requirement always applies, even during lockdown, so please ensure the signing of a Deed is planned for and socially distance arrangements are made to accommodate this rule.

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17.1.2 In the absence of the Vice Chancellor, a deed may be executed by any two of the Chair, Vice-Chair or Chair of the Major Projects & Investment Committee or any one of these three governors and the Group Secretary.

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~~17.1.2 Persons who have been authorised by the Board of Governors to sign contracts under Seal are:~~

- ~~• Vice Chancellor;~~
- ~~• Provost; ,~~
- ~~• Chief Operating Officer & Deputy Vice Chancellor; ,~~
- ~~• Deputy Vice Chancellor & Chief Business Officer; and~~
- ~~• Group Chief Financial Officer~~

17.1.3 In rare circumstances (e.g. international documents) it may be necessary to use the Common Seal as authorised by the Board of Governors. Use of the Seal will be recorded in the Register of Sealings.

17.1.4 Deeds may be executed via the DocuSign or equivalent electronic system. The personal authority of any signatory must be obtained before applying their e-signature to any document (and see below).

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17.2 Signature of Other Contracts

17.2.1 The following persons ("Authorised Signatory") are authorised to sign contracts or instruments other than deeds on behalf of the University:

- o Vice Chancellor
- o Chief Customer Officer
- o any Deputy Vice Chancellor
- o Group Chief Financial Officer
- o Group Secretary
- o any Pro Vice Chancellor
- o Provost
- o Director of Procurement (£50,000 and under)

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17.2.2 In exceptional circumstances, where bulk standard form contracts require signature, it might not be practicable to have an Authorised Signatory sign a contract. In this instance the Authorised Signatory may delegate their power to an Alternative Signatory by issuing a Letter of Delegation of Authority or may authorise the use of their e-signature. This includes contracts between any Group institution and an apprentice (apprenticeship contracts).

17.2.3 Procurement Services must, under paragraph 12 above, be notified of all contracts (award, extensions, material variations, and terminations) in advance of any commitments being made on behalf of the University. Procurement

Services will then coordinate the necessary authorisations and publications in line with regulations, legislation and Procurement procedure.

17.2.4 All contract documentation must be approved by the Legal Team prior to contract signature. In order for a contract to be approved by the Legal Team, the GovLegal checklist must be completed demonstrating that appropriate due diligence and these Financial Regulations have been followed.

17.2.5 The transaction sponsor must provide the following to the Authorised Signature:

- a) Completed GovLegal Checklist;
- b) Signed Pro19; and
- c) the contract

17.2.6 The contract should not, in any circumstances, be signed unless this procedure has been followed.

17.3 Signatures to a contract are valid either as a 'wet' signature (i.e. with a pen) or by e-signature. For clarity, e-signature includes typing the name in or by inserting an electronic image of the signatory's wet signature. The latter method is preferable.

DocuSign or a similar electronic method of signing the contract is also valid. Legally the key is that both parties agree in advance how they intend to sign the contract and they both use the same method to sign the contract. For example, both parties use e-signature; both parties use wet signature; or both parties use DocuSign. Please therefore ensure that you agree the methodology with the other side, in advance of signing.

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17.217.4 Signature of Employment Contracts

The signatories authorised by the Board of Governors to sign contracts of employment are as in the section paragraph on contracts belowabove plus the Chief People Officer Director of People and Organisational Development or their deputy (or roles of equivalent seniority).

17.317.5 Signature on Non-Disclosure Agreements (NDA) and Memorandum of Understandings (MoU)

17.3.1 Authority to only sign a standard NDA or MoU in addition to the UniversityUniversity Group's standard contractual authorities to be delegated to:

- Director International;
- Deans;
- Director Research, Enterprise and Innovation.

17.3.2 Any alterations to the standard NDA or MoU or a request for signature of a client's own NDA or MoU must be referred to the Legal team.

17.3.3 The standard signatory of REI MoU's remains Deputy Vice Chancellor & Chief Business Officer. .

17.417.6 Placement contracts

Deans are authorised able to sign contracts for student placements.

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17.5 Signature of Other Contracts

17.5.1 The following persons ("Authorised Signatory") are authorised to sign other contracts on behalf of the University:

- Vice Chancellor
- Provost
- Any Deputy Vice Chancellor

- ~~○ Group Chief Financial Officer~~
- ~~○ Any Pro Vice-Chancellor~~
- ~~○ Chief Customer Officer~~
- ~~○ Group Secretary~~
- ~~○ Head of Procurement (£50,000 and under)~~

~~17.5.2 In exceptional circumstances, where bulk standard form contracts require signature, it might not be practicable to have an Authorised Signatory sign a contract. In this instance the Authorised Signatory may delegate their power to an Alternative Signatory by issuing a Letter of Delegation of Authority or may authorise the use of their e-signature.~~

~~17.5.3 Procurement Services must, under Clause 12 above, be notified of all contracts (award, extensions, material variations, and terminations) in advance of any commitments being made on behalf of the University. Procurement Services will then coordinate the necessary authorisations and publications in line with regulations, legislation and Procurement procedure.~~

~~17.5.4 All contract documentation must be approved by the Legal Team prior to contract signature. In order for a contract to be approved by the Legal Team, the GovLegal checklist must be completed demonstrating that appropriate due diligence and these Financial Regulations have been followed.~~

~~17.5.5 The transaction sponsor must provide the following to the Authorised Signatory:~~

- ~~a) Completed GovLegal Checklist;~~
- ~~b) Signed Pro19; and~~
- ~~c) The contract~~

~~17.5.6 The contract should not, in any circumstances, be signed unless this procedure has been followed.~~

17.6 **17.7 Disclosure of Beneficial Interest**

A member of staff who has a beneficial financial or any other interest, whether direct or indirect, in any contract between the [University/University Group](#) and a third party shall disclose that interest to the Head of School/Professional Service Group and to the Group Chief Financial Officer. A record of the interest will be entered in the Register of Interests held by the Group Secretary.

17.7 **17.8 Content of Contracts**

17.7.1 Every contract issued by the [University/University Group](#) shall use the appropriate standard contract documentation. Copies of all standard contract documentation are available from Procurement Services. The advice of a Procurement Services Manager should be sought if any amendments are required to the standard documentation.

17.7.2 The Contracts (Rights of Third Parties) Act 1999 came into force on 11 May 2000. It applies to all contracts made on or after this date in England, Wales and Northern Ireland. The Act gives third parties named in contracts, or expressed to benefit from them, the right to sue under those contracts. The majority of contracts entered into by the [University/University Group](#) will exclude this right as far as possible. This exclusion is incorporated into the [University/University Group](#)'s standard contract documentation. Where, in a particular case, the parties to a contract are considering conferring a benefit on one or more third parties, advice must be sought from the Group Secretary/Procurement Services Manager as to the implications of any such arrangement, before entering into negotiations with any of the other parties that may be involved in the proposed contractual arrangements.

17.7.3 All contract documentation relating to external expenditure must be approved, via a Pro19 form, by the Procurement Services Manager prior to signature by any authorized signatory.

17.817.9 **Copies of Contracts**

The Group Secretary shall hold:

- (a) Copies of all contracts with a value of over £50,000;
- (b) All titles, deeds and lease agreements.

17.917.10 **Contract Performance**

- 17.9.1 Holders of letters of delegated authority must ensure that all expenditure contracts within their budget area have a contract owner responsible for monitoring performance through regular meetings with the contractor. Reports of any discrepancy or failure must be completed.
- 17.9.2 Procurement Services advice should be sought in order to assist in the management of poor contract performance and emerging risks. Contracts involving processing of personal data must follow the required contract management processes detailed in Procurement guidance and adhere to the [UniversityUniversity Group](#)'s Data Protection Policy.

Appendix A

The Anti Fraud Policy and Fraud Response Plan was approved by Group Audit and Risk Committee in June 2020

Anti Fraud Policy

1. Introduction

The Anti Fraud Policy outlines LSBU's position on fraud and sets out responsibilities for its prevention and detection. The policy is intended to ensure that all cases of suspected fraud are promptly reported, investigated and dealt with as necessary, thereby safeguarding the finances and resources of the University and its subsidiaries.

It applies to all staff and students in all LSBU group companies.

2. Policy

LSBU does not tolerate fraud in any form. We aim to prosecute anyone who commits fraud against the University Group.

Consistent with our values and behavioral framework, the University Group requires all staff and students to act honestly, with integrity and to safeguard any University Group resources for which they are responsible at all times.

Holders of letters of delegated authority are formally responsible for ensuring that all staff are aware of the University Group's fraud reporting protocols and that all incidents of suspected theft, fraud, misuse of the University Group's assets or serious weaknesses in internal control are reported in accordance with the procedures set out in this document.

3. Definition of fraud

Fraud can be defined as the use of deception with the intention of:

- Gaining an advantage, personally and/or for family or friends
- Avoiding an obligation
- Causing a financial loss to the University or any subsidiary or associated company, including SBUEL, South Bank Colleges and its subsidiaries and South Bank Academies.

Whilst not a definitive list, the main types of fraud are:

- The theft of cash, assets or any other property of the University Group by staff or students
- False accounting – dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any accounting purpose, with a view to personal gain or gain for another, or with the intent to cause loss to the University Group or furnishing information which is or may be misleading, false or deceptive.
- Deliberate claiming of expenses that were not incurred on University Group business, or the use of University Group Purchasing Cards for the same purpose
- Abuse of position – abusing authority and misusing University Group resources or information for personal gain or causing loss to the University Group
- Entering into unfavourable contracts or arrangements with suppliers in order to benefit personally from the relationship.
- Attempting to make payments to the University Group with a stolen or unauthorised credit/debit card.

4. Prevention of fraud

Fraud is costly, both in terms of reputational risk and financial loss, as well as time consuming to identify and investigate. Therefore minimising the risk of fraud is a key objective.

The University Group has established systems and procedures in place which incorporate effective and efficient internal financial controls. One of the main objectives of these controls is to minimise the risk of fraud and allow fraud to be detected promptly. These systems and processes are embodied in the Financial Regulations, and it is therefore important that all staff are aware of, and follow, the Financial Regulations.

All staff should be vigilant and consider the risk of fraud within their areas. Staff should notify their line manager if they believe an opportunity for fraud exists because of poor procedures or lack of effective supervision. The Finance Department can provide guidance where procedures need to be improved.

Managers should be aware that certain patterns of behaviour may indicate a desire for concealment, including:

- Taking few holidays
- Resistance to delegation
- Resentment to normal discussion of work issues
- Frequently working alone late or at weekends without an obvious reason or outside of agreed work patterns.

With many staff now working flexibly, patterns of leave, working alone or outside of normal business hours are often part of normal working arrangements, but managers should still consider the risk of fraud when the reasons for these patterns of behaviour are not understood.

Reporting a suspected fraud

Any member of staff who suspects with good cause that fraud has been committed must report the matter immediately to their line manager. The line manager should then immediately inform the relevant Dean/Head of Professional Function and the Group Chief Financial Officer. LSBU has a Speak Up hot line which may be used by staff who, for any reason, wish to submit information outside of the management chain described above. This policy can be viewed at <https://my.lsbu.ac.uk/assets/documents/regulations/speak-uppolicy.pdf>. All reported cases of suspected fraud will be investigated. The internal and external auditors have their own procedures for reporting any incidences of suspected fraud that they discover during the course of their audit work.

Fraud Response Plan

When an incidence of fraud is identified, there is an immediate need to safeguard assets, recover losses and secure evidence for legal and disciplinary processes. In order to meet these objectives, the [University University Group](#) has a fraud response plan. Staff and students are required to act in accordance with the fraud response plan.

If a member of staff discovers or suspects a fraud, theft, corruption or other financial irregularity, they must immediately inform their Dean or Head of Professional [Service Group function](#) and the [Group](#) Chief Financial Officer. Failure to do so will result in disciplinary action. The Chief Financial Officer will instigate the following responses:

- Take action to mitigate the potential loss to the [University University Group](#)
- Immediately inform the Vice Chancellor, the [University University Group](#) Secretary, the Head of Internal Audit and The [University University Group](#)'s Employee and Officers insurers.
- Initiate an investigation. The scope of this investigation should be agreed with the Vice Chancellor and the [University University Group](#) Secretary.
- Decide whether or not to treat this incident as a criminal investigation and involve the police and/or accredited fraud investigators
- Take steps to prevent a recurrence of such an irregularity or breach of internal controls.

If it is suspected that a fraud may be significant:

- The chair of the Audit Committee, the Chair of the Board of Governors and the University's [OFS aAccounting Oefficer](#) should also be informed (The Accountability and Audit: OFS Code of Practice, which flows from the [OifS](#) Financial Memorandum, contains a mandatory requirement that any significant fraud must be reported to the [OifS](#) Accounting Officer)
- The Chair of Audit Committee will decide whether or not to convene an extraordinary meeting of Audit Committee to consider action already taken, or proposed to be taken.
- The CFO will liaise with the VC, Chair of Audit Committee and Head of Internal Auditors appropriate to determine the role of internal audit in the investigation.

A significant fraud is one where:

- The sums of money involved are significant

- The fraud involves senior officers of the University
- The particulars of the fraud or irregularity are novel, unusual or complex
- There is likely to be public interest because of the nature of the fraud or irregularity, or the people involved.

In the event of a suspected fraud involving [the Finance and Management Information \(FMI\) Department](#), the Vice Chancellor will initiate action. The [Group](#) Chief Financial Officer will not be involved in the subsequent investigations.

In the event of a suspected fraud involving the Vice Chancellor, the [Group](#) Chief Financial Officer will inform the Chair of the Board of Governors directly.

Investigation of a suspected fraud

The investigation must be conducted on a timely basis, [observing the principles of natural justice in line with University Group Procedures](#) and preserving confidentiality.

All staff must cooperate in an investigation or action to mitigate loss and must observe reasonable expectations of confidentiality.

The Vice Chancellor may take action during the investigation against any member of staff who is potentially implicated in the suspected fraud. This action may include:

- Temporary suspension from duty
- Denial of access to [University University Group](#) buildings and computer networks

Result of investigation

In the event that an allegation is substantiated, the action taken by the Vice Chancellor as a consequence will be recorded in writing. Such action should be proportionate to the allegation but may include:

- Temporary suspension from duty
- Denial of access to [University University Group](#) buildings and computer networks
- Summary dismissal or dismissal under notice
- Notification of the police
- Notification of other parties likely to be affected
- Restitution by the perpetrator
- Other disciplinary procedures

Appendix B

Anti Money Laundering Plan

Background

The University is aware that there is a risk that it could be used as a target by those engaged in money laundering. Additionally, staff in any organisation may commit offences under the Proceeds of Crime Act 2002 and the Terrorism Act 2000 (with serious potential criminal penalties) and therefore the University is keen to ensure that its staff do not unwittingly commit such offences and provide guidance and training to staff where appropriate.

Potential Offences

There are two key offences under the Proceeds of Crime Act 2002 that University staff should bear in mind:-

(a) A person commits an offence if he or she enters into or becomes concerned in an arrangement which he or she knows (or suspects) facilitates (by whatever means) the acquisition, retention, use or control of "criminal property" by or on behalf of another person.

(b) A person commits an offence if he or she acquires, uses or has possession of criminal property. There is a specific defence to this offence that the person receives the criminal property as payment for goods or services, which would be the case in relation to tuition fees. However, this defence would not apply where money is received as a donation.

Property received by the University is "criminal property" if it constitutes a person's benefit from criminal conduct or it represents such a benefit (in whole or part and whether directly or indirectly); and a member of staff knows (or suspects) that it constitutes or represents such a benefit.

There is a similar money laundering offence under the Terrorism Act 2000, if a person enters into or becomes concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property. It is a defence to prove that the person did not know and had no reasonable cause to suspect that the arrangement related to terrorist property.

Measures the University has taken to prevent money laundering offences from being committed

- The University will provide training to all staff handling payments into or from the University's or its subsidiary's bank accounts or dealing with potential new relationships for the University on recognising potential money laundering.
- The University carries out enhanced identity checks and verification if particular risk factors are present, such as that the payment relates to a high risk jurisdiction, politically exposed persons or if there is any suggestion of secrecy in relation to any transaction.

Warning Signs in relation to Money Laundering

The following list is not exhaustive but gives some indication of particular warning signs which may give rise to a suspicion of money laundering or other financial crime:-

- Involvement of a high risk jurisdiction;
- Payment of substantial sums in cash;
- Doubts about the honesty, integrity, identity or location of the people involved;
- Involvement of a third party without logical reason or explanation;
- Overpayments and/or requests for refunds without a good reason;

- Significant changes in the nature of transactions with a student (or person paying fees on behalf of a student) or with a donor that is without reasonable explanation, for example if payment start to be made from a different jurisdiction; and
- Cancellation, reversal or requests for refunds of earlier transactions.

Reporting suspicious transactions

Any reports of suspicion of money laundering should be sent to the University's Financial Controller who will consider whether a report needs to be made to the National Crime Agency. Any reports should be made using the Money Laundering Reporting Form at the end of this procedure to report this concern, giving as much information as possible, in writing and without delay. The [University/University Group](#)'s Financial Controller, in consultation with the [University/University Group](#) Solicitor if appropriate, will consider internal reports and make an external report as soon as practicable if he or she considers that there is knowledge, suspicion or reasonable grounds for knowledge or suspicion that another person is engaged in money laundering or that terrorist property exists. This applies even if no transaction is to take place.

It is a criminal offence for anyone, following disclosure to the Financial Controller or to the NCA, to do or say anything that might either "tip-off" another person that a disclosure has been made or prejudice an investigation.

A brief report in relation to money laundering suspicions will be presented to Audit Committee at each meeting as part of the [University/University Group](#)'s Anti-Fraud reporting procedures and to OFS as appropriate.

Record Keeping

The [University/University Group](#) will keep a record of suspicions in relation to money laundering or terrorist property reported to the Financial Controller for 6 years from the date of report. All enquiries that are made within the [University/University Group](#) in relation to the report will also be recorded for the same time.

Refunds

Refunds are considered to be a particular area of money laundering risk for Universities. Where refunds are requested (in relation to tuition fees or other payments), staff should be aware of the following particular risk areas:

- An unexplained overpayment is followed by a request for a return of funds;
- A third party requests the refund to be made to an account that is not the same one that was used to make the original payment to the [University/University Group](#); and
- Fees have been paid in advance by or on behalf of an overseas student who is then refused a visa, particularly if the student is resident in a jurisdiction that is perceived to have a lower standard of anti-money laundering regulation or measures to prevent corruption. In these circumstances, it is prudent to require documentary evidence of the circumstances before agreeing to a refund.

Refunds should, wherever possible, be made to the account from which the original payment was made and this means that the [University/University Group](#) will need to keep adequate records of the source of funds it receives. It should never be assumed that the student themselves is entitled to a refund where the original payment came from a third party.

Cash payments

The [University/University Group](#)'s Financial Regulations prohibit the acceptance of cash payments. The current single cash transaction limit for the [University/University Group](#) is the sterling equivalent of €15,000, translated at the most recent rate published by the Financial

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Appendix C

The seven principles of public life from the report of the committee for standards in public life (The Nolan report)

Selflessness

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

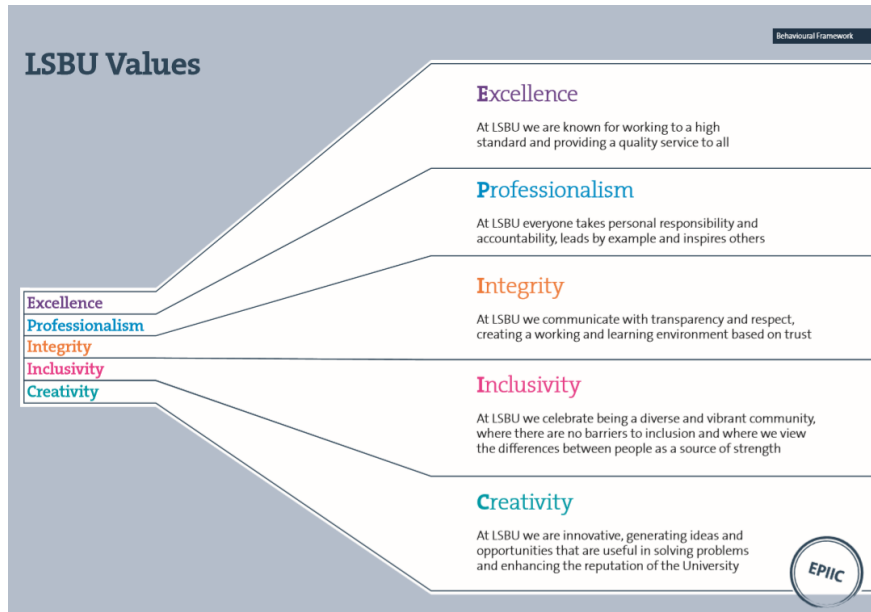
Leadership

Holders of public office should promote and support these principles by leadership and example.

[Appendix D :Our Values](#)

[The Behavioural Framework, which has been developed with staff, is extremely important in ensuring that the ways we work together are consistent with our values.](#)

[They set out clearly the type of behaviours that we believe everyone who works with or for LSBU need to exhibit, irrespective of role.](#)



[The Framework also sets out examples of the standards we must achieve if we are to develop the environment and reputation that retains and supports existing staff and students, and attracts the best people in the future, whether they work or study at our University Group.](#)

Appendix ED

Specific procedures relating to SBUEL

[UniversityUniversity Group](#) Regulations apply to the subsidiary company, SBUEL, with separate financial procedures covering the following areas:

Area
1. Expenditure
2. Delegated authorities
3. HR policies
4. Debtors policy

Changes to these financial procedures relating to SBUEL will be approved by the SBUEL board. A Statement of Governance was approved by the LSBU board on 19th July 2012.

The board of SBUEL will consider an annual budget for the Company, which will be approved by the LSBU board as part of the overall [UniversityUniversity Group](#) budget approval process. Performance against budget will be reviewed by Finance, Planning and Resources Committee and the main board as part of the monthly management accounts

The Director of Enterprise is responsible for maintaining a risk register and the SBUEL board should consider this at its board meetings. Any Significant risks should be escalated to the LSBU Executive for future consideration and inclusion in the LSBU corporate risk register.

Appendix F
Specific procedures relating to South Bank Colleges

Appendix [GE](#)

Spend Categories not requiring a PO to be raised

The following categories of spend require appropriate contracts to be put in place in accordance with competition requirements, however they do not require a purchase requisition/order to be raised:

- Accreditation
- Bursary and Scholarship
- Childcare Vouchers
- Contract Catering
- Contract Printing
- Legal Fees Associated with Compromise Agreements
- Leased Computer Hardware
- Courier Charges
- CRB checks (via HR)
- Credit card charges
- Franchise payments
- Student recruitment agency fees
- Funding distribution
- Mobile phone rental (via ICT)
- Pension costs paid to LPFA
- Postage (via EAF)
- Rates
- Registrations on behalf of Students
- Rent and service agreements
- Student placements
- Telephone call charges
- Utilities
- Taxation
- One off speakers

Appendix HF

Letter of Delegation

1 Delegated Authorities

Delegation of 20xx18/xx19 budget

This letter confirms the approval of your budget as set out below and formally delegates authority for this budget to you. You are required to deliver the financial and non-financial outcomes set out in your business plan within this budget. The details of the budget are shown below but in all cases you are expected to deliver the stated level of contribution or net cost.

Total Income	-145,200,000x
Total Staff Costs	85,434,846x
Total Depreciation	10,500,000x
Total Other Operating Expenses	41,247,220x
Total Interest Payable	5,300,000x
Total Exceptional Items	1,217,934 x
	<u>-1,500,000x</u>
Contribution	-1,500,000x

If any cases fall outside the parameters described in this document you must submit the case to me requesting different terms.

Budget Monitoring

Your delegations are personally from me and this letter replaces all previous letters of delegation. This budget includes an agreed contribution, where appropriate, to central unallocated costs. It includes individual staff increments and pay awards.

You may sub delegate management of budget as set out in [section 3](#) of this letter. However, you will maintain overall responsibility for management of the budget above. You should ensure that staff who you sub delegate to are at an appropriate grade for that level of delegation and are aware of all the financial policies and procedures necessary for budget management. Please contact your Finance Business Support Manager for further advice and support on this matter.

Your Finance Business Support Manager (BSM) will review your department's financial position at least once a month. If you anticipate at any time that your income will be lower and/or your expenditure will be greater than budget, you should inform your BSM and the [Group Chief Financial Officer](#) as soon as possible.

In-year Budget review

Given the continuing risk around student recruitment, retention and progression, it is likely that there will be a further budget review during [2018/20xx/xx19](#) when there will be greater clarity regarding likely income for the year. You should therefore be aware that your budget may be revised during the year and this should be taken into account when committing forward expenditure.

Budgets also might change in year if the budget is updated to reflect things such as awarding additional money from investment pots or to reflect where roles/team have moved from one area to another during the year.

Signature of person delegating

Signed _____ Date _____

Vice Chancellor. [\(or name/post of person sub delegating\)](#)

.....

Terms of Delegation

2

Financial Procedures

You will at all times ensure that you and your staff are aware of and act in compliance with the University's Regulations, policies, strategies and guidelines and follow the LSBU Values, You should :

- observe the highest standards of corporate governance and financial propriety
- bring to my attention any aspect of your business which may vary from Regulations, policies, strategies and guidelines
- bring to my attention aspects of your business which may be construed as novel or contentious
- report to me and the [Group](#) Chief Financial Officer if you suspect an act of fraud ,bribery or money laundering has taken place.
- use established systems and procedures for processing financial transactions

Budgeting and forecasting

You will be responsible for the annual budgeting process in your area and for in year financial forecasts. You will set out the strategic direction of your area of responsibility in a local road map, in line with the Corporate Plan, and set out appropriate performance indicators, including student number targets where appropriate.

Use of Resources and Value for money

You will in all cases and at all times ensure that the funds are used for the specific purpose for which they were intended. You will ensure that your department optimises its use of space and that money is not spent on renting external space where suitable rooms are available within the University. You are responsible for ensuring that the University achieves value for money for all its activities including efficient, effective and economic use of all resources.

3 Sub Delegation

You are expected to appropriately sub-delegate your budget subject to compliance with University Regulations regarding investment appraisal, procurement and recruitment of staff. Sub delegation is on the basis that any commitments entered into by your staff comply with all the requirements stated elsewhere in this document and with policies, procedures, strategies and guidelines. You will, however, maintain overall responsibility for budget management in your school or professional services group.

Delegation purchase orders and customer and supplier invoices. You should seek advice from the Financial Controller if the appropriate level of authority for a particular member of staff is unclear. Within these limits you are able to define the scheme of delegation within your department.

Where for operational reasons these levels wish to be varied, proposals must be submitted to the [Group](#) Financial Controller and approved by the [Group](#) Chief Financial Officer.

Unlimited	Vice chancellor, Deputy Vice Chancellor and Chief Financial Officer
£500,000	Other members of the University Executive
£250,000	Deans of Schools
£50,000	Head or Director of a Professional Service Department or a department within a school
£20,000	Other staff

When sub delegating budgets you should satisfy yourself that the individuals receiving the delegation have the necessary experience and support to effectively manage the budget in their area. Contact your Finance Business Support Manager for help with financial training for budget holders.

Authorised signatory list The Authorised Signatory list is held in the Finance Department and must be reviewed at 1st August ~~2018-20xx~~ and updated if necessary to reflect that scheme of delegation in your department at that date. It must be further updated during the year to reflect any changes to the scheme of delegation in your department, including staff leaving or changing roles and changes to departmental structures.

4 Risk, Governance and Control

Risk Management You will be Risk Champion for your area of operation and will ensure that all members of staff within your area of responsibility comply with the University's risk management strategy. You will ensure that there is an ongoing process to identify risks, evaluate the nature and extent of those risks and manage them efficiently, effectively and economically. You will report immediately to me and to the Executive any area of significant risk which you identify.

You will take responsibility (through liaison with Procurement Services who manage insurance arrangements on behalf of the University) for ensuring that appropriate insurance arrangements are in place.

Asset Stewardship You should ensure that any assets physically within your care are looked after securely and that procedures are maintain for ensuring the security of assets. No disposals should be made without prior authorisation in accordance with the Financial Regulations.

Safeguarding Information and IT security

Information and information systems are critical and vitally important assets to LSBU. Without reliable information assets, LSBU, and our students, staff and customers, would be at significant risk. At LSBU, we have a duty to our stakeholders, partners and employees to ensure that the confidentiality and security of the information we manage is treated as a high priority. LSBU is committed to maintaining and protecting all the information it uses or stores in accordance with its value, sensitivity and the risks to which the information is exposed, and in a manner consistent with our relevant legal, regulatory and contractual requirements.

LSBU is committed to protecting individuals' rights and privacy in line with the Data Protection Act 1998 ("DPA") and the General Data Protection Regulation (GDPR) (together "Data Protection Legislation"). LSBU is registered as a data controller under the DPA and processes Personal Data, including 'sensitive personal data' under the DPA, and 'special categories of data' under the GDPR (together 'Personal Data') for the purposes outline in the registration notice available at <https://ico.org.uk/ESDWebPages/Entry/Z6533032>. The University will not share Personal Data of its staff, students and other stakeholders with any other parties unless it has: express consent; a statutory obligation to do so; or are otherwise permitted to do so under the Data Protection Legislation. You are responsible for ensuring that all staff are aware of and comply with the University's Data Protection Policy.

You are responsible for ensuring that all staff are aware of and comply with the University's ICT Policies. You are reminded that sharing or disclosing user names and passwords is a disciplinary matter.

Contract Management

You will comply with agreed procedures for contract authorisation/signing and contract management. When contracts are being awarded or other financially related activity undertaken, you must comply with agreed procedures immediately you become aware of actual or potential conflicts of interest..

Fraud Awareness

You are responsible for ensuring that all staff are aware of the University's fraud reporting protocols and that all incidents of suspected theft, fraud, misuse of University assets or serious weakness are reported in accordance with the Fraud Response Plan. You and you staff should also be aware of the University's Anti-Bribery policy and the code of conduct for [LSBU](#) staff to prevent bribery and of the Anti Money Laundering Policy.

You will ensure compliance with the University's gift and Hospitality policy, ensuring that all amounts in excess of £50 are reported on the online gifts and hospitality form.

5 Human Resources

Procedures

You are required to ensure that all Human Resources matters are carried out in accordance with the University's Human Resources Procedures, in particular:

- recruitment procedures and deadlines are followed
- probationary assessments are completed
- performance management procedures are followed
- staff appraisals procedures are followed
- payroll deadlines are met.

You should also ensure that all staff in your area complete mandatory training and comply with health and safety requirements and complete mandatory health and safety training.

6 Enterprise and income generating activities

Authority to proceed with an income generating research or enterprise projects with an external client or funder must be approved in line with the Research and Enterprise Approval Process for each individual client/Funder project regardless of the level of value. The activities that are covered by these Processes are [set out in the Financial Regulations](#):

- Collaborative research including KTPs
- Commercial and contract research
- Consultancy
- Letting of specialist facilities
- Short courses
- Regeneration programmes
- Intellectual property
-
- Events and conferences
- Student enterprise
- UK Research Councils and EU programme funders of new knowledge research
- Charity Funded programme for new knowledge research
- PhD funded studentships

Staff planning on participation in such activities should discuss these with the relevant Research Enterprise and Innovation (REI) staff who will support them in achieving a sale that conforms to the required approval process.

You are responsible for ensuring that the activities listed above comply with the relevant process as detailed in The Research and Enterprise Approval Process and for alerting REI staff and the appropriate Finance Business Support Officer.

7 Procurement

Procurement regulations

You will arrange for all procurement activity to be conducted in compliance with University regulations, ensuring that major areas of activity are subject to appropriate competitive tender and market testing and that the University achieves value for money in all of its spend. You will comply with all central procurement agreements and not make alternative arrangements

Purchase Orders

Purchase requisitions must be raised and approved to record commitment to all expenditure (unless specifically exempted in the financial regulations) using the web requisitioning process.

Purchasing Cards

You will ensure the purchasing cards are used for the purpose for which they are intended and that all spend is in accordance with University Purchasing Card Guide and does not breach central procurement agreements.

8 Key Documents

Financial Procedures and policies are available on the staff intranet:

<https://our.lsbu.ac.uk/article/how-to/finance-home>

9 Staff Declaration

**Do these things
now**

1. Sign the attached staff declaration, confirming you have received and understand this letter of delegation and return to Natalie Ferer within 2 weeks.
2. Retain this letter of delegated authority for reference during the year.
3. Review your current authorised signatory sheet and, if necessary, complete a new sheet confirming the scheme of delegation within your area. This should be returned to Natalie Ferer within 2 weeks. (blank forms available on the finance section of the staff gateway)

I acknowledge receipt of the letter of delegated authority for the 20~~xx~~+8/~~xx~~+9 financial year and confirm that I have read and understand my responsibilities with regard to delegated authorities.

I am aware of financial procedures and regulations with regard to income, expenditure and budget management and will ensure staff to whom I further delegate are also made aware of University Procedures

Signed _____ Date _____

**Signature of
persons receiving
delegation**

Name _____

Appendix [IG](#)

Associated documents:

The following documents and procedures support these Financial Regulations and are available on the Staff Intranet or from the Finance Department:

Code of ethics relating to procurement
Tuition fee regulations
Travel and Expense policy
Gifts and Hospitality Policy
Anti-Fraud Policy
Speak Up Policy
Risk Policy
SBUEL Governance statement
Anti-Bribery Policy
Data Protection Policy
[Recovery of Payroll Overpayments](#)
[Letter of delegated authority 2015](#)
University Corporate Records Retentions schedule.
Purchasing card guide
VAT Guidance
Capitalisation guidance notes
Manual payment procedures
[SBUEL Letter of delegated authority](#)
[SBUEL Expenditure procedures](#)
[SBUEL HR procedures](#)
General ledger guidance note
Credit Control procedures
Enterprise approval process
VAT exemption form for medical research
VAT exemption form for Advertising expenditure

Appendix JH

Govlegal Checklist

Dear colleagues,

LSBU legal team depends on you to help us provide the most effective service possible. The Finance Regulations require us all to ensure we are following the correct procedure to get a contract completed. Please therefore complete the checklist below providing us with all of the background information that the legal team need to start work. Unfortunately, we will not be able to start work on your contract until we receive a completed checklist. The questions in bold are important but any supporting information that you can provide will help you get a quicker turnaround of contract.

The more information you provide to us now, the quicker the legal team can help you.

If you are sending us external documents, please check them for content and facts first. Legal will review and approve the legal terms of the contract. You are responsible for the review and approval of the commercial terms. Commercial terms include, but are not limited to, the goods or services to be purchased or provided, payment terms and contract duration.

Section A

Background:

Item No,	Required info	Details
1.	Date of Request	
2.	Type of request (please delete as appropriate)	Contract review / Contract preparation / General advice
3.	Is approval required¹ for this matter and has it been obtained? (E.g. a business case by the Executive; Finance; Dean: HR; International)	Y/N If yes, who has approved it?
4.	Type of contract / advice (please circle)	New / Variation / Renewal / Termination
5.	Contract start date	
6.	Contract end date	
7.	What is the total value of the contract for the full term (£)?	
8.	Short description of the deal	

¹ Please check Clause 10 of the Financial Regulations with respect to approval and authority.

Our Details

9.	Party to the contract (please check with Finance team for guidance)	LSBU / SBUEL
10.	Name(s) of LSBU academics/students/other staff named in the contract and their role (provide details / state N/A)	Name: Role: N/A?
11.	Details of person and business unit (Dept. / School) making the request	Name: Title: Business unit: Direct line: Email:
12.	Details of REI team member assisting on this contract (if relevant)	Name: Title: Direct line: Email:

Their Details

13.	Name of the other party (provide full name of the party to the contract)	
14.	Registered charity (if any) or company number of the other party	
15.	Contact details of the other party	Name: Address: Direct line: Email:
16.	Contact details of the other party's legal team (if different from above)	
17.	Have relevant background checks been carried out on the other party for example solvency or credit checks)? (please delete as appropriate)	Yes / No / Don't know If yes, please provide details.

Content of the Contract

18.	What is LSBU / SBUEL's main objective or desired outcome	
19.	Has LSBU / SBUEL contracted with the other party before? (please delete as appropriate) Yes / No / Don't know If yes, please provide details.	
20.	If a draft has been provided, please state where the contract has come from	Provided by the other side/ Other (please explain)
21.	What is LSBU / SBUEL's role and main obligations under the contract? (Explanatory note: have you agreed to any payments (amounts and timing), provision of deliverables or services (types and timing), product warranties, provision of security or performance guarantees, access to its premises by the other side, or other key commercial obligations.)	
22.	What are the other party's main obligations under the contract? (Explanatory note: Consider whether the other party has agreed to any payments (amounts and timing), provision of deliverables or services (types and timing), product warranties, provision of security or performance guarantees, access to its premises by	

	<i>[LSBU / SBUEL] or other key commercial obligations.)</i>	
23.	<p>Will there be any personal data involved? (e.g. names, contact details, delegate, staff or student information, and human participants in research etc.)</p> <p><i>(Explanatory note: consider whether there is any personal data involved in the project, what type of personal data will be used (incl. sensitive data), whether DP Threshold Assessment / DP Impact Assessment have been conducted or will be conducted)</i></p> <p>For assistance speak to LSBU's DPO at dpa@lsbu.ac.uk</p>	
24.	<p>Please add any additional information that may help the legal team (such as specific risks that you are concerned about, relative bargaining power, strategic importance to [LSBU / SBUEL], time pressures, any unusual or onerous obligations, renewal or extension arrangements, or an unlimited liability cap)</p>	
25.	<p>Please tick or insert an 'X' to confirm the following statements:</p>	<p><input type="checkbox"/> All relevant documents referenced in the form and/or in the attached contract for review are attached in Word, Excel or Pdf format.</p> <p><input type="checkbox"/> All supporting documents that may be helpful for the legal team to see are attached in Word or Pdf format.</p> <p><input type="checkbox"/> No additional oral promises have been made by other party that are not captured in this form and/or the attached contract.</p>
26.	<p>Genuine timescales as to when you need the</p>	

	legal team to prepare the documents by	
--	---	--

Please get in touch with us at the initial stages of your project. The earlier, the better. We shall do our best to meet any deadlines however, we cannot guarantee this. If you have an urgent request (for example within 3 working days), please speak to the team by phone. Please send all correspondence to govlegal@lsbu.ac.uk, and cc the relevant Legal Officers if you know who they are. Not all of the legal officers have access to the Govlegal Inbox.

Once the document has been finalised by the legal team, and it is ready for signature, please complete the relevant Pro19 Form for signature of contract and send it to Govlegal.

We thank you for your help with this.
LSBU Legal Team

Appendix K+

Changes to the Financial Regulations in this version

Paragraph	Update
Para 10.2.11	Linsey Cole has asked Natalie for the delegation of authority for £1-2m contracts to be tweaked in case of absence. This will allow an alternative person to authorise these contracts and avoid delays. Natalie has previously said that delegation of authority goes up the line but Linsey has also asked for that to be written in to the Regs so that it is clear.
Para 17.1.1	I have inserted wording here to make it clear that not only do all Deeds need two signatories, but that the second signatory must physically witness the first signatory and therefore be in the same room. This will always apply, irrespective of lockdown and so it is advisable to plan ahead for signing in this event.
Para 17.1.3	The same for the use of the Common Seal – planning is needed in order to access it at Technopark.
Para 17.6	People have been signing electronically for some time and using various formats. It doesn't matter which format is used from a legal perspective, so long as the format is agreed by both sides before signing (to show intention) and both parties use the same method. I have added wording here to set this out for clarity. Natalie was going to do this a few months ago but given the planning team for the return to campus recently raised this point, I thought it prudent to put this in now.

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Financial Regulations specific to South Bank Colleges

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1. Status of the Financial Regulations and definitions

- 1.1 This document sets out the financial regulations ~~of Specific to~~ South Bank Colleges and its subsidiary undertakings. South Bank Colleges is a wholly owned subsidiary of London South Bank University (LSBU) and, unless specifically covered in this document, LSBU ~~Group~~ financial regulations apply to South Bank Colleges and its subsidiaries.
- 1.2 For the purposes of these regulations, 'The College' refers to South Bank Colleges and its trading entities, i.e. Lambeth College and SW4 Ltd and 'The ~~Board~~Corporation' refers to the board of South Bank Colleges
- 1.3 Throughout 'Principal' refers to the University Pro Vice Chancellor, Compulsory and Further Education and the Executive Director of HR refers to the University Chief People Officer. 'Director of Finance' refers to The Group Chief Financial Officer unless he formally delegates to other members of the Management or Finance team, in particular the ~~College CFO, Group Financial Controller and the Group Director of Financial Planning~~ These financial regulations are subordinate to the College's Instrument and Articles of Government and to any restrictions contained within the financial memorandum with the regulatory body and the audit code of practice.
- ~~1.4 The purpose of these financial regulations is to provide control over the totality of the College's resources and provide management with assurances that the resources are being properly applied for the achievement of the College's strategic plan and business objectives:~~
- ~~• financial viability~~
 - ~~• achieving value for money~~
 - ~~• fulfilling its responsibility for the provision of effective financial controls over the use of public funds~~
 - ~~• ensuring that the College complies with all relevant legislation~~
 - ~~• safeguarding the assets of the College, and ensuring its solvency~~
- ~~1.5 Compliance with the financial regulations is compulsory for all staff, including those employed by South Bank Colleges and its subsidiary companies.~~
- ~~1.6 Staff are individually responsible for ensuring that they understand the Financial Regulations and how they apply to the conduct of their role and all other staff in their departments. Staff are expected to observe the LSBU values of Excellence, Professionalism and Integrity when undertaking their financial responsibilities.~~
- ~~1.7 A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under South Bank College's and the University's disciplinary policy.~~
- ~~1.8 The BoardCorporation is responsible for maintaining a continuous review of the financial regulations, through the Director of Finance, and for making any additions or changes necessary.~~
- ~~1.9 In exceptional circumstances, the CorporationBoard may authorise a departure from the detailed provisions contained herein. The Audit Committee may also authorise a departure from the detailed provisions herein, such departure to be reported to the Board Corporation at the earliest opportunity.~~
- ~~1.10 The College's detailed financial procedures set out precisely how these regulations will be implemented and are contained in separate policy documents, which are available to all staff.~~
- ~~1.11 These Regulations are additional to United Kingdom and European Union legislation, orders and directives.~~
- ~~1.12 The financial regulations are an integral part of the College's risk management framework. Other important documents include the Financial Memorandum, the Audit Code of Practice and the College Risk Management Policy.~~

2. Financial Responsibilities

- 2.1 The ~~Corporation Board~~ is responsible for the overall financial management of the College. It may, however, delegate such powers as it considers appropriate to an authorised sub-committee set up within the terms of the Instruments and Articles of Government, or to the Principal.
- 2.2 The Terms of Reference for the ~~Board Corporation~~ and sub committees define respective financial responsibilities.
- 2.3 The Principal is the College's designated Accounting officer and is responsible for ensuring the financial administration of the College's affairs in accordance with the Financial Memorandum. As the designated Accounting officer, the Principal may be required to justify any of the College's financial matters to the Public Accounts Committee at the House of Commons (or equivalent bodies in Scotland and Wales).
- 2.4 In particular, the Principal is charged with responsibility for:

'preparing annual estimates of income and expenditure, for consideration and approval by the governing body, and for the management of budget and resources, within the estimates approved by the governing body'.

The Principal shall demonstrate his or her oversight of financial matters by signing the balance sheet and the statement of corporate governance and internal control within the annual financial statements, and the declaration within the three-year financial forecast.

~~2.5 Financial administration is controlled by the Director of Finance who is responsible to the Principal for:~~

- ~~• preparation of 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 College's annual accounts and other financial statements and accounts which the College is required to submit to other authorities~~
- ~~• ensuring that the College 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 processes~~

~~2.6 Directors/Heads of departments are responsible to the Principal for financial management for the areas or activities they control. This includes the economic, effective and efficient use of resources allocated to them. They are advised by the Director of Finance in executing their financial duties. Directors/Heads of departments are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters including delegation of budgets. Where resources are devolved to budget holders, they are accountable to their departmental director for their own budget.~~

~~Directors/Heads of departments shall provide the Director of Finance with such information as may be required to enable:~~

- ~~• preparation of the College's financial statements~~

- ~~preparation of the annual budget and in-year forecast outturns~~
- ~~implementation of financial planning~~
- ~~implementation of audit and financial reviews, projects and value for money studies~~

~~2.7 All members of staff should be aware and have a general responsibility for the security of the College's property, for avoiding loss and for due economy in the use of resources.~~

~~They should ensure that they are aware of the College's financial authority limits and the values of purchases for which quotations and tenders are required.~~

~~They shall make available any relevant records or information to the Director of Finance or their authorised representative in connection with the implementation of the College's financial policies, these financial regulations and the system of financial control.~~

~~They shall provide the Director of Finance with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the Corporation.~~

~~They shall immediately notify the Director of Finance whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, or property of the College. The Director of Finance shall take such steps as necessary by way of investigation and report to the Audit Committee.~~

~~2.8 The Director of Finance is responsible for reviewing the financial regulations and for presenting a revised version to the Corporation on an annual basis. Authority to implement administrative changes to the financial regulations (such as changes to post titles for responsible staff) is delegated to the Principal and Director of Finance, substantive changes (such as delegated authority levels) requires the approval of the Corporation.~~

~~2.9 The Director of Finance is also responsible for ensuring that the financial information requirements of the regulator and the bank are met. Any failure to meet these deadlines is reported to the Principal, together with an explanation for the delay.~~

~~3. Strategic Planning~~

~~3.1 The Director of Finance is responsible for preparing annually a rolling three year financial plan for approval by the Corporation and for preparing financial forecasts for submission to the ESFA. Financial plans should be consistent with the strategic plans and property strategy approved by the Corporation.~~

~~3.2 On occasions, more regular updates of the plan will be required to support capital funding applications. It may also be necessary to extend the plan to five or more years.~~

~~4. Budgeting~~

~~4.1 The Principal in consultation with the Director of Finance is responsible to the Corporation for preparing the annual income and expenditure and capital expenditure budget. The annual budget shall be considered and approved by the Corporation prior to 31st July each year for the following financial year.~~

~~4.2 The Corporation shall not delegate the approval of the annual budget and will approve the budget by resolution.~~

~~4.3 The Principal and Director of Finance are empowered to designate members of staff as Budget Holders. Budget Holders shall be responsible for the control and monitoring of expenditure within budgets allocated to them.~~

~~4.4 The Principal shall be accountable to the Corporation for effective budgetary control within the~~

~~approved revenue and capital budgets.~~

- ~~4.5 — Budget Holders shall submit such information to the Director of Finance or their nominee as is necessary to enable annual estimates of revenue income and expenditure and capital expenditure to be submitted by the Principal to the Corporation for their approval.~~
- ~~4.6 — Pay budgets for teaching departments will be calculated and agreed by the Principal, the Director of Finance and the Budget Holder based on an estimate of course enrolments and required teaching hours. This budget will be reviewed following actual enrolment and appropriate adjustments then made to the original budget to reflect any course changes.~~
- ~~4.7 — 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 College's financial statements. Expenditure of this type can only be considered as part of the capital programme approved by the Corporation.~~
- ~~4.8 — All capital projects should be detailed separately in the annual capital budget. However, the capital budget may include general provisions for projects or items not specified at the time of the budget approval.~~
- ~~4.9 — The Director of Finance will also establish procedures for the approval of variations, including the notification of large variations to the regulator, as laid down in the Financial Memorandum and other guidelines.~~
- ~~4.10 — Following completion of a capital building project over £1 million, or a capital building project where the final cost exceeds the authorised budget by more than 5% a post-project evaluation or final report should be submitted to the Corporation including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Post-project evaluations may also need to be sent to the regulator as laid down in their guidelines.~~
- ~~4.11 — 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. The Budget Holder will be assisted in this duty by management information provided by the Director of Finance. Budget holders are responsible for establishing and maintaining clear lines of responsibility within their areas for all financial matters.~~
- ~~4.12 — Budget holders may be granted permission to transfer (vire) monies between cost centres within the same department. Authority for this should be obtained in advance from the Director of Finance or Finance Manager. Virement limits are set out in Appendix A to the regulations.~~
- ~~4.13 — Budget holders are accountable for their budgets and must under no circumstances exceed the total budget allocated to them. **Any budget holder who fails to comply with this may be subject to disciplinary action under the College's disciplinary policy.**~~
- ~~4.14 — Any potential departures from agreed budgetary targets must be reported immediately to the Director of Finance by the Budget Holders concerned and, if necessary, corrective action taken.~~
- ~~4.15 — The Principal, or Director of Finance, may authorise transfers between income and expenditure cost centres and capital projects provided that:~~
- ~~(a) — the budget underlying operating surplus will not be reduced during the then current financial year, and~~
 - ~~(b) — there will be no additional financial commitment, as a result, in subsequent financial years~~
 - ~~(c) — the amount transferred is less than 5% of the College's overall budgeted expenditure for the year~~
 - ~~(d) — virements of capital projects will be limited as specified in Appendix A of these~~

regulations

~~Transfers greater than 5% require the authorisation of the Corporation.~~

~~4.16 Any increase in budgeted expenditure will be authorised as specified in Appendix A of these regulations. In urgent cases the Chairman of the Corporation and the Principal jointly have power to act on behalf of the Corporation. Such action will be reported to the Corporation at the earliest opportunity.~~

~~5. Financial Information~~

~~5.1 Annual Financial Statements~~

~~5.1.1 A Statement of Accounts is to be prepared in accordance with the requirements of the statement of recommended practice (SORP) for the sector.~~

~~5.1.2 The Accounts are to be prepared and reported to a Corporation meeting within five months of the year-end date. Audited accounts are to be provided to the ESFA no later than five months after the year-end.~~

~~5.1.3 Any significant adjustments, found as a result of the external auditors work, are to be reported to the Audit Committee.~~

~~5.2 Management Accounts~~

~~5.2.1 Management accounts are to be prepared on a monthly basis by the Director of Finance. Detailed management accounts must be distributed to the College Leadership Team, with the latest accounts provided to the Corporation at each meeting.~~

~~5.2.2 A forecast outturn will be undertaken at the six month and nine month points of the financial year. The results of which will be reported to the Corporation. Publication of the management accounts may be delayed in these months in order to allow time for the forecast to be completed.~~

~~5.2.3 An annual statement comparing the actual financial results with the forecast outturn will be presented to the Corporation.~~

~~5.2.4 Budget Holders will receive a monthly summary of their cost centre(s), together with detailed reports on request, breaking the totals down into the individual transactions.~~

~~6. College Financial Operations~~

~~6.1 Income~~

~~6.1.1 The Director of Finance is responsible for ensuring that appropriate procedures are in operation to enable the College to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use must have the approval of the Director of Finance.~~

~~6.1.2 Budget Holders shall furnish such particulars of charges for work done, goods supplied, or services rendered on behalf of the College and all amounts accruing due, as the Director of Finance may require in order to ensure that there is prompt recording of all sums receivable by the College.~~

~~6.1.3 Monies due shall be requested on College invoices issued by the Finance Department. Other staff or officers are not permitted to deal directly with this matter unless agreed by the Director of Finance or Finance Manager.~~

~~Debts over 6 years old will be written off on an annual basis unless there is a reasonable expectation that the money can still be recovered. If the total value of the annual write off is less than £50k it can be approved by the Chief Financial Officer. Audit Committee approval is required~~

~~where the total value of the annual write-off exceeds £50k.~~

~~In exceptional circumstances debts may be required to be written off during the year (e.g. in the event of company liquidation). This will require the approval of only the Chief Financial Officer. The maximum limit for write-off on any individual debt is £10k. Above this limit, approval of Audit Committee is required.~~

~~6.1.4. Directors and Heads of departments are responsible for ensuring that the arrangements for monies received including banking and security comply with the procedures issued by the College.~~

~~6.1.5. Every sundry remittance or sum of money, in excess of £5, received by an officer of the College must be acknowledged by the issue of an official receipt. The Finance Department shall issue official receipt books on request. Cheque payments must be supported by cheque cards and the card number noted on the back of the cheque.~~

~~6.1.6. All tuition fees, charges, rents and lettings shall be reviewed annually in consultation with the Director of Finance and recommendations relating thereto shall be incorporated in the proposed annual budget presented to the Corporation.~~

~~6.1.7. The procedures for collecting tuition fees must be approved by the Director of Finance and they are responsible for ensuring that all student fees due to the College are received. Any student who has not paid an account for fees owing to the College may be withdrawn from the College and prevented from re-enrolling at the College and from using any of the College's facilities unless appropriate arrangements are agreed for the payment of outstanding fees.~~

~~6.1.8.1.1.1. Disbursement from the Learner Support Fund is the responsibility of the Director of Finance within the framework agreed by the Director of Finance and the manager/s responsible for the allocation of payments to students. The Director of Finance must ensure that appropriate controls are in place for the control, accounting and disbursements of these funds, and for the submission of such reports as are required by the Funding Body.~~

6.22.5 Expenditure

Procurement engagement

~~The University Procurement Services are to be contacted from the outset to agree the level of professional Procurement input required and the procurement sourcing strategy. Professional Procurement input will be determined following consideration of the potential impact on strategic objectives, value for money opportunities, and legislative risk.~~

~~Discrete requirements with a total contract value over the contract term of less than £50,000 may be able to follow Procurement guidance, rather than require direct engagement with Procurement Services. Refer to the Supplier Selection section for further details.~~

~~Any potential conflict of interest which a member of staff making or influencing a procurement may have with a supplier, must be notified to Procurement as soon as the conflict is known. All staff involved in a Procurement process are required to complete a Declaration of Interest form, at the start of their involvement. Procurement must be involved from the outset on any procurements involving personal data, irrespective of value. Procurement will work with LSBU's Data Protection and Information Compliance Officer to ensure LSBU's GDPR obligations are met. LSBU has obligations to consider data protection by design wherever personal data is processed, which may include mandatory data protection impact assessments. Procurement or the Data Protection and Information Compliance Officer will advise.~~

~~Procurement will advise on how to engage the market on contracts over £50,000 during the tender planning phase, to ensure that there is no inadvertent market distortion or legislative risk created. A challenge on a high value contract, could result in a significant financial impact to the University. Procurement advice must be sought before any contact with suppliers is made.~~

~~6.2.1. Official orders shall be issued for all works, goods and services except for such items listed in~~

~~the Group Financial Regulations.~~

~~6.2.2. Where expenditure is approved by the Corporation and minuted accordingly, authority to raise appropriate purchase orders is automatically delegated to the Principal and Director of Finance. Purchase Orders and invoices may be authorised by the Principal or Director of Finance without further reference to the Corporation.~~

~~Purchase Orders fulfil the role of acceptance of a supplier's offer and bind a contract on the Colleges' terms and conditions. The College's standard terms and conditions are automatically applied to College orders. Where a contract already exists, contract terms must be specified by requisitions on requisitions, to ensure that they take precedence.~~

~~6.2.3. Official orders shall not be raised for any personal or private purchases, nor shall personal or private use be made of College contracts.~~

~~6.2.4. No employee shall engage any supplier of goods or services in which they have a pecuniary, family, or other interest, direct or indirect without first seeking the prior written approval of the Principal, or Director of Finance. A duly completed Value for Money Form must be provided to the Director of Finance in all such cases.~~

~~There must be adequate segregation of duties in place, as specified in the Procurement procedures and guidance, in particular requisitions must be raised and authorised by different individuals where staff make a commitment on behalf of the College. Authorization of requisitions must be within a budget holder's delegated budget authority~~

~~6.2.5. Any employee of the College who has any pecuniary, family or other interest, direct or indirect, in any supplier of goods or services to the College, shall be responsible for making a declaration of the interest to the Principal.~~

~~6.2.6. Official orders must be authorised on-line by Directors as appropriate. The Director of Finance shall maintain a register of authorised Budget Holders, together with specimen signatures and authorisation codes as appropriate.~~

~~6.2.7. Directors with responsibility for capital projects are responsible for ensuring that the appropriate approvals and funds are in place (including where necessary the ESFA and banks) before commitment is made. This should be in consultation with the Director of Finance~~

~~6.2.8. The placing of orders by telephone is generally prohibited. However, in an emergency, subject to the approval of the Director of Finance or Finance Manager, orders may be given orally or by other means provided an official order number is quoted to the supplier and the order is confirmed by use of the on-line system on the same or following working day.~~

~~6.2.9. Each order must clearly indicate the nature and quantity of the supplies or services required, the estimated price including VAT and any agreed discounts and other relevant details.~~

~~6.2.10. All contracts or orders entered into on behalf of the College must be signed by an authorised signatory and authorised as specified in Appendix A of these regulations. This can be done electronically using the on-line purchase order system.~~

~~6.2.11. The Director of Finance will submit an annual report to the Corporation showing all suppliers where total payments in the preceding financial year have exceeded £250,000.~~

~~6.2.12. Any combination of items which form a scheme or project must be treated as an individual contract or order for authorisation purposes. Where there is any doubt as to whether any combination of items constitutes a scheme or project, then the direction of the Director of Finance or the Principal must be sought.~~

~~6.2.13. Goods and services purchased by the College should be obtained expeditiously and economically. Budget holders shall ensure that purchases are made at the most favourable rate by obtaining estimates on the basis that the acceptance of any estimate other than the lowest is permitted only where better value for money is offered by a competing product or~~

service. Budget holders must ensure that the College Procurement Officer is involved in all purchasing activity and Procurement approval is obtained for all purchases where the total contract value is over £50,000.

~~6.2.14~~ ~~6.2.1~~

~~6.2.15~~ The procedures and financial limits for obtaining estimates shall be as stated below. The value thresholds referred to throughout the financial regulations are inclusive of VAT:

For Supplies of Goods, Services and works	
Total contract Value	Requirements
Up to £10,000	Budget Holder shall use good sense as to the need to obtain competitive quotes from suppliers and check these with the College Procurement Officer.
From £10,000 up to £50,000	Three written quotations are required unless agreed by the Principal or Director of Finance. At least one of which should be obtained using the College Procurement Officer. These quotations must be retained by the Budget Holder.
Over £50,000 up to EU Procurement Rules Limit	Three written quotations are required and in all cases must be approved by the Director of Finance.

~~6.2.16~~ When applying the above limits, the "total contract value" for relates to the continuous supply of goods or services over several years will be the total value over the period of supply.

~~6.2.17~~ Orders or purchases must not be broken down into a series of smaller transactions in order to stay below an authority limit.

~~6.2.18~~ The Director of Finance shall be responsible for the arrangements for the examination, verification and certification of invoices for payment and for the allocation of expenditure to the relevant budget.

~~6.2.19~~ All invoices shall be authorised on-line by the relevant Budget Holder. A record of specimen signatures shall be maintained and held by the Director of Finance, through the finance department if required.

~~6.2.20~~ All invoices in respect of capital building projects shall be authorised by the College project manager or the Director of Finance.

~~6.2.21~~ Director of Finance will be responsible for the payment of all invoices. Payments will not be made against documents other than invoices. Payment will only be made against invoices as follows:

- ~~Subject to paragraph 7.2.1, invoices for which an official order has been raised and the invoice does not exceed the order value.~~
- ~~Which have been certified for payment by the appropriate Budget Holder. By certifying an invoice for payment the Budget Holder is stating:

 - ~~that the goods or services have been received;~~
 - ~~that the goods comply with the details on the College's order;~~~~

- ~~that the goods are of acceptable quality;~~
- ~~that the invoice details (quantity, price, discount) are correct;~~
- ~~that the invoice is arithmetically correct;~~
- ~~that the invoice has not previously been passed for payment (i.e. that it is not a duplicate request for payment);~~
- ~~Which quote the appropriate cost centre and account code.~~

~~6.2.22 The Director of Finance will be responsible for ensuring that adequate controls are in place for electronic payments (BACS, CHAPS), for credit cards and that cheques are stored securely and for maintaining a register of used and unused cheques.~~

~~Supplier selection~~

~~Use of existing and Mandatory Contract Arrangements~~

~~The University has a number of contracts that must be used for specified services, supplies or works. A list of mandatory contracts can be found on the Procurement intranet.~~

~~Where approved contracts are available, these must be used for all purchases. These contracts cover a wide range of goods and services and have been selected through a competitive process. These contracts should be used by either directly calling off from the existing contract, or where a framework agreement is in place with multiple suppliers, through requesting quotes from the specified list of suppliers in that category. Call-off methods are detailed for each mandatory contract and are listed on the Procurement web pages.~~

~~The University has a number of expenditure categories where specific Professional Service Groups lead and manage any orders that need to be made. The relevant Professional Service Group must be used to advise and process expenditure in these areas. Mandatory usage of departments by category is listed on the Procurement web pages, together with any related policies that apply to that area of spend.~~

~~Contract Management and Procure to Pay~~

~~Contract Management~~

~~Holders of letters of delegated authority must ensure that all expenditure contracts within their budget area have a contract owner responsible for monitoring performance through regular meetings with the contractor. Reports of any discrepancy or failure must be completed. Procurement Services advice should be sought in order to assist in the management of poor contract performance and emerging risks. Comprehensive contract management guidance is available on LSBU's staff web pages, including managing specific areas of high risk such as contracts involving personal data.~~

~~Procurement Services must be notified of all contract, variation, extensions and terminations in advance of any commitments being made on behalf do the University. Procurement Services will then coordinate the necessary authorisations and publications in line with these regulations, legislation and Procurement procedure.~~

~~6.3 Late Payment of Debts (Interest) Act 1998~~

~~6.3.1 The Late Payment of Debts (Interest) Act 1998 (as amended in 2002) was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:~~

- ~~small businesses can charge interest on overdue invoices~~

- interest is chargeable on sales made after 1 November 1998
- the rate of interest is currently 8% per annum above the official daily rate of the Bank of England
- the Act also applies to overseas organisations
- the College can be sued for non-payment

6.3.2 In view of the penalties in this Act, the Corporation requires that invoices must be passed to the Finance Department for payment as soon as they are received.

6.4 Accounting Arrangements

6.4.1 The College's financial year will run from 1 August until 31 July of the following year.

6.4.2 The financial statements are prepared on the historical cost basis as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

6.4.3 The financial statements are prepared in accordance with the Statement of Recommended Practice (SORP) *Accounting for Further and Higher Education*, subject to any specific requirements of the regulator, and in accordance with the provisions of the Companies Act.

6.4.4 The coding structure (cost centre, account and project codes) will be provided by the Director of Finance with a view to the preparation of appropriate and efficient management information to all users.

6.4.5 The opening of new account codes or cost centres shall be actioned by finance staff after approval by the Director of Finance or the Finance Manager.

6.5 Salaries and Wages

6.5.1 The Principal shall be responsible for the appointment of all staff other than all senior post holders who will be appointed by the Corporation.

6.5.2 The Executive Director shall be responsible for the maintenance of all personnel records and for the provision of relevant information to enable all salaries, wages, pensions and other emoluments to be paid.

6.5.3 The preparation of payrolls and the payment of salaries, wages and other emoluments to employees of the College shall be undertaken in accordance with arrangements approved by the Director of Finance. Procedures for evaluating if a worker is an employee or a contractor must be followed and, if it is deemed that an employment relationship exists, all remuneration payments must be made through the College payroll.

6.5.4 All advances and loans will be authorised by the Director of Finance who will agree the deductions from the employee's pay. These will only be approved in exceptional circumstances and written consent for these deductions will be obtained from the employee before payment of any advance or loan.

6.5.5 The Director of Finance is responsible for day to day pension administration including:

- (i) paying of contributions to authorised pension schemes
- (ii) preparing the annual returns to the pension scheme

6.5.6 Time records or other pay documents shall be in a form agreed by the Director of Finance and shall be certified by the appropriate line manager and Budget Holder.

~~6.5.7 All College employees shall be paid according to the salary scales approved by the Corporation. The Corporation is responsible for the authorisation of any annual pay award which will result in a change to the salary scales.~~

~~6.5.8 Staff recruitment must be undertaken in accordance with the Policies and Procedures for Recruitment, Selection and Appointment in force when such recruitment takes place.~~

~~6.5.9 All offers and letters of appointment, employment contracts, or variations in conditions of service must be issued by the Principal or Executive Director. The Executive Director will ensure that there are satisfactory arrangements in place to notify the Payroll Manager of all commencements, variations and terminations.~~

~~6.5.10 The engagement of agency workers must only be undertaken by the Principal, Executive Director, or their nominee.~~

~~6.5.11 Severance payments shall only be made in accordance with the relevant legislation. Professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments shall be authorised by the Principal and calculations checked by the Executive Director or Director of Finance. Any individual amounts in excess of £30k require approval by The Corporation. In exceptional circumstances, this approval may be given by the Chair of the Corporation in consultation with the Principal, to be reported to the next meeting of the Corporation.~~

~~6.5.12 All matters referred to an industrial tribunal shall be notified to Corporation at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.~~

6.62.6 Expenses

~~6.6.16.3.1~~ Claims for expenses incurred by staff and Governors of the College in carrying out official duties, shall be paid in accordance with the University Expenses Policy in force when the expenses are incurred..

~~6.6.26.3.2~~ Expense claims shall be authorised by the relevant line manager and Budget Holder. No employee may authorise his/her own expenses.

~~6.6.36.3.3~~ The expense claims of the Principal must be authorised by Director of Finance or Chair before payment is made. Such expense claims must all be retrospectively authorised by the Chair of Governors on an annual basis if authorised by the Director of Finance.

~~6.6.46.3.4~~ Expense claims submitted by Governors must be authorised by the Clerk on the delegated authority of the Chair.

6.72.7 Overseas Travel

~~6.7.16.4.1~~ Every proposed overseas visit costing £5,000 or more requires the approval of the ~~Board~~Corporation prior to the visit (and prior to any costs associated with the visit being committed). The ~~Board~~Corporation will be asked to approve the purpose of the visit and the estimated cost.

~~6.7.2~~ The College will not meet any cost relating to the spouse/partner of an employee who accompanies the employee on a business trip.

~~6.7.3~~ Further information on overseas travel is included in the College's Expenses Policy.

6.82.8 Banking and Petty Cash

~~6.8.16.5.1~~ The ~~Board~~Corporation is responsible for the appointment of the College's bankers for the

day to day banking services upon the recommendation of the Director of Finance. The appointment may be for a specified period after which consideration shall be given by the [BoardCorperation](#) to competitively tendering the service.

~~6.8.26.5.2~~ The Director of Finance is permitted to make banking arrangements and open bank accounts for treasury management purposes, provided that such accounts comply with the Treasury Management policy in force at the time when the account is opened.

~~6.8.36.5.3~~ All arrangements with the College's bankers concerning the bank accounts and the control and issue of cheques, shall be made by Director of Finance. No other College bank accounts shall be permitted.

All bank accounts for the University's transactions shall be held in the name of South Bank Colleges, its subsidiaries or trading names, and may be opened only on the authority of the Board. No member of staff shall open any account bearing the name of South Bank Colleges, its subsidiaries, or any abbreviation of these companies.

~~6.8.46.5.4~~ All cheques drawn on behalf of the College shall be signed in accordance with Appendix B of the regulations. Any changes in authorised signatories shall be approved by the [BoardCorperation](#).

~~6.8.56.5.5~~ Petty cash floats shall be operated in accordance with the floats procedures approved by the Director of Finance. Petty cash holders shall be responsible for the safe custody of the float.

~~6.8.66.5.6~~ All payments from petty cash, which shall not exceed £20 (unless approved by the Director of Finance, Finance Manager, or nominee), must be supported by appropriate vouchers and records which shall be available for inspection at any time. Payments must not be broken down into a smaller series of transactions where the intention is to stay below the £20 threshold as to do so would be a deliberate and serious breach of these regulations, which will result in disciplinary action under the Disciplinary Policy.

~~6.8.7~~ ~~The Director of Finance is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.~~

~~6.8.86.5.7~~ Where appropriate, the Director of Finance or Finance Manager may approve the issuing of College credit cards to nominated staff. Such credit cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. The Director of Finance will be responsible for setting in place a system to control and monitor the use of College credit cards and account for expenses charged through them.

6.9.2.9 Assets and Property

~~6.9.16.6.1~~ Budget Holders shall be responsible for the care and custody of all College assets within their area.

~~6.9.26.6.2~~ The disposal of fixed assets or surplus materials shall be authorised as specified in Appendix A of these regulations.

Equipment Removal

~~Land and Buildings may only be disposed of with the authorization of the Board of Governors~~

~~Equipment, vehicles, fixtures and fittings shall not be removed without the written approval of the Principal or Director of Finance.~~

~~Heads of Departments shall notify the Principal or Director of Finance of any item of standard equipment or other goods which are no longer required, who shall advise if the item can be redeployed elsewhere.~~

~~Where an item cannot be redeployed, Heads of Department shall make arrangements to dispose~~

~~of obsolete item in a way that maximizes the proceeds and value for money. This includes obtaining valuations where appropriate and quotes for costs of disposal. In exceptional circumstances, the Chief Financial Officer may authorize the item to be donated or offered at reduced cost to students, other educational establishments, charities or local community groups.~~

~~Heads of Department shall advise the Finance Department of any proposed disposal of equipment or other goods so that, if appropriate, arrangements can be made for an invoice to be raised for payment to be obtained and for accounting entries to be made in the Accounts.~~

~~6.9.3 Budget Holders shall maintain appropriate procedures for the receipt, safe custody, issue and disposal of all goods.~~

~~6.9.4 The Director of Finance must be provided with copies of all contracts, leases, deeds, agreements and similar legal documents.~~

~~6.9.5 Assets purchased by the College shall, so far as practicable, be effectively marked to identify them as College property.~~

~~6.9.6 Lessees and/or other prospective occupiers of College land or property shall not be allowed to take possession or enter the land or property until a lease or agreement, in a form approved by the College Solicitors, has been approved by the Corporation.~~

~~6.9.76.6.3~~ The Principal is responsible for ensuring the proper security of all buildings and other assets.

~~6.9.86.6.4~~ No College assets shall be subject to personal use by an employee without the authority of the Principal.

~~6.9.9 The Director of Finance shall determine arrangements for establishing and maintaining Fixed Asset Registers.~~

~~6.9.10 The College's accounting policies in relation to capitalisation and depreciation are set out in Appendix E and the Fixed Asset Policy.~~

~~6.9.146.6.5~~ Capital procurement must comply with any ESFA requirements, these regulations, and the Procurement Policy and Procedures (which are available to all staff).

~~6.9.126.6.6~~ Budget Holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their area. The systems used for stores accounting must have the approval of the Director of Finance

~~6.9.136.6.7~~ Budget Holders are responsible for ensuring that regular inspections and stock checks are carried out.

~~6.9.146.6.8~~ Those Budget Holders whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Director of Finance and that instructions are issued to appropriate staff within their area.

~~6.102.10 Tuition Fees Policy~~

~~6.10.46.7.1~~ The Director of Finance is responsible for reviewing the College policy for tuition fees and other charges. This is undertaken on an annual basis and must reflect current government funding policy and relevant legislation

~~6.10.26.7.2~~ The review is undertaken in consultation with the Principal and other senior staff. The College's policy for tuition fees and other charges is to be approved by the CLG prior to the commencement of the financial year.

~~6.11 Loans, Leasing and Hire Purchase~~

~~6.11.1 All overdraft facilities shall be approved by the Corporation. The Principal or Director of Finance may draw against the facility as required, for revenue or capital expenditure within the agreed budget limits.~~

~~6.11.2 All loans will be approved by the Corporation for specific purposes. Funds may be drawn against the loan only for the approved purpose.~~

~~6.11.3 Authorised borrowing or re-borrowing of monies and all other matters in connection with the raising or repayment of authorised loans (including arrangements for securing loans) shall be subject to the supervision and control of the Director of Finance who shall periodically report to the Corporation. The Director of Finance is responsible for obtaining any necessary consents from the ESFA.~~

~~6.11.4 Purchases involving finance lease, operating lease or hire purchase agreements shall be authorised as specified in Appendix A of the regulations.~~

~~6.11.5 After the daily aggregation of all balances in the accounts of the College's approved Bank, any transfer of amounts between these accounts will be the responsibility of the Director of Finance.~~

~~6.11.6 Any other surplus monies shall be invested in accordance with the Treasury Management Policy approved by the Corporation from time to time in an account in the name of the College and shall be confirmed in writing by the institution with which the deposit is made.~~

~~6.11.7 The Director of Finance shall be responsible for maintaining appropriate records of all deposits/investments.~~

~~6.12 Financial Records~~

~~6.12.1 The Director of Finance will advise on the format and content of financial records to be maintained by the college and the period of time that they need to be retained.~~

~~6.12.2 The Director of Finance shall ensure that all financial records are kept securely for six years plus the current year. Payroll records are to be kept for seven years plus the current year. Records for ESF funded projects will normally need to be retained for ten years. Departments with lead responsibility for these projects are required to maintain financial and other records in accordance with ESF requirements.~~

~~6.12.3 In the event that an education/training or other business activity is ceasing, the Director/Head of the department in which that activity is based must agree a schedule of key records and arrangements for the transfer and safe storage of those records with the Director of Finance.~~

7.3. Major Developments

~~7.13.1 Any new aspect of business, or proposed establishment of a joint company or joint venture, which will require an investment in buildings, resources or staff time of more than £250k should be presented the [BoardCorporation](#).~~

~~7.23.2 The Director of Finance will establish protocols for these major developments to enable them to be considered for approval by the [BoardCorporation](#). These will set out the information that is required for each proposed development as well as the financial criteria that they are required to meet. This will include the funding of revenue commitments associated with projects.~~

~~7.3 Approval of the Corporation is required where it is proposed that the College should establish a subsidiary company. In such cases the Corporation must be provided with business plans or budgets in order to establish the risk to the College.~~

8. Treasury Management Policy

~~8.1. Detailed procedures covering the management and investment of South Bank College's funds are contained in the University Treasury Management Policy.~~

~~9. Insurances~~

~~9.1 The Director of Finance is responsible for annually reviewing and advising the Principal on the insurance cover arrangements for the College. Such insurance cover must be adequate in view of all business risks.~~

~~9.2 The Estates Department in consultation with the Executive Director and Director of Finance shall be responsible for effecting such insurance cover in the name of the College as may be necessary to safeguard the College against loss and shall keep a register of all insurances effected by the College and the property and risks covered thereby.~~

~~9.3 The Director of Finance shall report all insurance arrangements and notify any major claim to the Corporation.~~

~~9.4 Budget Holders shall inform the Estates Department promptly of any event which may involve the College in a claim, or an intended activity or acquisition of an asset in their area which may involve the College in a risk not already covered by insurance or necessitate an extension of the amount of the insurance cover.~~

~~9.5 The Estates Department (including the duly appointed insurance broker) shall negotiate all claims made against or by the College and shall consult the College Solicitors where necessary.~~

~~9.6 All staff using their own vehicles on behalf of the College shall maintain appropriate insurance cover for business use.~~

10.4. Contracts and Agreements

The following persons are authorised to sign contracts for purchase of works, goods and services and other contracts on behalf of the College:

- Vice Chancellor
- ~~Deputy Vice Chancellor~~Provost
- ~~Pro Vice Chancellors~~ Students and Education and ~~Pro Vice Chancellor~~ Research and Engagement
- Chief Customer Officer
- Chief Financial Officer
- University Secretary and Clerk to the Board of Governors
- Executive Principal of Lambeth College
- Chief Financial Officer of Lambeth College
- Head of Procurement (£50,000 and under)

~~10.1 Contracts for the employment of staff other than the holders of senior posts will be authorised and signed by the Principal or Executive Director of HR. Contracts for the employment of the Principal and the holders of senior posts will be authorised and signed by the Chair of the Corporation or his/her nominee.~~

10.24.1

~~10.34.2~~ Some government funded programmes are commissioned through a negotiated or competitive process and funding contracts are signed by the Principal on behalf of the College. Where the College supplies goods and services to other organisations, including training and allied services, research, consultancy and premises hire, contracts will be signed by an authorised signatory in accordance with Appendix A of these regulations.

~~10.4 All proposed agreements for the leasing of plant or equipment, or services require approval of the Director of Finance who shall report thereon to the Principal if he/she considers the financial effect of the agreement would be significant.~~

~~10.54.3~~ The Clerk to the ~~Board~~Corporation is responsible for the safekeeping of official and legal

documents relating to the College. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Clerk. All such documents shall be held in an appropriately secure location.

~~11. — **Audit**~~

~~12. — The internal audit process will be determined annually by the Audit Committee on behalf of the Corporation.~~

~~13. —~~

~~14. — The external audit of the College's annual accounts will be provided by a firm with relevant experience and expertise appointed by the College.~~

~~15. —~~

~~16. — Auditors appointed shall have the following rights:~~

- ~~• access to all records, documentation and assets which they consider necessary to fulfil their duties~~
- ~~• access to College premises at all reasonable times~~
- ~~• require such explanations as are necessary concerning any matter under consideration~~
- ~~• require any employee of the College to account for cash, stores or other College property under their control~~
- ~~• access to College records held by third parties when required~~

~~16.2 — The above provisions cover both internal and external audit, together with any other auditors such as the ESFA appointed funding auditors, National Audit Office, European Court of Auditors, HM Revenue & Customs.~~

~~17. — **Financial Procedures**~~

~~17.1 — The Director of Finance has the responsibility for maintaining and updating Financial Systems and Procedures which shall be available to all staff to ensure the efficient and effective financial management of the College~~

~~18. — **Security and Computer Security**~~

~~18.1 — The Principal will be responsible for maintaining the security of all College assets, cash and property.~~

~~18.2 — The College must comply with the requirements of the Data Protection Act 1998 insofar as it applies to information stored within the premises for which the College is responsible.~~

~~18.3 — The Director of Finance will ensure that all numbered or 'valuable' stationery, such as cheques, invoices, paying-in books, purchase orders, receipt books, etc, are securely stored.~~

~~18.4 — The Principal shall be responsible for ensuring that disaster recovery plans are periodically reviewed and are feasible.~~

~~18.5 — The Executive Director shall be responsible for ensuring that computer and data security rules and procedures are adequate and in particular:~~

- ~~(a) — Access to computer databases shall be limited to authorised users.~~
- ~~(b) — User access and privileges shall be periodically reviewed.~~
- ~~(c) — All new users must have authorisation from their line manager.~~
- ~~(d) — Manager access shall be restricted by use of passwords.~~

- ~~(e) Only authorised software may be used on the College computer system.~~
- ~~(f) Software or data may not be transferred by data storage device or any other method from the College without prior permission.~~
- ~~(g) Staff using their own computers should be aware of viruses and ensure virus check software is in place before using any data storage device, which has previously been used on their own, or other non-College equipment.~~

19. Fraud Avoidance Policy

~~19.1 The College requires all staff at all times to act honestly and with integrity to safeguard the public resources for which the Corporation is responsible. Fraud is an ever-present threat to resources. All members of College staff must therefore remain alert to the risk that fraud or other irregularity could occur in their area of responsibility.~~

~~The College is to adopt the University's Anti Fraud Policy which is contained in an appendix to these regulation.~~

20. Receiving Gifts and Hospitality

~~20.1 It is an offence under the Prevention of Corruption Act 1906 for members of staff to accept corruptly 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. 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~~

~~20.2 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, or educational decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the College would be likely to provide in return.~~

~~20.3~~

~~20.4 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 head of department or the Director of Finance. For the protection of those involved, the Clerk to the Corporation will maintain a register of gifts and hospitality received where the value is in excess of £100. Members of staff in receipt of such gifts or hospitality are obliged to notify the Clerk to the Corporation. The College Gifts and Hospitality Register is presented to the Audit Committee annually.~~

21. Taxation

21.1 Value Added Tax (VAT)

~~16.1.1. The College is registered for VAT and must submit VAT returns to HM Revenue & Customs as required. Through the Finance Manager the Director of Finance shall maintain the VAT records for the College and shall be responsible for submitting VAT returns and for making all VAT payments or receiving any VAT credits as appropriate.~~

~~16.2. Corporation Tax~~

~~16.2.1. The College has charitable status and, therefore, will generally not be liable for Corporation Tax on the activities that it undertakes. However, liabilities for Corporation Tax may arise from the activities of College subsidiary companies. The Director of Finance will be responsible for ensuring that any liabilities arising are identified and reported accurately to the Inland Revenue.~~

~~16.2.2.1.1.1. Learner Support Funds~~

~~21.24.4~~ The Finance Manager will prescribe the format for recording the use of student access funds on the finance system.

~~21.34.5~~ Records of learner support (bursary) funds will be maintained according to ESFA and ~~OfSHEFCE~~ requirements. Responsibilities for administering access funds within the College are clearly defined. Annual returns are provided to ESFA and ~~OfSHEFCE~~.

~~22.5. Student Loans and Students Union~~

~~22.15.1~~ Appropriate records will be maintained to support all transactions involving student loans. This includes both HE loans for Higher Education courses and Advanced Learning loans for Further Education courses.

~~22.25.2~~ The Students' Union is a separate legal entity from the College but is recognised to fulfil a valuable role in relation to the College's students.

~~22.35.3~~ The Students' Union is responsible for maintaining its own bank account and financial records and preparing its own annual financial statements.

~~22.45.4~~ In accordance with an agreement between the College and the Students' Union, the Union will provide annual statements of income and expenditure to Finance Manager for information purposes only. The College's internal auditor shall have access to records, assets and personnel within the Students' Union in the same way as other areas of the College.

~~23. Patents and Intellectual Property Rights~~

~~23.1 Certain activities undertaken within the College including research and consultancy may give rise to ideas, designs and inventions, which may be patentable. These are collectively known as intellectual property. As specified in the College's standard contracts of employment, all intellectual property belongs to the College.~~

~~23.2 In the event of the College 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 College.~~

~~24. Money Laundering and Proceeds of Crime~~

~~24.1 The Proceeds of Crime Act 2002 criminalises money laundering and the Money Laundering Regulations 2007, which came into force from 15 December 2007, place obligations on those involved in 'relevant businesses' to establish procedures to reduce the likelihood of financial irregularity.~~

~~24.2 The college is likely to be regarded as a 'relevant business' and the Director of Finance is responsible for ensuring compliance with Proceeds of Crime and Money Laundering Regulations. The Director of Finance is also the 'Nominated Officer' for the purposes of the Money Laundering Regulations 2007.~~

~~24.3 If staff have concerns regarding any financial transaction, they should contact the Finance Manager for advice. Where possible this should be done before the transaction takes place. In accordance with Money Laundering Regulations, the employee may be required to prepare a suspicious activity report (SAR) for the Director of Finance.~~

~~The college should follow the University's Anti Money Laundering plan which is contained in-~~

an appendix to these regulations.

25. Bribery

25.1 The Bribery Act 2010 (The Act) makes bribery or attempted bribery a criminal offence. Bribery usually takes place in order to secure or retain business, or in order to gain a financial or business advantage. Bribery does not always involve a financial incentive or advantage.

25.2 In order to be found guilty of an offence under The Act, bribery does not actually need to take place as offences under the act include, but are not limited to the following:

- Offering, promising, or giving a bribe
- Requesting, agreeing to receive, or accepting a bribe

25.3 These offences apply regardless of whether they take place in the UK or abroad. Extra care must be exercised in non-UK jurisdictions where custom and practice may actually be an offence under The Act. These offences also apply to agents or other third parties acting on behalf of the College, even if the College (or its employees) did not know that bribery had taken place.

25.4 The College and its employees (or any other 3rd party acting on behalf of the College) must not offer promise, or give any financial or other advantage in order to secure or retain business. In addition, the College and its employees must not request, agree to receive, or accept any financial or other advantage from a third party which may be construed to be a bribe.

All staff are encouraged to raise concerns about any issue or suspicion of bribery at the earliest possible stage

Staff should report anything they believe to be a bribe including If you are asked to make a facilitation payment immediately to their line manager, the Chief Financial Officer or through the University Speak Up policy.

25.5 Any breach of the above by an employee of the College is likely to be regarded as gross misconduct, which may lead to the employee being dismissed without notice or payment in lieu of notice.

26. Whistleblowing

26.1 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) who has a reasonable belief that malpractice in the workplace has or is likely to take place and that the disclosure has a public interest aspect to it. A whistleblower can raise concerns about criminal or civil offences (including negligence or, breach of contract), miscarriages of justice, dangers relating to health and safety or the environment and/or any cover-ups believed to have been involved. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

26.2 Normally, any concerns about a workplace matters at the College should be raised at an early stage, verbally, with the discloser's immediate line manager who should make a record of the key details and provide a confidential copy to the Executive Director. However, the College recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.

26.3 A member of staff may also, make their disclosure directly known to the Executive Director who will liaise with the Principal (Senior Postholders). Alternatively, the discloser may also raise the matter directly with the Principal or the Chair of the Corporation.

26.4 If, after following the College's Public Interest Disclosure Policy & Procedure, which is available and through the HR department, the discloser may raise the matter confidentially with any person or organisation mentioned in the Public Interest Disclosure Act 1998. However, before

~~referring any matter to an external body (prescribed regulator) staff are strongly advised to discuss the matter with the Executive Director.~~

27.6. Partnership Arrangements

~~27.16.1~~ College policy is that, generally, it will enter into subcontract arrangements where it is strategically important to do so for the provision of education and training in respect of its direct funding contracts with the ESFA.

~~27.26.2~~ Some programmes involve partnership delivery (or consortium) arrangements. In such cases the College will either be the lead organisation (contract holder) or will be a delivery partner in a consortium where another organisation is the lead party.

~~27.36.3~~ In such circumstances, and where the lead provider is a private company, the College is required to undertake a due diligence review before entering into a contractual commitment. This will also apply where it is proposed that any other publicly funded training is to be delivered by a private provider on behalf of the College. The extent of the due diligence required will be agreed with the Director of Finance.

~~27.46.4~~ Where partnership arrangements, such as those outlined above, are in place a contract defining respective roles and responsibilities is required. A signed contract must be in place before any delivery takes place and before payment can be made. ~~The main items to be included in the contract between the College and the subcontractor are included in the sub-contracting controls 2017/18. In addition, the p~~Provisions in the contract must include those items required by the funding bodies whose requirements change from time to time.

28.7. College Seal

~~28.17.1~~ Although there is no requirement under the Further and Higher Education Act 1992 for any document to be sealed by the [BoardCorperation](#), under general law any document executed by the [BoardCorperation](#) as a deed should be under seal e.g. a transfer of property by the [BoardCorperation](#).

~~28.27.2~~ Where a deed or document requires the College seal it must be sealed by the Clerk to the [BoardCorperation](#), or in their absence the Principal or Director of Finance.

~~28.37.3~~ The Clerk to the [BoardCorperation](#) is responsible for submitting a report to the [BoardCorperation](#) detailing the use of the College seal.

29.8. Related Party Transactions

~~29.18.1~~ College policy is that it Governors are not remunerated for their work as a Governor, but Governors may be re-imbursed for incidental expenses incurred in carrying out such duties. Such incidental expenses may include travel costs to an externally hosted event attended on behalf of the College.

~~29.28.2~~ Owing to the nature of the College's operations and the composition of the board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations must be conducted at arm's length and in accordance with the College's financial normal procurement procedures.

Appendix A – Authority Limits

Delegated authorities are currently as follows:-

1. Actions requiring LSBU consent (Governance agreement)

In line with the Governance Agreement between SBC and LSBU, SBC undertakes to LSBU that it will not without prior written consent of LSBU the following financial activities:

- Adopt any business or Financial plan or budget
- Enter into or incur any borrowing
- Grant any security over property owned by SBC
- Enter into any contract or otherwise incur any liability in excess of £100,000
- Enter into any arrangement, contract or transaction outside its normal course of business other than at arm's length terms including entering into any onerous or unprofitable arrangement, contract or transaction
- Engage in, commence, defend or respond to any litigation or pre action correspondence or enter into any settlement negotiations with a value in excess of £10,000
- Dispose of any asset outside the normal course of business
- Enter into any partnerships or joint ventures
- Change its investment policy
- Appoint any firm of auditors except the auditors of LSBU
- Approve the level, amount or terms of any insurance
- Enter into any funding agreement with the ESFA

1.2. Budget Variations

Major Capital Projects

For major capital projects the Corporation will be required to approve any changes to the overall project budget. In urgent cases the Chair of the [CorporationBoard](#) and the Principal jointly have power to act on behalf of the [CorporationBoard](#). Such action will be reported to the [CorporationBoard](#) at the earliest opportunity.

In order to control the overall project spend, movements between individual budget lines to reflect changes to project costs may be authorised by the Principal or Director of Finance.

Annual Re-Modelling, Other Building Works and IT Projects

For annual re-modelling, other minor building projects and IT projects, there may be a requirement to authorise extras, contract variations, or other necessary amendments to the approved projects. The Principal or Director of Finance may authorise any resulting increase of up to £50k. In urgent cases requiring approval of the [CorporationBoard](#) the Chair of the [CorporationBoard](#) and the Principal jointly have power to act on behalf of the [CorporationBoard](#). Such action will be reported to the [CorporationBoard](#) at the earliest opportunity.

Income & Expenditure

Income and expenditure budget variations (virements) must not reduce the budget operating surplus. The Principal or Director of Finance may approve virements between budget heads of up to 5% of the College's overall budgeted expenditure. Virements above 5% require [CorporationBoard](#) approval.

2.3. Authorisation of Contracts and Orders

When applying the limits referred to below, the "value" for those orders/contracts, which relate to the continuous supply of goods or services over several years, will be the total value over the period of supply.

Below are financial limits, per transaction, for authorisation of income and expenditure including purchase orders and customer and supplier invoices. You should seek advice from the Group Financial Controller if you wish to vary the signing limits below

Value	Authorisation
Up to £5,000	Budget Holder and relevant Director
Up to £250,000	Principal or Director of Finance
Over £250,000	CorperationBoard *

* Following authorisation of the transaction or project by the [CorperationBoard](#), signing contracts and orders is delegated to the Principal or the Director of Finance.

3.4. Leasing and Hire Purchase Commitments

When applying the limits referred to below, the "equivalent purchase price" will be the total value of the lease/hire purchase payments over the period of the agreement (or until the first break clause for property leases).

Equivalent Purchase Price	Authorisation
Up to £5,000	Budget Holder and relevant Director
Up to £250,000	Principal or Director of Finance
Over £250,000	CorperationBoard *

* Following authorisation of the transaction by the [CorperationBoard](#), signing leasing and hire purchase agreements is delegated to the Principal or Director of Finance.

Appendix B – Authorised Cheque Signatories and Authorisation of Electronic Payments

Arrangements for any bank payments will be as follows:

holders of the post below be signatories to South Bank College's bank accounts.

- Company Secretary
- Executive Principal and CEO
- Director of Finance, Head of Finance or similar post (F)

plus all posts that currently are able to be on the University bank mandate, ie:

- Vice Chancellor
- Deputy Vice Chancellor
- Provost
- Chief Financial Officer (F)
- Pro Vice Chancellors
- University Secretary
- Chief Operating Officer
- Group Financial Controller (F)
- Group Director of Planning, Information and Reporting (F)

signing rules [for cheques and electronic payments](#) are as follows:

- Payments of less than £20,000 require one signature from the list above
- For payments of £20,000 or more require two signatures from the list above, only one of which can be a member of the Finance team (F).

(i) ~~[Electronic Payments \(BACS\)](#)~~

~~The proposed payment run is prepared by a member of the finance team and reviewed by the Head of Finance or similar postholder. The review includes checking proposed payments above £5k to invoices. The proposed payment run is then passed to the Director of Finance or nominee for final checking and authorisation as appropriate.~~

(ii) ~~[Electronic Payments \(CHAPS/Faster Payments\)](#)~~

~~These are urgent payments which are processed outside of the normal creditor payment run. Every effort should be made to ensure that the volume of such payments are kept to a minimum. All such payments must be authorised by a member of the finance team and a bank signatory identified in (i) above.~~

(iii) ~~[Electronic Payroll Payments](#)~~

~~These include Net Pay, PAYE, National Insurance and Pension contributions. All such payments must be authorised by the Payroll Manager (or nominee in their absence) and the Director of Finance or Finance Manager, or nominee.~~

Arrangements for the use of electronic banking systems including the allocation of Smart Cards will be determined by the ~~Director of Finance~~[Group Financial Controller](#).

Appendix C – Tendering Procedures

Tendering Procedures

1. Invitations to tender must be accompanied by comprehensive and clearly written specifications, which shall include:
 - 1.1 the nature and purposes and, where applicable, the duration of the contract;
 - 1.2 quality and best economic value requirements;
 - 1.3 the specification and quantities of the goods or services to be supplied (except in the case of "design and build" contracts where only an outline specification need be supplied);
 - 1.4 the time(s) or range of time(s), as appropriate, and place(s) at which the goods or services are to be supplied;
 - 1.5 a copy of the conditions of contract with which the successful contractor will be required to comply;
 - 1.6 a copy of any formal contract or sub-contract document which the successful contractor will be required to sign or execute;
 - 1.7 a returnable tender form which indicates:
 - (a) the tenderer's signature or seal;
 - (b) that the tender form is to be returned to the Principal or his nominee by a stated date and time;
 - (c) that the College does not bind itself to accept or nominate the lowest, or any, tender;
 - (d) that every tender must be submitted in a plain envelope bearing the word "TENDER" followed by the subject to which the tender relates and the closing date for the receipt of tenders;
2. No tender will be considered unless contained in a sealed envelope bearing the word "TENDER" followed by the subject to which the tender relates.
3. It is the responsibility of the relevant head of department/director to make arrangements for every tender received to be retained in secure custody unopened until the time appointed for its opening.
4. Tenders should be opened by the Director of Finance or his nominee in the presence of another member of staff representing the department (the head of department/director or nominee).
5. The prices quoted in the tender should be recorded immediately in a tender book containing the name of the project or item together with the list of those invited to tender. The price should be recorded opposite the name of the appropriate tenderer. If a reply is not received this should be indicated. On completion of the tender opening, both members of staff should sign and date the tender book. A note shall be made of the number of tenders, if any, not opened and the reason(s) for not opening them.
6. No tender received after the time and date by which it is to be received or which contravenes any provision of this Schedule shall be considered.
7. Where, in their view, circumstances so warrant, the Director of Finance in consultation with the Principal, may postpone for such period as they may consider reasonable the time and

date by which the tenders concerned shall be received.

Acceptance of Tender

8. Having followed the procedures required by the financial regulations, as outlined above, departments are then required to evaluate the tenders and recommend to the Principal to:
 - (a) accept the lowest tender; or
 - (b) accept a tender other than the lowest (this may only be justified by reference to the 'comprehensive and clearly written specifications' referred to in paragraph 1); or
 - (c) refuse to accept any tender.
9. The outcome of the tender evaluation should be noted in the tender book by the department who commissioned the tenders. Where the outcome is the acceptance of a tender other than the lowest, the reason should also be recorded in the tender book.

Appendix D – Spend Categories not requiring a PO to be raised

The following categories of spend require appropriate contracts to be put in place in accordance with competition requirements, however they do not require a purchase requisition/order to be raised:

- Accreditation
- Bursary, Scholarships and learner support funds
- Childcare Vouchers
- Contract Catering
- Contract Printing
- Legal Fees Associated with Compromise Agreements
- Leased Computer Hardware
- Courier Charges
- CRB checks (via HR)
- Credit card charges
- Franchise and partner payments
- Student recruitment agency fees
- Funding distribution
- Mobile phone rental
- Pension costs paid to LPFA
- Postage
- Rates
- Registrations on behalf of Students
- Rent and service agreements
- Student placements
- Telephone call charges
- Utilities
- Taxation
- One off speakers

Appendix E – Definitions

The following definitions will apply in these Regulations:

‘College’ - means South Bank Colleges and its subsidiaries.

‘College Employee’ - means a person with a contract of employment with South Bank Colleges

‘Chair’ - means the Chair of the [Corporation Board](#) and includes his or her authorised representative or replacement

‘[Corporation Board](#)’ - means the Governing Body of the South Bank Colleges, or where the Governing Body has delegated the responsibility (where allowed for in the Instrument and Articles) to, for example, the Chair

‘ESFA’ – means the Education & Skills Funding Agency

‘~~HEFCE~~’ ~~OfS~~’ – means [the Office for Students](#)~~the Higher Education Funding Council for England~~

‘Principal’ - means the Principal or University Pro Vice Chancellor and includes his or her authorised representative or replacement

‘Director of Finance’ means the Group Chief Financial Officer, who must be a qualified accountant, and includes his or her authorised representative or replacement