



Review and update of Policies – 2021

Outcome requested:	<p>Finance and Investment Committee are asked to approve updates to the following policies/ procedures:</p> <ul style="list-style-type: none"> • Standards of Business Conduct • Fraud and Corruption Policy and Response Plan • Anti Bribery and Corruption Policy • Financial Regulations • Scheme of Delegation of Financial Authority
Executive Summary:	<p>The policies have all been updated to reflect the changes to PSLT leadership team and additionally the following:</p> <ol style="list-style-type: none"> 1. Fraud and Corruption Policy and Response Plan <ul style="list-style-type: none"> • The current version on the Policy Zone dated 2018, has been updated to reflect references to Chief Financial Officer from Director of Finance • Updated references in section 9.5 to OfS Reportable Events guidance and removed references to HEFCE 2. Financial Regulations <ul style="list-style-type: none"> • The current version on the Policy zone last approved by council in 2018 has been updated to reflect changes in the university personnel within SET and the Professional Services Leadership Team 3. Scheme of Delegation of Financial Authority <ul style="list-style-type: none"> • Section 4.6 in relation to financial limits to facilitate the approval of spend against large research contracts and partner payments: Director of Research and Business Development to approve spend up to £200k, in line with the Directors of Estates and ITS • Following the above uplift an increase in the limits for the JRMO Operations Manager to £50k. <p>The Anti Money Laundering and Criminal Finances Act Policy will be brought to committee in the autumn.</p>
Alignment with QM Strategy	Financial sustainability
Internal/External regulatory/statutory reference points:	<p>Internal Policies and Regulations</p> <p>External Statutory Requirements</p>

Strategic Risks:	16. Compliance
Equality Impact Assessment:	Not undertaken
Subject to prior and onward consideration by:	Finance and Investment Committee 21 June 2021 Council 8 July 2021
Confidential paper under FOIA/DPA	Not confidential
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Date:	15 June 2021
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Anti Bribery

And

Corruption Policy

QMSE Sponsor: Chief Financial Officer
Recommended by Finance and Investment Committee: 21 June 2021
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Number of Years to Next Review: 3 Years – July 2024

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1 Introduction and Policy Statement

- 1.1 Queen Mary University of London (QMUL) is committed to observing the provisions of the Bribery Act 2010 in all of its affairs, whether academic or business related, and to ensuring that all of its conduct be undertaken in an ethical and honest way, without the use of bribery or corrupt practices in order to gain an unfair advantage, both at home and overseas.
- 1.2 The Bribery Act 2010 came into force on 1 July 2011. It replaced a number of older laws and created a single code in relation to all instances of Bribery and Corruption. There are substantive bribery offences, both in the UK (sections 1, 2, 7) and overseas (section 6). The provisions of this Act also hold all institutions and businesses liable if they fail to prevent bribery being carried out on their behalf, both at home and overseas.
- 1.3 The Act applies to all staff, students and persons associated with QMUL as a result of being an employee, agent, third-party intermediary, representative, agent, supplier, business partner or subsidiary acting on behalf of QMUL, wherever located.
- 1.4 QMUL has a zero tolerance policy towards bribery and corruption and is committed to the highest level of openness, integrity and accountability, both in letter and spirit. The penalties for these offences are severe and can mean up to 10 years imprisonment for the individuals responsible. In addition, if QMUL is found to have connived in or consented to acts of corruption undertaken in its name, the penalties include personal liability for senior managers and an unlimited fine, together with significant reputational damage for QMUL and could result in other Governmental-related consequences, such as debarment from public (government) tendering.
- 1.5 Top level commitment is an essential feature of compliance of the Bribery Act and colleagues and associates with management responsibility are expected to share Council's and Senior Executive Team's commitment to observe and implement the spirit and terms of this policy. QMUL will communicate this policy and provide training to all staff.
- 1.6 Any breach of this policy will be considered a serious matter and is likely to result in disciplinary action up to, and including, dismissal.
- 1.7 In addition to the Anti Bribery and Corruption Policy, the following policies are available on the QMUL intranet:
 - Financial Regulations
 - Scheme of Delegation of Financial Authority
 - Anti Money Laundering and Criminal Finance Act
 - Standards of Business Conduct
 - Public Interest Disclosure (Whistle-blowing)
 - Fraud and Corruption Policy and Response Plan

2 What is Bribery and Corruption, and what is a bribe?

2.1 A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage which is illegal, unethical, a breach of trust or the improper performance of a contract. Corruption is the misuse of entrusted power for personal gain.

2.2 Acts of bribery or corruption are designed to influence the individual in the performance of their duty and induce them to act contrary to those duties. Inducements can take the form of gifts, fees, rewards, jobs, internships, examination grades, favours or other advantages.

2.3 It is an offence under the Bribery Act 2010 to:

- Promise or offer a bribe, or to give an advantage (“active” bribery)
- Request, agree to receive or accept a bribe, or accept an advantage (“passive” bribery)
- Bribe a foreign public official (the overseas offence)

In addition it is a corporate offence to consent to or connive in the commission of a bribery offence by anyone associated with QMUL in respect of business carried out on behalf of QMUL (the corporate offence)

Examples:

Offering a bribe

2.4 You offer a potential business partner tickets to a major entertainment event, on condition that they agree to do business with you and/or QMUL.

2.5 This would be an offence as you are making the offer to gain a commercial and contractual advantage. In addition QMUL may also be found to have committed an offence because the offer has been made to obtain business for QMUL.

Receiving a bribe

2.6 A supplier gives a member of your family a job (or a donation is given in return for a place on a particular course), but makes it obvious that in return they expect you to use your position to influence the chances of obtaining QMUL business.

2.7 This would involve two offences, one by the supplier for making such an offer, and one by you for accepting the bribe in order to gain a personal advantage. Suppliers who are found to have committed a bribery offence are automatically debarred from any future public (government) tendering.

Bribing a foreign official

- 2.8 You pay or make arrangements to pay an additional payment to a foreign official to speed up an administrative process (such as clearing goods through customs). For example, an academic colleague on a field trip pays a sum to customs officials to avoid excessive delay in the import of field equipment.
- 2.9 An agency responsible for recruiting students pays a small bribe to an education department official to be allowed access to students in a highly rated school.
- 2.10 The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for you or for QMUL.

3 Who can engage in Bribery and Corruption?

- 3.1 Bribery and corrupt behaviour can be committed by:
- An employee, officer or director
 - A person acting on behalf of the HEI (including agents, third parties and representatives, which can include students)
 - Individuals and organisations that authorise someone else to carry out these acts
- 3.2 Bribery and corruption will often involve public or government officials and this is a specific offence under the Act. It is important, again, to recognise that 'government official' is widely interpreted and could include:
- A public official, whether foreign or domestic
 - A political candidate or party official
 - A representative of a government-owned or majority controlled organisation
 - An employee of a public international organisation (e.g. World Bank)

4 Bribery and Corruption geography and penalties

- 4.1 Bribery is a criminal offence in most countries and penalties can be very severe, potentially resulting in prison sentences of up to 10 years, unlimited fines or both. There are also other consequential penalties, such as debarment from public (government) tendering.
- 4.2 The Bribery Act not only makes bribery illegal, but also holds organisations, including QMUL, liable for failing to prevent such acts by those working for it, or on its behalf, irrespective of where the act takes place. Similar legislation is in place in many other countries, including the Foreign and Corrupt Practices Act (FCPA) in the USA.
- 4.3 It is in the interest of both QMUL and the individual that everyone associated with QMUL acts with propriety at all times. Corrupt acts committed abroad may well

result in prosecution at home. Accordingly training will be provided for all staff and completion will be monitored by School/Institute Managers and Professional Services Directors.

- 4.4 Failure to comply with, or breach of, any parts of this Anti Bribery and Corruption Code of Conduct could be regarded as a disciplinary offence, up to and including Gross Misconduct. Penalties could include dismissal without notice or pay in lieu of notice in accordance with QMUL's disciplinary policy.

5 Controls and Record-Keeping

- 5.1 The management and controls around Gifts and Hospitality, donations and similar activities are central to QMUL having, and being seen to have, an effective Anti Bribery and Corruption programme. QMUL has a duty to monitor the facts that the terms of the Bribery Act are being observed by employees, workers and those associated with QMUL. QMUL is required to keep financial records and to have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 5.2 You must declare and keep a written record of all hospitality or gifts accepted or offered in accordance with the policy in Appendix D of the Standards of Business Conduct policy, available on the QMUL intranet. The electronic Gifts and Hospitality register is available for submissions on the QMUL policy zone.
- 5.3 You must ensure all expense claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with the Standards of Business Conduct and specifically record the reason for the expenditure.

6 Gifts and Hospitality

- 6.1 This Bribery Act does not prohibit all hospitality to or from third parties.
- 6.2 However, gifts, hospitality and political or charitable donations if intended to influence business decisions whether received or given may be treated as bribes.
- 6.3 Guidance on QMUL's accepted practice with regards to gifts and hospitality is set out in QMUL's financial regulations and in Appendix D of the Standards of Business Conduct document. However, when giving or receiving gifts and hospitality, you should consider whether the following requirements are met:
- The advantage is not given with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits.
 - It complies with any local law.
 - The advantage does not include cash or a cash advantage (such as

gifts certificates or vouchers).

- It is given openly, not secretly.
- Gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of QMUL's Chief Financial Officer.

6.4 It is not acceptable for you (or someone on your behalf) to:

- Give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
- Give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to 'facilitate' or expedite a routine procedure.
- Accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them.
- Accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return.
- Threaten or retaliate against a colleague or third party who has refused to commit a bribery offence or who has raised concerns under this policy.
- Engage in any activity that might lead to a breach of this policy.

7 Facilitation payments

7.1 In many countries, it is customary business practice to make payments or gifts of small value to junior government officials, customs officers, parking wardens and people in similar official roles in order to speed up or facilitate a routine action or process. However, this is not permitted under the Bribery Act and QMUL therefore prohibits the making or accepting of facilitation payments by staff, and anyone carrying out business on QMUL's behalf, as such payments are illegal.

7.2 In the event that a facilitation payment is being extorted, or if you are forced to pay under duress, or where lives are at risk you must record the payment and report it without delay to your line manager.

8 Conflicts of Interest

8.1 QMUL keeps a Record of Conflicts of Interests, which is maintained by the Chief Governance Officer and University Secretary's office, to monitor instances where conflicts of interest could occur. This must be kept up to date to ensure that potential conflicts of interest involving family members or day to day business decisions must be declared. Questions should be directed to your line manager in the first instance, and if necessary referred to the Chief Financial Officer.

Guidance is given in the Standards of Business Conduct document found on QMUL's Intranet.

9 Consequences of the Bribery Act 2010

- 9.1 This includes the need for QMUL to establish relevant procedures and for all persons associated with QMUL to be aware of the Act, and what it means for them.
- 9.2 Failure to do so brings with it the consequence of prison sentences of up to ten years and unlimited fines, together with significant reputational damage, debarment from public (government) tendering and other penalties.

10 Bribery concerns

Raising a concern

- 10.1 If you are concerned that a particular act might involve either bribery or corruption you should report this as soon as possible. This should be reported to your line manager in the first instance. If you or your line manager requires further guidance or advice, you should contact the Chief Financial Officer. Alternatively you may wish to follow the procedures set out in QMUL's Public Interest Disclosure (Whistle-blowing) policy, which can be found on the intranet.

What if you are a victim of bribery or corruption?

- 10.2 It is very important that you inform your line manager as soon as you believe that you are a victim of bribery or corruption. This can take the form of a bribe by a third party, being asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity. Any instances of bribery, attempted bribery or corruption should also be reported immediately to QMUL's Chief Financial Officer. Alternatively you may wish to follow the procedures set out in QMUL's Public Interest Disclosure (Whistle-blowing) policy, which can be found on the QMUL intranet.

Protection

- 10.3 Colleagues who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. QMUL will afford appropriate protection to anyone who raises genuine concerns in good faith under this policy.
- 10.4 QMUL is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform your line manager. QMUL's HR Department may be

contacted for advice and support. If the matter is not remedied, and you are an employee, you should raise it formally using QMUL's Grievance Procedures.

Investigation process

- 10.5 Any bribery or corruption-related investigations will be undertaken in accordance with QMUL's documented investigation procedures. The decision to involve the police will be taken by Council following advice from the Chief Financial Officer and/or the Internal/External Auditors.
- 10.6 If QMUL is the subject of an ongoing police investigation the above will not apply.

11 Responsibilities

- 11.1 You must ensure that you read, understand and comply with this policy and complete QMUL Anti Bribery training.
- 11.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for or associated with QMUL. You are required to avoid any activity that might lead to, or suggest a breach of this policy.
- 11.3 Effective risk assessment in order to evaluate and mitigate risk is an essential element of this policy. Colleagues must assess the vulnerability of their activities, particularly overseas, on an ongoing basis. This is embedded in the annual QMUL Risk Assessment Process.
- 11.4 You must notify your manager and QMUL's Chief Financial Officer as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.
- 11.5 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.

12 Appendix A - 'Red Flag' risk scenarios relevant to Higher Education Institutes

Courtesy of British Universities Finance Directors Group (BUFDG)

For the most part, 'Red Flag' risk scenarios relevant to Higher Education Institutes are largely identical to those affecting most organisations. However, there are some – typically related to overseas campuses, donations and places – that are largely reserved to the education sector.

Some scenarios – such as a donation – when considered in isolation may seem perfectly acceptable. However, when that donation coincides with the donor tendering for a contract or the donor's child applying for a place at the Higher Education Institute then, clearly, this presents a completely different scenario and risk.

Clearly, for this reason it is imperative that such issues are considered across the Higher Education Institute on a fully 'joined-up' basis.

Whilst it is accepted that the following risk scenarios are central to the activities of the Higher Education Institute, nonetheless the associated bribery and corruption risks should not be underestimated:

- Any procurement-related activity
- Supply relationships where relatively significant hospitality has become the norm, or is expected from potential/new suppliers
- Payment for travel, hospitality, gifts and entertainment – particularly overseas Invoicing issues, including agent fees, cash payments, disproportionate costs and 'dubious' expenses
- Overseas field trips involving potential 'facilitation' payments to customs officials and others, typically, in order to speed things up or to gain access
- Facilitation payments to expedite overseas building, building permissions and access to utilities
- Overseas agents and brokers, particularly where student enrolment is involved
- Overseas campuses
- Donations
- Student places
- Examination results and associated processes
- Concerns – which would clearly need to be substantiated – over lavish hospitality, unnecessary foreign travel and entertainment linked to (apparently) legitimate business travel

The above list is taken from the Anti-Bribery and Corruption HEI Code of Conduct – Template issued by the British Universities Finance Directors Group (BUFDG) in October 2011.

13 Appendix B – Useful Links

- For further details of the Bribery Act 2010:

www.legislation.gov.uk/ukpga/2010/23/contents

- For the 45 page guidance from the Ministry of Justice on Section 9 of the Bribery Act 2010: Guidance about commercial organisations preventing bribery:

www.justice.gov.uk/guidance/docs/bribery-act-2010-guidance.pdf

- For the 9 page Quick Start Guide from the Ministry of Justice:

www.justice.gov.uk/guidance/docs/bribery-act-2010-quick-start-guide.pdf

- Corruption Perception Index:

www.transparency.org/cpi

- Seven Principles identified by the Committee on Standards in Public Life (formerly known as the Nolan Committee)

<https://www.gov.uk/government/publications/the-7-principles-of-public-life>



Financial Regulations

Document Owner: Chief Financial Officer

Recommended by Finance and Investment Committee: 21 June 2021

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1. Introduction

- 1.1 This document contains the Financial Regulations as approved by the Council of Queen Mary University of London (QMUL) on the recommendation of the Finance and Investment Committee.
- 1.2 The Financial Regulations set out QMUL's broad policies relating to Financial Control.
- 1.3 The purpose of the Financial Regulations is to ensure that the use of finances and resources comply with the requirements of internal control and with any legal or financial obligations as laid down by the Ordinances, HM Revenue and Customs, the Office for Students (OfS) and other authorities.
- 1.4 The Executive is responsible for the implementation of the Financial Regulations and advising the Finance and Investment Committee of any additions or changes necessary. The Audit and Risk Committee are responsible for ensuring that appropriate systems and processes are in place for effective implementation and continued adherence to the Financial Regulations. The Finance and Investment Committee and Audit and Risk Committee recommends the Financial Regulations to Council for approval.
- 1.5 The President and Principal is responsible for determining how QMUL's Financial Regulations are to be interpreted and when they can be waived.
- 1.6 The regulations and procedures shall be subject to full review at the termination of periods of no longer than three years, or such other shorter period as Council shall decide.

General Provision

2. Background

- 2.1 QMUL was established by Act of Parliament and by the granting of a Royal Charter in 1989, following the merger of Queen Mary College (incorporated by charter in 1934) and Westfield College (incorporated in 1933).
- 2.2 The Charter has been revised on a number of occasions:
 - 2008 - following QMUL's successful application to the Privy Council for Degree Awarding Powers
 - July 2010 - following a governance review and resultant revocation of the Statutes
 - April 2013 – the organisation's name changed from Queen Mary and Westfield College, University of London to Queen Mary University of London
- 2.3 Its structure of governance is laid down in the instruments of its incorporation, namely the Charter as interpreted by the Ordinances of QMUL.
- 2.4 The Charter establishes QMUL's Council as the governing body, responsible for the management and administration of the university.
- 2.5 The Charter can only be amended by the Privy Council.

- 2.6 The Ordinances are the procedural rules which set out, in detail, how QMUL should conduct its business.
- 2.7 The Council of QMUL is empowered to make amendments to the Ordinances.

3. Legislation

- 3.1 QMUL is an exempt charity by virtue of the Charities Act 2011 (which replaced the Charities Act 2006).
- 3.2 OfS is the principal regulator of higher education institutions that are exempt charities. All principal regulators have a duty to promote compliance with charity law by the exempt charities for which they are responsible. This will require regular monitoring, including liaison with the Charity Commission on any complex issues.
- 3.3 Under the Universities of London Act 1994, as a member of the University of London, QMUL operates within the Federal statutory framework of the University of London's Statutes, Ordinances and Regulations which were revised in 2017, following a review of the University of London. (See Appendix B for link to website).

4. Conditions of Registration with the Funding Body: Office for Students (OfS)

- 4.1 The Conditions of Registration between the Office for Students (OfS) and QMUL sets out the terms and conditions on which funding grants are made.
- 4.2 QMUL's Council is responsible for ensuring the conditions of the grant are met.
- 4.3 As part of this process QMUL must adhere to OfS's Conditions of Registration Condition E2 which requires it to have adequate and effective management and governance arrangements. The Funding Body may withhold payment of the funding grant where this cannot be shown to be the case. The Financial Regulations of QMUL form part of the overall system of governance.

5. Status of the Financial Regulations

- 5.1 The Financial Regulations apply to all activities of QMUL; all staff and all departments and University subsidiaries.
- 5.2 The Financial Regulations are subordinate to QMUL's Charter and to any restrictions imposed by the OfS Conditions of Registration.
- 5.3 The purpose of these Financial Regulations is to provide control over the totality of QMUL's resources and to provide management with assurances that the resources are being properly applied with the aim of achieving the goals of QMUL's Strategic Plan.
- 5.4 Compliance with the Financial Regulations is compulsory for all staff connected with QMUL and applies to all university income and business; all

departments and university subsidiary companies.

- 5.5 Failure to comply with the Financial Regulations will result in disciplinary action under QMUL's disciplinary procedures. Any such breaches will be notified to Council through QMUL's Audit and Risk Committee.
- 5.6 Heads of Schools/Institutes and Directors of Professional Service departments are responsible for ensuring that their staff are made aware of the existence and content of QMUL's Financial Regulations.

Corporate Governance

6. The Council

- 6.1 The Council is the governing body of QMUL and is responsible for the strategic oversight of the institution and in determining its educational character and mission. It sits at the pinnacle of QMUL's corporate governance framework. Council's specific responsibility includes approval of its financial strategy and the securing of its assets. The Council comprises a majority of external members whose principal role is to bring independent expertise to QMUL from a range of sectors and professional spheres and to hold, collectively, the Executive to account. It meets at least five times per year.
- 6.2 The Council has ultimate responsibility for the management and administration of QMUL, including:
 - To ensure the solvency of QMUL
 - To safeguard the assets of QMUL
 - To ensure the effective and efficient use of resources
 - To ensure that funds provided by OfS are used in accordance with the Conditions of Registration between OfS and QMUL
 - To ensure that funds provided by other funders are used in accordance with the terms and conditions specified in the conditions of the grant
 - To ensure that financial control systems are in place and working effectively
 - To approve QMUL's Strategic and other plans
 - To approve QMUL's budget and annual financial statements
 - To appoint QMUL's internal and external auditors
- 6.3 The Council has ultimate responsibility for QMUL's financial management and administration. In order to undertake its duties effectively Council delegates decision-making in designated areas of QMUL activities to a suite of sub-Committees.

7. Committee Structure

- 7.1 There are two committees of Council that have financial responsibility. These are the Audit and Risk Committee and the Finance and Investment Committee. The membership and Terms of reference for these committees are reviewed regularly and copies of them are available from the Council Secretariat and published online.

8. Staff with Responsibility for Finance

The President and Principal

- 8.1 The President and Principal, as chief executive officer, is the head of QMUL. He/she has a general responsibility to the Council for the organisation, direction and management of QMUL. The President and Principal is the designated officer of QMUL and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.
- 8.2 As chief executive, the President and Principal exercises considerable influence upon the development of QMUL strategy, the identification and planning of new developments and the shaping of QMUL ethos. The President and Principal is assisted in this by the Senior Executive Team (SET).

Senior Executive Team (SET)

- 8.3 Senior Executive Team (SET) comprises the President and Principal; the Vice Principals; Chief Financial Officer; Chief Governance Officer and the Chief Operating Officer. SET, in conjunction with other senior QMUL Officers, makes day-to-day business decisions and also ensures that strategic issues are directed to the relevant committee for detailed scrutiny. It meets weekly and is responsible for:
- Planning, co-ordinating and managing teaching, research and support services
 - Scanning the external environment and analysing its impact on Queen Mary
 - Considering and planning for the future
 - Reviewing the monthly management accounts
- 8.4 SET members, individually and collectively, advise the President and Principal on the management of day-to-day QMUL business as well as its long-term future. Typical meetings review ongoing developments as well as considering specific topics arising from external stakeholders such as OfS and the Department for Education. SET also receives, for initial consideration, substantive agenda items for Council and its committees.

Vice Principals

- 8.5 The Vice Principals and Executive Deans for Humanities and Social Sciences, Science and Engineering and Health coordinate financial, staffing and resource planning in the Schools/Institutes within their sectors of QMUL.
- 8.6 The Vice Principals for Education; Research and Innovation; International; Policy and Strategic Partnerships; and People Culture and Inclusion are responsible for the strategic development of their respective cross cutting initiatives.

Heads of Academic Schools/Institutes

- 8.7 Heads of Schools in the Faculties are responsible to the President and Principal through their Vice Principal for the maintenance and promotion of standards, efficiency and good order in their School. Heads of Institutes are responsible to the President and Principal through the Vice Principal and Executive Dean (Health).

8.8 Their financial responsibilities include:

- Ensuring that their staff are made aware of the existence and content of QMUL's Financial Regulations
- Preparation of School/Institute academic, financial, personnel and accommodation plans in conjunction with the relevant Vice-Principal
- Ensuring that the resources which are controlled by the School/Institute are used effectively and efficiently and are managed in accordance with QMUL's Financial Regulations
- Establishing and maintaining clear lines of responsibility within their Schools/Institutes for all financial matters, including Budgeting
- Ensuring that all expenditure from QMUL accounts is incurred within the course of approved QMUL business and is authorised in accordance with the scheme of delegation
- Ensuring commitments are not made unless an approved budget exists for the value of the expenditure and no financial commitment is made for a period greater than one year without prior approval from the Chief Financial Officer

8.9 The Chief Financial Officer will supervise and approve the financial systems and procedures in use within their Schools/Institutes, including the form in which accounts and financial records are kept.

8.10 The Chief Financial Officer will provide advice in the execution of their financial duties.

The Treasurer

8.11 The Treasurer is an external member of Council, is Chair of the Finance and Investment Committee and is responsible to Council for maintaining an overview of QMUL's financial policies and resources.

Chief Operating Officer and Chief Governance Officer and University Secretary

8.12 These positions report directly to the President and Principal.

Chief Financial Officer

8.13 The Chief Financial Officer reports directly to the President and Principal and is responsible for QMUL's Finance Department including:

- Financial Transaction Processing: invoicing, accounts payable services, cash and accounting transactions
- Financial Protocols and Procedural Advice to the Heads of Schools/Institutes and to the Directors of Professional Services
- Purchasing Policy, Procedures and Regulations
- Management and Financial Accounts
- Annual Budgeting and Forecasting
- Procurement

8.14 The Chief Financial Officer is business owner of QMUL Financial Systems.

Head of Internal Audit

8.15 The Head of Internal Audit reports to the Audit and Risk Committee, and is

responsible for Internal Audit Plan and Strategy. The Chief Governance Officer and University Secretary is the primary liaison in QMUL for internal audit matters and coordinates arrangements between the outsourced internal audit function and QMUL staff.

- 8.16 The internal audit function is independent in its planning and operation and has the right of direct access to Council, the Chair of the Audit and Risk Committee and the President and Principal.
- 8.17 The prime responsibility is to provide Council, the President and Principal and the Senior Executive Team (SET) with assurances on the adequacy of the Risk Management Policy and the Internal Control Systems.
- 8.18 Annual internal audit plans are based on an analysis of risks to which QMUL is exposed.
- 8.19 At least annually the Head of Internal Audit provides the Audit and Risk Committee with a report on internal audit activity within QMUL, including his/her independent opinion on the adequacy and effectiveness of QMUL's internal financial controls.

Directors of Professional Services

Directors of Professional Services are responsible to the President and Principal for the maintenance and promotion of standards, efficiency and good order in their Departments. The Chief Financial Officer; Chief Operating Officer and Chief Governance Officer and University Secretary report directly to the President and Principal, and between them line manager all other Directors of Professional Services.

8.20 Their financial responsibilities include:

- Ensuring that their staff are made aware of the existence and content of QMUL's Financial Regulations
- Preparation of Department, financial, personnel and accommodation plans
- Ensuring that the resources which are controlled by the Department are used effectively and efficiently and are managed in accordance with QMUL's Financial Regulations
- Establishing and maintaining clear lines of responsibility within their Departments for all financial matters, including Budgeting
- Ensuring that all expenditure from QMUL accounts is incurred within the course of approved QMUL business and is authorised in accordance with the scheme of delegation
- Ensuring commitments are not made unless an approved budget exists for the value of the expenditure and no financial commitment is made for a period greater than one year without prior approval from the Chief Financial Officer

- 8.21 The Chief Financial Officer will supervise and approve the financial systems and procedures in use within their Departments, including the form in which accounts and financial records are kept.
- 8.22 The Chief Financial Officer will provide advice in the execution of their financial duties.

9. Code of Conduct

- 9.1 QMUL endeavours to conduct its business in accordance with the seven

principles identified by the Committee on Standards in Public Life (formerly known as the Nolan Committee). Appendix A.

- 9.2 QMUL's Standards of Business Conduct provides a guide to the standards of conduct required from all members of QMUL community, including staff, students, visitors and external contractors, and can be found on QMUL intranet.
- 9.3 QMUL's Code of Practice for Outside Work by College Staff applies to work undertaken by academic members of staff of QMUL on behalf of outside persons or organisations resulting from their role or position within QMUL, and can be found on QMUL intranet.
- 9.4 Members of Council, Committees and of the Senior Executive Team (SET) are required to disclose interests in QMUL's Register of Interests, and ensure that entries in the register relating to them are kept up to date regularly and promptly. The Register of Interests of members of the Council and or members of the senior executive is accessible on the Council and Governance web pages.
- 9.5 No person shall be a signatory to a QMUL contract where he or she has an interest in the activities of the other party. Contracts should be signed in accordance with the financial authority as determined by the Scheme of Delegation of Financial Authority.

10. Whistle Blowing Policy (Public Interest Disclosure Act 2013)

- 10.1 QMUL has a duty to conduct its affairs in a responsible and transparent way.
- 10.2 Members of staff are often the first to know when things are going wrong in the university, whether these concern financial malpractice, the abrogation of appropriate and agreed procedures, or departures from the statutory or other requirements for good governance.
- 10.3 The Public Interest Disclosure (Whistle-blowing) Policy offers guidance on the handling of allegations relating to the running of QMUL or the activities of colleagues within the institution, and can be found on QMUL intranet.
- 10.4 The policy is based on the Public Interest Disclosure Act 2013.

11. Safeguarding against Theft, Fraud and Irregularity

- 11.1 QMUL's Financial Regulations and Financial Procedures are designed to reduce the possibility of illegal acts occurring.
- 11.2 The Fraud and Corruption Policy details QMUL's policy and response towards detected or suspected acts of fraud; theft or corruption whether relating to employees, council members, computer misuse, contractors or external bodies.
- 11.3 Staff should report any suspicion to the Chief Financial Officer in the first instance, unless the Chief Financial Officer is suspected, in which case it

should be reported to the Chief Operating Officer. Losses that fall within the OfS definition of a reportable event should be reported to OfS.

- 11.4 The Bribery Act 2010 came into force on 1 July 2011, and applies to all individuals working at all levels and grades for QMUL, including consultants, agency staff, volunteers, interns, agents, sponsors, or any other person associated with QMUL wherever situated, and applies to both home and overseas. QMUL has a zero tolerance policy towards bribery and corruption and is committed to the highest level of openness, integrity and accountability, both in letter and spirit.
- 11.5 It is an offence under the Money Laundering Regulations 2007 to derive a pecuniary benefit, directly or indirectly in the exchange of criminally obtained money or other assets for 'clean' money or other assets. There are specific policies on Anti Bribery and Corruption and Anti Money Laundering available on the QMUL intranet.
- 11.6 Staff will need to be aware that a breach of the provisions of these Acts renders them liable to prosecution.

12. Receiving Gifts or Hospitality

- 12.1 It is QMUL's policy not to accept gifts unless the gift is of a value of less than that set by the Finance and Investment Committee from time to time (currently £25). See Standards of Business Conduct, Appendix D available on the QMUL intranet.
- 12.2 It is QMUL's policy not to accept hospitality which is in excess of what would normally be expected to be provided by QMUL.
- 12.3 QMUL's gifts and hospitality policy applies to all Council members, staff and individuals representing QMUL in any way. Where gifts and hospitality cannot be avoided QMUL's procedures on accepting and declaring them are detailed in Standards of Business Conduct - Appendix D: Gifts and Hospitality Policy.

13. Risk Management

- 13.1 It is the responsibility of QMUL's governing body to ensure that risks are being managed effectively and QMUL is meeting the accountability obligations set out in the OfS Conditions of Registration.
- 13.2 As part of this process OfS carries out an annual assessment of Institutional Risk. QMUL aims to always be assessed as 'not at higher risk'.
- 13.3 Under the Risk Management Policy the Council is responsible, via the Audit and Risk Committee, for overseeing risk management while the Senior Executive Team (SET) implements policy.
- 13.4 The Internal Control System and the Annual Review are the processes used to oversee risk management.
- 13.5 QMUL's definition of risk is 'anything (an action, event or set of circumstances) that can adversely or beneficially affect QMUL's ability to achieve its current or future objectives'.

- 13.6 The Internal Control System is a continuing process whereby key risk indicators are identified, categorised, prioritised, monitored and reviewed on a regular basis. The objective is to manage risk efficiently, effectively and economically by assessing the impact and probability of the risk.
- 13.7 The Council receives periodic reports from the Chair of the Audit and Risk Committee concerning internal control, including the steps QMUL is taking to manage risks, and progress reports on key projects.
- 13.8 Annual internal audit plans are based on the risk analysis.
- 13.9 At least annually the Head of Internal Audit provides the Audit and Risk Committee with a report on internal audit activity within QMUL, including independent opinion on the adequacy and effectiveness of QMUL's internal financial control.
- 13.10 The Council is responsible for ensuring, via the Audit and Risk Committee, that there is an Annual Review of the effectiveness of the Internal Control System. The Annual Review is informed by the work of the internal and external auditors and the Annual Report to OfS.

Financial Management and Control

14. Financial Planning

QMUL Strategy

- 14.1 The Council will periodically approve and update an overarching Strategy for QMUL.
- 14.2 The Statement of Mission, Vision and Values is the core and foundation of the Strategic Plan, and underpins all QMUL's activities.
- 14.3 The Strategic Planning Directorate is responsible for the strategic planning process.
- 14.4 The Strategic Planning Directorate is responsible for proposing and monitoring key performance indicators to measure performance against the Strategic Plan.
- 14.5 The Director of Planning reports to the Chief Financial Officer.

Financial Forecasts

- 14.6 The Chief Financial Officer is responsible for preparing annually a rolling five-year financial forecast and plan for approval by Council on the recommendation of SET and Finance and Investment Committee, and for their submission to OfS as part of the Conditions of Registration.
- 14.7 The rolling five-year forecast provides the basis on which the Finance and Investment Committee recommends Council approve the next year's Annual Revenue Budget and Capital Programme.
- 14.8 The rolling five-year forecast is prepared in support of the University's Strategic

Plan.

- 14.9 The Financial Management Section of the Finance Department is responsible for the forecasting process.

Budget Preparation

- 14.10 The Chief Financial Officer is responsible for preparing each year an annual revenue budget and capital programme for consideration by SET and the Finance and Investment Committee before submission to Council. The budget should include cash flow forecasts for the year and a projected year- end balance sheet. The Chief Financial Officer must ensure that detailed budgets are prepared in order to support the resource allocation process and these are communicated to the Heads of Schools/Institutes as soon as possible following their approval by the Council.
- 14.11 During the year, the Chief Financial Officer is responsible for submitting revised forecasts to the Queen Mary Senior Executive and the Finance and Investment Committee before submission to the Council for approval.
- 14.12 The Financial Management Section of the Finance Department is responsible for the Annual Budget process.

Capital Programme

- 14.13 The Chief Operating Officer is responsible for the Capital Programme process as administered through the Project Board, Project Working Groups, Estates Strategy Board and IT Strategy Board.
- 14.14 Capital expenditure and associated costs on land, buildings and equipment can only be approved as part of QMUL's Capital Programme agreed by Council.
- 14.15 The Chief Financial Officer is responsible for preparing regular statements concerning all capital expenditure to the Finance and Investment Committee.
- 14.16 Proposals for inclusion of projects within QMUL's Capital Programme are brought forward as part of QMUL's Annual Planning Process. Projects may arise from QMUL wide developments, QMUL's long-term maintenance plan, unforeseen emergencies, Departmental/School/Institutional initiatives, Research funding received or as a result of receiving OfS funds.
- 14.17 Following approval of projects in line with the Scheme of Delegation of Financial Authority, project initiation and progression is subject to approval by the Project Board and monitoring by either the Estates Strategy Board or the IT Strategy Board.
- 14.18 For externally funded projects the Project Board should ensure that expenditure on capital expenditure is made in accordance with the terms of the funding. The President and Principal is responsible for the notification of large variations to the funding body, as laid down in OfS guidelines.
- 14.19 The proposed projects will be prioritised in accordance with QMUL's priorities for capital investment as agreed by Council and in light of available resources as agreed by the Finance and Investment Committee.

- 14.20 Following completion of a capital project, a post-project evaluation or final report is submitted to the Project Board recording actual expenditure against budget and reconciling funding arrangements where a variance has occurred. Post-project evaluations may also need to be sent to the relevant funding body.
- 14.21 A copy of QMUL Capital Expenditure Policy can be found on the QMUL intranet.

Overseas Activity

- 14.22 International activity, will be developed within QMUL's normal planning and control framework, and set in the context of clear objectives expressed within its Strategic Plan.

15. Financial Control

Budgetary Control

- 15.1 The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that the day- to-day monitoring is undertaken effectively. Budget holders are responsible to their Head of School/Institute or Director of Professional Services department for the income and expenditure appropriate to their budget.
- 15.2 Variances from agreed budgetary targets outside of a tolerance of 5% of a School/Institutes agreed budget must be reported immediately to the Chief Financial Officer, with an action plan for reversal of adverse variances.
- 15.3 The control of income and expenditure within the agreed Annual Revenue Budget is the responsibility of the designated budget holder, assisted by management information and monthly management reports provided by the Financial Management Section of the Finance Department.

Financial Information

- 15.4 The budget holders are assisted in their duties by management information provided by the Financial Management Section of the Finance Department.

Increases to approved budgets

- 15.5 Increases to approved budgets will be considered by the Finance and Investment Committee, which will make recommendations to the Council.

Virements (transfers between budgets)

- 15.6 The original approved budget cannot be amended. Virements can only be made against the revised budget.
- 15.7 Where a budget holder is responsible for more than one budget, Virements are permitted between these budgets with the approval of the Head of School/Institute or Director of Professional Services.
- 15.8 Virements between budgets held by different budget holders is permitted with

the approval of the transferring budget holder and the Chief Financial Officer.

Transparent Approach to Costing (TRAC)

- 15.9 TRAC is an activity based costing methodology used in the Higher Education sector as a form of accountability to the funding councils and to inform the funding councils in their funding submissions to the Treasury.
- 15.10 It was developed by the Joint Costing and Pricing Steering Group (JCPSG), a representative group bringing together Universities, Colleges and funding bodies.
- 15.11 It draws on survey data of how higher education academic staff divide their time among various aspects of Research, Teaching and Other Activities.
- 15.12 Survey data must be gathered every three years.
- 15.13 The annual TRAC Return is subject to review by the Chief Financial Officer, TRAC Advisory Group and SET. The Audit and Risk Committee approves the process for completion of the TRAC return in accordance with TRAC guidance. The Finance and Investment Committee reviews the TRAC results.

16. Accounting Arrangements

Accounting Policies

- 16.1 The Financial Statements are prepared for the financial year ended 31st July in accordance with both the Statement of Recommended Practice on Accounting for Further and Higher Education (SORP), and applicable Accounting Standards.
- 16.2 The Financial Statements consolidate the financial statements of QMUL and its subsidiary and associated undertakings. The Chief Financial Officer is responsible for the QMUL Group Structure. Changes in the Group Structure must be approved by the Chief Financial Officer.
- 16.3 The Consolidated Financial Statements do not include those of QMSU as it is an independent institution with separate control.

Financial Statements – Annual Financial Accounts

- 16.4 The Financial Accounting Section of the Finance Department is responsible for the production of the Financial Statements.
- 16.5 The Chief Financial Officer is responsible for drawing up a timetable for final accounts purposes in conjunction with the External Auditors.
- 16.6 The Financial Statements are first presented to the Finance and Investment Committee, and then reviewed by the Audit and Risk Committee prior to submission to Council for approval.

Monthly Financial Management Accounts

- 16.7 The Financial Management Section of the Finance Department is responsible

for the production of the Monthly Financial Management Accounts.

- 16.8 The Chief Financial Officer presents a report of financial performance to the Finance and Investment Committee at least quarterly.

Retention of Accounting Records and Financial Statements

- 16.9 QMUL's Accounting Records are held on the Agresso Financial System, in line with TECH 01/11: Guidance for Directors on Accounting Records under the Companies Act 2006 issued in 2011 by the Institute of Chartered Accountants in England and Wales. TECH 01/11 is a summary of the obligation to keep accounting records under Section 386 of the Companies Act 2006.

- 16.10 The Chief Financial Officer is responsible for ensuring the retention of financial records and financial statements.

- 16.11 It is a legal HMRC requirement for QMUL to retain business records for six years. Records and Accounts may be kept on computer.

- 16.12 The Companies Acts and the Limitation Act 1980 set out the arrangements for the retention of documents and records. In light of those parameters, the following retention periods are specified by QMUL:

- Six years for Contracts, Investment Instructions, Share Certificates, Insurance Policies, Claims and Reports, Intellectual Property Management
- Twelve years for Capital Asset Register items
- Under the Construction (Design and Management) Regulations 2007 management of the legal aspects of property ownership and occupancy should be kept for the life of the building, to include:
- Title Deeds, Leases, Mortgage Deeds, Planning Applications, Building Plans and Drawings

- 16.13 The Income and Corporation Taxes Act 2010 requires Corporation Tax Returns to be retained for a minimum of two years. From 1st April 2011 these must now be submitted and retained electronically.

- 16.14 Council papers are retained for ten years by the Council Secretariat and are transferred to the QMUL Archives, and should be referred to for details of authorisations.

- 16.15 All retention arrangements must comply with the Freedom of Information Act 2000 and the General Data Protection Regulation (GDPR).

- 16.16 QMUL's Records Retention Schedule can be found on the QMUL intranet.

Public Access

- 16.17 QMUL's financial statements may be found on QMUL website.

- 16.18 Under the terms of the Freedom of Information Act 2000, any person may make a written request for financial information concerning QMUL's operations. The Act requires QMUL to respond to any such request within 20 working days, although there are a number of exemptions (including cases where the information requested is already in the public domain).

Financial Forms

- 16.19 Financial Forms relating to the Financial Procedures can be found on the Finance Department intranet.

Taxation

- 16.20 The Chief Financial Officer is responsible for advising Schools/Institutes and Directors of Professional Services, in the light of guidance issued by the appropriate bodies and relevant legislation, on all taxation issues as it applies, to QMUL.
- 16.21 The Chief Financial Officer is responsible for compliance with VAT, Corporation Tax and Import Duty legislation, and for communications with the relevant authorities and for providing advice to Heads of Schools/Institutes and Directors of Professional Services departments. The Director of Human Resources is responsible for compliance with PAYE, National Insurance and employment taxes.
- 16.22 The Chief Financial Officer is responsible for maintaining QMUL's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.
- 16.23 Day to day advice on VAT and Corporation Tax is provided by the Tax Manager supplemented by the Head of Financial Accounting.
- 16.24 Day to day advice on Income Tax and National Insurance is provided by the Head of Payroll and Pensions within the Human Resources Directorate.

17. Audit Requirements

General

- 17.1 The Council has responsibility for ensuring that there is an effective system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which the Council is responsible, in accordance with the responsibilities assigned to the Council in the Charter and Conditions of Registration with OfS.
- 17.2 External auditors and internal auditors shall have authority to:
- Access QMUL premises at reasonable times
 - Access all assets, records, documents and correspondence relating to any financial and other transactions of QMUL
 - Require and receive such explanations as are necessary concerning any matter under examination
 - Require any employee of the Institute to account for cash, stores or any other QMUL property under his or her control
- 17.3 The Chief Financial Officer is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.
- 17.4 The financial statements should be reviewed by the Audit and Risk Committee and, on the recommendation of the Audit and Risk Committee; they will be submitted to the Council for approval.

External Audit

- 17.5 The appointment of the External Auditors takes place annually, and is the responsibility of Council, on the recommendation of the Audit and Risk Committee.
- 17.6 The primary role of external audit is to report on QMUL'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 Audit Code of Practice and the Auditing Practices Board's statements of auditing standards.
- 17.7 The External Auditors report to the Audit and Risk Committee.

Internal Audit

- 17.8 The appointment of the Internal Auditors takes place annually, and is the responsibility of Council, on the recommendation of the Audit and Risk Committee. The Chief Governance Officer and University Secretary is the primary liaison in QMUL for internal audit matters and coordinates arrangements between the outsourced internal audit function and university staff.
- 17.9 The Head of Internal Audit reports to the Audit and Risk Committee and is responsible for Internal Audit Plan and Strategy.
- 17.10 OfS's Conditions of Registration require QMUL to have effective management and governance arrangements.
- 17.11 The internal audit function is independent in its operation and has the right of direct access to Council, the Chair of the Audit and Risk Committee and the President and Principal.
- 17.12 The prime responsibility is to provide Council, the President and Principal and the Senior Executive Team (SET) with assurances on the adequacy and effectiveness of risk management, control and governance, and value for money.
- 17.13 Annual internal audit plans are based on an analysis of risks to which QMUL is exposed.
- 17.14 At least annually the Head of Internal Audit provides the Audit and Risk Committee with a report on internal audit activity within QMUL, including his/her independent opinion on the adequacy and effectiveness of QMUL's internal financial controls.

Other Auditors

- 17.15 QMUL may, from time to time, be subject to audit or investigation by external bodies such as the OfS, European Court of Auditors, HM Revenue and Customs and other relevant bodies. They have the same rights of access as external and internal auditors.

18. Scheme of Delegation of Financial Authority

- 18.1 A Scheme of Delegation of Financial Authority has been drawn up by the Chief Financial Officer to support QMUL's Financial Regulations and is available on the QMUL intranet.
- 18.2 The Scheme of Delegation of Financial Authority identifies who is responsible for a particular area of QMUL's financial management as well as the accountability arrangements, including the use of computerised authorisations.
- 18.3 In exercising this delegated authority, budget holders are required to observe QMUL's financial, procurement and tendering procedures.
- 18.4 The monetary values in the Scheme of Delegation of Financial Authority are reviewed by the Finance and Investment Committee every three years and any changes recommended to Council.

19. Treasury Management

- 19.1 The Finance and Investment Committee determines the Treasury Management Policy.
- 19.2 The Financial Accounting Section of the Finance Department administers the policy on behalf of the Finance and Investment Committee.
- 19.3 Council is responsible for the appointment of QMUL's Bankers and other professional financial advisers (such as investment managers) on the recommendation of the Finance and Investment Committee.
- 19.4 All Bank Accounts shall be in the name of QMUL or one of its associated or subsidiary companies. Only the Chief Financial Officer shall open or close a Bank Account.
- 19.5 The Chief Financial Officer is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.
- 19.6 All borrowings shall be in the name of QMUL and shall follow the OfS Good Practice Guide – Borrowing in the Higher Education Sector, and to CIPFA's statement of best practice on Treasury Management.
- 19.7 The Chief Financial Officer is exclusively responsible for QMUL's Banking Arrangements, including opening and closing Bank Accounts, and making recommendations regarding the structure of the Bank Mandate.
- 19.8 Amendments to the structure of the Bank Mandate require approval of the Finance and Investment Committee, as witnessed by a signed copy of the minutes.
- 19.9 The Statement of Ethical Investment Policy is available on the intranet.

20. Income

20.1 The Chief Financial Officer is responsible for:

- Ensuring that appropriate procedures are in place to enable QMUL to receive all the income to which it is reasonably entitled
- Prompt collection, security and banking of all income received
- Ensuring that all grants notified by the OfS and other bodies are received and appropriately recorded in QMUL's accounts
- Ensuring that all claims for funds, including tuition fees, research grants and contracts, are made in a timely manner
- Approving all receipt forms and other official documents in use and electronic collection systems

20.2 The Income and Credit Control Section of the Finance Department is responsible for the day to day management and processing of Income.

20.3 All monies received must be paid to the Cashier promptly, and in accordance with the financial procedures. The custody and transit of all monies received must comply with the requirements of QMUL's insurers.

20.4 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 a petty cash float. Personal or other cheques must not be cashed out of money received on behalf of QMUL.

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

Student Fees

20.6 The procedures for collecting tuition and residence fees must be approved by the Chief Financial Officer.

20.7 Detailed information regarding the amount, collection and for dealing with outstanding Tuition Fees can be found on QMUL website.

20.8 The Finance and Investment Committee has delegated to SET the authority to approve QMUL's policy for dealing with student related debt.

Funding Body Grants

20.9 Funding Body Grants are categorised into the following:

- Recurrent Grant
- Specific Grants

Research Grants and Contracts

20.10 Income is recognised when QMUL is entitled to it and any performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the

balance sheet and released to income as the conditions are met.

Investment Income

20.11 Investment income is credited to the consolidated statement of comprehensive income and expenditure on a receivable basis as restricted or unrestricted income according to the terms of the donation or endowment.

20.12 Deposit Interest Receivable is accounted for on an accruals basis.

Other Operating Income

20.13 Other Operating Income includes:

- Income received from Residences, Catering and Conferences
- Income from Health Authorities
- Other services rendered

21. Research Grants and Contracts

21.1 Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective.

21.2 The term Research Grant is restricted to research projects funded by UK Research Councils, Charities and Government Organisations.

21.3 All other externally financed research projects, with the exception of donations/bequests, are classified as Research Contracts.

21.4 Many grant-awarding bodies and contracting organisations stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. Failure to respond to these conditions often means that QMUL will suffer a significant financial penalty. It is the responsibility of the named supervisor or grant holder to ensure that conditions of funding are met. Any loss to QMUL resulting from a failure to meet conditions of funding is the responsibility of the budget holder.

Research Ethics

21.5 Ethical approval of research is a requirement of funding from a number of bodies.

21.6 The Queen Mary Ethics of Research Committee deals with the ethical review of research. Where QMUL is in receipt of funding but the research involves NHS patients, or their data, or human tissue, ethical review is undertaken by an external NHS REC and not by QMUL.

21.7 QMUL has a Research Integrity policy consistent with the UUK Research Integrity Concordat.

Research Funding

21.8 The Joint Research Management Office (JRMO) is responsible for all aspects

of research funding.

- 21.9 Details of pre-award and post-award services and support including governance and ethics can be found on the JRMO website.
- 21.10 The Service Level Descriptions (SLDs) covering all of the JRMO activities are available on the Intranet.

22. Intellectual Property Rights

- 22.1 Certain activities undertaken within QMUL including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property. Any contract regarding commercial exploitation of intellectual property rights will be negotiated by QMUL as part of the contractual process.
- 22.2 QMUL's Intellectual Property Protection document can be found on the intranet.
- 22.3 Queen Mary Innovation Limited is committed to building stronger relationships with business and the wider community to help facilitate the transfer of innovative ideas efficiently to the commercial marketplace.

23. Expenditure

- 23.1 The Chief Financial Officer is responsible for making payments to suppliers of goods and services to QMUL.
- 23.2 The Procurement department is responsible for developing the procurement (purchasing) policy and procedures to determine how non pay expenditure will be managed to:
- Protect the commercial interests of QMUL
 - Provide contracts that give best value for money
 - Ensure compliance with all relevant legislation
- 23.3 The Deputy Director of Procurement reports to the Chief Financial Officer.
- 23.4 Heads of Schools/Institutes and Directors of Professional Services are responsible for ensuring that their area's expenditure does not exceed the budget or funds available.
- 23.5 Heads of Schools/Institutes and Directors of Professional Services are responsible for ensuring that all expenditure from QMUL accounts is incurred within the course of approved QMUL business and is authorised in accordance with the scheme of delegation.
- 23.6 Heads of Schools/Institutes and Directors of Professional Services are responsible for ensuring that they and their staff adhere to the Procurement Policy and Procedures when purchasing goods, services and works.
- 23.7 Full details of procedures for the procurement of non pay expenditure, including for temporary staff, are on the Procurement department's intranet. Also see Scheme of Delegation of Financial Authority for details

of monetary values and limits.

- 23.8 The Agresso Training Manual details procedures for raising and authorising requisitions, receipting goods and authorising purchase invoices.
- 23.9 Expenditure beyond certain thresholds from research grants funded by Institutions of the European Union, UK Research Councils and UK Government Departments may be required to be advertised for tender in the European Union (EU) marketplace as a condition of the grant. Clarification with regard to which sources of funding require EU tendering may be sought from the Head of Research Resources. Different thresholds apply depending on whether the procurement is for services, supplies or works. The Procurement department can advise on the threshold currently in operation and will coordinate any such procurement process. If in doubt, the Procurement department should be consulted.

Salaries, Wages and Other Staff Payments

- 23.10 The Human Resources Department is responsible for Salaries and Wages payments to Staff.
- 23.11 The university's policy regarding Other Staff Payments of Expenses is detailed in the Travel and Expenses Policy issued by the Chief Financial Officer.
- 23.12 All claims must be authorised by the appropriate budget holder whose authorisation indicates that the expenses have been correctly and necessarily incurred on behalf of QMUL and form part of an approved budget. The claimant must not authorise his/her own expenses.
- 23.13 The Human Resources Department is responsible for the payment of PAYE and National Insurance to HM Revenue and Customs (HMRC).

24. Assets and Liabilities

- 24.1 Assets owned or leased by QMUL shall not be subject to personal use without proper authorisation.

Stocks

- 24.2 Heads of Schools/Institutes and Directors of Professional Services are responsible for the custody and control of stocks and stores within their area, including regular inspection and stock checks. Stocks and stores of a hazardous nature should be subject to appropriate security checks.
- 24.3 All Stores Accounting and Stock Check Procedures must be approved by the Chief Financial Officer.
- 24.4 Stocks are stated on the Balance Sheet at the lower of cost and net realisable value.
- 24.5 Any Stock Provisions or requests to write off stocks must be submitted in writing to the Financial Accounting Section of the Finance Department, and may require Finance and Investment Committee approval.

Current Asset Investments

Current Asset Investments are held at the lower of cost and net realisable value.

Debtors

- 24.6 The Chief Financial Officer is responsible for implementing the Debtor Policy detailed in the Income and Credit Control Procedures, and the Student Debtor Policy set by SET. SET have delegated authority from the Finance and Investment Committee to deal with all matters relating to student related debt.
- 24.7 The Income and Credit Control Section of the Finance Department is responsible for the day to day management of Debtors, including:
- Raising Debtor Invoices promptly
 - Processing Cash received
 - Taking swift and effective action to collect overdue accounts
 - Monitoring outstanding debts and preparing progress reports for the Finance and Investment Committee
- 24.8 Requests to write off debts must be submitted in writing to the Income and Credit Control Section of the Finance Department, and may require approval from SET. See Scheme of Delegation of Financial Authority for details of monetary values and limits.
- 24.9 The Income and Credit Control Section of the Finance Department is responsible for the maintenance and reconciliation of all receipts bank accounts.

Cash and Petty Cash

- 24.10 The Income and Credit Control Section of the Finance Department is responsible for the control of Cash and Petty Cash. Also see Scheme of Delegation of Financial Authority for details of monetary values and limits.
- 24.11 Wherever possible, cash must be paid to QMUL's Cashier, and custody of cash holdings must comply with the requirements of QMUL's insurers.
- 24.12 No deductions may be made from any cash collected on behalf of QMUL prior to paying to the Cashier.
- 24.13 Personal or other cheques must not be cashed out of money received on behalf of QMUL.
- 24.14 Single items less than £50 can be purchased from Petty Cash and must be supported by receipts or vouchers. Petty Cash must not be used for items which can be bought using QMUL's Purchasing Card.
- 24.15 The Chief Financial Officer shall make available to Heads of Schools/Institutes and Directors of Professional Services such Petty Cash Floats as are necessary for the disbursement of petty cash expenses.
- 24.16 Heads of Schools/Institutes and Directors of Professional Services are responsible for the safe keeping of the Petty Cash Float.

24.17 Requests for reimbursement, supported by receipts or vouchers, must be sent to QMUL's Cashier using the appropriate form.

24.18 At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float, and countersigned by the Head of School/Institute or Director of Professional Services.

Creditors

24.19 The Accounts Payable Section of the Finance Department is responsible for the day to day management of Creditors, including:

- Scanning, processing and filing Supplier Invoices promptly
- Processing payments according to the contract payment terms
- Processing overseas payment requests
- Taking swift and effective action to receive credit notes
- Monitoring aged creditors and preparing progress reports for the Finance and Investment Committee

24.20 The Late Payment of Debts (Interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. In view of the penalties in this Act, QMUL requires that invoices must be paid in accordance with agreed credit terms.

Loans to Third Parties

24.21 The Finance and Investment Committee must authorise any loans to Third Parties, including to Subsidiary Companies, QMSU and any loan schemes to QMUL staff.

24.22 The Financial Accounting Section of the Finance Department is responsible for the management of the loans, including the calculation and recovery of interest and capital, and the preparation of reports for the Finance and Investment Committee.

Loans from Third Parties

24.23 The Finance and Investment Committee must authorise any loans from Third Parties, including to Subsidiary Companies.

24.24 QMUL should ensure compliance with the OfS regulatory framework when increasing financial commitments.

24.25 Additionally the Chief Financial Officer has authorisation to approve new finance leases up to an overall facility of £10m, provided these do not breach existing covenants.

24.26 All other borrowing facilities or commitments require written Council approval.

24.27 The Financial Accounting section of the Finance Department is responsible for monitoring and reporting covenant compliance calculations.

Capital Expenditure Authorities and Responsibilities

- 24.28 Capital Expenditure is defined as any expenditure over a value specified by the Finance and Investment Committee on an item which has a life of more than one year, and has a use in the teaching of students, research, the care of patients or for administrative purposes.
- 24.29 A copy of the Capital Expenditure Policy can be found on QMUL intranet.
- 24.30 The Scheme of Delegation of Financial Authority specifies monetary values and limits regarding acquisitions and disposals of assets.
- 24.31 Expenditure which enhances the value of an asset beyond what was originally intended, replaces part or all of an existing asset or relates to a major inspection or overhaul of an asset is classified as Capital Expenditure.
- 24.32 Repairs and maintenance expenditure designed to maintain the standard or performance of an asset is classed as Revenue and not Capital Expenditure.
- 24.33 Council must authorise the purchase or lease or rent of land, buildings or fixed equipment, with reference to OfS requirements, on recommendation by Finance and Investment Committee.
- 24.34 The disposal of any assets funded by OFS must be approved by Council, on recommendation by Finance and Investment Committee, and OfS consent must be obtained if exchequer funds were used to acquire the assets.
- 24.35 The Finance Department is responsible for maintaining QMUL's Fixed Asset Register.
- 24.36 Heads of Schools/Institutes and Directors of Professional Services must supply the Finance Department with details of their fixed plant and machinery and what has been added, removed or is redundant.
- 24.37 Heads of Schools/Institutes and Directors of Professional Services are also responsible for maintaining inventories in their area:
- Inventory items are equipment, furniture and stores
 - The Inventory must include items donated or held in trust
 - Inventories must be checked at least annually

Land and Buildings

- 24.38 The cost of land, buildings, development costs and the capital element of expenditure incurred in respect of estate improvement is capitalised.
- 24.39 No provision for depreciation is made against the value of land.
- 24.40 Assets in the course of construction are stated at cost and are not depreciated. They are transferred to and treated as completed buildings when ready for use. Any impairment of value is provided for accordingly.
- 24.41 Where buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are taken to income where no performance criteria exist.

Equipment

24.42 Equipment costing less than an amount specified by the Finance and Investment Committee per individual item or group of related items is written off in the year of acquisition.

24.43 The cost of all other equipment is capitalised.

Leases

24.44 Fixed Assets held under Finance Leases and the related lease obligations are accounted for in accordance with FRS102 and the HE SORP.

24.45 Rental costs under Operating Leases are charged to expenditure in equal annual amounts over the period of the lease.

Fixed Asset Investments and Endowment Asset Investments

24.46 Fixed Asset Investments and Endowment Asset Investments are held in the Balance Sheet at Fair Value.

25. Funds Held on Trust

25.1 The Chief Financial Officer is responsible for maintaining a record of the requirements for each Trust Fund and for advising the Finance and Investment Committee on the control and investment of Fund balances.

25.2 The Finance and Investment Committee is responsible for ensuring that all of QMUL's Trust Funds are operated within any relevant legislation and the specific requirements of each Trust.

25.3 Details of Trust Funds can be found on QMUL's website.

26. Other

Insurances

26.1 The Chief Financial Officer is responsible for effecting insurance cover and for managing the insurance administration and claims process.

26.2 The Audit and Risk Committee reviews the adequacy of QMUL's insurance arrangements with regard to risk management and value for money.

Queen Mary Student Union (QMSU)

26.4 The Charities Act 2006 required all Student Unions to register with the Charity Commission. QMSU successfully completed registration as a charity in July 2011.

26.5 Charity Commission approval required SET to demonstrate that the Student's Union is a well managed, transparent and accountable organisation, and that its activities are of benefit to the student body.

26.6 QMSU is a Charitable Company Limited by guarantee.

- 26.7 QMSU Services Ltd is a wholly owned subsidiary trading company of the Student Union.
- 26.8 QMUL Financial Regulations also apply to QMSU.
- 26.9 QMSU is responsible for maintaining its own bank accounts and financial records and preparing its own Management and Annual Accounts.
- 26.10 Management Accounts will be presented to the Finance and Investment Committee as required.
- 26.11 At the end of each financial year the QMSU accounts will be audited by a firm of auditors approved by their Trustee Board. The audited accounts will be presented to the Finance and Investment Committee.
- 26.12 QMUL's internal audit function shall have access to the records, assets and personnel within QMSU to ensure accountability for the use of the Block Grant.

Use of QMUL Seal

- 26.13 The Chief Governance Officer and University Secretary is responsible for keeping secure the Common Seal of QMUL and submits a report to each Council meeting detailing the use of QMUL's seal since the last meeting.

Appendix A

Seven Principles identified by the Committee on Standards in Public Life (formerly known as the Nolan Committee)

1. 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 material benefits for themselves, their family, or their friends.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. Leadership

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

Appendix B

Useful links

QMUL Policy Zone:

<http://www.arcs.qmul.ac.uk/policy/index.html>

Statutes and Ordinances of the University of London:

<https://london.ac.uk/about-us/how-university-run/central-university-administration/statutes-ordinances-and-regulations>

OfS Conditions of Registration:

<https://www.officeforstudents.org.uk/advice-and-guidance/regulation/conditions-of-registration/initial-and-general-ongoing-conditions-of-registration/>

OfS Securing student success: Regulatory Framework for Higher Education in England

https://www.officeforstudents.org.uk/media/1406/ofs2018_01.pdf

Statement of Recommended Practice: Accounting for Further and Higher Education:

<https://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2018/statement-of-recommended-practice-2019.pdf#search=he%20sorp>

TRAC:

<https://www.officeforstudents.org.uk/advice-and-guidance/partnerships-and-collaboration/financial-sustainability-strategy-group-and-trac/>

Public Interest Disclosure Act 2013:

<https://www.gov.uk/government/publications/the-public-interest-disclosure-act/the-public-interest-disclosure-act>

Auditing Practices Board: Statements of Auditing Standards:

<https://www.frc.org.uk/auditors/audit-assurance/standards-and-guidance/2016-auditing-standards>

HMRC VAT Notice 700/21 Keeping Records and Accounts:

<https://www.gov.uk/government/publications/vat-notice-70021-keeping-vat-records/vat-notice-70021-keeping-vat-records>



Fraud and Corruption Policy and Response Plan

Document Owner: Chief Financial Officer
Recommended by Finance and Investment Committee: 21 June 2021
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1 Introduction

- 1.1 This document details Queen Mary University of London (QMUL) policy and response towards detected or suspected acts of fraud or corruption whether relating to employees, council members, contractors or external bodies. QMUL has Financial Regulations and Financial Procedures, available on the QMUL intranet, which are designed to reduce the possibility of illegal acts occurring.
- 1.2 In addition to the Financial Regulations and the Fraud and Corruption Policy and Response Plan, the following policies are available on the QMUL intranet:
 - Scheme of Delegation of Financial Authority
 - Anti Bribery and Corruption
 - Anti Money Laundering and Criminal Finances Act
 - Standards of Business Conduct
 - Public Interest Disclosure (Whistle-blowing)
- 1.3 QMUL is a public sector organisation and one of the basic principles governing its actions is the proper use of public and donated monies.

2 Public Service Values

- 2.1 It is a long established principle that public sector bodies, which include QMUL, must be impartial and honest in the conduct of their business, and that employees should remain beyond suspicion. The Seven Principles identified by the Committee on Standards in Public Life are included under Appendix B.
- 2.2 There are three fundamental public services values underpinning the work of QMUL namely:
 - **Accountability:** Everything done by those who work in the organisation must be able to withstand public and parliamentary scrutiny.
 - **Probity:** Absolute honesty and integrity should be applied in dealing with students, patients, assets, staff, suppliers and customers.
 - **Openness:** QMUL's activities should be sufficiently public and transparent to promote confidence between QMUL and its students, staff and the public.

3 QMUL's policy

- 3.1 In accordance with the public service values QMUL is absolutely committed to maintaining an honest, open and well-intentioned atmosphere within its working environment. It is therefore committed to the elimination of wrong doing within its sphere of operation and to the rigorous investigation and taking any action required in such cases.
- 3.2 QMUL considers that this policy covers all persons involved with or working at QMUL in whatever way whether a full time or part time member of staff, a person with an honorary appointment, an undergraduate or postgraduate student or somebody visiting QMUL for whatever reason.
- 3.3 QMUL wishes to encourage anyone having reasonable suspicions of suspected or actual fraud or malpractice to report them to their Line Manager or the Chief Financial Officer.

- 3.4 It is QMUL's policy that no employee should suffer as a result of reporting reasonably held suspicions. For the purposes of this policy "reasonably held suspicions" shall mean any suspicion other than those which are groundless and raised maliciously.

4 What is fraud?

- 4.1 Fraud is a type of theft. To commit fraud is to deprive by deceit. The two essential elements of fraud are:
- a. deception or concealment
 - b. deprivation or loss to the victim
- 4.2 Deception or concealment may be achieved in many ways, the most common of which are:
- a. unauthorised input, alteration, destruction, suppression or misappropriation of data or other records;
 - b. inappropriate transactions with suppliers (e.g. resulting from undisclosed favours received/expected);
 - c. deliberate misrepresentation of facts or manipulation of management information or company records including personal expenses.
- 4.3 Deprivation or loss may arise indirectly from the deception as well as directly, and occurs:
- a. if the person deceived is deprived of funds or assets; or
 - b. if the person deceived fails to receive funds or assets which would, but for the fraud, have been received.
- 4.4 This policy covers all fraud committed by members of QMUL in their capacity as members, and in particular:
- a. fraud against QMUL; and
 - b. fraud against third parties in their dealings with QMUL
- 4.5 This policy also covers all fraud committed against QMUL by persons other than members of QMUL.
- 4.6 Fraud is distinct from accidental error or negligence. Fraud may involve one or several people, from either within or outside of an organisation, in collusion with each other. Fraud may also include elements of corruption.

5 What is corruption?

- 5.1 The dishonest offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person.
- 5.2 Corruption involves two or more people.
- 5.3 QMUL Anti Bribery and Corruption Policy is available on the QMUL intranet.

6 Computer misuse

- 6.1 Fraud or corruption can be, and increasingly is being, carried out using computers. Deception by altering computer records or creating false records is just as much fraud as the falsification of paper documents and signatures.
- 6.2 Misuse of computers and their programs, whether fraudulent or not, is specifically covered by the Computer Misuse Act 1990. A person is guilty of an offence if they access a computer, programme or data which they are not authorised to access and/or they cause unauthorised modification to the contents of the computer such that the operation or access to the computer program is hindered. Unauthorised access with intent to commit a serious criminal offence, including fraud, is also an offence under the Act and carries a greater penalty. An offence is only committed if the person has intent and knowledge at the time of the act.
- 6.3 In many cases, falsification of computer records will be both fraud and computer misuse.

7 Confidentiality

- 7.1 Employees must not disclose any information about any suspected fraud or malpractice to anyone except their Line Manager, the Chief Financial Officer and any other person nominated by the Chief Financial Officer.
- 7.2 Employees must not make available any documentation concerning the case under review to anybody not falling within paragraph 7.1. If information must be released the express permission of the President and Principal or the Chief Financial Officer is required.
- 7.3 If the matter has been referred to the Police, documents must only be released to the Police via the Chief Financial Officer.
- 7.4 Under no circumstances should an employee communicate with the press, radio or to another third party about a suspected act of fraud or corruption or [a similar] irregularity.
- 7.5 QMUL has a policy on Whistleblowing, which offers guidance to University staff on the handling of allegations made by staff members relating to the running of QMUL or the activities of colleagues within the institution (referred to as 'whistleblowing'). The policy is based on the Public Interest Disclosure Act 1998, which sets out in detail when 'disclosures' by staff are protected by the Act. A copy of the Public Disclosure (Whistle-blowing) Policy is available on the QMUL intranet.

8 Responsibilities

- 8.1 QMUL is responsible for:
- developing and maintaining effective, visible controls to prevent fraud e.g. separation of duties, proper authorisation of expenditure
 - producing a clearly defined and publicised Fraud & Corruption Policy & Response Plan, which applies to everybody in QMUL and encourages open reporting of concerns
 - taking appropriate legal and or disciplinary action against perpetrators of fraud and taking disciplinary action against supervisors where supervisory failures have

contributed to the commission of fraud.

8.2 QMUL Managers are responsible for:

- identifying the risks to which systems and procedures are exposed
- developing and maintaining effective controls to prevent and detect fraud
- ensuring that controls are reviewed, updated and complied with.

8.3 QMUL staff are responsible for:

- acting with propriety in all QMUL activities. This includes the handling and use of any funds associated with QMUL, dealing with Contractors or Suppliers or any other aspect of QMUL business.
- ensuring that they do not receive gifts, hospitality or benefits of any kind from a third party, which might be seen to compromise their decision making or integrity or the integrity of QMUL. QMUL Standards of Business Conduct are available on the QMUL intranet – refer to Appendix D – Gifts and Hospitality Policy.
- communicating their concerns to their Line Manager or the Chief Financial Officer.
- ensuring confidentiality about the matter under review.

8.4 The Chief Financial Officer is responsible for directing and controlling fraud investigations. He/she may delegate this to Internal Audit, External Audit or some other suitable person.

9 The Fraud Response Plan

9.1 Initial discussions

9.1.1 An employee should discuss his/her suspicions as soon as possible with their Line Manager and the Chief Financial Officer in the first instance.

9.1.2 This assumes that the Line Manager/Chief Financial Officer is not the subject of any allegations. He/she must inform the Chief Financial Officer of any information or documentary evidence they hold supporting their suspicions as soon as possible. If the Line Manager is the subject of any allegations then the employee should go directly to the Chief Financial Officer.

9.1.3 If the suspicion involves another Director, a Head of Department/School/Institute or a member of Queen Mary Senior Executive then the employee must contact the Chief Financial Officer. If the allegation involves the Chief Financial Officer, then the President and Principal should be informed. A flowchart is included as Appendix A to illustrate the reporting process. In the absence of the Chief Financial Officer, arrangements for another member of staff to act as a deputy will be made.

9.2 Log of incidents

9.2.1 The Chief Financial Officer will keep a log of all reported suspicions including those dismissed as groundless. It will contain details of actions taken and conclusions reached. Details of all entries in the log will be forwarded to the President and Principal at least quarterly. The Audit and Risk Committee will review the log at least annually.

9.2.2 Significant matters will be discussed by the Audit and Risk Committee who will report such information as is necessary to retain Confidentiality to Council.

9.3 Immediate action

9.3.1 Where it would not prejudice any subsequent investigation, whether internal or external, the Chief Financial Officer must take immediate action to end any losses and remedy any control weaknesses.

9.3.2 This might involve:

- the suspension of the employee(s) at the start of the investigation;
- securing the employee(s) desk contents and office, preferably with the employee present. They may wish to be represented by a Line Manager or Union Official;
- recovering the employee(s) office and desk keys;
- ensuring that the employee(s), if suspended, leaves the premises immediately and does not have the opportunity to remove/destroy any potential evidence;
- securing accounting, policy and other records including computer files and back up relevant computer data;
- cancelling the employee(s) network and other systems access rights;
- checking all current and future payments to the employee(s) during the course of the review;
- advising work colleagues of the suspension of the individual(s) and that no contact should be made with him/her/them until further notice. All contact should be through the Chief Financial Officer.

- 9.3.3 Any QMUL assets in the possession of the employee(s) should be retrieved as soon as possible.
- 9.3.4 If it is suspected that a computer has been used or tampered with, then instructions must be given to preserve the computer and its data.

9.4 Control improvement

- 9.4.1 In committing fraud against QMUL it is likely that existing weaknesses in existing controls will have been exploited. In order to prevent recurrence, it is essential that these weaknesses are fully understood by QMUL and addressed. The following actions must be taken by the Chief Financial Officer:
- isolate the underlying control weaknesses. Each weakness should be quantified in terms of its contribution to the fraud and the risk of recurrence if not addressed;
 - agree effective solutions with the appropriate manager; and
 - document the above in a report and action plan.

9.5 Informing OfS, Audit and the Police

- 9.5.1 The Chief Financial Officer will consider the need to inform the OFS, Internal and External Audit, Police and other bodies.
- 9.5.2 The OfS Regulatory advice 16: Reportable Events sets out guidance for registered providers, including when events need to be reported and should be referred to when determining if an event is reportable.
- 9.5.3 OFS's Audit Service will not investigate a fraud or irregularity in an individual HEI, but they can be consulted for advice and will in the case of novel, unusual or complex frauds seek to ensure that similar instances do not happen in other HEIs.
- 9.5.4 The Chief Financial Officer may inform Internal and External Audit of any suspected fraud or irregularity and the actions taken to investigate the matter and to remedy any control weaknesses.
- The Chief Financial Officer may instigate an internal investigation of the matter or refer the matter directly to the Police. Properly organised investigations conducted by members of staff or auditors with a working knowledge of QMUL's processes, would be of great assistance to any subsequent police enquiry. Liaison with the Police may begin as soon as the issues involved are identified. The Chief Financial Officer will ensure that lines of communication are established with the Police.
- 9.5.5 It should be noted that the Police's priorities and decision to take up a case differ from that of QMUL, with obtaining sufficient reliable evidence to obtain a criminal prosecution being their main objective rather than recovery of any losses to QMUL.
- 9.5.6 The decision to involve the Police will include the following considerations:

- prosecution of the perpetrator(s) through criminal action. A successful prosecution can often assist recoveries via the civil court;
- potential seriousness of the malpractice involved;

- whether the malpractice is fraudulent;
- amount of available reliable evidence;
- involvement of organisations outside of QMUL
- the need to take deterrent action; and
- adverse publicity.

9.6 Involvement of a member of QMUL Staff

9.6.1 When the suspected fraud or irregularity involves an employee or employees, then the Director of Human Resources must be involved by the Chief Financial Officer at the earliest opportunity. Consideration should be given to suspension of the employee(s), with pay, at the start of the investigation. This is for the protection of the employee(s) as much as to ensure objectivity during the course of any subsequent investigation.

9.7 Disciplinary action

9.7.1 The Director of Human Resources must be involved with any case involving a member of staff. QMUL's Personnel Policies must be followed during the course of any disciplinary actions. Disciplinary action may be undertaken by QMUL whether or not any prosecution has or is due to take place.

9.8 Internal investigations

9.8.1 Any internal investigation should be carried out with great care and with due consideration of the possibility of future criminal proceedings. An internal investigation may be carried out by QMUL Staff, Internal Audit or consultants with relevant experience. Advice may be obtained from OFS, External and Internal Audit as to the selection of an appropriate person or organisation to undertake an internal investigation.

9.8.2 In order to maximise the effectiveness of fraud investigations, it is crucial that clear objectives are set at the earliest opportunity. Whilst these are driven to an extent by the Fraud and Corruption Policy and Response Plan, each fraud will require a unique response. At the highest level the objectives will be one, or any combination, of the following:

- a. to establish the facts;
- b. to prevent repetition and deter others; and
- c. the recovery of funds.

9.9 External bodies

- 9.9.1 If the suspected fraud or malpractice concerns an external body such as a supplier, partner organisation or funding body then the procedures outlined above should be followed excluding the steps of informing the Director of Human Resources.
- 9.9.2 In the case of contractors, QMUL may have a clause in the agreement between QMUL and the Contractor allowing for the examination of records supporting payments claimed on behalf of the contractor, for example - time records, expense records and so on. The Chief Financial Officer may decide whether QMUL should ask under the terms of any agreement to inspect these records.
- 9.9.3 Following the investigation, the Chief Financial Officer will determine whether or not he/she wishes to continue trading or otherwise with the external body concerned.

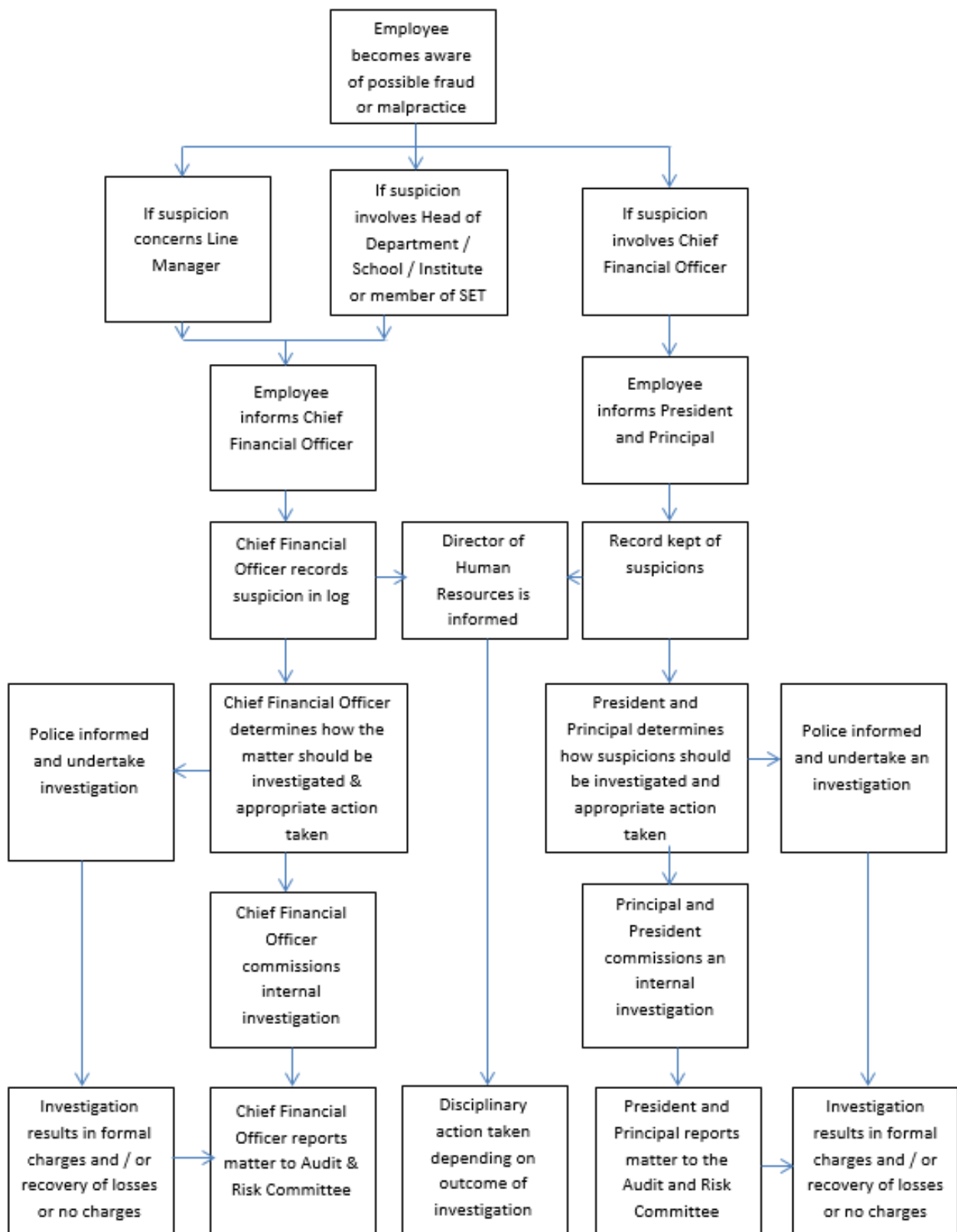
9.10 Recovery of loss

- 9.10.1 The possibility of recovering a loss must be considered as part of any investigation, including taking civil action where appropriate. Where recovering a loss is likely to require a civil action, it will be necessary to seek legal advice. QMUL procedures for taking legal advice should be followed.

9.11 Review events with Police

- 9.11.1 If the case has been handed to the Police, then the Chief Financial Officer will maintain close liaison with the police to monitor the progress of the case, to keep QMUL apprised of any issues arising and ensure that any necessary support required is available.

10 Appendix A – Procedure for reporting possible fraud or malpractice



11 Appendix B: Seven Principles identified by the Committee on Standards in Public Life (formerly known as the Nolan Committee)

1. 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 material benefits for themselves, their family, or their friends.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. Leadership

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



Standards of Business Conduct

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1 Introduction

These guidelines are intended by Queen Mary University of London (QMUL) to be helpful to all QMUL employees to explain the guiding principles relating to the conduct of business by QMUL.

2 Responsibility of QMUL

QMUL is responsible for ensuring that these guidelines are brought to the attention of all employees and that processes and procedures are put in place for ensuring that they are effectively implemented.

3 Responsibility of the Chief Governance Officer and University Secretary

The Chief Governance Officer and University Secretary is responsible for providing advice (including obtaining legal advice if necessary) and assistance to staff and Heads of Schools/Institutes in complying with QMUL's code of business conduct.

4 Responsibility of Heads of Schools/Institutes

Heads of Schools/Institutes are responsible for ensuring that staff in their Schools/Institutes comply with QMUL's code of business conduct.

Heads of Schools/Institutes are responsible to the President and Principal for matters relating to their own compliance with QMUL's code of business conduct.

5 Guiding principle in conduct of public business

It is a long established principle that public sector bodies, which include QMUL, must be impartial and honest in the conduct of their business, and that employees should remain beyond suspicion. The Seven Principles identified by the Committee on Standards in Public Life are included under Appendix F.

It is an offence under the Bribery Act 2010 for an employee to accept any inducement or reward for doing, or refraining from doing anything, in his or her official capacity, or showing favour, or disfavour, in the handling of contracts (see Appendix B). It is also an offence under Money Laundering, Terrorist Funding and Transfer of Funding Regulations 2017 to derive a pecuniary benefit, directly or indirectly in the exchange of criminally obtained money or other assets for 'clean' money or other assets. There are specific policies on Anti Bribery and Anti Money Laundering.

Staff will need to be aware that a breach of the provisions of these Acts renders them liable to prosecution.

6 Principles of conduct

Staff are expected to:

- Ensure that the interests of students and/or patients remains paramount at all times
- Ensure that research work is carried out to the highest achievable standards of integrity and accepted best research practice
- Be impartial and honest in the conduct of their official business
- Use the public funds entrusted to them to the best advantage of QMUL, always ensuring value for money

It is also the responsibility of staff to ensure that they do not:

- Abuse their official position for personal gain or to benefit their family or friends
- Seek advantage or further private business or other interests, in the course of their official duties

7 Conflicts of interest

Notwithstanding the principles of conduct which staff, students and all involved with QMUL in whatever way are expected to follow, there may be situations whereby a conflict of interest may occur.

A working definition of a conflict of interest is: 'A conflict between the private interests and the official responsibilities of a person in a position of trust'.

The definition is not restricted to those circumstances where an individual actually betrays that trust. It can be just as damaging for the conflict to appear to exist.

The term 'conflicts of interests' as used in this document includes conflicts of duty, rights, obligations, interests and similar conflicts, whether as an individual or as a representative of QMUL. Examples of situations in which this might apply are shown in Appendix E.

8 Implementing the guiding principles:

8.1 Casual gifts

Casual gifts offered by suppliers or others, e.g. at Christmas, should if possible be politely but firmly declined. Articles of low intrinsic value such as diaries or calendars need not necessarily be refused (to a level set by the Finance and Investment Committee, which is currently £25).

In cases of doubt staff should either consult their Head of School/Institute or politely decline acceptance.

If staff receive gifts of value greater than the level currently set then they should inform their Head of School/Institute and record the details in the on-line gifts and hospitality register in accordance with the procedure in Appendix D.

8.2 Business Hospitality

Modest business hospitality of external visitors, provided it is normal and reasonable in the circumstances, e.g. lunches in the course of working visits, is acceptable.

Where hospitality is received from another organisation, and exceeds that usually expected in the course of a working visit (e.g. light refreshment or working lunch), staff should declare such hospitality or entertainment. An entry should be made in the gifts and hospitality register in accordance with the procedure in Appendix D. If in doubt they should seek the advice of their Head of School/Institute.

8.3 Declaration of interests

QMUL needs to be aware of all cases where an employee, or his or her close relative or associate, has a controlling and/or significant beneficial interest in a business (including a private company, public sector organisation, other employer and/or voluntary organisation), or in any other activity or pursuit, which may compete for a contract to supply either goods or services to QMUL.

For the purpose of this policy, a significant financial interest includes the following items received or held by the employee:

- Shares, share options, warrants and other securities and interests in a company (together referred to as 'shares')
- Payments for services e.g. consulting fees, directors fees, stipends or honoraria or payments in kind (together referred to as 'consultancy fees')
- Payments in respect of intellectual property, including licence fees, royalties and revenue sharing arrangements, except those made under QMUL's Intellectual Property policies

Certain minimum thresholds apply as follows:

- Where a financial interest consists of shares, it will be treated as excluded from the definition of significant financial interest where **all** the following conditions are met:
 - The shares are held in a listed company
 - The current value of the shares does not exceed £5,000 at any time
 - It can reasonably be demonstrated that there is no relationship or connection, explicit or implicit, between the acquisition of the shares and any research to be undertaken for the company
- Where a financial interest consists of consultancy fees, it will be treated as excluded from the definition if **both** the following conditions are met:
 - The consultancy fee is less than £5,000 in any twelve month period
 - It can be reasonably demonstrated that payment of any fee is not related to or contingent on the award of the proposed relationship

between QMUL and the company (e.g. a research contract or sponsored studentship)

All QMUL staff should therefore declare any interests to QMUL, either on starting employment or on acquisition of the interest, in order that it may be known to, and in no way promoted to the detriment of QMUL, staff, patients or students. See Appendix C about how to declare an interest.

QMUL will ensure that:

- Staff are aware of their responsibility to declare relevant interests
- Registers of all such interests are maintained
- The policy, after consultation with staff, is in place. The policy includes consideration of disciplinary action to be taken if an employee fails to declare a relevant interest, or is found to have abused his or her official position or knowledge, for the purpose of self-benefit, or that of family or friends

8.4 Preferential treatment in private transactions

Individual staff must not seek or accept preferential rates or benefits in kind for private transactions carried out with companies, with which they have had, or may have, official dealings on behalf of QMUL (this does not apply to concessionary agreements negotiated with companies, or by recognised staff interests, on behalf of all staff e.g. staff benefits schemes).

8.5 Contracts

All staff who are in contact with suppliers and contractors (including external consultants), and in particular those who are authorised to approve Purchase Orders, or place contracts for goods and services, are expected to adhere to professional standards as set out in the Code of Ethics of the Chartered Institute of Purchasing and Supply (CIPS), reproduced at Appendix A.

8.6 Favouritism in awarding contracts

Fair and open competition between prospective contractors or suppliers for QMUL contracts is a requirement of the Financial Regulations and of Public Procurement for Works, Services and Supplies. This means that:

- No private or voluntary organisation or company which may bid for QMUL business should be given the advantage over its competitors, such as advance notice of QMUL requirements. This applies to all potential contractors, whether or not there is a relationship between them and QMUL, such as a long running series of previous contracts
- Each new contract should be awarded solely on merit, taking into account the requirements of QMUL and the ability of the contractors to fulfil them

QMUL will ensure that no special favour is shown to current or former employees or their close relatives or associates in awarding contracts to private or other businesses run by them or employing them in a senior or relevant managerial capacity. Contracts may be awarded to such businesses where they are won in fair competition against other tenders, but scrupulous care must be taken to ensure that

the selection process is conducted impartially, and that staff that are known to have a relevant interest have no part in the selection process.

8.7 Warning to potential contractors

QMUL will ensure that all invitations to potential contractors to tender for QMUL business include a notice warning tenderers of the consequences of engaging in any corrupt practices involving employees of public bodies.

8.8 Outside activities

Opportunities exist for academic staff to be engaged in a range of activities external to QMUL. Many of these kinds of external activities, whether paid or unpaid, have the potential to contribute to the overall health, vitality and profile of QMUL and are encouraged by QMUL.

QMUL draws a distinction between situations where an individual undertakes external activities and where a School/Institute is asked to participate in external activities.

This section of the code of business conduct applies only to the time in which the Member of Staff is acting in some way on behalf of QMUL or on activities that arise from their role or position within QMUL, whether in a full time, part time or honorary basis. Any other activities which a Member of Staff might wish to undertake are not covered by the code of business conduct.

This section of the code of business conduct does not seek to replace existing terms and conditions of service, for example the procedures governing fees for Consultant grade medical staff.

Some external activities are an extension of QMUL's academic role. Examples of this include peer review of articles and grant applications, acting as an external examiner or assessor for another University, serving on editorial boards, serving on international, national or professional committees, lecturing and broadcasting, advice to sponsors of research work.

Other external activities are more in the line of private consultancy work where a member of the academic staff is engaged on work in a personal capacity for an external organisation, typically an industrial or commercial firm, or in the case of the School of Medicine and Dentistry a private hospital or clinic, for private patients or for a medical or research charity or organisation. Examples might include; providing expert advice, acting as an expert witness, undertaking specialist studies, lecturing, report writing, non NHS clinical work, consultancies for the WHO or British Council or being a Director, Partner or shareholder in a commercial enterprise.

QMUL has long recognised external activities as being not just of personal benefit but of benefit to QMUL. However, there are measures that need to be put in place to ensure that the time and resources spent on external activities does not conflict with, or otherwise impact on the discharge of QMUL related duties to student, patients, research or administration nor conflict with, or otherwise damage, any other QMUL interests.

QMUL recognises that there is a difference between a member of staff's personal private time, and the time which is expected by QMUL to be used in the interests of students, patients, research or other QMUL activities.

Permission from the President and Principal may be given to Heads of Schools/Institutes to undertake outside activities. Heads of Schools/Institutes will similarly give approval to their staff to undertake outside activities. In both cases this is subject to the following conditions (this does not apply to occasional and limited work which may occur from time to time as described above, subject to a de minimis level of £5,000 per financial year):

- The President and Principal/Head of School/Institute being satisfied that such work will not interfere with the individual's specified QMUL duties of teaching, research and administration (and, where relevant clinical duties)
- The President and Principal/Head of School/Institute being satisfied that such work will not conflict with, or damage, QMUL interests
- Consultancies, directorships and partnerships should not normally occupy more than a set number of working days within a specified period per year as agreed with the President and Principal/Head of School/Institute
- Where the Head of School/Institute withholds permission, then the member of staff may appeal to the President and Principal

Consultancy work undertaken in conjunction with QMUL is excluded from the above as being already agreed with the President and Principal/Head of School/Institute concerned.

Academic staff undertaking outside work must:

- Confirm in writing, where appropriate, that they have personal insurance cover against professional negligence (in the case of private clinical practice, they must maintain full cover by a medical defence organisation)
- Make clear in all communications with external organisations that they are acting in a personal capacity and not as an employee of QMUL
- Make appropriate payment to QMUL for the use of QMUL resources including but not limited to: QMUL administrative services, equipment, consumables and accommodation
- Make a full declaration, if requested, to the President and Principal/Head of School/Institute of the time spent on outside work in time that would ordinarily be devoted to students, patients, research or furthering the interests of QMUL during the academic year

QMUL recognises that Members of Staff who undertake outside activities may wish to retain some or all of their fees. Request should be made within 30 days of receipt of the monies, QMUL will disburse to the individual via payroll net of appropriate tax.

Fees may however be surrendered to QMUL to support academic or research activities and if surrendered will be subject to QMUL's financial regulations and procedures.

9 Appendix A: From the Chartered Institute of Purchasing and Supply – Code of Ethics

9.1 Introduction

The code of ethics is as follows:

9.2 Code of Ethics

Ethical practice

- conduct all business relationships with respect, honesty and integrity, and avoid causing harm to others as a result of business decisions
- treat all stakeholders fairly and impartially, without discrimination or favour
- actively support and promote corporate social responsibility (CSR)
- avoid any business practices which might bring QMUL into disrepute.

Professionalism

- use procurement strategies to drive unethical practices from the supply chain
- ensure procurement decisions minimise any negative impact on human rights and the environment whilst endeavouring to maximise value and service levels
- put ethical policies and procedures in place, regularly monitored and updated, and ensure compliance
- mandate the education and training of all staff involved in sourcing, supplier selection and supplier management to professional standards
- practise due diligence in all business undertakings.

Accountability

- accept accountability and take ownership of business ethics
- foster a culture of leadership by example
- take steps to prevent, report and remedy unethical practices
- provide a safe environment for the reporting of unethical practices.

9.3 Guidance

In applying these precepts, staff should follow the guidance set out below:

- Declare any personal interest that might affect, or be seen by others to affect, a member's impartiality in any matter relevant to their duties and to any decision making
- Ensure that information given in the course of employment is accurate
- Respect the confidentiality of information received. Never use such information for personal gain
- Strive for genuine, fair and transparent competition
- Not to accept inducements or gifts, other than items of small value, such as business diaries or calendars
- Declare the offer or acceptance of hospitality and never allow hospitality to influence a business decision
- Remain impartial in all business dealings and not be influenced by those with vested interests

Code of Professional Ethics: <https://www.cips.org/employers/ethical-services/corporate-code-of-ethics/>

10 Appendix B: Bribery Act 2010 – Summary of Main Provisions

The Bribery Act 2010 came into force on 1 July 2011, and applies to all individuals working at all levels and grades for QMUL, including consultants, agency staff, volunteers, interns, agents, sponsors, or any other person associated with QMUL wherever situated, and applies to both home and overseas.

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage which is illegal, unethical, a breach of trust or the improper performance of a contract. Corruption is the misuse of entrusted power for personal gain.

Acts of bribery or corruption are designed to influence the individual in the performance of their duty and induce them to act dishonestly. Inducements can take the form of gifts, fees, rewards, jobs, internships, examination grades, favours or other advantages.

It is an offence under the Bribery Act 2010 to:

- Promise or offer a bribe, or to give an advantage
- Request, agree to receive or accept a bribe, or accept an advantage
- Bribe a foreign public official
- In addition it is a corporate offence to consent to or connive in the commission of a bribery offence by anyone associated with QMUL in respect of business carried out on behalf of QMUL.

QMUL has a zero tolerance policy towards bribery and corruption and is committed to the highest level of openness, integrity and accountability, both in letter and spirit. The penalties for these offences are severe and can mean up to 10 years imprisonment for the individuals responsible. In addition, if QMUL is found to have connived in or consented to acts of corruption undertaken in its name, the penalties include personal liability for senior managers and an unlimited fine, together with significant reputational damage for QMUL and could result in other Governmental-related consequences, such as debarment from public (government) tendering.

QMUL Anti Bribery and Corruption Policy can be found on the Policy Zone

<http://www.arcs.qmul.ac.uk/policy/index.html>

11 Appendix C: Conflicts of Interest Policy

11.1 Introduction

Any member of staff with a real or implied interest is responsible for making a declaration of the interest prior to any decision being made, which they might be in a position to influence.

11.2 Application

The conflict of interest policy applies to all QMUL funds and to all activities of QMUL.

11.3 Real or implied interest

An interest real or implied may arise in a number of ways, for example, a professional or personal interest in a supplier who is bidding for a contract.

An implied interest concerns matters, which are not clear cut, for example, where a member of staff has worked previously for a potential supplier and thus might possibly have information or to be in a position to influence unfairly a decision to award an order or contract.

QMUL staffs have a responsibility for informing their Head of School/Institute of any real or implied interest.

11.4 Declaration

The Head of School/Institute should consider the matters declared to him/her by the member of staff and determine whether the matter reported represented a real or implied interest.

If in the view of the Head of School/Institute, there is a real conflict of interest then the matter must be disclosed using QMUL's standard declaration of interest form as attached.

If the conflict affects a Head of School/Institute, then he/she should report the matter to the President and Principal who will then decide whether there is a conflict of interests.

The declaration form must be submitted to the to the Chief Governance Officer and University Secretary

The Chief Governance Officer and University Secretary will keep a register of all conflicts of interest declared.

11.5 Avoiding a conflict of interest

Members of QMUL staff who declare an interest must take appropriate action to ensure that the conflict of interest is avoided as far as possible (e.g. by resigning from a tender selection/assessment panel).

If it is not possible for a conflict of interest to be avoided (e.g. in the case of the purchase of a specialised item of equipment where the number of suppliers is limited), then the member of staff must not place him/herself in the position of sole responsibility for decision making.

11.6 Disciplinary action

QMUL's financial regulations allow for disciplinary action to be taken against QMUL Staff that knowingly fail to declare a conflict of interest.

Conflict of Interest Declaration

Please complete this form, hand to your Head of School/Institute who will pass it to the Chief Governance Officer and University Secretary

Name: _____ School/Institute: _____

Title: _____ Extension Number: _____

Matter in which there is a conflict of interest:

Signed: _____ Dated: _____

Passed to Head of Department/Division on: _____

Passed to the Chief Governance Officer and University Secretary
on: _____

Form received by the Chief Governance Officer and University Secretary
on: _____

Entered in Register on: _____

Action taken to remove conflict of interest:

Signed: _____ Dated: _____

12 Appendix D: Gifts and Hospitality Policy

12.1 Introduction

Any member of staff who is offered a gift should normally try and refuse it unless it is of a value of less than that set by the Finance and Investment Committee from time to time.

Any member of staff who is offered hospitality in excess of what would normally be expected to be provided by QMUL should normally try and refuse it.

Where gifts and hospitality cannot be avoided then the member of staff should be aware of QMUL's procedures on accepting them and declaring gifts and hospitality.

12.2 Application

The gifts and hospitality policy applies to all QMUL Council members, staff and individuals representing QMUL in any way.

12.3 Gifts

Staff should be aware that it is QMUL policy not to accept gifts wherever possible. However, minor items of a value less than the level set by the Finance and Investment Committee from time to time (currently £25) can be accepted. Gifts accepted of a value above this level should be declared to the Head of School/Institute and recorded in the gifts and hospitality register which can be found on QMUL intranet here:

<https://webapps2.is.qmul.ac.uk/gifts/edit-gift.action?id=0&type=gift>

The Head of School/Institute is responsible for ensuring that staff complete the Gifts and Hospitality register expediently. The information from the register will be passed on to the Chief Financial Officer.

12.4 Hospitality

In normal circumstances it is accepted that staff would travel to other institutions and be provided with reasonable hospitality. This might include light refreshments, a working lunch or evening meal.

When travelling, staff may be reimbursed for the cost of an evening meal on production of a receipt in accordance with QMUL travel and expenses policies.

It is not however, acceptable that QMUL staffs are put in a position to be influenced into making a decision on behalf of QMUL as a result of excessive hospitality.

In order to avoid having been seen to be influenced QMUL staff should be open about the hospitality that they receive, be it from a Supplier, another Institution, a Learned Society or another public sector body.

Openness involves the disclosure of invitations to attend functions, dinners or other events where the cost would exceed that normally expected to be provided by QMUL.

Members of staff should ensure that their Head of School/Institute is aware of their being invited to such functions. The Head of School/Institute should consider whether the invitation would represent an undue influence and should be formally recorded in QMUL's gifts and hospitality register which can be found on QMUL intranet here

<https://webapps2.is.qmul.ac.uk/gifts/edit-gift.action?id=0&type=gift>

If in the view of the Head of School/Institute, the hospitality on offer would represent an undue influence then he/she should ensure that the Registrar to QMUL is informed of the donor of the hospitality, the date and venue and who attended. This should be actioned through the completion of the Gifts and Hospitality register by the member of staff concerned. The information from the register will be passed on to the Chief Financial Officer.

12.5 Honorariums and funding of travel arrangements

Under certain circumstances the granting of honorariums and/or the sponsorship of travel arrangements by suppliers, especially pharmaceutical or research orientated companies can be seen as an inducement to influence future decision making.

QMUL procedures require that all such honorariums and sponsorships should be disclosed fully to the Head of School/Institute and recorded in the Register of Gifts and Hospitality which can be found on QMUL intranet here

<https://webapps2.is.qmul.ac.uk/gifts/edit-gift.action?id=0&type=gift>

12.6 Access to the Register

It is QMUL policy that the Register of Conflicts of Interest, and Register of Gifts and Hospitality are open for inspection by members of Council, Senior Management and staff of QMUL.

13 Appendix E: Situations where a conflict of interest might arise

13.1 Conflict of educational mission

QMUL employees who are involved in educating, training, supervising or directing the work of students (“Education”), should ensure that the education they provide is appropriate to the Student.

QMUL has a primary objective to educate and train students. Special care must be taken to ensure that the choice of a student’s research project and the direction of research is not, and does not appear to be influenced by, their supervisor’s financial interests.

Whilst the following refer to research students, many of the same points are also applicable to junior members of academic staff and research assistants.

Conflicts and their management

As a general rule QMUL should not seek to enrol a student where:

- The student receives support from (i.e. is sponsored by) a company in which the proposed academic supervisor has a significant financial interest
- Where the results arising from, or IP generated in the course of the research project are related to the research activities of a company in which the supervisor has a significant financial interest

QMUL believes that such situations are very difficult to monitor and that both the supervisor and QMUL are vulnerable to allegations that the student’s research (and advice given on other issues) was directed in a way that was not in the student’s best interests.

One approach to the management of this conflict situation is to identify an alternative member of academic staff, with no significant financial interest, to act as the student’s supervisor.

However, it is also to the student’s advantage to be supervised by the member of staff with the greatest expertise and in a very few circumstances this may require that a student is supervised by a staff member with a significant financial interest in the sponsoring organisation. In these circumstances permission should be sought from the Head of School/Institute and the interest reported to the Chief Governance Officer and University Secretary.

Increasingly students themselves start businesses whilst still at university. No member of staff, who is in a position to judge the quality of that student’s work, or to evaluate the student in any way, should take any financial stake or hold a formal position in such a student run, owned or controlled venture whilst the student is enrolled at QMUL.

13.2 Conflict of research integrity

QMUL employees should maintain the highest standards of scientific integrity in the conduct of research.

The complete, objective and timely dissemination of new findings through publications is essential for research integrity. In this context, publication means any means of dissemination of research findings, including publication in a journal, information placed on the web, conference presentations or any other kind of scientific communication.

The potential for personal gain must not jeopardise nor appear to jeopardise the integrity of research activities, including the choice of research, its design, the interpretation of results, or the reporting of such results.

Conflicts and their management

Conflicts of interest can arise in a number of situations, for example:

- The researcher has a significant interest in the company sponsoring the research, this being exacerbated if the value of the researcher's financial interest may be affected by the outcome of the research
- The researcher is an inventor of patents whose value might be affected by the outcome of the research
- The researcher holds a position in an enterprise that may wish to restrict or otherwise manage adverse research findings for commercial reasons

The preservation of research integrity must be largely dependent on self-regulation through the promotion of a climate of high ethical standards. However, where a researcher has, or appears to have a conflict of interest (because for example he/she has a significant financial interest in a research sponsor), integrity in designing, conducting and reporting the research may be insufficient to protect the researcher and QMUL from suspicion and consequent reputational damage. In such cases researchers should take special measures to put themselves beyond suspicion.

Where any member of staff has a conflict of interest they should:

- before the research project is accepted, inform their Head of School/Institute about the conflict, who may declare the interest to the Chief Governance Officer and University Secretary
- play no part whatsoever in the negotiation of the financial terms of the research contract
- at the time of submission of a publication to a journal, comply with any conflict of interest policy of the relevant journal
- make a similar form of disclosure on all other forms of publication

Conflicts of this kind should be managed or avoided in a number of ways:

- By declining the opportunity to undertake the research
- By arranging to have the work carried out by an independent investigator
- By appointing a co-investigator who has control over the design and analysis of the research and its results

In the case of clinical research, researchers should also comply with the appropriate Ethics Committee.

13.3 Conflicts of financial interests

QMUL employees have a responsibility to respect and promote the financial interests of QMUL. Staff and all associated with QMUL should:

- Receive appropriate financial benefits from the provision of research, including consultancy and other services conducted through QMUL
- Receive appropriate benefits from the commercialisation of its intellectual property
- Receive appropriate financial benefits from the use of other resources and assets, including equipment, technical staff, facilities
- Make responsible use of its financial resources in accordance with the financial regulations

Conflicts and their management

A QMUL employee's relationship with another organisation may create financial responsibilities to that organisation, which conflict with his or her financial responsibilities to QMUL.

Such potential conflicts can be managed in a number of ways, including:

- Seeking formal permission from the Head of School/Institute, which would involve describing the nature of the relationship, and if necessary, it being reported to the Chief Governance Officer and University Secretary in accordance with the Conflicts of Interest Policy (Appendix C)
- Contracts with external organisations, including their financial terms, being negotiated by the appropriate department, with the employee playing no part whatsoever in such negotiations
- Disclosing all inventions or other IP generated by an individual as part of (for example) a private consultancy
- Where QMUL employees provide consultancy services, providing them through QMUL
- Where any goods or services are to be purchased from a business in which an employee has any significant financial interest, then such interests should be declared to the Chief Financial Officer.

13.4 Conflicts of commitment/Loyalty

QMUL employees and individuals associated with QMUL owe a primary commitment to QMUL. Membership of Committees, Boards, Advisory Groups (e.g. External Appointments) infers an obligation (and sometimes a statutory duty) to act in the best interests of the external body. These duties may overlap with the duties and obligations as employees or representatives of QMUL.

Conflicts and their management

- Staff should seek HR advice before the acceptance of external appointments and the conduct of non-academic work, including limits on the amount of time committed.

- The scheduling of commitments to such external bodies should be such that they do not result in significant rescheduling of lectures, tutorials or other supervisory or management duties

In all circumstances the employee must disclose in writing and discuss any potential conflicts with their Head of School/Institute:

- Prior to the commencement of such a commitment
- When circumstances change in such a way that result in changes to that conflict (either as a result of changes to the employee's responsibilities at QMUL, changes in the relationship between the external company and QMUL, or changes in the level of commitment to the external body). This can present a significant challenge since circumstances often change gradually and with little formality. It is nevertheless important, for the staff member's own protection, that the Head of School/Institute is informed, in advance, of any changes to the relationship

14 Appendix F: Seven Principles identified by the Committee on Standards in Public Life (formerly known as the Nolan Committee)

1. 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 material benefits for themselves, their family, or their friends.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. Leadership

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

Appendix 2 of Delegation Framework



SCHEME OF DELEGATION OF FINANCIAL AUTHORITY

Document owner: Chief Financial Officer

Recommended by Finance and Investment Committee: 21 June 2021

Approved by Council: 8 July 2021

Number of Years to Next Review: 3 Years – July 2024

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Delegation of Financial Authority Regulations

1. Introduction

- 1.1 In accordance with the Financial Regulations of Queen Mary University of London (QMUL), the Council must approve all financial authority levels that commits QMUL to incur cost, whether Capital Expenditure, Revenue Expenditure or Contract Expenditure regardless of the source of funding.
- 1.2 QMUL Council approves the Budget and Capital Programme which sets expenditure limits for each area of activity and capital project. Authority to enter into financial commitments in accordance with the Budget and Capital Programme is delegated to the Executive and Officers as set out in this Scheme of Delegation of Financial Authority. In exercising this delegated authority, budget holders are required to observe QMUL's financial procedures.
- 1.3 The monetary values in the Scheme of Delegation of Financial Authority are to be reviewed by the Finance and Investment Committee every three years and any changes recommended to Council.
- 1.4 QMUL's Delegation Framework can be found on the Governance section of the Intranet. The Delegation Framework sets out the location of authority within QMUL for particular types of decision made in the institution's name and on its behalf.
- 1.5 Lines of delegation are either through the line management hierarchy or operate through functional relationships where there is a senior lead for a key strategic theme, and through associated roles at different levels within QMUL.
- 1.6 The Regulatory Framework with the Office for Students (OfS) sets out particular areas of responsibility for governing bodies. The President and Principal is designated QMUL's Accountable Officer.
- 1.7 Senior Executive Team (SET) undertakes regular reviews of the financial position of QMUL and adjusts activities accordingly.
- 1.8 The Vice-Principals, the Chief Operating Officer; Chief Governance Officer and University Secretary and the Chief Financial Officer are responsible to the Council, through the President and Principal for the financial management of their respective areas, in accordance with the Financial Regulations.
- 1.9 The Chief Financial Officer reports directly to the President and Principal and is responsible for the financial management of QMUL.
- 1.10 Individuals and bodies in whom authority is vested by the delegation framework may sub-delegate to others provided that such sub-delegation is consistent with the financial and other regulations (refer to section 4.6). While authority and responsibility can be delegated, the accountability remains with the individual or body making the delegation.
- 1.11 Where sub-delegation occurs and there is further delegation, it should take place on the basis of a cascade. That is, the person with authority delegates it to the next person who may then delegate to another and so on. Sub-delegation should not skip management tiers in the interests of clarity of responsibility and ensuring that individuals remain accountable even when others further along the chain are performing the task. A written record should be made of sub-delegations. This may include an email instructing the sub-delegation from the authorised person to another.

- 1.12 Heads of Schools/Institutes and Directors of Professional Services are responsible for procuring the goods and services they require within their defined budgets. Purchasing authority may be delegated to designated budget holders within a department. In exercising this delegated authority, budget holders are required to observe QMUL's Financial Regulations.
- 1.13 Heads of Schools/Institutes and Directors of Professional Services and their delegated budget holders are only authorised to commit QMUL to any expenditure after ensuring that sufficient funds are available to meet the purchase cost of goods and services.
- 1.14 Nobody is permitted to make a non-pay financial commitment for longer than 12 months without the prior approval of the Chief Financial Officer.
- 1.15 All procurement must be undertaken in accordance with the Procurement Procedures set out in the Procurement section of the Finance intranet. This also shows the procedures for tendering.
- 1.16 The financial limits that apply are to the project/contract as a whole, even though the procurement may be in phases and over a period of time. In other words, splitting of orders or contract commitments to avoid approval at a higher level is strictly prohibited and will be considered a breach of Financial Regulations.
- 1.17 All financial limits are inclusive of VAT unless stated otherwise.

2. Principles

- 2.1 The following principles underpin the Scheme of Delegation of Financial Authority and all decisions taken under the delegation of authority framework:
 - The decision should be consistent with QMUL's aims and objectives.
 - The person to whom the authority has been delegated should only make decisions within his/her area of responsibility. That is, one academic or service unit should not take a decision that commits another academic or service unit without their consent.
 - Delegated authority should be linked to budget management and all budget holders responsible for a budget should have an approval limit.
 - Delegated authority should relate to – revenue costs, capital expenditure, disposal of assets and research expenditure.
 - In the case of self-approval, which only relates to Agresso purchase orders up to a value of £1,000, the requisitioner must have been given responsibility for spending part of the budget.
 - Decisions should not be taken unless relevant documentation has been reviewed in line with QMUL policies and procedures (including the Financial Regulations) and, where necessary, external legal or tax advice has been sought.
 - Where a third party has provided funding, decisions should only be taken once any required approval from the third party has been obtained.
 - Approved documentation must be produced and a record of the decision made available, in keeping with QMUL's policy on the retention of records, which can be accessed via the Policy Zone on QMUL's intranet.
 - The approval limit delegated to the President and Principal, Chief Operating Officer, Chief Financial Officer and Chief Governance Officer and University Secretary covers the need for approval of high value Purchase Orders.
- 2.2 Decisions which require a financial commitment should observe the following additional principles:

- The approval of the relevant budget holder or their nominee should always be obtained.
- The decision should demonstrate that value for money considerations have been taken into account.
- Approvers must be assigned to their relevant cost centres and should only approve expenditure for the cost centres / budget codes they are responsible for.
- IT Services and Estates are responsible for any IT or Estates related expenditure, respectively. Faculties and other Professional Service departments should not commit expenditure related to IT or Estates.
- Expense claims must be approved by the Line Manager or relevant budget holder (where these are different) in line with the QMUL Travel and Expenses Policy.
- All Purchasing cardholders must have a delegated approval limit assigned to them.
- All finance leases require the approval of the Chief Financial Officer.

Framework of Delegated Financial Authority

3. Procurement Authority Limits

- 3.1 All purchasing must be conducted in line with the Procurement Procedures which can be found on the Procurement intranet.
- 3.2 QMUL, having taken advice from Queen’s Counsel, reviewed its governance and income as stated in its audited financial statements for the year ended 31 July 2013 and determined that it is not a contracting authority for the purposes of EU public procurement regime as implemented by the Public Contracts Regulations 2006 (as amended) . This position will be reviewed on an annual basis and has been re-confirmed based on the financial statements for 31 July 2020. For avoidance of doubt, all spending requirements that have a cost of more than £50,000 must be conducted via the Procurement Department in line with the procedures referred to in 3.1 above.
- 3.3 The Procurement Procedures also refer to the following:

Items where the cost is less than £10,000	No need to involve procurement. One quote to be obtained (it is however advisable to obtain 2 quotes for comparison)
Items costing between £10,000 and £50,000	Three quotes must be obtained
Items where the cost is more than £50,000	Contact Procurement department

4. Non Pay and Contract Expenditure

- 4.1 Some contracts may require the President and Principal, Chief Governance Officer and University Secretary, the Chief Operating Officer or the Chief Financial Officer to sign on behalf of QMUL.
- 4.2 Unless stated elsewhere in this document, and in the absence of a contractual requirement as above, the approval limits in the table below are for purchase orders, payment of non-pay or contract expenditure invoices and other payment documents (e.g. expense claims).

- 4.4 For Agresso related purchase orders the purchase order will go through all earlier approvals until the approval limit is reached, with final sign off by the President and Principal, Chief Operating Officer; Chief Governance Officer and University Secretary or Chief Financial Officer for amounts greater than £200k.
- 4.5 Approval limits for individuals should be allocated within one of the maximum ranges shown in the table below. The roles shown in the table are a guide.
- 4.6 Self-approval only relates to the Agresso purchase orders only.

Maximum Approval Limit	Role
Over £200,000	President and Principal, Chief Operating Officer, Chief Financial Officer; Chief Governance Officer and University Secretary
Up to £200,000	Vice Principal and Executive Deans, Chief Operating Officer (SMD), Director of Estates, Director of IT Services, Director of Research and Business Development
Up to £50,000	Institute Directors, Heads of School, Directors of Professional Services, JRMO Operations Manager
Up to £20,000	Institute and School Managers/Administrators and Centre/Discipline Leads, Academics, Group Leaders, Assistant Managers, Centre Managers, Deputy Directors
Up to £10,000	Lab Managers, Postdocs, Project Managers
Up to £5,000	Administrators, Research Assistants, Technicians
Up to £1,000	Other purchasers – Junior admin or technical staff; Self-approval for Agresso orders only – per Purchase order total at the discretion of the Head of School or School/Institute Manager
Up to £100	Self-approval for Agresso orders only – per Purchase order total

- 4.7 In the event an approver being absent, the substitute for the period of absence would ordinarily escalate to the approver with a higher approval authority within the chain of escalation or to a peer. In the event of the absence of the Head of School a nominated alternate from within the school is permitted, provided that this individual ordinarily assumes responsibility for the school during the Head of Schools absence. The Head of School should confirm this nominee.

5. Purchasing Cards

- 5.1 The use of Purchasing Cards is preferred for low value expenses as it is a controlled, efficient method of paying expenses with a clear audit trail. The regulations covering the use of Purchasing Cards are shown on the Procurement website.
- 5.2 The maximum limits on the use of Purchasing Cards are as follows, specific limits to be determined on each card based on operational requirement:

Role/operational requirement	Maximum individual transaction limit,	Maximum monthly spend
e.g. local administrator – conference registration, ad hoc small value purchases (one-off suppliers) for department	£500 including VAT	£3,000 including VAT
e.g. local administrator/academics – booking of flights, travel costs based on operational need	£1,000 including VAT	£5,000 including VAT
Other by exception – locally agreed limit based on operational need (on a case by case basis)	Request approved by Deputy Director, Financial Control	Request approved by Deputy Director, Financial Control

5.3 Purchasing Card spend is approved via the cost centre approvals set within the finance system. The persistent failure to complete the monthly purchasing card spend narrative and coding for submission will result in the suspension/removal of the purchasing card.

5.4 All Purchasing card limit requests are approved by Deputy Director of Finance, Financial Control.

6. Capital Expenditure

6.1 QMUL defines capital expenditure (as per the Capital Expenditure Policy) as:

- any expenditure over £10,000 on an item or group of related items which has a life of more than 1 year and
- has a use in the teaching of students; research; the care of patients or for administrative purposes.

6.2 This covers all construction and improvements which increase the value and useful economic life of a building, major equipment purchases, software, and expenditure related to research, consultancy and other areas of knowledge transfer.

6.3 The Capital Budget is prepared annually which incorporates all planned spend on land, buildings and equipment. This is formally approved by SET; Finance and Investment Committee and Council. Responsibility for ensuring spend is in line with the approved Capital Budget is delegated to the relevant SET lead overseen by either the Estates Strategy Board (ESB) or the Information Technology Strategy Board (ITSB).

6.4 Proposals for Capital Expenditure that arise outside the annual Capital Budgeting cycle relating to the acquisition; construction or disposal of land; buildings or equipment require Finance and Investment Committee approval up to the value of £1m and further approval from Council for expenditure in excess of £1m.

6.5 A full business case will be prepared for all projects valued in excess of £2m for consideration by the ESB or ITSB and SET, and by Finance and Investment Committee and Council for projects in excess of £5m, including projects that are initially valued below this amount and are subsequently expanded,

7. Disposal of Fixed Assets

7.1 In determining if an asset is appropriate for disposal, due diligence is required. Generally the three areas of attention are:-

- University Land and Buildings – which may come with restrictive covenants
- Research Fixed Assets – that will come with grant conditions
- Other General Fixed Assets – that have restrictions

7.2 Assets will have been procured for the University's benefit for use over a multi-year period and it is important that the assets should be maintained and insured during their period of tenure with the University. The University should not carry assets which are no longer useful as maintenance, risk and insurance add to avoidable costs.

7.3 Fixed Assets that are no longer required by the University should be recorded as such in the school fixed asset register. Assets originally purchased for a cost in excess of £10,000 should be reported to the Finance Department for possible disposal. Disposals should be made expeditiously in line with this policy.

7.4 Disposal principle

a) Surplus Fixed Assets - Surplus fixed assets that are no longer required by the University should either be:-

- Disposed of. Where an asset has economic value appropriate third party valuation(s) are required with oversight by procurement required for high value, endowment and research assets.
- Designated as Investment fixed assets and held on the balance sheet for future purposes. The University will keep a separate list of Investment assets which are not necessarily used on a day to day basis.

Note: Before disposal, the Head of department must make a judgement that the asset cannot be redeployed.

Unusable Fixed assets – Fixed assets that are no longer functional, are not fit for purpose and are beyond repair must be disposed of to avoid maintenance and hazard problems.

7.5 Lost, stolen and destroyed assets:

a) Lost, stolen and destroyed assets must be reported to the Financial Accounting team in finance, following which the Fixed Asset Register ("FAR") will be updated.

b) The budget holder must report these to the insurance officer in the Finance Department.

c) In the case of stolen assets, the custodian/budget holder is also responsible for contacting Security in Estates and Facilities and reporting the stolen item to the Police. The Police will provide a file number and/or a police report. When recording the disposal of the stolen asset, you must include the police report number and inform the Financial Accounting team in finance

8. Bad Debt Write Offs

8.1 The Finance and Investment Committee has delegated to SET the authority for dealing with student related debt, including the Student Debtor Policy.

8.2 The following is a list of individuals who are authorised to write off Bad Debts:

Individual debts up to the value of £30,000	Chief Financial Officer
Individual debts up to the value of £50,000	SET
Individual debts over the value of £50,000	Finance and Investment Committee

8.3 An annual summary of bad debts written off will be reported to Finance and Investment Committee.

Appendix A

Bank Mandate

The incumbents in the following QMUL job roles are eligible to be authorised signatories on all QMUL bank accounts and as such are authorised to sign Cheques and approve BACS/Chaps payments for individuals and suppliers.

Panel A:

Can sign up to £20,000 as a sole signatory, or jointly with another panel A or panel B signatory for amounts greater than £20,000:

President and Principal
Vice-Principals
Chief Operating Officer
Chief Financial Officer
Chief Governance Officer and University Secretary
Deputy Director of Finance, Financial Control

Panel B:

Can sign up to £20,000 on their own:

Deputy Director of Finance, Financial Management
Head of Financial Accounting

Additions and deletions to the list of authorised signatories must be:

- In accordance with the list of job roles above; made in writing and countersigned by two authorised bank mandate signatories in addition to the usual identification checks conducted by the QMUL Bankers

Changes to the list of job roles eligible to be authorised signatories must be:

- Approved by the Finance and Investment Committee, as witnessed by a signed copy of the minutes