

DURHAM UNIVERSITY

FINANCIAL REGULATIONS

December 2022

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Definitions

In the interests of clarity, technical terms used in the Financial Regulations and accompanying Handbook on Financial Responsibility are defined below.

Rolling five-year financial plan: Approved by University Council, comprising detail of:

- a) one prior financial year's performance
- b) the current financial year's performance
- c) forecasts for the future three financial years.¹

Financial Operating Plan: Once approved by Council, item c) above is adopted as the agreed target Financial Operating Plan, until superseded by the next (annual) iteration as approved by Council.²

Note also *financial operating plan(s)*: used in lower case referring to sections of the Financial Operating Plan as devolved to Primary and Secondary Financial Plan Owners at Faculty / Department / College / Service level.

forecast(s): used to describe any form of modelling to estimate the impact of future decisions and circumstances.

budget: referring to a defined quantity of money designated to a specific, defined project / task / purpose.

Cost centre: an internal mechanism used to allocate pre-approved expenditure to a specific area of a Department / College / Service's financial operating plan, assigned to a relevant 'cost centre manager'.

¹ This terminology and definition taken from the 2007 iteration of the Durham University Financial Regulations, clause 10.1; this particular clause now features in the Financial Planning section of the Handbook on Financial Responsibility (currently under construction), where it is presented in full context.

² Council minutes and documentation may refer to the first year of this Financial Operating Plan as the 'Financial Budget' for the relevant financial year.

General Provisions

1 Background

1.1 The University is a chartered corporation. Its structure of governance is laid down in the instruments of its incorporation (charter and statutes) for which the Privy Council must approve any amendments. The University Council has ultimate responsibility for the University's management and administration. These Financial Regulations form part of the system of internal control and are incorporated into the Standing Orders of Council.

1.2 The University is an exempt charity by virtue of the Charities Act 2011 and currently the 'Office for Students (OfS)' is its principal charity regulator.

1.3 The University's legal title is 'University of Durham' but it trades as 'Durham University'.

1.4 The Memorandum of Assurance and Accountability between the principal regulator (currently the OfS) and the University sets out the terms and conditions on which grant is made. Council is responsible for ensuring that conditions of grant are met. As part of this process, the University must adhere to the OfS Audit Code of Practice, which requires it to have sound systems of financial and management control.

2 Status of Financial Regulations

2.1 This document sets out the University's Financial Regulations which are incorporated into the Standing Orders of Council. It codifies the University's broad policies relating to financial control. This document was approved by the Council on 6 December 2022. It applies to the University, including all its constituent parts, and all its subsidiary undertakings in the UK.

2.2 These Financial Regulations are subordinate to the University's charter and statutes and to any restrictions contained within the University's Memorandum of Assurance and Accountability with the OfS and OfS Audit Code of Practice.

2.3 The purpose of these Financial Regulations is to provide control over the totality of the University's resources and to provide assurance to management that the resources are being properly applied for the achievement of the University's Strategic Plan including the following:

- maintaining financial sustainability;
- achieving value for money;
- fulfilling its responsibility for the provision of effective controls over the use of public funds;
- safeguarding assets;
- legislative and regulatory compliance;
- proper stewardship of public and charitable funds.

2.4 Compliance with the Financial Regulations is mandatory for all employees of the University. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the University's disciplinary procedures. The Council will be notified of a significant breach through the Audit Committee. It is the responsibility of Financial Plan Owners to ensure that their staff are made aware of the existence and content of the University's Financial

Regulations and receive such training as is necessary to enable them to discharge their responsibilities effectively.

2.5 The Finance Committee is responsible for maintaining a regular review of the Financial Regulations, through the Chief Financial Officer (CFO), and for recommending to the Council any additions or changes necessary.

2.6 In exceptional circumstances, Finance Committee may authorise a departure from the provisions of these regulations, any such departure to be reported to the Audit Committee at the earliest opportunity. Any such departure must not contravene restrictions in the OfS Memorandum of Assurance and Accountability or Audit Code of Practice.

2.7 The University's Handbook on Financial Responsibility describes the context of these regulations and, in addition to detailed process and policy information, will be available to all staff.

2.8 Advice and assistance on any financial matters are available from colleagues within the Finance and Procurement Services - contact details are available on the Services' (internal) [website](#).

Corporate Governance

3 Council

3.1 The Council is the governing body of the University. Its primary financial responsibilities³ are to:

- approve and keep under review the University's strategic plans, including Key Performance Indicators (KPIs);
- appoint the Vice-Chancellor as chief executive and accountable officer (who reports to the OfS);
- delegate authority to the Vice-Chancellor for effective financial management;
- establish and regularly review policies, procedures and delegation limits;
- ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment and procedures for managing conflicts of interest;
- appoint the external auditors;
- ensure processes are in place to monitor and evaluate performance and effectiveness against plans and key performance indicators;
- be the employing authority for all staff;
- be the principal financial and business authority with responsibility for the custody, control and disposition of all the University's finances and property including:
 - ensuring that proper books of account are kept;

³ Extracted from Statement of Council's Primary Responsibilities – financial-related provisions only

- approving the annual Financial Operating Plan, Financial Statements and financial forecasts and longer-term financial plans;
- establishing cost centres for the efficient management of resources and appointing cost centre managers for each;
- approving certain charges to students;
- act as Trustee for any property, legacy, endowment, bequest or gift to the University;
- be the legal authority, ensuring that systems are in place for meeting all legal obligations, including from contracts and other legal commitments, and regulations for the custody and use of the common seal and for representing the University in negotiations for obtaining grants from public bodies.

3.2 In carrying out these responsibilities, the Council will, inter alia:

- ensure the solvency of the University;
- safeguard the University's assets;
- ensure the effective and efficient use of resources;
- ensure the use of funds is consistent with the University's primary charitable purposes;
- ensure that the funds provided by the OfS are used in accordance with the terms and conditions specified in the University's Memorandum of Assurance and Accountability with the OfS;
- ensure that the University complies with the OfS Audit Code of Practice;
- appoint the University's external auditors.

4 Accountable Officer

4.1 The Vice-Chancellor is the University's designated officer responsible for compliance with the Memorandum of Assurance and Accountability with the OfS. In this capacity, the Vice-Chancellor must advise the Council if, at any time, any action or policy under consideration by them appears to the Vice-Chancellor to be incompatible with the Memorandum of Assurance and Accountability. If the Council decides nevertheless to proceed, the Vice-Chancellor must immediately inform the Chief Executive of the OfS in writing. The Vice-Chancellor must ensure that annual estimates of income and expenditure are prepared for consideration by the Council and for the management of plans and resources within the estimates approved by the Council. As the Accountable Officer, the Vice-Chancellor may be required to justify any of the University's financial matters to the Public Accounts Committee at the House of Commons.

5 Delegation of Financial Responsibility

5.1 Financial matters delegated to the Vice-Chancellor are further delegated by the Vice-Chancellor as set out in the Scheme of Delegation for Financial Responsibility.

5.2 The overall framework of financial responsibility adopted by the University is one of maximum delegation to members of staff for areas of the financial plan for which they are responsible, consistent with the financial integrity of the University as a whole.

5.3 All powers of the Council which have not been reserved to the Council or delegated to a committee shall be exercised on behalf of the Council by the Vice-Chancellor as Chief Executive.

5.4 In exercising their financial powers, the Vice-Chancellor shall take account of the advice of the Treasurer (CFO), who has statutory responsibility for the conduct of the University's financial business.

5.6 All financial powers delegated by the Vice-Chancellor can be reassumed by the Vice-Chancellor should the need arise.

5.7 As the University's Designated Officer, the Vice-Chancellor is accountable to the OfS for the funds granted to the University by the OfS.

6 Committee Structure

6.1 General

The Council has ultimate responsibility for the University's finances, but delegates specific powers and processes to the committees and individuals detailed below. A diagram depicting the committee structure is available on the [University's web pages](#).

6.2 Finance Committee (FC)

6.2.1 The Finance Committee exercises all the powers of Council in financial matters, except in relation to those matters reserved to Council in FC Standing Orders, upon which the committee advises Council.

6.2.2 The matters reserved to Council⁴ are:

- University strategy, including financial strategy;
- financial forecasts;
- revenue and capital plans;
- annual Financial Statements;
- individual decisions with an estimated financial impact in excess of £5 million;
- increases in existing fees and charges to students above anticipated increases in University costs taken from the latest approved financial forecasts;
- additional fees and charges to students and the extension of existing fees and charges to additional categories of students;
- other matters specified by Council from time to time.

⁴ Finance Committee Terms of Reference,
<https://durhamuniversity.sharepoint.com/teams/USO/Governance%20Forums%20Library/Committees/TOR-FC.pdf?cid=9b028c5d-332b-45ac-9781-35004a2e7a75>

6.2.3 Matters delegated to FC by Council are included in FC's Terms of Reference as follows:

- to monitor the implementation of the University's strategy with regard to financial matters;
- to approve individual decisions with an estimated financial impact of between £1 million and £5 million (non-capital) and between £2 million and £5 million (capital);
- to consider the University's quarterly Financial Management Reports to monitor the financial administration of the University and make recommendations to Council where appropriate;
- to review the financial aspects of the University's Annual Financial Statements prior to their consideration by the Audit Committee;
- to monitor the arrangements for safeguarding of the University's assets;
- to make recommendations to Council on the financing of strategic projects;
- to approve the annual allocation of funds to the Durham Students' Union and any other Arms' Length Organisations;
- to keep under review the University's employee pension arrangements;
- to monitor the effective and efficient procurement and use of resources in accordance with the objectives of the University;
- to keep under review the University's financial and procurement policies and regulations, tax strategy and Scheme of Delegation for Financial Responsibility;
- to approve the University's policies on investment and borrowing to make recommendations to Council on the allocation of funds for investment and to monitor the Return on Investment;
- to approve the appointment of bankers and other external financial advisers (other than auditors);
- to monitor implementation of the strategy for the University estate;
- to consider the adequacy of the University estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties;
- to review the extent and condition of the University estate including the efficiency of space utilisation, energy consumption and the adequacy of property cover arrangements;
- to consider the adequacy of financial evaluation, project management and control of major projects;
- to approve increases in project budgets already approved by the Committee where these are no more than 3% above the original approved project budget;
- to monitor the appropriate exploitation of the University's intellectual property;

- to keep under review the activities of the University's group of companies and the investments and other interests held by them;
- to keep under review the University's fundraising activities;
- to monitor the performance and use of donated funds and endowments.

The FC's Terms of Reference is available on the [University's web pages](#).

6.2.4 In accordance with amendments agreed to the Scheme of Delegation for Financial Responsibility in September 2020,⁵ the Finance Committee will expect the following additional reporting from the CFO:

- a. Quarterly Financial updates on both the revenue and capital plans provided to FC and UEC;
- b. A list of all expenditure approvals made through UEC, Operations Board or by the individual roles identified in the Scheme of Delegation for Financial Responsibility provided to UE and FC on a quarterly basis, and the details of any specific approval provided as necessary;

In addition, the CFO is to ensure that the forecast impact of such approvals is included in each quarterly update provided to UEC and FC;

- c. If the CFO calculates that the cumulative impact of revenue project approvals could reduce the annual Earnings Before Depreciation forecast by more than £2m (0.5% of turnover) than that forecast in the previous quarterly update then the Chair of the Finance Committee must be informed, and, depending on the circumstances, the projects may be paused until the Finance Committee provides its approval;
- d. If the CFO calculates that the cumulative impact of the capital project approvals could result in more than a £5M (2% of the current cash and cash equivalents balance) increase over the current total Capital Programme forecast spend then the Chair of the Finance Committee must be informed, and, depending on the circumstances, the projects may be paused until the Finance Committee provides its approval.

6.3 University Executive Committee (UEC)

6.3.1 The Executive Committee is a joint Committee of Senate and Council. The financial matters delegated to it are as follows:

- to manage the University's Strategy and steer University business;
- to monitor and report on performance against objectives and ensure prompt action as required;
- to consider and make recommendations to Council on policy initiatives and other matters;
- to take ownership and management of responsibility for key risks;

⁵ Finance Committee minutes, 29 September 2020, paper ref. FC/20/10.

- to co-ordinate the University's integrated planning process (incorporating both financial and operational planning), approve annual plans and recommend the annual Financial Operating Plan and longer-term financial forecasts to Finance Committee and Council;
- to take decisions on discrete project or activity spend outside of the previously approved Financial Operating Plan for that year with an estimated financial impact (in year) of up to £2 million for capital expenditure and £1 million for non-capital expenditure.

UEC's detailed terms of reference is available on the [University's web pages](#).

6.3.2 Relevant matters exclude routine expenditure in the course of normal course of business, details of which are specified within the Scheme of Delegation for Financial Responsibility.

6.3.3 The level of authority delegated to the Executive Committee is set out in the Scheme of Delegation for Financial Responsibility. Annex B of the same document provides a chart of various levels of authority from Council to Executive Committee and beyond.

6.4 Audit Committee

The Audit Committee is a requirement under the University's Memorandum of Assurance and Accountability with the OfS and OfS's Audit Code of Practice. The committee is independent, advisory and reports to the Council. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. Audit Committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. Audit Committee's Terms of Reference is available at on the [University's web pages](#).

6.5 Remuneration Committee

The Remuneration Committee deals with the pay and conditions of senior staff. It has the power to determine their remuneration, including pay and other benefits, as well as contractual arrangements. Remuneration Committee's Terms of Reference is available on the [University's web pages](#).

6.6 University Strategy Implementation Committee

The University Strategy Implementation Committee provides strategic oversight and scrutiny of progress in implementing the University Strategy 2017 – 2027; in particular, the nine critical initiatives, where this does not already fall within the remits of other Council Committees. Its role is scrutiny rather than policy-making and it has no decision making power. The Committee's Terms of Reference is available on the [University's web pages](#).

7 Other Senior Managers with Financial Responsibility

7.1 Chief Financial Officer

7.1.1 Statutes prescribe a Treasurer to be responsible for financial business: this role is fulfilled by the appointment of a CFO.

7.1.2 Day-to-day financial administration is controlled by the CFO, who is responsible to the Vice Chancellor for the conduct of the financial business of the University and for such other business as Council may prescribe.

7.1.3 The CFO is supported by the Finance Director (FD) in the fulfilment of responsibilities listed here; the Finance Director reports directly to the CFO.

7.1.3 The CFO shall ensure that all Primary and Secondary Financial Plan Owners (and their delegates) are notified of the responsibilities within these regulations and shall review and propose amendments to the regulations as appropriate.

7.1.4 Specific responsibilities of the CFO are described throughout these regulations and include the following:

- to propose to Council and, when agreed, to implement the University's financial strategy;
- to support effective decision-making by the provision of accurate, relevant and timely financial advice;
- to promote and evaluate opportunities for the generation of income;
- to promote value for money;
- to maintain records and implement procedures to enable Council and the Vice-Chancellor to discharge their financial responsibilities, including those set out in the Memorandum of Assurance and Accountability with the OfS;
- to propose and monitor compliance with standing orders and financial regulations and to ensure that these are reviewed regularly;
- to keep Handbook on Financial Responsibility, and associated policy and procedures under review and to implement such systems as necessary for efficient and effective control;
- to prepare an annual report to Council, including the annual Financial Statements, as soon as possible after the end of the financial year;
- to prepare forecasts, plans and estimates and to advise of the action required where there are deviations from agreed plans (see 6.2.4 above for details of additional reporting requirements);
- to be pro-active in providing all members of the University who have financial responsibilities with such information and advice as they require for the proper performance of their duties.

7.1.5 The main areas in which advice is sought and details of the key contacts within the Finance and Procurement Services are documented on the [Services website](#).

7.2 Registrar and Secretary

Statutes prescribe a single post of Registrar and Secretary to be responsible, under the supervision of the Vice-Chancellor, for the conduct of University business: these responsibilities are now fulfilled by the Academic Registrar, and the University Secretary (who also serves as University Registrar).

7.3 Primary Financial Plan Owners

Primary Financial Plan Owners are responsible to the Vice-Chancellor for the management of their area of the Financial Operating Plan, and are clearly documented in the [Scheme of Delegation for Financial Responsibility](#). They are responsible for establishing an appropriate

structure of delegated authority for financial matters through the appointment of designated Secondary Financial Plan Owners.

7.4 Secondary Financial Plan Owners

7.4.1 Secondary Financial Plan Owners include Heads of Department, Heads of College and Directors of Professional Services, all of whom are responsible and accountable to the relevant Primary Financial Plan Owner for financial management of a specified area of financial operation. The CFO will approve the financial arrangements operating within each area, including the form in which accounts and financial records are kept.

7.4.2 Secondary Financial Plan Owners must ensure clear lines of responsibility within their specified area of operation for all financial matters. Subject to the approval of the relevant Primary Financial Plan Owner, Secondary Financial Plan Holders may delegate responsibility⁶ for the management of part of their financial plan to designated colleagues. These delegates are to be confirmed and recorded in the relevant systems by the Finance and Procurement Services. Accountability remains with Financial Plan Owners, as described in the Scheme of Delegation for Financial Responsibility.

7.4.3 Secondary Financial Plan Owners must ensure that all financial regulations and any other financial instructions are complied with in respect of all matters for which they are accountable and that income and expenditure are controlled against approved financial plans.

7.4.4 Secondary Financial Plan Owners shall provide the CFO with such information as may be required to enable:

- compilation of the University's Financial Statements;
- implementation of financial planning;
- regular financial planning and reporting.

7.5 All members of staff

7.5.1 All members of staff have a duty to safeguard the University's assets and to ensure value for money.

7.5.2 They must ensure that they operate at all times within the scope of authority which has been explicitly delegated to them and in accordance with these Regulations.

7.5.3 They shall make available promptly on request any relevant records or information to the CFO or their authorised representative.

7.5.4 They shall immediately notify the Director of University Assurance whenever any matter arises which involves, or is thought to involve, irregularities concerning, inter alia, cash or property of the University (see the University's [Anti-Bribery and Fraud Prevention Policy](#)). The Director of University Assurance shall take such steps as they consider necessary by way of investigation and report.

⁶ Subject to compliance with the terms of the Scheme of Financial Delegation which prescribes the extent of financial delegation permitted by Financial Plan Owners and the roles and responsibilities of Primary and Secondary Financial Plan Holders and their delegates.

8 Risk Management

8.1 The University acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the University's approach to risk is set out in the [Integrated Planning Hub](#) section on Strategic Risks.

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

8.3 The Council requires that the risk management policy and supporting procedures include:

- the adoption of common terminology in relation to the definition of risk and risk management;
- the establishment of University-wide criteria for the measurement of risk, linking the threats arising from their potential impact and the likelihood of their occurrence;
- a decision on the level of risk to be accepted;
- detailed regular review at department or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas;
- development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question;
- regular reporting to the Executive Committee of all risks above established tolerance levels;
- an annual report from the Executive Committee to Council giving assurance that risk has been properly managed;
- an annual review of the implementation of risk management arrangements;
- an annual report from Audit Committee on risk.

8.4 Financial Plan Holders must ensure that any agreements negotiated within their specified area of operation with external bodies cover any legal, financial or commercial liabilities to which the University may be exposed. The advice of the University Secretary (and Registrar) (for legal and compliance matters) or the CFO (for financial or commercial matters) or their authorised representatives should be sought where necessary to ensure that this is the case.

8.5 Specific queries about risk management should be directed to the [Strategic Planning and Insight Office](#).

9 Public Interest Disclosure (Whistleblowing)

9.1 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can make a disclosure about crime, civil offences (including negligence, breach of contract, etc.), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It

does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

9.2 Normally, any concern about a workplace matter at the University should be raised with the relevant member of staff's immediate line manager or head of Department / College / Service. However, the University 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.

9.3 A member of staff may, therefore, make the disclosure to one of the staff designated for this purpose, for example the Director of University Assurance. If the member of staff does not wish to raise the matter with this person, or with the Vice-Chancellor, University Secretary (and Registrar), or the Chair of the Council, it may be raised with the Chair of the Audit Committee.

9.4 The full procedure for public interest disclosure is set out in the University's Public Interest Disclosure (Whistleblowing) Policy, which is available on the [University's web pages](#).

10 Code of Conduct

10.1 General

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

10.1.2 In addition, members of the Council, Statutory Officers and those staff with the ability to commit the University to a significant level of expenditure are required by Council Standing Orders and the University's Procurement Policy to disclose interests in the University's Register of Interests as maintained by the University Secretary (and Registrar). They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly.

10.1.3 In addition, University staff with equity holdings in businesses, including University spin-off businesses, are required to make declaration of any such holdings to the University Secretary (and Registrar).

10.2 Receiving gifts or hospitality

10.2.1 The University is a commercial organisation for the purpose of the Bribery Act 2010. The University has a zero-tolerance approach towards bribery and fraud, actual or attempted. All staff have a responsibility to report any suspicions of bribery or fraud. Ultimate responsibility for prevention, detection and investigation rests with the University Secretary (and Registrar). The University takes seriously any allegations of bribery or fraud and will investigate all such concerns. Any staff member found to be committing bribery or fraud (attempted or actual) will be subject to disciplinary proceedings which may result in dismissal. The University's antibribery and fraud prevention policy can be found at [Anti-Bribery and Fraud Prevention Policy](#).

10.2.2 The guiding principles to be followed by all members of staff must be as follows:

- 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, 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.

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

10.2.4 Impartiality is to be maintained at all times. Where an individual is involved in procurement activity and they have personal interests which may affect, or be seen to affect, their impartiality or judgement in respect of their duties, then the interests must be declared. Any declaration of interest received will be considered and where necessary, the person involved will be removed from the process.

10.2.5 Where corporate hospitality and/ or gifts are offered by suppliers to University staff this should be declared using the University Secretary's Office [Gift and Hospitality Register Form](#). A Details of Receipt form is to be completed by all staff who have been offered gifts or hospitality with an estimated value of £100 or more (please see above link).

10.2.6 Gifts should be declined unless it can be justified as to why it should be accepted. Please note, however, that it is at the discretion of the following whether the offered gift or hospitality can be accepted by the staff member:

- For gifts and hospitality offered by suppliers – Director of Procurement;
- For all other gifts and hospitality – relevant Primary Financial Plan Owner.

Financial Control

11 Accounting Arrangements

11.1 Financial year

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

11.2 Basis of accounting

The consolidated Financial Statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. Accounting policies are agreed by Finance Committee.

11.3 Format of the Financial Statements

The Financial Statements are prepared in accordance with the *Statement of Recommended Practice Accounting for Further and Higher Education* (SORP), subject to any specific requirements of the OfS.

11.4 Capitalisation and depreciation

11.4.1 Details of the University's approach to capitalisation of tangible and intangible assets are recorded in the [Asset Capitalisation Policy](#), which is maintained and implemented by the CFO.

11.4.2 The CFO shall update and maintain a fixed assets register in accordance with the above policy.

11.4.3 The Asset Capitalisation Policy provides greater detail on the agreed useful life of various forms of asset, and the treatment of grants or donations received with the intention of funding of a capital asset.

11.5 Accounting records

11.5.1 The CFO shall prepare, document and maintain detailed financial procedures and systems incorporating the principles of separation of duties and internal control.

11.5.2 The CFO shall require in relation to any member of staff who carries out a financial function, that the form in which the records are kept and the manner in which that member of staff discharges their duties shall be to the CFO's satisfaction. No changes to the form of accounting records or procedures shall be permitted without the prior approval of the CFO.

11.5.3 Members of the CFO's staff will have a right of access at all times to all University records, information and assets and are entitled to require from any member of staff of the University such information and explanations as they consider necessary for the proper performance of their duties.

11.5.4 Approval by electronic means is permitted where part of a standard or bespoke IT application or specifically permitted by financial procedures.

11.5.5 The CFO shall keep accounting records which are sufficient to show and explain the University's transactions and are such as to disclose with reasonable accuracy, at any time, the financial position of the University at that time and to enable the CFO to ensure that any accounts comply with the requirements to prepare accounts.

11.5.6 The accounting records shall in particular contain entries from day to day of all sums of money received and expended by the University and the matters in respect of which the receipt and expenditure takes place and a record of the assets and liabilities of the University.

11.5.7 The CFO shall prepare and submit an annual report to Council for approval, including the annual Financial Statements of the University, as soon as possible after the end of the University's financial year on 31st July.

11.6 Retention of records

11.6.1 The CFO is responsible for the retention of financial documents in accordance with the University's retention of records policy. The [Records Management Policy](#) and Strategy

can be viewed on the University's web pages. Retained records should be kept in a form that is acceptable to the relevant authorities.

11.6.2 The University is required by law to retain prime documents for six years. These include:

- official purchase orders;
- paid invoices;
- invoices issued;
- bank statements;
- receipts;
- payroll records, including expense claims.

11.6.3 The CFO will make appropriate arrangements for the retention of electronic records.

11.6.4 Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations such as grant awarding bodies. Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder.

11.7 Public access

The University makes its Financial Statements publicly available [on its website](#).

11.8 Taxation

The CFO is responsible for providing advice as required on all taxation issues, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies to the University. Therefore, the CFO, working with the Director of Human Resources & Organisational Development (HR&OD), will establish procedures for compliance with statutory requirements including those concerning VAT, PAYE, national insurance, corporation tax, import duty and any other relevant taxes. The procedures will include provision for maintaining the University's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

11.9 Further detail

For queries relating to payroll taxation, please contact the Human Resources & Organisational Development department.

For all other queries please contact the Taxation Manager in the [Finance Service](#).

12 Audit Requirements

12.1 General

12.1.1 External auditors and University assurance staff, including external providers, shall have authority to:

- access University premises at reasonable times;

- access all assets, records, documents and correspondence relating to any financial and other transactions of the University;
- require and receive such explanations as are necessary concerning any matter under examination;
- require any employee of the University to account for cash, stores or any other University property under their control;
- access records belonging to third parties, such as contractors, when required.

12.1.2 The CFO is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

12.1.3 Following consideration by the Executive Committee, the Financial Statements should be reviewed by the Audit and the Finance Committees. On the recommendation of these committees, they will be submitted to the Council for approval.

12.2 External audit

12.2.1 The appointment of external auditors is subject to performance, will take place annually and is the responsibility of the Council. The Council will be advised by the Audit Committee. Annual appointment will take place notwithstanding the existence of a contract for audit services of a period longer than one year.

12.2.2 The primary role of external audit is to report on the University's Financial Statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the OfS's Audit Code of Practice and the Financial Reporting Council's statements of International Standards on Auditing applicable in the UK.

12.2.3 Non-audit services may be provided by the external auditor but are subject to approval by the Audit and Risk Committee. Further detail can be found in the University's [Policy on the Use of Auditors for Non-Audit Work](#). Any intended engagements for such services must provide an estimated cost and be approved in advance by the Chair of Audit Committee prior to being accepted. All such engagements will be reported by the external auditor to the Audit Committee.

12.3 University Assurance

12.3.1 The Director of University Assurance is appointed by the Council and reports to the University Secretary (and Registrar). The Chair of the Audit Committee heads the appointing panel.

12.3.2 The University's Memorandum of Assurance and Accountability with OfS requires that it has an effective University assurance function whose duties and responsibilities must be in accordance with advice set out in the OfS Audit Code of Practice. The main responsibility of University Assurance Service is to provide the Council, the Vice-Chancellor and senior management with assurances on the adequacy of the internal control system and in particular:

- the extent of compliance with relevant established policies, plans and procedures;
- the adequacy and application of financial and other related management controls;

- the extent to which the University's assets and interests are accounted for and safeguarded from loss.

12.3.3 The University Assurance Service remains independent in its planning and operation but has direct access to the Council, Vice-Chancellor and Chair of the Audit Committee. The formal responsibilities of University Assurance are detailed at within the University Assurance Service Terms of Reference. The Director of University Assurance will also comply with the Institute of Internal Auditors' International Professional Practices Framework.

12.4 Fraud and corruption

12.4.1 It is the duty of all members of staff, management and the Council to notify the Director of University Assurance immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

12.4.2 The Director of University Assurance shall immediately invoke the response plan detailed in the [Anti-Bribery and Fraud Prevention Policy](#), which aims to prevent further loss, establish and secure evidence and recover losses.

12.4.3 The CFO shall ensure training is provided to all relevant staff involved in financial transactions on the importance of being aware of potential fraud and the action to be taken on becoming aware of potential fraud.

12.5 Value for money

12.5.1 It is a requirement of the Memorandum of Assurance and Accountability with the OfS that the Council of the University is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the OfS, the National Audit Office, the Public Accounts Committee or other relevant bodies.

12.5.2 To fulfil this responsibility, the Director of University Assurance will develop and revise each year a plan for value for money work that will provide evidence of compliance with the OfS requirements. It will be used to enable the Audit Committee to refer to value for money in its annual report.

12.6 Other auditors

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

12.7 Further detail

For specific queries relating to the content in this section, please contact University Assurance.

Treasury Management

13.1 Treasury policy

13.1.1 The Finance Committee is responsible for approving a Treasury Policy statement setting out a strategy and policies for cash management, investments and borrowings. This will require compliance with OfS rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the Memorandum of Assurance

and Accountability. The committee has a responsibility to ensure implementation, monitoring and review of such policies.

13.1.2 All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the CFO who will prepare procedures including an appropriate reporting system. All borrowing shall be undertaken in the name of the University and shall conform to any relevant OfS requirements.

13.1.3 The CFO will report to the Executive Committee on the activities of the treasury operation and on the exercise of treasury powers delegated to them.

13.2 Appointment of bankers and other professional advisers

The Council is responsible for the appointment of the University's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Finance Committee. The appointment shall be subject to regular review, the results of which will be reported to the Finance Committee.

13.3 Banking arrangements

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

13.3.2 The CFO may authorise the opening or closing of bank accounts for dealing with the University's funds. This authority may be delegated to nominated members of the Finance Service in accordance with the Treasury Policy. All bank accounts shall be in the name of the University or one of its subsidiary companies.

13.3.3 Cheques are used by exception, and electronic payment methods are now default; where this presents insurmountable difficulty, please make contact with the Finance Service treasury services team. All cheques drawn on behalf of the University must be signed in the form approved by the Finance Committee; details of authorised persons and limits are maintained by the Finance Service.

13.3.4 All automated transfers on behalf of the University, such as BACS or CHAPS, Direct Debits and Standing Orders must be authorised in the appropriate manner according to the detailed financial procedure. Details of authorised persons and limits shall be included in the detailed procedures.

13.3.5 The CFO is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

13.4 Further detail

For further context (including links to related policy and process) please see the [Treasury Management Policy](#) and Handbook on Financial Responsibility.

Income

14.1 General

14.1.1 The CFO is responsible for ensuring that appropriate procedures are in operation to enable the University to receive all income to which it is entitled. All receipt forms, invoices

or other official documents in use and electronic collection systems must have the prior approval of the CFO.

14.1.2 Levels of charges for all University services provided, including contract research, services rendered, goods supplied and rents and lettings will be reviewed regularly and no less frequently than annually.

14.1.3 The Pricing and Financial Awards Committee regularly reviews matters associated with the setting of unregulated tuition fees, the provision of financial aid⁷ to students, and the determination of residential accommodation charges, determining minor changes in pricing and making recommendations to UEC and FC where appropriate. The FC retains responsibility for approving the University's Pricing Policy in relation to all fees and charges to students.⁸

14.1.4 The CFO is responsible for the prompt collection, security and banking of all income received.

14.1.5 The CFO is responsible for ensuring that all grants notified by the funding body and other bodies are received and appropriately recorded in the University's accounts.

14.1.6 The CFO is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

14.2 Optimisation of income

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

14.3 Receipt of cash, cheques and other negotiable instruments

14.3.1 All monies received within Departments or Colleges from whatever source must be recorded by the Department or College on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments. Receipts must be given where money is delivered in person or where specifically requested, using official receipt stationery.

14.3.2 All monies received must be banked or paid to the cashier promptly, and in accordance with a timetable prescribed by the CFO and maintained by the Finance Service. The custody and transit of all monies received must comply with the requirements of the University's cover provider. (Please contact the [Insurance](#) team in the Finance Service for further details.)

14.3.3 All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous expenses or be paid into the petty cash float. Personal or other cheques must not be cashed out of money received on behalf of the University.

14.3.4 Durham University is aiming to minimise the use of cash where possible. The University will not accept cash of over £5,000 for a single transaction relating to the provision of goods or services to comply with Money Laundering legislation. If cash of over

⁷ Financial aid is defined as tuition fee discounts, scholarships, bursaries and studentship grants whether awarded by Durham University or not.

⁸ Pricing and Financial Awards Committee Terms of Reference, currently a draft.

£2,000 is to be accepted, this must be logged and monitored by completion of a "Receipt in Cash" form as described in the [Anti-Money Laundering Policy](#).

14.4 Receipts by debit or credit card and internet receipts

The CFO is responsible for ensuring the University monitors its PCI DSS compliance, which is disclosed to the bank's merchant services unit. The University is also subject to continuous risk assessment and annual review by the external service provider. Where the facilities provided by the CFO are used by colleagues outside of the Finance Service, it is the relevant Financial Plan Holder's responsibility to ensure all bank terms of use are complied with, although the CFO may monitor and check these facilities from time to time as required.

14.5 Collection of debts

14.5.1 The CFO is responsible for ensuring that appropriate procedures are in operation so that:

- new commercial customers are checked for creditworthiness, wherever possible, before being accepted as a customer;
- debtors invoices are raised promptly on official invoice stationery, and specify that payments should be made payable to 'Durham University' or its appropriate subsidiary company; payment by cheque is not encouraged, but when applicable cheques must to be addressed to the Finance Department and be crossed 'a/c payee only';
- invoices are issued only from Oracle or other invoice generation systems approved by the CFO;
- invoices are prepared accurately, recorded in the ledger, show the correct amount due and are credited to the appropriate income account;
- any credits granted are valid, properly authorised and completely recorded;
- VAT is correctly charged where appropriate, and accounted for;
- monies received are posted to the correct debtor's account promptly;
- swift and effective action is taken in collecting overdue debts, in accordance with protocols maintained by Finance & Procurement Services;
- outstanding debts are monitored and reports prepared for management.

14.5.2 Only the CFO can implement non-standard credit arrangements outside those approved by Finance Committee. Any subsequent changes to standard credit terms must be submitted to Finance Committee for approval.

14.5.3 Requests to write off or write down debts must be approved in accordance with the University's Scheme of Delegation for Financial Responsibility. All debts written off / down must be reported to the Finance Committee.

14.6 Student fees (tuition and residence)

14.6.1 The procedures for collecting tuition and residence fees must be approved by the CFO who is responsible for ensuring that all student fees due to the University are received.

14.6.2 Any student who has not paid an account for tuition fees owing to the University shall be prevented from returning the next academic term and from re-registering at the University in subsequent academic years and from using any of the University's facilities unless appropriate arrangements for repayment have been made. Students who have completed their course with outstanding debts shall not receive the certificate for any degree, diploma or other qualification awarded by the University until all outstanding debts have been cleared. Regulations relating to settlement of fees are set out in section IXB of the University's [General Regulations](#).

14.6.3 Details of charges and processes related to late / non-payment by students can be found in the [Student Debt Policy](#).

14.7 Emergency / hardship grants and loans⁹

14.7.1 The University's scheme for emergency/ hardship grants and loans must be approved by the Executive Committee. This will include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made other than in accordance with the approved scheme.

14.7.2 The CFO is responsible for ensuring the adequacy of the systems in place for:

- paying loans and grants that have been approved;
- recovering loans that have been paid.

14.7.3 Details of charges and processes related to late / non-payment by students can be found in the [Student Debt Policy](#).

14.8 Further detail

For further context (including discussion of research grant income, and links to related policy and process) please see the Handbook on Financial Responsibility.

Subsidiary Operations

15.1 General

15.1.1 In certain circumstances the University may establish a company, joint venture or other appropriate legal entity to undertake services on behalf of the University. Any member of staff considering the use of such an entity should first seek the advice of the University Secretary (and Legal Services) and the CFO, who should have due regard to guidance issued by the OfS and the University's legal obligations and or constraints.

15.1.2 Council has delegated responsibility for approving the establishment of all companies or other legal entities, and the procedure to be followed in order to do so, to Finance Committee.¹⁰ This will have regard to any guidance provided by the OfS.

⁹ The content of this section is still under review.

¹⁰ See FC Terms of Reference, <https://durhamuniversity.sharepoint.com/teams/USO/Governance%20Forums%20Library/Committees/TOR-FC.pdf?cid=9b028c5d-332b-45ac-9781-35004a2e7a75>.

15.1.3 It is the responsibility of the Council to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the University.

15.1.4 The directors of companies where the University is the majority shareholder must prepare an annual report to be received by Council / Governance and Nominations Committee.¹¹

15.1.5 Where the University is the majority shareholder in a company, that company's financial year shall be consistent with that of the University.

15.2 Further detail

For further context (including links to related policy and process) please see the Handbook on Financial Responsibility.

Overseas Operations

16.1 General

16.1.1 Approval of the University Secretary is required for overseas activity that involves any of the following:

- Setting up a permanent establishment overseas (a permanent establishment can include any office or building run by, or on behalf of, the University and from which University business is conducted);
- The creation of a company, partnership, trust, or other legal entity in an overseas jurisdiction;
- The employment of any staff in an overseas territory.

16.1.2 Approval of the CFO is required for overseas activity that requires the opening of a bank account in an overseas territory.

16.1.3 Such approval will only be granted after full consideration of the risks and benefits of the proposed activity. Proposals for overseas activity will be expected to present a full business case, including an analysis of the likely risks and how these will be addressed, for approval by UEC.

16.2 Further detail

Further detail on the University's policy and procedure relating to overseas working can be found in the [International Remote Workers Policy](#).

Intellectual Property (IP) Rights

17.1 General

17.1.1 In accordance with the University's [Intellectual Property Policy](#) (administered by Research & Innovation Services), intellectual property (IP) created by a University employee in the normal course of their normal or specifically assigned duties will belong to the University unless agreed otherwise with the University.

¹¹ Recipient committee is to be confirmed by the University Secretary.

17.1.2 The Intellectual Property Policy outlines the rights of the University, University employees, undergraduate and postgraduate students and visiting researchers, and confirms the process that members of staff should use to ensure that the CFO and RIS Commercialisation and Economic Development team are notified of any device, materials, product or process, computer software or other result developed or obtained in the course of employment which it is considered might have commercial significance, whether patentable or not.

17.1.3 The above policy applies to IP created through or utilised in any University activity whether research, consultancy, academic, professional or other, and includes any IP created using University resources or University staff.

17.1.4 Where there is possibility for the commercial exploitation of IP belonging to the University, University employees should contact the RIS Commercialisation and Economic Development team in the first instance.

Expenditure

18.1 General

The CFO is responsible for making payments to suppliers of goods and services to the University.

18.2. Scheme of Delegation for Financial Responsibility

18.2.1 The Financial Plan Owner (or delegate) is responsible for purchases within their department. Purchasing authority may be delegated to named individuals within their relevant financial operating plan at the levels permitted in the Scheme of Delegation for Financial Responsibility (which forms part of the Handbook on Financial Responsibility, and is the formal partner to this document). In exercising this delegated authority, budget holders are required to observe the University's purchasing policies and financial procedures.

18.2.2 Under procedures agreed by the CFO, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits within any electronic requisitioning system.

18.2.3 The CFO must be notified immediately of any changes to the authorities to commit expenditure.

18.2.4 Financial Plan Owners are not authorised to commit the University to expenditure that exceed that within their financial operating plan.

18.2.5 Transactions with a value higher than the delegated limit of the Financial Plan Owner must be approved in accordance with the hierarchy set out in the Scheme of Delegation for Financial Responsibility.

18.3 Leasing

The leasing of property must be approved by Finance Committee (or Council if total cost will be over £5M). Associated lease agreements must be approved by Legal Services and signed in accordance with the University Secretary (and Registrar)'s [List of Authorised Signatories for Legal Documents](#).

18.4 Remuneration policy [content owned by HR&OD]

18.4.1 All University staff will be appointed to the salary scales approved by the Council and in accordance with appropriate conditions of service. All letters of appointment must be issued by the HR office.

18.4.2 The Council will determine what other benefits are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available.

18.4.3 Salaries and other benefits for senior management will be determined by the Remuneration Committee.

18.5 Appointment of staff [content owned by HR&OD]

18.5.1 Any recruitment of staff will be carried out using the Recruitment module of the HR system (Oracle). Posts must only be recruited where an approved financial plan is in place and must be approved by the relevant Financial Plan Holder in Oracle. The filling of any post to be occupied by a Primary Financial Plan Owner must be authorised by the Vice-Chancellor in Oracle.

18.5.2 All contracts of service shall be concluded in accordance with the University's approved HR practices and procedures and all offers of employment with the University shall be made in writing by the Director of HR&OD. Cost centre managers shall ensure that the CFO and the Director of HR are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

18.6 Salaries and wages [content owned by HR&OD]

18.6.1 The CFO is responsible for all payments of salaries and wages to all staff including payments for overtime or other additional services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the CFO.

18.6.2 The Director of HR&OD will be responsible for keeping the CFO informed of all matters relating to personnel for payroll purposes. In particular, these include the HR policies approved for application in the University together with the following in relation to individual staff:

- appointments, resignations, dismissals, supervisions, secondments and transfers;
- absences from duty for sickness or other reason, apart from approved leave;
- changes in remuneration other than normal increments and pay awards;
- information necessary to maintain records of service for superannuation, income tax and national insurance;
- visa checks where relevant in accordance with legislative requirements.

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

18.6.4 The Director of HR&OD shall be responsible for keeping all records relating to payroll including those of a statutory nature.

18.6.5 All payments must be made in accordance with the University's detailed payroll HR procedures and comply with HM Revenue and Customs regulations.

18.7 Superannuation schemes [content owned by HR&OD]

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

18.7.2 The CFO is responsible for day-to-day superannuation matters, including:

- paying contributions to various authorised superannuation schemes;
- preparing the annual return to various superannuation schemes;
- administering the University's pension fund (DUPS);
- compliance with statutory pension regulations.

18.7.3 The Director of HR&OD is responsible for administering eligibility to pension arrangements and for informing the CFO when deductions should begin or cease for staff.

18.8 Further detail

For further detail on section 18.4 – 18.7 please consult the University's [Human Resources and Organisational Development](#) team.

For further detail on the procurement process and related material (including links to policy and process) please see the Handbook on Financial Responsibility.

Expenses

19.1 Allowances for members of the Council

Claims for members of the Council will be authorised by the University Secretary (and Registrar) in accordance with guidance approved by the Chair of Council. Claims for meeting attendance will be based on standard amounts for each individual, but only reasonable expenses will be reimbursed.

19.2 Severance and other non-recurring payments

Severance payments shall only be made in accordance with OfS guidance. Sums paid in respect of senior employees earning in excess of £100,000 per annum shall be approved by Remuneration Committee. Sums for other employees will be approved by the Vice-Chancellor and reported to the Finance Committee.

19.3 Giving hospitality

Staff entertaining guests from outside bodies should use the University's catering facilities where possible. Where this is not the case, claims for reimbursement should state clearly that they relate to hospitality and include the necessary receipts and details required by the University's [Staff Expenses Policy](#); the limits concerning acceptable expenditure for entertaining guests are set out in the Staff Expenses Policy.

19.4 Further detail

For further context relating to travel, subsistence and other allowances (including links to related policy and process) please see the Handbook on Financial Responsibility.

Assets

20.1 Personal use

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

20.2 Asset disposal

Please see the Scheme of Delegation for Financial Responsibility.

20.3 All other assets

Financial Plan Owners are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the University, whether tangible (such as stock – see above) or intangible (such as intellectual property – see section 17), including electronic data.

20.4 Further detail

For further context relating to assets (including links to related policy and process) please see the Handbook on Financial Responsibility.

Liabilities

21.1 General

Please refer to the [Treasury Management Policy](#).

21.2 Further detail

For further context relating to assets and liabilities (including links to related policy and process) please see the Handbook on Financial Responsibility.

Gifts, benefactions and donations

22.1 Gifts, benefactions and donations

The Chief Financial Officer is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the University, and initiating claims for recovery of tax where appropriate. Claims for the recovery of gift aid are managed by the Development and Alumni Relations Office (DARO); DARO maintain the central source for general administration of gifts, benefactions and donations.

22.2 Student hardship and access funds

The PVC (Education) will prescribe the format for recording the use of student hardship funds. Records of access funds will be maintained according to OfS requirements. The provision of

financial aid¹² to students is overseen by the University's Pricing and Financial Awards Committee, which makes relevant recommendations to UEC and FC as described in its Terms of Reference.

22.3 Further detail

Please see the Gift Acceptance Policy.

For specific queries about gifts, benefactions and donations, please contact the Development and Alumni Relations Office.

For specific queries about student hardship and access funds, please contact the [Scholarships, Student Funding and Student Immigration Office](#) (part of the Academic Office).

Endowment and donated Funds

23.1 Endowment and donated funds

23.1.1 The CFO (working with the Director of the Development and Alumni Relations Office) is responsible for maintaining a record of the restrictions on each endowment or donated fund and for advising the Finance Committee on the control and investment of fund balances.

23.1.2 The Finance Committee is responsible for ensuring that all the University's endowment and donated funds are operated within any relevant legislation, the specific requirements for each fund and the investment of fund balances. The CFO will provide the FC with an annual report of the use of endowment and donated funds.

23.2 Further detail

For further context (including links to related policy and process) please see the Handbook on Financial Responsibility.

For specific queries about endowments and donated funds, please contact the [Development and Alumni Relations Office](#).

Other

24.1 Insurance / Cover

24.1.1 The CFO is responsible for the University's cover arrangements, including the provision of advice on the types of cover available. As part of the overall risk management policy (see section 8), all risks will have been considered and those most effectively dealt with by cover will have been identified. This is likely to include important potential liabilities and should provide sufficient cover to meet any potential risk to all assets. This portfolio of covers will be reviewed and renewed on an annual basis.

24.1.2 The University participates in a mutual cover arrangement and the CFO is responsible for effecting this cover, managing claims and maintaining the necessary records. The CFO will keep a register of all covers effected by the University and the property and risks

¹² Financial aid is defined as tuition fee discounts, scholarships, bursaries and studentship grants whether awarded by Durham University or not.

covered. They will also deal with the University's cover providers and advisers about any specific issues.

24.1.3 Financial Plan Owners must take advice from the Head of Legal Services or their representative to ensure that any agreements negotiated within their departments with external bodies follow standard University terms and conditions such that any legal liabilities to which the University may be exposed are covered. Financial Plan Owners must give prompt notification to the CFO of any potential new risks and additional property and equipment that may require cover and of any alterations affecting existing risks and must advise the CFO immediately of any event that may give rise to a claim. The CFO will notify the University's cover providers and, if appropriate, prepare a claim in conjunction with the relevant Financial Plan Owner for transmission to the cover providers.

24.1.4 The Director of Estates & Facilities is responsible for keeping suitable records of plant which are subject to inspection by cover providers, and for ensuring that inspection is carried out in the periods prescribed. (Day-to-day upkeep of records of plant and facilitation of inspections are undertaken by the Estates and Facilities Directorate.)

24.1.5 All staff using their own vehicles on behalf of the University shall maintain appropriate insurance for business use.

24.1.6 For further support please contact the [Insurance](#) Manager in the Finance Service.

24.2 Students' Union, DSOs and JCRs

24.2.1 The Students' Union and some student common rooms are separate legal entities from the University. However, student common rooms and sporting organisations are mainly established in accordance with the Durham Student Organisations (DSO) Framework. The [DSO Framework](#) (approved by Council in July 2022) comprises three parts, relating to:

- Common Rooms
- Student Organisations
- Separate Charitable Organisations.

For more detailed information on the Students' Union please see:

<https://www.durham.ac.uk/about-us/governance/governance-documentation/durham-students-union/>.

24.2.2 Subject to any constraints imposed by the OfS, the Council shall approve the level of grant to be paid annually to the Students' Union. This grant is governed under a Service Level Agreement between the University and the Students' Union which requires the Union to provide to the University details of its proposed financial operating plan for information purposes.

24.2.3 The Union will provide quarterly statements of income and expenditure to the CFO for information purposes only.

24.2.4 At year end the Students' Union Financial Statements will be audited by an appropriately qualified firm of auditors and will be presented to the CFO for information.

24.2.5 The University's Business Assurance Service shall have access to records, assets and personnel within the Students' Union as provided by the terms of the Service Level Agreement.

24.2.6 The University's Business Assurance Service shall have access to records, assets and personnel within Common Rooms (CRs) in the same way as other areas of the University.

24.2.7 Funds granted to CRs are paid under a Financial Memorandum agreed between the University and the CR; this 'composition fee' comprises a standard element, and an element calculated using a formula where the number of registered students in the relevant college is taken into account. Funds granted to DSOs are calculated in the same way.

24.2.8 For further support please contact the [University Secretary's Office](#).

24.3 Signing contract documents and use of the University's seal

24.3.1 Documents committing the University to obligations, including all contracts and agreements, are reviewed by the Head of Legal Services or their representative prior to being presented to authorised signatories for signature. Those authorised to sign are set out in the University Secretary (and Registrar)'s List of Authorised Signatories for Legal Documents.

24.3.2 Where a deed or document requires the University's seal, it must be sealed by the Head of Legal Services (who maintains the seal) and witnessed by two members of Council or by the University Secretary (and Registrar) or, CFO and one member of Council, in accordance with Council [Standing Orders](#).

24.3.3 The University Secretary (and Registrar) is responsible for submitting a report to each meeting of the Council detailing the use of the University's seal since the last meeting.

24.3.4 For further support please contact the [University Secretary's Office](#).

Help and support

25.1 Handbook on Financial Responsibility

Please visit the Handbook on Financial Responsibility for further detail of how the content of these Regulations is applied through financial management at Durham University. This includes many links to policy and process information. **The Handbook on Financial Responsibility will be available online for 2023/24 academic year.**

25.2 Finance & Procurement Services Governance Hub

Please visit the Finance and Procurement Services [Governance Hub](#) (access to current DU staff members only), where you will find an overview of documentation relating to financial business and responsibility at Durham University.

25.3 Further support

You may also wish to explore the Finance & Procurement Services intranet site more generally, where you will find details of our respective Services and the colleagues that form our community, along with details and contacts for specific areas of responsibility / speciality.

If you cannot find support the answer to your query in any of the avenues described above, please contact your relevant [Finance Business Partner](#).

Version control / review scheme

Version	Edited by	Material changes	Reviewed by	Approved by	<i>Footers / contents updated / document republished</i>
1.0	Sarah Potter	[Described in detail in Council papers received 06.12.22.]	CFO & US 26.10.22.	Council 06.12.22.	
1.1	Sarah Potter	i. Logo and strapline added to title page ii. Addition / removal / correction of hyperlinks to reflect recent move to SharePoint comms site for intranet resource (including links to recently revised DSO Framework documents). iii. Clarification of Help and Support Section / publication timeline for Handbook.	CFO.	n/a; minor edits only.	Published in FinProc Governance Hub 30 January 2023. Published to external site 31 January 2023.