

# FINANCIAL REGULATIONS



**HARTPURY**

<b>APPROVAL &amp; REVIEW CYCLE</b>		
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## **Scheme of Delegation Summary**

### **Budget Virement**

The Vice-Chancellor/Principal shall be permitted to exercise virement between all budget heads (except those specifically excluded by the Corporation and Board) provided, the amount involved does not exceed £100,000 in relation to any one proposal or related series of proposals and the action does not involve the University & College in any additional financial commitment in respect of any subsequent year.

Virement in excess of £100,000 or involving additional financial commitments in respect of subsequent years shall be subject to the approval of the relevant Strategy, Finance & Resources Committee.

### **Capital Project Spend**

- Expenditure on a single project up to £200k may be spent at the sole discretion of the Vice-Chancellor/Principal, this approval should not result in overall expenditure exceeding the approved budget allowance for unspecified projects.
- Projects exceeding £200k but less than £500k need the approval of the University Strategy, Finance & Resources Committee.
- Projects exceeding £500k require the approval of the Corporation

All sums include VAT

### **Non-Payroll Expenditure**

Budget holders may request orders, or a series of related orders, from the Finance Office for a total value not exceeding £15,000.

Orders or invoices, or a series of related orders, for a total value in excess of £15,000 are reviewed for compliance against these regulations and must be reported to Audit Committee at each meeting.

The Vice-Chancellor/Principal or Chief Operating Officer may approve requests for orders, or a series of related orders, for the next financial year up to a value of £200,000 each, where these are within expenditure budgets.

Orders, or a series of orders, which exceed the value of £200,000 in a single financial year will be disclosed to the Strategy, Finance & Resources Committees.

### **Maintenance projects**

Revenue maintenance projects must be approved in line with the following limits (all limits include VAT).

- Over £500k - Corporation approval required.
- £200k - £500k - University Senior Management Team authorisation required, with regular reporting to SFRC.
- Up to £200k – Authorised by
  - Vice-Chancellor and
  - Chief Operating Officer

### **Write Off of Debts**

The Chief Operating Officer may authorise the writing-off of any single debts not in excess of £3,000 which are considered to be uncollectable and will report such action to the Strategy, Finance & Resources Committees at the end of the financial year.

Any single debts in excess of £3,000 which are considered to be uncollectable may only be written-off by the Strategy, Finance & Resources Committees.

### **Borrowing**

All contracts to borrow or funded by a finance lease once approved in line with limits below shall be signed by the Chief Operating Officer.

Finance Leases must be approved in accordance with the following overall lease value:

- Over £500k - Corporation approval required.
- £200k - £500k - University Senior Management Team authorisation required, with reporting to SFRC.
- Up to £200k – Authorised by
  - Vice-Chancellor and
  - Chief Operating Officer

### **Insurance Claims**

In the event of an insurance claim being settled by negotiation, any settlement in excess of £15,000 but not exceeding £50,000 must be agreed by the Vice-Chancellor/Principal, following consultation with the Chair of the University Strategy, Finance & Resources Committee and any settlement in excess of £50,000 must be agreed by the Chair of the Corporation and the Chair of the Strategy, Finance & Resources Committee

# **1. INTRODUCTION**

## ***1.1 Responsibility of All Staff***

All members of staff should be aware of their general responsibility for the security of the property of the University, College and its subsidiaries, for avoiding loss and for economy in the use of resources.

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

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

They shall provide the Chief Operating Officer with such financial and other information as they may deem necessary, from time to time, to carry out the requirements of the Corporation of the University and Board of the College.

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

## ***1.2 Background***

These financial regulations apply to:

- Hartpury University (the University)
- Hartpury College of Further Education (the College)
- All subsidiaries of Hartpury University

The University was established as a higher education institution under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its objects, powers and framework of governance are set out in the Articles of Association which incorporate the instrument and articles of government. These arrangements were approved by the Privy Council in September 2018.

The University's governing body is its Corporation, comprised of lay, academic, support staff and student members appointed in accordance with the Instrument of Government; the majority is non-executive. The role of Chair of the Corporation is separate from that of the University's Chief Executive, the Vice-Chancellor.

The Corporation is responsible for setting the strategic direction of the University and its subsidiaries and for the monitoring and supervision of the executive management of the University.

The University endeavours to conduct its business in accordance with the principles identified by the Committee of Standards in Public Life and with the guidance to Universities of Higher Education which has been provided by the Committee of University Chairs.

The University maintains a Register of Interests of members of the Corporation (and Senior Officers) which may be consulted by arrangement with the Clerk to the Governors.

The terms & conditions of Office for Students (OFS) funding set out the terms and conditions on which grant is made. The Corporation is responsible for ensuring that conditions of grant are met. As part of this process the University must adhere to the regulator's Audit Code of Practice which requires it to have sound systems of financial and management control. The financial regulations of the University form part of this overall system of accountability.

Hartpury College of Further Education is a wholly owned subsidiary of Hartpury University and is a designated Further Education Institution under Section 28 of the Further & Higher Education Act 1992 on 1<sup>st</sup> August 2018.

The College's structure of governance is laid down in its Instruments and Articles of Government. The College is accountable through its Board to the University Corporation, for the effectiveness of its management and administration.

The Financial Memorandum between the Education & Skills Funding Agency (ESFA) and the College sets out the terms and conditions on which funding is made. The Board is responsible for ensuring that conditions of funding are met. As part of this process, the College must adhere to the ESFA Audit Code of Practice, which requires it to have sound systems of financial & management control. The financial regulations of the College form part of this overall system of accountability.

### ***1.3 Financial Responsibility***

The Corporation holds the ultimate responsibility for the finances of the University Group. The Board is responsible for the finances of the College.

Responsibility for certain financial matters is delegated by the Corporation to the Strategy, Finance & Resources Committee according to the Terms of Reference of that committee (Appendix A). Nevertheless, the ultimate responsibility for financial matters will rest with the Corporation.

The Board of the College delegates responsibility for financial matters to its Strategy, Finance & Resources Committee, according to the Terms of Reference. (Appendix A)

Day to day financial management of the Corporation is delegated to the Vice-Chancellor/Principal, who may further delegate specific tasks to other members of staff.

### ***1.4 Status of Financial Regulations***

This document sets out the University's & College's financial regulations. It translates into practical guidance the broad policies relating to financial control.

These financial regulations are subordinate to the University's Articles of Government and to any restrictions contained within the terms & conditions of OFS funding, Financial Memorandum with the ESFA and the regulators Audit Code of Practice.

The purpose of these financial regulations is to provide control over the totality of the group resources and provide management with assurances that the resources are being properly applied for the achievement of the group strategic plan and business objectives.

Compliance with the financial regulations is compulsory for all staff connected with the University, College and its subsidiaries. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under the disciplinary policy. Any such serious breach will be notified to the Corporation and Board through the Audit & Risk Management Committees. It is the responsibility of Heads of Department and Line Managers to ensure that their staff are made aware of the existence and content of the financial regulations and that an adequate number of copies are available for reference within their departments.

The Strategy, Finance & Resources Committees are responsible for maintaining a regular review of the financial regulations through the Chief Operating Officer and advising the Corporation and Board of any additions or changes necessary.

In exceptional circumstances, the Strategy, Finance & Resources Committees may authorise a departure from the detailed provisions herein, such departure to be reported to the Corporation and Board at the earliest opportunity.

## **ACCOUNTING POLICIES**

### ***1.5 Accounting Records***

The Chief Operating Officer is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.

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

- Official orders
- Paid invoices
- Accounts raised
- Bank statements
- Copies of receipts
- Paid cheques
- VAT records
- Payroll records, including part-time lecturer's contracts
- Research contracts with records required under the terms of the grant

The Chief Operating Officer will make appropriate arrangements for the retention of electronic records.

Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations.

Additionally, for auditing and other purposes, other financial documents should be retained for three years. General guidance on requirements is listed in the Document Retention Policy.

## ***1.6 Accounting Returns***

The Chief Operating Officer is responsible for consolidating and despatching financial returns and other periodic financial reports to the regulators and other agencies as required.

The Chief Operating Officer is also responsible for ensuring that all grants notified by the regulators and other bodies are received.

## ***1.7 Basis of Accounting***

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

## ***1.8 Format of the Financial Statements***

The accounts are prepared for the financial year ending 31 July, in the format required by the Higher Education and Further Education SORP and also comply with Charities Act 1993, as amended by the Charities Act 2006.

The consolidated financial statements consolidate the financial statements of the University and any subsidiary undertakings for the financial year.

## **2 GOVERNANCE**

### **2.1 Code of Conduct**

Hartpury has a Code of Professional conduct:

[Code of Professional Conduct Policy](#)

This Code of Conduct applies to all members of staff of Hartpury. For the purposes of this Code, members of staff are defined as all staff employed by Hartpury in either an established post, sessional or casual staff. This also applies to individuals engaged under a Contract for Services with Hartpury.

In terms of working and personal relationships, this Code covers the following:

- business, commercial, financial relationships
- close friendships and social relationships
- family relationships
- intimate relationships including marital, sexual, romantic, emotional whether heterosexual or same sex relationships.

### **2.2 The University Corporation & College Board of Governors**

The University Corporation & College Board of Governors are the principal financial and business authority of the institutions. They ensure proper books of account are kept, approve the annual budget and financial statements, and have overall responsibility for the university's assets, property and estate.

The Corporation and Board's financial responsibilities are to:

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

Appendix B sets out the Governance Structures for the University and College to provide clarity on committee structures and interaction between the two governance structures.

### **2.3 Strategy, Finance & Resources Committees**

Monitoring of the University & College's financial position and planning is undertaken by the Strategy, Finance and Resources Committees and reports to the Corporation & Board. The Committees will examine annual budgets and

accounts and recommend their approval to the Corporation & Board. The Committees will ensure that short term budgets are in line with agreed longer term plans and that they are followed. The Committees will consider any other matters relevant to the financial duties of the Corporation & Board and make recommendations accordingly. The Committees will also ensure that the Corporation & Board has adequate information to enable it to discharge its financial responsibilities.

The Committees also undertake consideration of the University's and College's medium and long term strategic plans. They are responsible for ensuring that all the financial implications of such plans are considered before their approval by the Corporation & Board. In addition, the committees are responsible for considering the University's capital programme before it can be recommended to the Corporation for approval.

## ***2.4 Audit and Risk Management Committees***

These committees are independent, advisory and report to Corporation & the Board. They have the right of access to obtain all the information they consider necessary and to consult directly with the internal and external auditors (without management).

The committees are responsible for monitoring the University & College's financial control systems and its arrangements for risk management, identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. They must also satisfy themselves that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

The audit requirements of the University & College are set out in the regulators Audit Codes of Practice, which requires that the standard of internal audit should conform to HM Treasury standards which are set out in the Government Internal Audit Publications.

## ***2.5 Remuneration and Employment Committees***

Consideration of senior management's pay and conditions is the responsibility of the Remuneration and Employment Committees. They have the power to make recommendations to the Corporation & the Board on the remuneration, including pay and other benefits, as well as contractual arrangements for senior postholders.

## ***2.6 Risk Management***

The University & College acknowledges the risks inherent in its business and are committed to managing the risks that pose a significant threat to the achievement of its business objectives and financial health.

The Corporation and Board have overall responsibility for ensuring there is a Risk Management Strategy and a common approach to the management of risk throughout the University, College and subsidiaries by the development and implementation within the organisation of a formal, structured risk management process. The Audit and Risk Management Committees oversee the Risk Management processes through consideration of the Risk Register Update, Top Risks and Risk Management Group Updates.

The Corporation & Board requires that the Risk Management Strategy and supporting procedures include:

- The adoption of common terminology in relation to the definition of risk and risk management
- The establishment of University & College wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence
- Detailed regular reviews at department level or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas
- Development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question
- Regular reporting to the Corporation and Board of all risks above established tolerance levels
- An annual review of the implementation of risk management arrangements
- The strategy and procedures must be capable of independent verification.

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

### **3. PREPARATION OF BUDGETS**

#### ***3.1 Estimates of Income and Expenditure***

Financial estimates, covering both revenue (or recurrent) and capital income and expenditure, will be prepared for each accounting year, for the University and College.

In addition to the detailed estimates of income and expenditure relating to the forthcoming accounting period, forward estimates will be prepared for future income and expenditure, in conjunction with the Joint Strategic Plan of the Corporation and Board.

Budget allowances for capital are prepared on the basis of ability to fund. Priorities will normally reflect the projects identified in the Hartpury 2025 Strategy as approved by the Corporation.

#### ***3.2 The Budget Setting Process***

The Chief Operating Officer will be responsible for the preparation of the budget.

The timetable for the preparation, approval, review, monitoring and revision of the budget is presented in Appendix D. Irrespective of any variance from that timetable, the budget must be approved by the Corporation and Board prior to the financial period to which it pertains on the recommendation of the Strategy, Finance & Resources Committees.

The Vice-Chancellor/Principal, in conjunction with the Chief Operating Officer, will recommend the level of debt provision to be included in the budget.

#### ***3.3 Variations to the Budget***

The budgetary timetable provides for the approval, by the Corporation Board of a mid-year update to the current year's budget.

Any forecast variance to the budget for the year will be reported to the Corporation Board via the monthly management accounts.

The Vice-Chancellor/Principal shall be permitted to exercise virement between all budget heads (except those specifically excluded by the Corporation and Board) provided:

- a) The amount involved does not exceed £100,000 in relation to any one proposal or related series of proposals.
- b) The action does not involve the University & College in any additional financial commitment in respect of any subsequent year.

Virement in excess of £100,000 or involving additional financial commitments in respect of subsequent years shall be subject to the approval of the relevant Strategy, Finance & Resources Committee.

Virement shall not be permitted either by the Vice-Chancellor/Principal or by the Strategy, Finance & Resources Committees if it affects the estimated surplus or deficit approved by the Corporation.

Major capital projects (where costs exceed £200k) not included in the original budget allowance for the financial year will be separately considered and approved by the University Strategy, Finance & Resources Committee. Where the approved budget allowance includes a sum to be used by the Vice-Chancellor/Principal for unspecified projects then the following rules apply:

- Expenditure on a single project up to £200k may be spent at the sole discretion of the Vice-Chancellor/Principal, this approval should not result in overall expenditure exceeding the approved budget allowance for unspecified projects.
- Projects exceeding £200k but less than £500k need the approval of the University Strategy, Finance & Resources Committee.
- Projects exceeding £500k require the approval of the Corporation

All sums include VAT

## **4. BUDGETARY CONTROL**

### ***4.1 Responsibility***

The Vice-Chancellor/Principal will be responsible for the maintenance of effective financial control and the provision of control procedures.

The Chief Operating Officer will be responsible for the operation of the financial control procedures.

The Chief Operating Officer will be responsible for maintaining a list of approved budget holders. A list of Budget Holders with their areas of budgetary responsibility is included at Appendix H.

The Vice-Chancellor/Principal may re-allocate budgetary responsibility.

It will be the responsibility of every budget holder to maintain expenditure within the amount allocated to their budget. Purchase Orders which would lead to overspending of the annual budget allocation must not be issued without prior approval of the Vice-Chancellor/Principal or Chief Operating Officer.

Orders issued which result in an overspend of a budget allocation without approval will lead to disciplinary procedures.

### ***4.2 Management Information***

The Head of Finance will provide monthly management accounts within twenty working days of the end of the month to the Vice-Chancellor/Principal, which will thereafter be copied to all members of the Executive and the Corporation and Board.

The Strategy, Finance & Resources Committees will be provided with up-to-date financial position statements at each regular meeting.

### ***4.3 Active Financial Control***

The Vice-Chancellor/Principal and Chief Operating Officer can both approve expenditure which exceeds the budget holder allocations.

Any overspend of an annual budget allocation, or any situation likely to result in the overspend of an annual budget allocation, identified by the Chief Operating Officer will be reported to the Vice-Chancellor/Principal, who will take appropriate action which may include:

- a) an increase in the budget allocation by virement or an additional allocation,
- b) suspension of expenditure from the budget head until the following financial period when further budget is available,
- c) suspension of expenditure from the budget head until the following financial period plus a reduction in the allocation for the following financial period equivalent to the overspend,
- d) disciplinary procedures.

Virements or additional allocations made as a result of an overspend will follow regulations 3.3 above and must not affect the estimated surplus or deficit approved by the Corporation.

#### ***4.4 Cash Management***

Cash flow projections will be prepared by the Head of Finance for each accounting period, both for internal management purposes and as required by the Regulators.

The Head of Finance will monitor the cash flow performance and will investigate any variance of actual cash flow from the projection.

The Chief Operating Officer will instigate any corrective action required as a result of variances of actual cash flow from the projection.

## **5. STAFFING AND RELATED EXPENDITURE**

### ***5.1 Staffing Levels***

The Corporation and Board will normally only employ permanent staff (full-time or part-time) for whom provision has been made in the budget. The Vice-Chancellor/Principal has the authority to appoint staff within the framework and budgets laid down by the Corporation and Board.

The Corporation and Board will normally only employ temporary staff for whom provision has been made in the budget. The employment of any temporary staff for whom provision has not been made in the budget, involving virement from another budget head, will require authorisation according to 3.3 above.

All full-time and part-time contracts must be signed by the Vice-Chancellor/Principal or his delegated nominee.

Consultants, guest lecturers and those who provide personal services to the University & College, whether or not as self-employed individuals or via a personal services company, will be paid via the payroll unless otherwise approved by the Chief Operating Officer. Those budget holders who are responsible for contracting such services should explain this requirement to the individual at the outset and ensure that the individual completes a starter form from Human Resources.

### ***5.2 Payroll Procedures***

The Vice-Chancellor/Principal or his nominee shall be responsible for the maintenance of all personnel records and for the provision of relevant information to enable all salaries, wages, pensions and other emoluments to be paid.

The preparation of payrolls and the payment of salaries, wages and other emoluments to employees of the University and College shall be the responsibility of the Chief Operating Officer. The payroll will be signed each month by the Chief Operating Officer or in his absence the Vice-Chancellor/Principal or the Deputy Principal Resources, to evidence that it has been reviewed for accuracy.

Time records or other pay documents shall be in a form agreed by the Vice-Chancellor/Principal and shall be certified by such officer(s) of the University and College as authorised by the Vice-Chancellor/Principal.

All University and College employees shall be paid according to the salary scales approved by the Corporation and Board.

All letters of appointment or variations in conditions of service must be issued by the Vice-Chancellor/Principal or his nominee. The Vice-Chancellor/Principal will ensure that there are satisfactory arrangements in place to notify the Finance Department of all commencements, variations and terminations.

Claims for expenses incurred by staff of the University and College in carrying out official duties, shall be paid at rates authorised by the Corporation Board and submitted on prepared expense claim forms. Expense claims shall be authorised by the relevant budget holder and Chief Operating Officer or her nominee.

The Payroll Administrator will provide the Head of Finance with the necessary information to prepare the monthly payroll journals together with evidence of the payroll totals authorised by the Chief Operating Officer.

The Chief Operating Officer will sign off the payroll before the monthly deadline for payment, and if necessary, instruct the Payroll Bureau to amend or delete planned payments.

### **5.3 Pensions**

The Corporation and Board are responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

The Chief Operating Officer is responsible for day-to-day superannuation matters including:

- Payment of contributions to various authorised superannuation schemes.
- Preparing the annual return to various superannuation schemes.
- Administering the university's pension arrangements.

The Chief Operating Officer and her team are responsible for administering eligibility to pension arrangements and when deductions should begin or cease for staff.

### **5.4 Severance and similar payments**

Severance payments shall only be made in accordance with relevant legislation. All severance payments shall be authorised by Deputy Principal Resources.

The University adopts the guidance issued by Office for Students concerning the disclosure of the severance payments to Senior Staff.

### **5.5 Private Work and Other Appointments**

Members of staff must comply with the University and College's policies when carrying out private work and other appointments. Details of expectations are set out in the Code of Professional Conduct: [Code of Professional Conduct Policy](#)

### **5.6 Private Lessons**

Staff using University and College facilities to provide private lessons to members of the public will obtain the prior consent of their line manager. This consent will be subject to agreement by the member of staff that all payments received will be paid to the University or College as income. The University and College agrees subject to the deduction of a facility charge to pay the member of staff through the payroll the income received.

### **5.7 Travelling Expenses and Subsistence**

All claims for payment of subsistence allowance, travelling and incidental expenses shall be completed in a form approved by the Chief Operating Officer and be submitted within 3 months. Where possible these should be submitted within the financial year (1 August to 31 July). Expenses over 6 months will not be paid.

All claims for travelling expenses, subsistence and any incidental expenses must be approved and signed by a Budget Holder prior to submission to the Finance Office and must include receipts where appropriate. Under no circumstances must an expense claim be authorised by the claimant or a member of the claimant's family. In these cases, the expense claim must be authorised by the budget holder's manager. The Reimbursement rates for meals and expenses can be found at Appendix F

Authorisation of individual claims for travelling expenses, subsistence and any incidental expenses by the Chief Operating Officer or Head of Finance is covered by the expenses run, which is checked and signed at the end of each month.

Expenses incurred by the Chief Operating Officer will be authorised by the Vice-Chancellor/Principal. Expenses incurred by the Vice-Chancellor/Principal will be authorised by the Chair of the Corporation.

Any expense which may be deemed to be a Benefit in Kind will be included on the employees P11D.

## ***5.8 Overseas Travel***

The Vice-Chancellor/Principal will be responsible to the Corporation for:

- a) Preparing, prior to departure, an annual plan for overseas visits, to include budgeted costs and objectives for Corporation and Board approval i.e., a business plan.
- b) Reporting on the visit made, the achievements and cost incurred against plan.

The Corporation and Board will be responsible for approving the strategy of development for overseas activities and review implementation to ensure that overseas operations do not use public funds intended to support teaching objectives in England.

## ***5.9 Governors' Expenses***

Governors and Board are not paid any fee for their work as University Governors or College Board members. Travelling expenses and subsistence undertaking Hartpury business may be reimbursed to Governors and Board Members on authorisation of the Clerk to the Corporation.

## **6. ENTERING INTO WRITTEN CONTRACTS**

Any dealings with third parties (i.e., suppliers, customers or other parties) which require a written contract, agreement or memorandum of understanding to be entered into must be referred to either the Vice-Chancellor/Principal or Chief Operating Officer for approval and signing.

Any low risk\* written contract, agreement or memorandum of understanding and where the total value is £25,000 or less may be delegated to the Procurement and Contracts Manager for approval and signing, according to a framework set out by the Chief Operating Officer.

The Chief Operating Officer or the Procurement and Contracts Manager will consult the University & College legal advisers as appropriate.

Certain contracts, particularly those relating to property, require the Hartpury seal to be affixed in the presence of 2 Governors.

Originals of executed contracts must be returned to the Chief Operating Officer for logging and safe keeping.

\* Low risk being defined as minimal personal data will be shared and/or the contract, agreement or memorandum of understanding has been agreed using Hartpury's or standard legal/industry terms.

## **7. NON-PAYROLL EXPENDITURE**

### **7.1 Introduction**

Non-payroll expenditure may only be incurred provided it is within the approved budget and for the furtherance of University and College objectives.

Budget holders may delegate all or part of their budget only with the written approval of the Vice-Chancellor/Principal (copied to the Chief Operating Officer and the Head of Finance).

All expenditure must be from a specific budget head and must be initiated by the issue of an official order form or contract.

### **7.2 Authority to Incur Liabilities**

All authorities to incur liabilities, as defined in this sub-section, are subject to the methods of purchasing described in sub-section 7.3 below.

All values in this sub-section, and all other sub-sections below, are inclusive of Value Added Tax.

Official purchase orders (PO's) must be raised via the approved Finance System for the purchase of all goods and services, with a valid PO allocated. Purchases made using a corporate credit card, or petty cash should be authorised in accordance with the relevant authorisation process,

Budget holders may request orders, or a series of related orders, from the Finance Office for a total value not exceeding £15,000.

Orders or invoices, or a series of related orders, for a total value in excess of £15,000 are reviewed for compliance against these regulations and must be reported to Audit and Risk Management Committee at each meeting.

Budget holders may request orders which give rise to a commitment in the next financial year once that year's budget allocations have been issued by the Chief Operating Officer. Such orders must not be for goods or services which will be used in the current financial year.

The Vice-Chancellor/Principal or Chief Operating Officer may approve requests for orders, or a series of related orders, for the next financial year up to a value of £200,000 each.

The Strategy, Finance & Resources Committees must approve all requests for orders, or a series of orders, for the next financial year which exceed the value of £200,000, where these are within expenditure budgets.

Budget holders must not request orders to companies, firms or organisations in which they have an interest, either pecuniary or non-pecuniary, or in which they have a close relative without the specific approval of the Vice-Chancellor/Principal.

### **7.3 Methods of Purchasing**

The table below shows the requirements for the budget holder to obtain quotes for each order or series of related orders:

<b>Value of Order</b>	<b>Requirement</b>
Up to £5,000	Use of good sense to ensure the University and College receives value for money
£5,001 to £15,000	Obtain more than one quote; details to accompany the Purchase Order Request
£15,001 to £25,000	Obtain at least two written quotes
£25,001 to £50,000	Obtain at least three written quotes
Over £50,000	Obtain at least three competitive tenders

For any purchase order requests received in excess of £15,000, investigations will be carried out, by the Finance Department, to ensure that the necessary quotes have been obtained and if not that every effort has been made to ensure that best value has been achieved. The purchase order request will then be forwarded to the Vice-Chancellor/ Principal or Chief Operating Officer with supporting documentation for approval prior to the order being raised.

Where goods and services are only available from a single source or limited number of suppliers, it may be appropriate to negotiate directly with the single source supplier or limited number of suppliers without holding a formal tender exercise, but only where :

1. The works, services or supplies can only be performed by a particular supplier because competition is absent for technical reasons; and
2. no reasonable alternative or substitute exists, and the absence of competition is not because of an artificial narrowing of competition

It is at the discretion of the Chief Operating Officer that single source contracts will be awarded

Where necessary appropriate external procurement specialists will be contracted to manage the procurement process to ensure compliance with both Hartpurv procurement requirements and wider national government guidelines.

All organisations invited to provide either a quotation, or a tender, for a particular item or service must be provided with identical, accurate and technically correct specifications.

Orders should only be placed by the budget holder when an official Purchase Order has been received from the Finance System.

Budget holders who place orders before the Finance Office have issued an official Purchase Order will risk disciplinary proceedings unless they have obtained the prior written consent of the Vice-Chancellor/ Principal or the Chief Operating Officer.

Exemptions will only be permitted in exceptional circumstances e.g., emergency purchases, and where in budget and will need to be authorised in advance by the

Head of Finance. Where budget is exceeded authorisation must be obtained in advance by the Vice-Chancellor/ Principal or Chief Operating Officer. Details of all emergency purchase order numbers issued, and the circumstances must be kept on file by the budget holder.

If an emergency purchase becomes necessary, the budget holder should complete the paperwork as soon as possible thereafter.

Budget holders should ensure purchase order requests clearly indicate the nature and quantity of the supplies and services required, the estimated price including VAT and any agreed discounts and conditions and other relevant details. If delivery by a certain date is required, this should also be stated.

## ***7.4 The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020***

The Chief Operating Officer is responsible for ensuring the University and College comply with its legal obligations concerning Public Procurement (Amendment etc.) (EU Exit) Regulations 2020. This applies to purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value. The World Trade Organisation (WTO) Government Procurement Agreement (GPA) agreed threshold rate from 1<sup>st</sup> January 2024 for supplies and services (over 48-month period) is £214,904 and for Works is £5,372,609. It should be noted that these amounts are inclusive of VAT.

It is the responsibility of the Executive Members to ensure that their members of staff comply with Public procurement regulations by notifying the Chief Operating Officer of any purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements in the relevant journals.

## ***7.5 Tendering Process***

At least three tenders must be received unless prior approval for fewer tenders has been given by the Vice-Chancellor/ Principal.

Invitations to tender must be accompanied by comprehensive and clearly written specifications. They must contain a date and time beyond which tenders will not be accepted.

Tenders should be opened by the Vice-Chancellor/Principal or his nominee in the presence of a senior member of staff acting as witness at the appointed time on the day following the closing date. The prices quoted in the tender should be recorded immediately on a pre-prepared document schedule containing the name of the project or item together with the list of those invited to tender. The price should be recorded opposite the name of the appropriate tenderer. If a reply is not received from any of those invited to tender this fact should be recorded on the schedule.

On completion of the tender opening, the Vice-Chancellor/ Principal or his nominee and the witness should both sign and date the schedule.

The contract should normally be awarded to the tenderer submitting the lower price unless information has been received in the period between despatch of invitations to tender and the tender opening which would, if known at the time

invitations were dispatched would have disqualified the tenderer from being invited to tender. However, any final decision regarding the acceptance of a tender must be subject to knowledge of the contractor and quality of their work. Where the lowest tender has not been accepted the reason should be noted on the schedule for this decision.

All documents relating to a tender should be retained by the budget holder for at least 2 years following acceptance.

### ***7.5 Certification of Invoices***

On satisfactory receipt of goods or completion of services the goods should be receipted on the Finance System.

All invoices should be registered on the Finance System.

Once the Goods Receipting has been agreed against the relevant supplier invoice this will be processed automatically for payment.

If the Goods Receipting details do not agree to the supplier invoice, then the budget holder will be required to further approve the variance before it is processed for payment.

### ***7.6 Payment of Purchase Invoices***

Suppliers will normally be paid by the end of the month following the date of the invoice. Budget holders should not agree different terms without written permission of the Chief Operating Officer.

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

Suppliers should be instructed by the budget holder to submit invoices for goods or services to the Finance Department and not the department concerned, the invoices should state the purchase order number.

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

Where payments are required to be made in advance of the receipt of goods or services the approval of the Chief Operating Officer will be necessary.

### ***7.7 New Suppliers***

As part of the process to reduce unnecessary suppliers, improve efficiency and ensure timely payment of supplier invoices, new suppliers need to be set up on the finance system. In order to fulfil this, a 'New Supplier Request' form must be completed and then authorised by the Head of Finance.

## **7.8 Use of the University Credit Card**

The University and College have the following credit cards:

Vice-Chancellor/Principal  
Chief Operating Officer  
Deputy Principal Further Education  
Deputy Vice-Chancellor  
Deputy Principal Resources  
Director of Elite Sport  
Director of Rugby  
Director of Marketing and Admissions  
Director of Facilities  
Director of Equine  
Director of Animal  
Catering Manager  
International Manager  
Library Manager  
Head of IT  
Vice- Chancellor / Principal's PA  
Outreach and Student Recruitment Manager  
International Recruitment and Partnership Officer  
Farm Manager  
Animal Collection Manager

Holders of corporate credit cards must use them only for the purposes for which they have been issued and within authorised purchasing limits. Corporate credit cards must not be loaned to another person, nor should they be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs.

The credit cards may only be used for business expenses and vouchers/ receipts retained for all transactions. As far as practicable, the level of expenditure should be reasonable and represent good value for money.

Expenditure on individuals' credit cards should be reviewed and authorised by their line manager.

Expenditure on the Vice-Chancellors/Principal's credit card should be reviewed and authorised by the Chair of the Corporation.

Only under exceptional circumstances should card details be disclosed by e-mail or other means.

## **7.9 Use of the University Fuel Card**

The University has multiple fuel cards in relation to University vehicles.

The Transport Manager will be responsible for the security and usage of the fuel cards which will only be for the purchase of fuel and oil for University vehicles. He/she will ensure that the garage records the vehicle registration number against each sale.

The Budget holder for University transport will review and authorise all expenditure incurred on the fuel cards.

## **8. CAPITAL BUILDING and Maintenance PROJECTS**

Building contracts are the responsibility of the University Strategy, Finance & Resources Committee and are administered by the Chief Operating Officer. The agreed Campus Development approach setting roles, responsibilities and governance appended at Appendix N should be followed.

Consultants may be appointed if the project, as determined by the Strategy, Finance & Resources Committee, is too large or too specialised for Facilities Department resources. Appointments shall be subject to tendering and other procedures where appropriate.

Proposals shall be presented in the form of a Business case including Project Brief, Cost Plan and Investment Appraisal as appropriate. Investment appraisals should comply with appropriate funders guidance.

Following consideration by the Strategy, Finance & Resources Committee and approval by the Corporation, submissions should be forwarded to the funders where appropriate. If required agreement is secured from the funders, their procedural rules should be followed. The funders guidance on best practice should be followed even when the funders' approval is not required.

All contracts will attempt to ensure best value for money.

### **8.1 Monitoring of Capital Building Projects**

#### ***Project Management***

- (i) The Director of Facilities will be responsible for ensuring that the project is completed to the agreed specification, budget and timescales.
- (ii) External project management resources will be employed if the project is expected to exceed £250,000 and/or where expertise is not available in the University as required.

#### **Project Reporting During Construction**

- (i) For projects monitored by the Director of Facilities (generally smaller projects) variances from budget and timetable will be reported on an exception basis.
- (iii) For projects which exceed £250,000 regular reports will be provided by the External Project Manager and the Chief Operating Officer to Executive and to the University Strategy, Finance & Resources Committee.

#### **Project Completion Review (PCR)**

- (i) A post completion review will be required for projects which exceed £1 million.
- (ii) The post completion review will be in two stages:
  - a. Stage 1 will take place immediately on completion of project and highlight performance against budget, timescale and any lessons that can be learnt.

- b. Stage 2 will take place no later than 24 months after project completion giving performance evaluation against original plan
- (iii) The Chief Operating Officer will be responsible for ensuring that the University Strategy, Finance & Resources Committee receive a copy of the PCR and report to Corporation.

## ***Maintenance projects***

Revenue maintenance projects, which are not part of the agreed regular maintenance budget held by the Director of Facilities must be approved in line with the following limits (all limits include VAT).

- Over £500k - Corporation approval required.
- £200k - £500k - University Senior Management Team authorisation required with regular reporting to SFRC.
- Up to £200k – Authorised by
  - a. Vice-Chancellor and
  - b. Chief Operating Officer

When schemes are presented for approval, they should have:

- A statement demonstrating the consistency with the strategic plans of the University and the University approved financial forecasts for the University.
- A budget for the project including professional fees, VAT and funding source.
- A financial evaluation of the plans including the impact on revenues and costs, investment appraisal, cash flow forecast, (all including VAT) and consideration of alternatives.

The Revenue Maintenance Programme held by the Director of Facilities will be authorised annually as a programme so long as no single activity (capable of definition as a project by itself) exceeds £200k. These programmes are monitored by the Senior Management Team.

All schemes are subject to the normal University processes for procurement e.g., tendering.

## **9. INCOME**

The Head of Finance is responsible for ensuring appropriate procedures exist to enable the University and College to receive all income (including tuition, accommodation fees) to which it is entitled.

Departmental Managers are responsible for ensuring that all claims for funds, including research grants and contracts, and specific grants are made by the due date.

Departmental Managers must ensure that any agreements negotiated by their department with external bodies cover any legal liabilities to which the University or College may be exposed. Such agreements must be reported to the Chief Operating Officer to ensure all financial and legal implications have been considered.

The Vice-Chancellor/Principal and Chief Operating Officer are the only persons authorised to sign contracts on behalf of the University or College.

Departmental Managers are responsible for ensuring that the Finance Department is informed promptly of all income due to the University and College and providing sufficient information to the Head of Finance to enable collection. All requests for monies due to the University or College shall be rendered on official invoices or grant claims issued through the Finance Department.

### ***9.1 Levels of Fees and Charges***

The Corporation and Board authorise the Vice-Chancellor/Principal to regularly review and determine fees and charges for all the activities of the University & College including tuition fees within any recommendations or requirements established by the OFS, ESFA, DFE and any other relevant organisations.

### ***9.2 Collection of Income***

The Head of Finance will be responsible for recording ESFA, OFS and Student Loan Company income and other income arising from Educational Contracts.

The Chief Operating Officer is responsible for the maintenance, review and implementation of the Anti-Money Laundering and Counter Terrorist Financing Policy.

## 10. STUDENT & COMMERCIAL DEBT

The Head of Finance should ensure that processes are in place to enable:

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

The following regulations apply to all Student or Commercial Debt. All debt is subject to the same checks and measures.

Payment terms are to be specified at point of invoicing, with a standard of 28 days following the invoice date. This due date can be overridden on the invoice's inclusion within a payment plan. At this point the plans instalment date takes precedence. Any invoice remaining within the specified term shall be classified as 'in terms debt'.

Once an invoice exceeds the specified due date, it is classified as 'out of terms debt' and will enter the standard Debt Collection Process. This includes 3 attempts at contact to be administered a minimum of 5 working days apart. Contact attempts can include any of the following (dependent on contact details availability):

- Phone Call
- Email
- Letter

If the debt process expires without either acceptable contact or payment in full, the University and College reserves the right to escalate the account for further sanction. Sanction must be relevant to the debt and could include the following:

- Meeting with Management Team Representative
- Expulsion
- Eviction
- Suspension of Transport Service
- Suspension of IT service
- Removal from Livery Yard
- Escalation to Third-Party Debt Collection Agency
- Removal of Trade Service
- Legal Action

Consideration will be given to the size of the debt (small values may not warrant continued chasing) and to the collectability of the debt. The Credit Controller may enter into negotiations for payment, however all plans must be means tested. Any plan proceeding past Financial Year end, must be approved by the Head of Finance. Any agreement on account settlements, must be approved by the Chief Operating Officer, and proven to be cost beneficial.

In the event of students failing to pay tuition, examination or residence fees, the University and College reserve the right to a delay of grant payment by the Student Loan Company, College Access Fund, or other funding body. Any relaxation of the procedure for collecting debts in such circumstances will only be instigated on the production of documentary evidence that fees are to be paid by a third party. A student who has outstanding debt at the end of an academic year will not be allowed to re-enrol to continue their studies in future years until the debt is cleared in full. In any event, students with outstanding accounts in respect of fees at the end of their programme will not be eligible to receive their award(s) nor will the University and College act as a referee until such time as all outstanding accounts are paid in full.

The Vice-Chancellor/Principal or Chief Operating Officer has the power to withdraw services at any point during the academic year for non-payment if it is deemed necessary by the credit risk.

### ***10.1 Write Off of Debts***

The Chief Operating Officer may authorise the writing-off of any single debts not in excess of £3,000 which are considered to be uncollectable and will report such action to the Strategy, Finance & Resources Committees at the end of the financial year.

Any single debts in excess of £3,000 which are considered to be uncollectable may only be written-off by the Strategy, Finance & Resources Committees.

### ***10.2 Control of Credit Risk***

#### **a) Non-student sales**

University and College staff who contract commercial sales will inform the Finance Office of new customers prior to trading. The Finance Officer will undertake a check of credit worthiness based up on credit check for all commercial customers where the value of the trade is £10,000 or more. If there is a doubt on the credit worthiness the Vice-Chancellor/Principal or Chief Operating Officer will be informed, and a decision made on whether to trade or on what terms.

#### **b) Payment Terms**

The standard Payment Terms are all invoices to be paid within 28 days of the date of the invoice. Variance from these terms can only be approved by the Vice-Chancellor/Principal or Chief Operating Officer.

## **11. BANKING, CASH AND TREASURY MANAGEMENT**

### **11.1 University and College Bankers**

The Strategy, Finance & Resources Committees must give approval for the opening or closing of any bank or building society account in the name of the Corporation or any part of the Corporation Group.

The University and College bankers shall be on the list of approved institutions published by the Charities Commission.

The Strategy, Finance & Resources Committees shall review the University and College bankers at least every 5 years.

### **11.2 Bank Accounts**

No department or section other than Finance shall be empowered to operate a bank account in the name of the University, College or its subsidiaries.

No cheques or financial instruments made payable to the University, College or its subsidiaries shall be endorsed and credited to any other account.

### **11.3 Bank Signatories**

The University and College bankers shall be authorised to honour the signatures of the undermentioned officeholders on all documents relating to the University and College's bank accounts:

A signatories	Vice-Chancellor/ Principal
	Chief Operating Officer
	Deputy Principal (Further Education)
	Deputy Vice-Chancellor
	Deputy Principal Resources
B signatories	Head of Finance

Cheques for less than £500 may be signed by a single "A" signatory.

An "A" Signatory may not sign a cheque, on their own, that they have initiated or authorised.

Cheques for more than £500 must be signed by two cheque signatories one of which must be an "A" category.

Payments by bank transfer other than to another University Group bank account held at the same bank must be authorised by two signatories one of which must be an A signatory.

Any changes in authorised signatories must be approved by the Strategy, Finance & Resources Committees.

These procedures will be followed for BACS payments except for payroll which will be in accordance with 5.2 above.

### ***11.4 Electronic Banking***

The Chief Operating Officer may set up an electronic banking facility with each of the University & College's approved bankers. The facility should allow real time access to the bank account balances and allow transfer of monies to and from such accounts.

The Chief Operating Officer or her nominated deputies will be allowed to operate the facility. As detailed in 11.3 Payments by bank transfer other than to another University Group bank account held at the same bank must be authorised by two signatories one of which must be an A signatory

### ***11.5 Safekeeping and Issue of Cheques and Other Financial Stationery***

All pre-printed cheques and cheque books will be kept in a secure, locked cabinet, dedicated to that purpose.

### ***11.6 Banking***

All cash received by the University, College or its subsidiaries will be kept in a locked safe, dedicated to that purpose.

Cash will be banked at regular intervals, at least twice per week. Cash will be taken to the bank by a security firm or a member of the finance staff in accordance with the University & College insurance limits.

The amount of cash and cheques held on University & College property must be within the limits stated in the University & College insurance policies.

In order to facilitate financial recording and control, income will be brought to the Finance Office complete (i.e., not net of any payments).

The Finance Office will maintain a record of receipts and payments which will be fully reconciled prior to each banking.

The reconciliation will be reviewed by the Head of Finance or his nominated deputy who shall not be the person who has prepared the reconciliation.

### ***11.7 Borrowing***

The University's Treasury Management Policy shall be decided by Corporation on the recommendation of the Strategy, Finance and Resources Committee. The management and execution of loan and financial contracts should be subject to monitoring and scrutiny by the Strategy, Finance and Resources Committee. The Chief Operating Officer is responsible for determining the procedures on the use of financial instruments.

All contracts to borrow or funded by a finance lease once approved in line with limits below shall be signed by the Chief Operating Officer.

Finance Leases must be approved in accordance with the following overall lease value:

- Over £500k - Corporation approval required.
- £200k - £500k - University Senior Management Team authorisation required, with reporting to SFRC.
- Up to £200k – Authorised by
  1. Vice-Chancellor and
  2. Chief Operating Officer

The value of a lease shall be the total of the cash payments including VAT, excluding any implicit interest payments (if known) over the life of the lease up to any break clause.

## ***11.8 Investments***

Surplus funds will be invested with the University & College's bankers or financial institution in line with the Treasury Management Policy at Appendix L.

## ***11.9 Petty Cash***

The Vice-Chancellor/Principal or Chief Operating Officer will authorise all cash payments.

Petty cash payments other than advances will only be made from the Finance Office and only upon production of duly authorised documentation.

The Finance Office will make such payments from the Finance Office till which will be reconciled in accordance with 11.6 above.

The recipient must sign to confirm receipt of the cash.

All advances must be authorised by the Vice-Chancellor/Principal or Chief Operating Officer. The balance of any advance together with supporting receipts should be returned promptly to the Finance Office. Until this time, the advance remains the responsibility of the recipient.

## ***11.10 Cash Floats***

The Chief Operating Officer may approve a float of up to £1,500, increasing to £2,500 during periods of high demand, to be kept in the Finance Office for the purpose of issuing change to other float holders.

Cash floats which are required to facilitate the operation of University and College activities may be approved by the Chief Operating Officer.

The recipient of a cash float must sign to confirm receipt of the float and will then be responsible for the safe keeping of the float until it is returned to the Finance Office.

## **12. CONTROL OF CORPORATION ASSETS**

### ***12.1 Introduction***

The Corporation and Board is responsible for maintaining adequate security of all buildings, furniture, equipment, plant, stores, livestock and other assets of the Corporation and Board.

The responsibility for day-to-day control and security of assets will be delegated to the Vice-Chancellor/Principal.

### ***12.2 Security***

Day to day responsibility for the security of the buildings and premises will be further delegated to the Deputy Principal Resources, the Director of Facilities, Residential Safeguarding Manager, Security Staff, Residential Support Officers and Duty Director.

Day to day responsibility for the security and control of furniture, equipment, plant, machinery, stores and livestock will be further delegated to Budget Holders as described in Appendix H.

### ***12.3 Assets Register***

The Chief Operating Officer will be responsible for the maintenance of an Asset Register of the assets of the Corporation.

Day to day responsibility for the addition of new assets to, the removal of disposed assets from and the calculation of depreciation from the Asset Register will be held by the Head of Finance.

Only assets with a value, at acquisition, in excess of £500 including irrecoverable VAT will be included on the Asset Register.

A separate register of livestock, with their values, will be maintained under the responsibility of the Farm Manager and the Equine Director.

The methods and rates of depreciation to be used for different types of assets will be as contained in the schedule in Appendix E.

### ***12.4 Inventories***

The Chief Operating Officer and the Head of Finance will so far as is possible confirm the existence of University and College assets and whether they are still in use. Any material discrepancies found will be reported to the Strategy, Finance and Resources Committees.

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

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

## ***12.5 Consumables***

Relevant managers will be responsible for the security and control of consumables.

## ***12.6 Disposal of Assets***

The disposal of any land or buildings must be authorised by the Corporation.

The disposal of any land or buildings must be in accordance with the Terms and Conditions of OFS funding and the Financial Memorandum of the ESFA and specific approval must be sought when required.

The disposal of any assets, other than land and buildings, valued in excess of £10,000 must be authorised by the University Strategy, Finance & Resources Committee. The procedure for disposal must be approved by the University Strategy, Finance & Resources Committee.

The disposal of any assets, other than land and buildings, with a value not exceeding £10,000, must be authorised by the Vice-Chancellor/Principal, or his nominee. The procedure for disposal must be approved by the Vice-Chancellor/Principal or the Chief Operating Officer.

## ***12.7 Valuation of Land and Buildings***

Following consultation with the University's Strategy, Finance & Resources Committee, the Vice-Chancellor/Principal will be responsible for the appointment of valuers to undertake a valuation of all land and buildings owned by the Corporation for the Balance Sheet and for insurance purposes when instructed by the University's Strategy, Finance & Resources Committee.

## ***12.8 Use of University and College Property***

All staff have a duty of care to ensure that University and College property is used appropriately.

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

## **13 INSURANCES**

### ***13.1 Insurance Strategy***

The Strategy, Finance & Resources Committees must authorise the appointment, and the method of appointment, of the Corporation's insurance brokers.

The Vice-Chancellor/Principal or Chief Operating Officer, in conjunction with the appointed insurance brokers, will be responsible for preparing an insurance strategy identifying all risks and liabilities and the proposed types of insurance cover for the risks and liabilities which will be considered by the Strategy, Finance & Resources Committee.

The Vice-Chancellor/Principal or Chief Operating Officer will have the authority to arrange additional insurance cover to meet any risks which arise during the year. Such an arrangement will be reported to the next meeting of the University Strategy, Finance & Resources Committees.

### ***13.2 Insurance Claims***

Any insured losses or liabilities must be reported on the appropriate form, within two working days to the Chief Operating Officer.

The Chief Operating Officer will be responsible for notifying insurance brokers of any insured losses or liabilities and for initiating the claims procedure.

In the event of an insurance claim being settled by negotiation, any settlement in excess of £15,000 but not exceeding £50,000 must be agreed by the Vice-Chancellor/Principal, following consultation with the Chair of the University Strategy, Finance & Resources Committee and any settlement in excess of £50,000 must be agreed by the Chair of the Corporation and the Chair of the Strategy, Finance & Resources Committee.

## **14 INTERNAL AND EXTERNAL AUDIT**

### ***14.1 Introduction***

The Corporation & Board will ensure that the Corporation has a sound system of financial control and will delegate this responsibility to the Audit and Risk Management Committees (for terms of reference see Appendix J).

All arrangements for Internal and External Audit will take into account the requirements of the Regulators.

### ***14.2 External auditors and internal auditors shall have authority to:***

- Access premises at reasonable times
- Access all assets, records, documents and correspondence relating to any financial and other transactions of the University or College
- Require and receive such explanations as are necessary concerning any matter under examination
- Require any employee of the University or College to account for cash, stores or any other university property under their control
- Access records belonging to third parties, such as contractors when required

Whenever any matter arises which involves, or is thought to involve, irregularities or fraud concerning cash, or other property of the University or College or any suspected irregularity in the exercise of the activities of the University and College, the Line Manager concerned shall notify the Chief Operating Officer who will take such steps as they consider necessary by way of investigation and involvement of internal audit.

The Head of Finance is responsible for drawing up a timetable for final accounts purposes and will advise staff and external auditors accordingly.

The Strategy, Finance & Resources Committees will review the financial statements. The Audit and Risk Management Committees will review the management letter by the. The Strategy, Finance & Resources Committees will recommend the financial statements to the Corporation and Board for approval.

### ***14.3 Internal Audit***

Internal Audit will provide an independent review function within the Corporation and Board.

The appointment of the internal auditors will be ratified annually and is the responsibility of the Corporation and Board. The Corporation and Board will be advised by the Audit and Risk Management Committees.

The University's Memorandum of Assurance and Accountability with the regulators requires that it has an effective internal audit function. The main responsibility of internal audit is to provide the Corporation and Board, the Vice-Chancellor/Principal and senior management with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation and has direct access to the Corporation and Board, Vice-Chancellor and Chair of the Audit and Risk Management Committees. The internal auditor will comply with the Auditing Practices Board's auditing guideline Guidance for Internal Auditors and the Government internal audit publications.

#### **14.4 External Audit**

The annual accounts of the Corporation and Board will be subject to external audit as required by the Regulators.

The ratification of the appointment of external auditors will take place annually and is the responsibility of the Corporation and Board. The Corporation and Board will be advised by the Audit and Risk Management Committees.

The primary role of external audit is to report on the University Group Financial Statements and to carry out such examination of the statements as they may deem necessary and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the regulators Audit Code of Practice and the Auditing Practices Board's Auditing Standards.

#### **14.5 Other Organisations**

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

#### **14.6 Fraud and Irregularity**

Responsibilities

- a) The Corporation and Board are responsible for the prevention and detection of fraud. This responsibility will be discharged by the implementation of an adequate system of internal control.
- b) It will be the responsibility of the internal auditors to evaluate the controls present within the University & College's systems and assess the adequacy and effectiveness of those controls for the prevention and detection of fraud and other financial irregularities. They should be alert to the possibility of fraud when conducting their examinations and, if an irregularity is suspected, should take appropriate action in accordance with the University & College's procedures.
- c) The Fraud policy at Appendix F sets out the process for investigation of any Fraud or irregularity.

## **15. GENERAL**

### ***15.1 Taxation***

The Vice-Chancellor/Principal will make proper arrangements to ensure the prompt payment of taxes due together with appropriate returns within due dates ensuring that the University, College and Subsidiaries does not incur penalties.

Detailed procedures for dealing with each element of taxation are separate but subordinate to these regulations.

### ***15.2 Gratuities, Gifts and Hospitality***

The expectation is that all employees at the University, College and any subsidiaries will conduct themselves with integrity impartiality and honesty at all times.

Some employees may spend time with other organisations where it is normal business practice to offer gifts hospitality or awards. These gifts may be small presents of chocolate, flowers, sports tickets or dinner invitations, etc.

The acceptance of gifts or hospitality potentially creates a risk to the integrity and reputation of the University & College and of the employee. Employees are strongly advised to be cautious and must consult their line manager if they are in any doubt in a particular case. When considering accepting a gift, employees should be aware of the Anti-Bribery Policy detailed at Appendix H of these Financial Regulations.

### ***15.3 Conflicts of Interest***

The Corporation and the Board has a Code of Conduct and a Register of Members and Staff Interests to regulate any conflict of interest. Any member of staff who believes they may have a conflict of interest should contact the Clerk of the Corporation to discuss.

### ***15.4 Staff and Governor Hospitality***

The University and College have put in place an Employee and Governor Entertaining Policy which clarifies all employees and governors of Hartpury the tax implications of entertainment and other gifts and benefits.

It provides a policy on Hartpury's approach for what entertainment and gifts are allowable to be funded by Hartpury and thus tax exempt and those that will no longer be allowable as it will incur a tax charge for the individual employee.

This policy should be read in conjunction with the Anti-Bribery Policy, Appendix H of these Financial Regulations, which set out our expectations regarding the receipt of gifts and hospitality by employees and governors of Hartpury.

### ***15.4 Student Financial Aid - Hardship/Emergency Loans***

The University & College schemes for emergency/hardship loans and student financial aid must be approved by the Corporation Board through the normal

budget process. Under no circumstances should payments be made other than in accordance with the approved scheme.

The Chief Operating Officer is responsible for ensuring the adequacy of the systems in place for:

- a) Approving loans in accordance with the scheme
- b) Paying loans that have been approved
- c) Recovering loans that have been paid
- d) Awarding scholarships to cover student tuition and / or living expenses
- e) Awarding Scholarships to lower student tuition and/or living expenses

## **16. COMPANIES AND JOINT VENTURES**

In certain circumstances it may be advantageous to the University & College to establish a company or a joint venture to undertake services on behalf of the University & College. Any member of staff considering the use of a company or a joint venture should first seek the advice of the Chief Operating Officer, who should have due regard to guidance issued by the regulator.

The Corporation and Board are responsible for approving the establishment of all companies or joint ventures and the procedure to be followed in order to do so. This will have regard to any guidance provided by the regulators.

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

The directors of companies where the University or College is the majority shareholder must submit, via the University Strategy, Finance & Resources Committee, an annual report to the Corporation. They will also submit business plans or budgets as requested to enable the committee to assess the risk to the University or College. The University or College's internal and external auditors shall also be appointed to such companies where the University or College is the majority shareholder in a company, that company's financial year shall be consistent with that of the university.

## **17. RESEARCH, CONSULTANCY AND KNOWLEDGE EXCHANGE GRANTS AND CONTRACTS**

### ***17.1 General***

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

The term "research grant" is restricted to research projects funded by the UK research councils, charities and the regulators.

All other externally financed research projects are classified as "research contracts"

Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Line Manager to ensure that the financial implications have been appraised by the Finance team.

Prior to appraisal of applications by finance all research bids need sign off by Academic Dean or Deputy Vice-Chancellor to ensure we are capable of delivering prior to financial scrutiny.

The Chief Operating Officer or designated member of the Finance team is responsible for examining every formal application for grant or sponsorship to ensure that the full cost has been recognised. The research agreement must be in line with the University's policy with regard to indirect costs and other expenses and take account of different procedures for the pricing of research projects depending on the nature of the funding body. In general, full overheads must be recovered in the price. The Chief Operating Officer or designated member of the Finance team's approval must be obtained where the overhead recovery is less than the minimum normally payable by the Research Councils.

The Head of Finance shall maintain all financial records relating to research grants and contracts and shall initiate all claims for reimbursement from sponsoring bodies by the due date.

Each grant or contract will have a named supervisor or grant holder and will be assigned to a specific budget centre.

Control of pay and non-pay expenditure will be contained within the budget centre. The budget holder for the budget centre may delegate day to day control of the account to a supervisor or grant holder, but any overspend or under recovery of overheads is to be the clear responsibility of the budget centre with any loss being a charge on departmental funds.

The guidance for research grants and contracts can be found via the Research Administrator.

### ***17.2 Contracts and Terms***

All research grants and other income-generating activity will be the subject of contractual terms, which should specify the work to be done, the fees to be paid,

any outputs required and any reporting requirements. The terms should also cover confidentiality, intellectual property, publications, insurance, VAT treatment and other standard legal provisions.

Research grants and contracts shall be accepted and signed on behalf of the University by the Chief Operating Officer or in her absence the Vice Chancellor prior to any substantive work being undertaken.

It is the responsibility of the named supervisor or grant holder to ensure that the terms of any contracts are met. Any loss to the University resulting from a failure to meet conditions of funding is the responsibility of the Budget Holder and will be charged against the relevant department's finances.

All surpluses and deficits incurred on income generating activities will be recognised in the financial accounts of the University in accordance with applicable accounting rules.

### ***17.3 Additional Payments to Staff***

Any proposal which involves additional payments to members of staff should be supported by a schedule of names and values and must be approved by the Line Manager and in the case of a Line Manager by the Vice-Chancellor or Chief Operating Officer.

Unless otherwise stated in a member of staff's contract:

- Outside consultancies or other paid work may not be accepted without the consent of the Line Manager (and in the case of the Line Managers, the Vice-Chancellor, or Chief Operating Officer).
- Applications for permission to undertake work as a purely private activity must be submitted to the Line Manager or Vice-Chancellor, as appropriate, and include the following information:
  - the name of the member(s) of staff concerned.
  - title of the project and a brief description of the work involved.
  - the proposed start date and duration of the work.
  - full details of any university resources required (for the calculation of the full economic cost).
  - an undertaking that the work will not interfere with the teaching and normal university duties of the member(s) of staff concerned.
- Staff must declare the creation of any Intellectual Property to their line manager

### ***17.4 Intellectual property***

The Senior Management Team are responsible for establishing procedures to deal with intellectual property arising as a result of the activities of the University and its staff.

The intellectual property rights that arise from work undertaken by a member of staff whilst employed by the University shall normally belong to the University.

## **18 SECURITY**

### ***18.1 General***

Line Managers are responsible for maintaining proper security at all times for all buildings, stock, stores, equipment, furniture, cash, etc under their control. They will consult the Chief Operating Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Keys to safes or other similar containers are to be carried by the person responsible at all times. The loss of any such keys must be reported to the Chief Operating Officer immediately.

The Head of IT shall be responsible for maintaining proper security for all systems and privacy of information held on computers is the responsibility of the individual. Information relating to individuals held on computers will be subject to the provisions of the Data Protection Act and the General Data Protection Regulation (GDPR).

### ***18.2 Security of Documents***

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

# APPENDIX A Terms of Reference for both University & College's Strategy, Finance & Resources Committee



**HARTPURY**  
C O L L E G E

## Strategy, Finance and Resources Committee Terms of Reference

### Governor Members

- Three independent governor members (to include Chair of Board of Governors)
- Principal

### In attendance

- Chief Operating Officer
- Deputy-Principal (Resources)
- Deputy-Vice-Chancellor
- Deputy-Principal (FE)
- Clerk to the Governors
- Where it is determined to have joint meetings of the SFR Committee and the Audit and Risk Management Committee to consider the Financial Accounts  
Members of the Audit and Risk Management Committee  
Representatives from Internal & External Auditors as necessary  
(generally these meetings are separate)

### Co-opted Member

A co-opted member may be appointed to this committee.

### Quorum

Three members

#### 1. Purpose

- 1.1. To advise the Board on matters relating to financial performance, solvency, safeguarding of assets, value for money, capital projects, employment, staff wellbeing, IT/Digital, sustainability (environment), safeguarding, health and safety, equality and diversity and the related strategies and policies.

#### 2. Attendance at Meetings

- 2.1. All Board Members shall have the right of attendance, save that the Committee may, when they are satisfied, that it is appropriate because of confidentiality, and require Staff and Student members to withdraw.
- 2.2. The Clerk to the Board of Governors shall be Clerk to the Committee

### **3. Frequency of Meetings**

- 3.1. Meetings shall be held at least four times per year.

### **4. Authority**

- 4.1. The Committee is authorised by the Board of Governors to investigate any activity within its Terms of Reference, with appropriate support from the Corporation or Hartpury employees.
- 4.2. After due consultation with the Chair of the Board of Governors, the Committee is authorised to obtain legal or other independent advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary, in line with agreed expenditure limits.

### **5. Duties**

#### **(a) Finance**

- 5.1. Ensure the effective, efficient and economic use of the Board of Governors resources and assets in accordance with the Financial Regulations.
- 5.2. Consider and make recommendations to the Corporation on the annual budget, (including capital expenditure and loans) and financial forecasts.
- 5.3. Monitor the annual budget approved by the Board of Governors and report thereon to the Board of Governors.
- 5.4. Monitor and review the Financial Regulations on a regular basis or as directed by the Board of Governors.
- 5.5. Approve tuition and other fees.
- 5.6. To note and advise as appropriate on the appointment of bankers, insurance brokers and other financial specialists and to review their performance periodically.
- 5.7. Determine, if required, the Hartpury College investment and borrowing policies for approval by the Board of Governors.
- 5.8. Review annual Financial Statements and provide feedback to the Board (with the Audit and Risk Management Committee having responsibility for recommending the Financial Statements to the Board of Governors).
- 5.9. Review and approve submissions of financial returns (or other returns which fall within the remit of this Committee), to regulators, for example ESFA. (Where a submission requires Board of Governors approval the Committee will make recommendations to the Board of Governors.)

#### **(b) Value for Money**

- 5.10. Approve and monitor, on behalf of the Corporation the **Value for Money Strategy**, including the use of appropriate benchmarking.

**(c) Human Resource**

- 5.11. Oversee the implementation and delivery of the **People, Performance and Development Strategy**
- 5.12. Approve and monitor the framework for the pay and conditions of service of staff other than the holders of senior posts, , approving related policies for approval on behalf of the Corporation
- 5.13. Establish and monitor a framework and procedures for the appointment, appraisal, supervision, and investigation of staff grievances and dismissal of staff.
- 5.14. To oversee the implementation of the agreed approach, and monitor compliance with the University's legal obligations, in relation to health and safety, safeguarding and equality and diversity.

**(d) Estates**

- 5.15. To consider and note capital projects in line with the agreed Capital Project management processes.
- 5.16. To monitor capital projects in line with the agreed capital project management processes.
- 5.17. To consider post-project reviews of estates projects where expenditure is in excess of £1million.

**(e) Digital**

- 5.18. To consider reports and proposals relating to Hartpury's Digital Strategy and its delivery, and where appropriate make recommendations to the Corporation.

**(f) Sustainability (Environment)**

- 5.19. To consider reports and proposals relating to Hartpury's Sustainability Strategy and its delivery, and where appropriate make recommendations to the Corporation.

**6. Reporting Procedures**

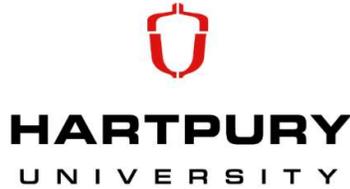
- 6.1. The Clerk to the Board of Governors shall circulate minutes of the meetings of the Committee to all Board Members.
- 6.2. The Committee shall provide a report of its work to the Board of Governors through its minutes.

**7. Urgent Financial Matters**

- 7.1. Allocation of funds are set out in the Hartpury Financial Regulations

**8. Review and Self-Assessment**

- 8.1 Review the Terms of Reference, regularly, usually annually and also undertake a self-assessment of the Committee's operation against the terms of reference.



## Strategy, Finance and Resources Committee Terms of Reference

### Governor Members

- Four independent governor members (to include Chair of Governors)
- Vice-Chancellor

### In Attendance

- Chief Operating Officer
  - Deputy-Principal (Resources)
  - Deputy-Principal (FE)
  - Deputy-Vice-Chancellor (HE)
  - Clerk to the Governors
- Where it is determined to have joint meetings of the SFR Committee and the Audit and Risk Management Committee to consider the Financial Accounts
- Members of the Audit and Risk Management Committee**  
Representatives from Internal & External Auditors (generally these meetings are separate)

### Co-opted Member

A co-opted member may be appointed to this committee

### Quorum

Four members (including a minimum of three independent governors).

#### 1. Purpose

- 1.1. To advise the Corporation on matters relating to financial performance, solvency, safeguarding of assets, value for money, capital projects, employment, safeguarding, staff wellbeing, IT/Digital, sustainability (environment), equality and diversity and the related strategies and policies.

#### 2. Attendance at Meetings

- 2.1. All University Board Members shall have the right of attendance, save that the Committee may, when they are satisfied, that it is appropriate because of confidentiality, require Staff and Student members to withdraw.
- 2.2. The Clerk to the Board of Governors shall be Clerk to the Committee

### **3. Frequency of Meetings**

- 3.1. Meetings shall be held at least four times per year.

### **4. Authority**

- 4.1. The Committee is authorised by the University Board to investigate any activity within its Terms of Reference, with appropriate support from the University Board or Hartpury employees.
- 4.2. After due consultation with the Chair of the University Board, the Committee is authorised to obtain the legal or other independent advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary, in line with agreed expenditure limits.

### **5. Duties**

#### **(a) Finance**

- 5.1. Ensure the effective, efficient and economic use of the Hartpury's resources and assets in accordance with the Financial Regulations.
- 5.2. Consider and make recommendations to the University Board on the annual budget, (including capital expenditure and loans) and financial forecasts.
- 5.3. Monitor the annual budget approved by the University Board and report on to the University Board.
- 5.4. Monitor and review the Financial Regulations on a regular basis or as directed by the University Board.
- 5.5. Approve tuition and other fees.
- 5.6. Determine the Hartpury investment and borrowing policies for approval by the University Board.
- 5.7. To advise the University Board on the appointment of bankers, insurance brokers and other financial specialists and to review their performance periodically (and to approve the opening or closing of bank accounts in line with the Financial Regulations).
- 5.8. Review annual Financial Statements and provide feedback to the University Board (with the Audit and Risk Management Committee having responsibility for recommending the Financial Statements to the Corporation).
- 5.9. Monitor levels of 'off balance sheet' liabilities and report to the University Board.
- 5.10. Review and approve submissions of financial returns (or other returns which fall within the remit of the Committee) to regulators, for example TRAC, financial returns. (Where a submission requires the University Board approval the Committee will make recommendations to the University Board.)

#### **(b) Value for Money**

- 5.11. Approve and monitor, on behalf of the University Board the **Value for Money Strategy**, including the use of appropriate benchmarking.

**(c) Human Resource**

- 5.12. Oversee the implementation and delivery of the **People, Performance and Development Strategy**
- 5.13. Approve and monitor the framework for the pay and conditions of service of staff other than the holders of senior posts, approving related policies for approval on behalf of the University Board.
- 5.14. Establish and monitor a framework and procedures for the appointment, appraisal, supervision, and investigation of staff grievances and dismissal of staff.
- 5.15. To oversee the implementation of the agreed approach, and monitor compliance with the University's legal obligations, in relation to safeguarding and equality and diversity.

**(d) Estates**

- 5.16. To consider and make recommendations to the University Board in line with the agreed Capital Project management processes.
- 5.17. To monitor capital projects in line with the agreed capital project management processes.
- 5.18. To consider post-project reviews of estates projects where expenditure is in excess of £1million.

**(e) Digital**

- 5.19. To consider reports and proposals relating to Hartpury's Digital Strategy and its delivery, and where appropriate make recommendations to the University Board.

**Sustainability (Environment)**

- 5.20 To consider reports and proposals relating to Hartpury's Sustainability Strategy and its delivery, and where appropriate make recommendations to the University Board.

**6. Reporting Procedures**

- 6.1. The Clerk to the Board shall circulate minutes of the meetings of the Committee to all the University Board Members.
- 6.2. The Committee shall provide a report of its work to the University Board through minutes.

## **7. Urgent Financial Matters**

- 7.1. Allocation of funds are set out in the Hartpury Financial Regulations

## **8. Review and Self-Assessment**

- 8.1 review the Terms of Reference, regularly, usually annually and also undertake a self-assessment of the Committee's operation against the terms of reference.

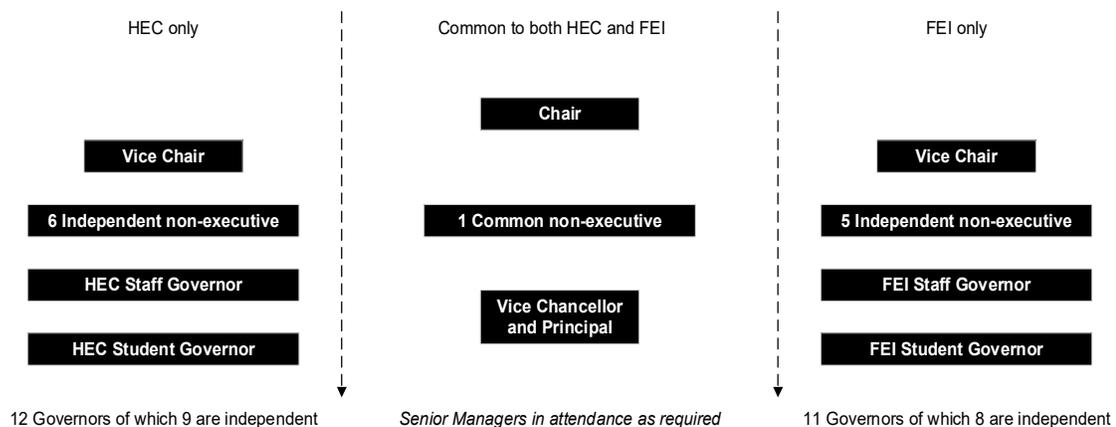
## Appendix B - Governance Arrangements for University and College

Hartpury University and Hartpury College are established in a unique structure with the objective for both organisations to be working as closely as possible, with as simple a structure as possible, to ensure the future of both FE and HE at Hartpury, whilst satisfying any requirements to demonstrate two separate institutions.

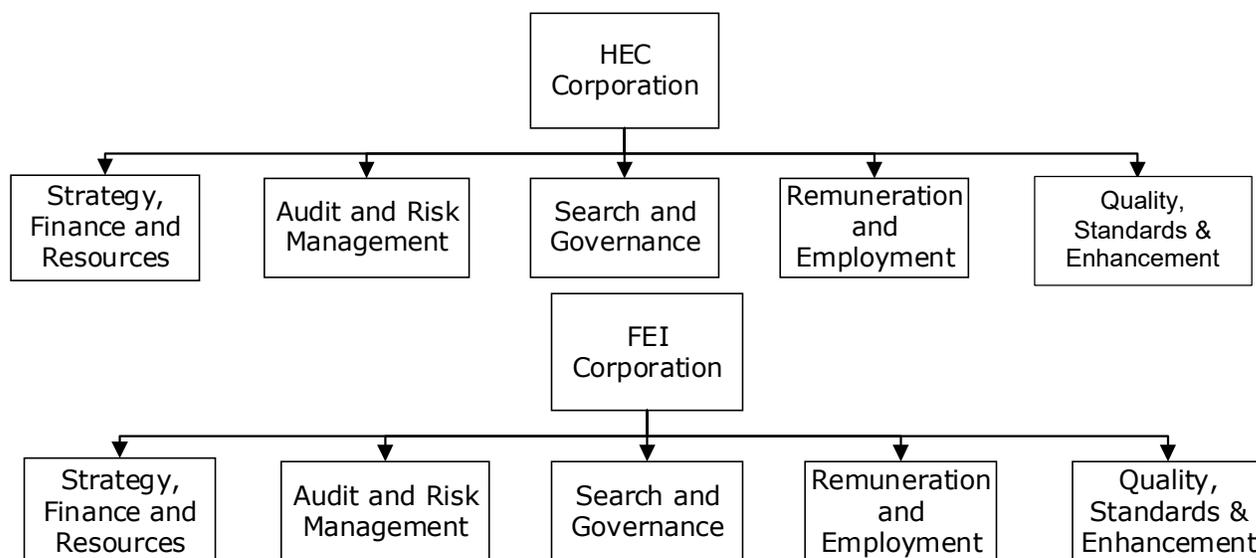
The structure is that of a Group with Hartpury University as the overarching parent company and HEC with Hartpury College of Further Education as a wholly owned subsidiary company limited by guarantee which operates the FE provision and is a new Further Education Institution (FEI). The creation of the subsidiary safeguards the future security of the FE provision in legal structures and associated documentation.

Within this new structure there are separate governance structures as required by the two entities but with commonality of some members to ensure the symbiotic relationship between the HEC and FEI continues, but acknowledge the need for relevant safeguards. The structure has been designed to ensure that the subsidiary company (the FEI) has significant independence from the parent company (the HEC).

The HEC has its own Corporation, whilst the College has a Board the organogram below shows the membership of each.



The governance committee structures are represented below, with the name of the Academic Quality committee varying. These are based on the good practice already in existence within the organisation. The membership of the committees has been considered carefully to ensure that there is a majority of independent non-executive governors for the respective institution.



Within the structures the aim is to protect the continuity of FE provision at Hartpury, without creating unnecessarily complex financial and legal structures. With this in mind all assets remain with the HEC.

All shared services (including relevant staff (for example admissions) and the estate) will remain within the HEC. There have been several steps taken to ensure that the FEI is not compromised by this arrangement, which include:

- Common chair of Governors and Vice-Chancellor/Principal who represent the interests of both the FEI and HEC, and answerable to both Boards
- A joint business plan with a shared strategic vision, ensuring that major strategic decisions support both institutions, will be written
- A 125-year lease of the two FE specific buildings to the FEI (including the College Learning Centre and the Malcolm Wharton building)
- Service level agreements are essential to ensure the proposed model continues to operate in the future in the way it is currently intended. The Agreement contains restrictions if the University choose to fund the College and allows for secondment of staff, which will support this development at least in the initial stages
- The HEC would not have control over the majority of decision making of the FEI. However, the University approval must be sought for any changes to the Memorandum and Articles of the FEI. Because of the single campus model, we aim to ensure neither the HEC nor the FEI can make decisions that conflict with the provision of a specialist education at both levels. Key decisions will have to be signed off by both parties
- Employment, including pay and conditions of staff will be determined by the relevant Board, in line with a mutually agreed business plan and
- The educational policy for the FEI will be set by the Board of the FEI. The Vice-Chancellor/Principal will be accountable to that board for the actions of the FEI.

## Appendix C - FINANCIAL OBJECTIVES OF THE CORPORATION

In agreeing the annual budget, the Corporation and Board agrees values for the following Financial KPIs for the University Group against which performance is measured:

Surplus £000
Operating surplus as % income
Adjusted Current Ratio
Gearing Ratio %
Performance Ratio %
Staff Costs as % Turnover
Cash generated from operations as % income
Cash generated from operations £000
Net Current Liabilities £000

In addition, the Corporation and Board has the financial strategy:

- Provide sufficient funds to enable curriculum maintenance and development
- Provide sufficient funds to maintain existing resources
- Enable the funding of future facilities
- Provide long term functional continuity and sustainability
- Minimise Financial risk

## **Appendix D - TIMETABLE FOR THE PREPARATION, APPROVAL, REVIEW, MONITORING AND REVISION OF THE BUDGET**

<b>ACTION</b>	<b>DATE</b>
Termly report to Strategy, Finance & Resources Committees	Termly
Distribute management accounts to members of the Corporation & Board	Monthly
Budget revision to take into account performance during first half of financial year. Revisions presented to Strategy, Finance & Resources Committees	February
Corporation and Board approves mid-year update of current year budget	March
Information collected for construction of the budget for the following year	Feb-April
First draft budget produced	Feb
First draft budget presented to Senior Management Team	March
First draft budget presented to Strategy, Finance & Resources Committees	May
Final draft budget produced	May
Final budget to Senior Management Team and Executive	June
Final draft budget presented to Strategy, Finance & Resources Committees	June
Corporation and Board approves final draft budget	July
Individual budget holders notified of allocations	July
ESFA provided with College budget and forecast	July
End of year review by Strategy, Finance & Resources Committees	November
Out-turn figures, and report of External Auditors presented to Corporation & Board.	November
OFS provided with Group and University Strategic Financial Plan	December

## **Appendix E - SCHEDULE OF METHODS AND RATES OF DEPRECIATION**

### **TANGIBLE FIXED ASSETS**

Depreciation is provided at rates considered to write off the cost of tangible fixed assets by equal instalments over their expected useful lives.

### **LAND AND BUILDINGS**

Land and buildings were valued at 1 April 1993 at depreciated replacement cost on an existing use basis by an external body and are stated at that valuation less accumulated depreciation. Freehold land is not depreciated. Buildings of a permanent nature are depreciated at a rate of 2% per annum, whilst buildings of a less permanent nature are depreciated over 12 years.

### **EQUIPMENT**

The capitalisation level of equipment is £500 or above and equipment having a value of less than £500 is written off to income and expenditure.

Inherited equipment is included at depreciated replacement cost.

Equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

	No of Years
Motor vehicles	4
Furniture, fixtures and fittings	10
Computer equipment	3
Plant and machinery	8

## Appendix F - Expenses Policy

### Purpose and Scope

The purpose of this policy is to provide guidance to Hartpury employees claiming reimbursement of travel, subsistence or other expenses incurred in connection with Hartpury business and will ensure that employees operate within Hartpury's Financial Regulations. The policy reflects the need to manage our activities efficiently, while complying with tax and other statutory obligations.

This policy applies to all Hartpury employees. Failure to comply with this procedure may result in disciplinary action.

### Authorisation of expense claims

All claims for expenses must be authorised and no employee may authorise their own claim. By authorising the claim, the authoriser is confirming that the costs have been incurred and incurred necessarily for the purposes of Hartpury business. Staff expense claim forms can be obtained for the Finance pages of the Hartpury Staff Portal.

Expense claims must be authorised by a budget holder and countersigned by the Vice-Chancellor/Principal or the Chief Operating Officer. A budget holder cannot authorise his or her own expense claim; the Vice-Chancellor/Principal or the Chief Operating Officer must do this. Any amendments made to the expense claim form should be initialled by the employee and by the individual authorising the claim. Any attempt to submit a false claim form will be treated as a serious disciplinary offence and could result in dismissal.

Reimbursement of expenses will only be made on production of receipts or invoices, except in limited instances in which expenses are reimbursed by way of fixed rate allowances for which receipts are not required, e.g., mileage. All receipts should be attached to the staff expense claim form. Employees may claim the actual cost of expenses incurred wholly, exclusively and necessarily in the performance of the duties of their performance. Employees are expected to minimise costs without impairing the efficiency of Hartpury.

Incomplete claim forms will delay the payment of expenses and may be rejected and returned to the employee, unpaid. Authorised expense claim forms should be submitted to the Finance office for payment and employees are encouraged to submit expense claims on a monthly basis.

### Payment of expenses

Finance will process all Staff Expense claims and the member of staff will be reimbursed via BACS transfer into their bank/building society account. All expenses received by 14<sup>th</sup> of each month will be paid on 28<sup>th</sup>. Forms received by 28<sup>th</sup> of the month will be paid on 14<sup>th</sup> of the following month.

### Personal Business Expenses

Payment of authorised personal business expenses only apply to employees who conduct business duties within the UK. All claims must be supported by valid receipts. These are the maximum amounts claimable:

Breakfast:	£10.00
Lunch:	£8.50
Evening meal:	£20.00
Overnight accommodation:	variable (see note below)

Staff who have to stay overnight in the course of their work duties must in the first instance, seek prior agreement from their line manager. Staff are encouraged to book accommodation at either a Premier Travel Inn or at a Travelodge or an equivalent priced hotel. Full details can be found on the appropriate websites ([www.travelodge.co.uk](http://www.travelodge.co.uk) and [www.premiertravelinn.com](http://www.premiertravelinn.com)). Hartpury agrees to meet the full cost of authorised overnight accommodation booked at a Travelodge or Premier Travel Inn provided the member of staff is able to supply a valid receipt. This is exclusive of meals which must be claimed in accordance with the allowances above.

If a Travelodge or Premier Travel Inn or equivalent priced hotel is not within reasonable travelling distance of the member of staff's destination, then agreement must be sought from the member of staff's line manager to book alternative accommodation. Hartpury will agree to pay the overnight accommodation, on production of a valid receipt up to the value of the overnight accommodation rate for the nearest Travelodge or Premier Travel Inn.

### **Travelling Expenses**

Hartpury will reimburse staff for expenses incurred in travelling as part of their duties. Travelling expenses must be claimed at the end of the month and are paid from the Finance Office using the above procedure.

In the interests of economy, employees are required to plan journeys to minimise expenditure i.e., plan visits to coincide with daily travel routines. Employees should check Hartpury vehicle availability but if a vehicle is not available and rail travel is impractical, employees may, with prior consent of a member of the Executive/Senior Management Team, use their own vehicle to undertake business travel. Executive/Senior Management are expected to utilise Hartpury vehicles where available and by exception utilise their own car.

Employees using their private vehicle for business travel are responsible for checking that their insurance policy covers occasional business use and, if necessary, informing their insurance company prior to use. A copy of their insurance policy should be logged with the Transport Office. Business travel which has been approved by a member of the Senior Management Team will be paid at the rate of 45p a mile provided the above conditions have been met. ***If employees do in excess of 10,000 business miles per tax year this rate will drop to 25p a mile to ensure there is no personal tax liability. Hartpury recommends that any staff who travel regularly on Hartpury business keep a mileage log. Travel between home and permanent work site will not be classed as business mileage.*** No payments are made for normal daily travel to work from your home address.

### **Relocation expenses**

Hartpury does not support the relocation costs of employees.

### **Eye Examinations**

Employees, who are appointed to work as a Display Screen Equipment (DSE) user, should have a suitable eye examination. This recommendation applies if you normally use the DSE for continuous spells of an hour or more at a time virtually every working day.

Regular DSE users are eligible to claim for ONE free eye examination each year. Employees are required to make their own appointments with their optician and then claim back the examination fee from Hartpury, up to a maximum of £25.00.

Employees may claim back their eye examination fee by completing a staff expense claim form, attaching the relevant receipts. Staff expense claims must be countersigned

by the Vice-Chancellor/Principal or the Chief Operating Officer before payment will be made.

You should not only have an initial eye examination, but also attend for a repeat examination every 2 years (your optician may send you a reminder), or more frequently if recommended by the optician, or if you experience any sight problems.

### **Professional Subscriptions**

Professional subscriptions for employees are the personal responsibility of individual employees. Hartpury do not reimburse such costs.

### **Uniforms**

Where employees are required to wear uniforms, the provision of such clothing will be arranged by Hartpury. Costs may not be claimed by way of reimbursement of cash. Where employees are required to wear personal protective equipment (PPE) such as overalls, goggles, ear defenders etc, these will be provided by Hartpury and will remain as property of Hartpury. Costs for equestrian clothing such as riding hats, body protectors, safety/yard boots etc should be met by the employee.

### **Expenses Relating To Training, Qualifications Or Study**

The payment of expenses which are deemed an essential element of an approved programme of study may be agreed by the HR department. Costs relating to the typing and binding of project work/dissertation should be met by the employee.

Employees may claim assistance with the cost of purchase of essential textbooks specified as required for the course up to a maximum of £50 per course per year. The textbooks will remain the property of Hartpury and should the employee voluntarily leave Hartpury, these should be returned to the HR team. The cost of items such as stationery, pens, postage, telephone calls, newspapers, professional journals, library subscriptions, membership subscriptions of professional associations etc. cannot be met.

### **Travel Expenses To Attend Training Courses**

Employees are encouraged to use Hartpury vehicles for travel to short courses, briefing sessions and external events wherever possible. The Staff Development Policy provides more detail on the allowable expenses.

[Staff Development Policy](#)

### **Residential Elements Of A Course**

Hartpury will meet the cost of any compulsory residential element to the approved course of study and paid time off will normally be granted for each day on which the employee would normally be required to work.

### **Subsistence**

Subsistence expenses incurred in relation to a short course of study or external event may be claimed up to the maximum specified in the Staff Handbook. Employees who regularly attend taught sessions will not be eligible to claim subsistence expenses.

### **EQUALITY, DIVERSITY AND INCLUSION**

As with all Hartpury policies and procedures, due care has been taken to ensure that this policy is appropriate to all members of staff regardless of their age, disability, ethnicity, gender, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation and transgender status.

The policy will be applied fairly and consistently whilst upholding Hartpury's commitment to providing equality to all. If any employee feels that this or any other policy does not meet this aim, please contact the HR Department.

Hartpury is committed towards promoting positive mental health by working towards the MINDFUL EMPLOYER Charter. Hartpury aims to create a culture of support within the workplace where employees can talk about mental health problems without the fear of stigma or discrimination.

## **Appendix G - FRAUD POLICY**

### **RESPONSIBILITIES**

The Corporation and Board are responsible for the prevention and detection of fraud, corruption, impropriety or irregularity. This responsibility will be discharged through the Vice-Chancellor/Principal by the implementation of an adequate system of internal control.

It will be the responsibility of the Internal Auditors to evaluate the controls present within the University & College's systems and assess the adequacy and effectiveness of those controls for the prevention and detection of fraud and other irregularities. They should be alert to the possibility of fraud when conducting their examinations and, if an irregularity is suspected, should take appropriate action in accordance with the University and College's procedures.

### **DISCOVERY OF FRAUD, CORRUPTION, IMPROPRIETY OR IRREGULARITY**

It will be the responsibility of any Member or employee of the Corporation or Board upon discovery of, or with real grounds for suspicion of the existence of, fraud, corruption, impropriety or irregularity within the University, College or its subsidiaries, to bring the matter to the attention of the Vice-Chancellor/Principal at the earliest opportunity.

If, in the course of their work, the internal auditors have cause to suspect fraud, corruption, impropriety or irregularity, they shall refer the matter to the Vice-Chancellor/Principal immediately.

Any evidence or documentation should not be distributed to ensure compliance with the requirements of the Police and Criminal Evidence Act (PACE).

### **ACTION TO BE TAKEN IN ALL CASES OF FRAUD, CORRUPTION, IMPROPRIETY OR IRREGULARITY**

On being made aware of the possibility of fraud, corruption, impropriety or irregularity, the Vice-Chancellor/Principal shall instigate such further action, as he/she considers necessary. In all instances as a minimum this will include immediately notifying the Chair of the Audit and Risk Management Committees and the Corporation and Board and instructing the Internal Auditors or independent auditors if appropriate to carry out an investigation.

Upon completion of their investigation the Internal Auditors will report verbally to the Vice-Chancellor/Principal on their findings and these will be confirmed in writing within ten working days.

Upon receipt of the verbal report from the Internal Auditors the Vice-Chancellor/Principal will immediately notify the Chair of both the Audit and Risk Management Committees and the Corporation of the findings and the action that he/she proposes to take. This shall include, if deemed necessary, referral of the matter to:

- the Audit and Risk Management Committees for action and further investigation by the Internal Auditors or others.
- the ESFA.

In any event, all matters of fraud, corruption, impropriety or financial irregularity and copies of any related written reports will be submitted to the Chair of the Audit

and Risk Management Committees and the Corporation, the Audit and Risk Management Committees and the External Auditors. Any evidence obtained and all interviews conducted will need to comply with PACE.

Should the suspicion of fraud or irregularity relate to the Vice-Chancellor/Principal, it should be referred to the Clerk to the Corporation who will immediately inform the Chair of the Audit and Risk Management Committees and the Corporation.

The Corporation and Board will take action to recover any money that has been lost. The Corporation and Board will also take appropriate action against staff or Members who perpetrate fraud and any person whose conduct allows fraud to be committed.

The Vice-Chancellor/Principal or Chair of the Corporation as appropriate will immediately inform the police once there is clear prima facie evidence of fraud.

In all instances, if the Chair of the Corporation is not available, the matter will be referred to the Vice Chair.

## Appendix H - ANTI BRIBERY POLICY



**HARTPURY**

### Anti-bribery Policy

#### Introduction

Hartpury has a zero-tolerance for bribery and corruption. Hartpury's reputation with the community it serves, and other stakeholders is underpinned by ethical behaviour, financial probity and honesty. Hartpury aims to limit its exposure to bribery by:

- Setting out a clear anti-bribery policy, which is proportionate to the risks that Hartpury is exposed to.
- Embedding awareness and understanding of Hartpury's anti-bribery policy amongst all staff, "associated persons" (any person performing services for or on behalf of Hartpury), and external persons/organisations with whom Hartpury has commercial relations.
- Training staff as appropriate so that they can recognise and avoid the use of bribery by themselves and others.
- Encouraging staff to be vigilant and to report any suspicion of bribery, providing them with suitable channels of communication such as Hartpury's Public Interest Disclosure Procedures and ensuring sensitive information is treated appropriately.
- Rigorously investigating instances of alleged bribery in accordance with Hartpury's disciplinary and dismissal policy and procedure; and assisting the Police and other appropriate authorities in any resultant prosecution.
- Taking firm and vigorous action against any individual(s) involved in bribery.

#### Purpose and Scope

The purpose of this document is to define Hartpury's policy on anti-bribery. This policy is based on the Bribery Act 2010.

This policy applies to all employees and anyone acting for, or on behalf of, Hartpury ("associated persons"), including governors, other volunteers, temporary workers, consultants and contractors.

#### Policy Statement

Bribery is a criminal offence, is morally wrong and exposes staff at Hartpury to the risk of prosecution, fines and imprisonment as well as endangering Hartpury's reputation. Hartpury is committed to maintaining the highest ethical standards and to carrying on its activities fairly, honestly, openly and in compliance with all applicable laws.

All employees and associated persons are responsible for maintaining the highest standards of business conduct and are expected to behave honestly and with integrity.

Any breach of this policy will constitute a serious disciplinary offence, which may lead to dismissal and may become a criminal matter for the individual.

Hartpury prohibits employees and associated persons from offering, giving, soliciting or accepting any bribe. The bribe might include cash, a gift or other inducement, to or from any person or organisation, wherever they are situated, and irrespective of whether or not they are a public official/body or private person or company, by any individual governor, employee, agent or other person or body acting on Hartpury's behalf. The bribe might be made in order to:

- Gain any commercial, contractual or regulatory advantage for Hartpury in a way which is unethical.
- Gain any personal advantage, pecuniary, or otherwise, for the individual or anyone connected with the individual.

Employees and associated persons are requested to remain vigilant in preventing, detecting and reporting bribery. Employees and associated persons are expected to report any concerns regarding any suspected bribery in accordance with Hartpury's procedures.

### **Anti-Bribery Measures**

Hartpury has reviewed their existing regulatory and policy framework and believe it is sufficiently robust to manage many of the risks associated with bribery.

To promote a strong anti-bribery culture, the anti-bribery policy is available on the staff intranet. All existing policies and procedures are also reviewed and the key policies associated with this policy are provided below.

Appropriate anti-bribery measures are embedded in all relevant operational policies and procedures.

### **Gift and Hospitality Guidance**

This guidance is not intended to prohibit appropriate corporate entertainment and/or hospitality undertaken in connection with Hartpury's business activities, provided the activity is customary under the circumstances, is proportionate, and is properly recorded and disclosed in accordance with the guidance below:

Some employees may spend time with other organisations, where it is normal business practice to offer gifts, hospitality or awards. These gifts may be small presents of chocolate, flowers, sports tickets or dinner invitations, etc.

The acceptance of gifts or hospitality potentially creates a risk to the integrity and reputation of Hartpury and of the employee. Employees are strongly advised to be cautious and must consult their line manager if they are in any doubt in a particular case.

Small gifts or hospitality with a value of under £50 may be accepted if given as a genuine show of appreciation of work undertaken. The recipient should, however, be conscious of the need to avoid a position where he/she might be or appear to be influenced in making a decision by such gift or hospitality.

Gifts or hospitality with a value above £50 should be referred to the employee's line manager, who will notify the Deputy Principal - Resources for inclusion on the Register of Gifts and Hospitality. If the line manager does not approve acceptance of the gift, it should be returned or passed to an approved charitable organisation.

Gifts or hospitality worth over £100 may only be accepted with the express agreement of the Vice Chancellor and Principal/CEO and must be reported for inclusion on the Register.

If a gift cannot be accepted, it should be returned to the donor, thanking them and politely explaining why the gift cannot be accepted.

Personal inducement in any form must never be accepted. Any such offers must be reported to the Vice Chancellor and Principal/CEO immediately.

### **Gifts and Hospitality Register**

The Register will record the following information:

- Nature of the gift or hospitality
- Approximate value
- From whom offered
- To whom offered
- Whether gift was accepted
- What was done with accepted gift or hospitality

Please refer to the following Hartpury Policies:

- Code of Professional Conduct
- Public Interest Disclosure Procedures (Whistle Blowing)

### **Equality, Diversity and Inclusion**

As with all Hartpury policies and procedures, due care has been taken to ensure that this policy is appropriate to all members of staff regardless of their age, disability, ethnicity, gender, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation and transgender status.

The policy will be applied fairly and consistently whilst upholding Hartpury's commitment to providing equality to all. If any employee feels that this or any other policy does not meet this aim, please contact the HR Department.

Hartpury is committed towards promoting positive mental health by working towards the MINDFUL EMPLOYER Charter. Hartpury aims to create a culture of support within the workplace where employees can talk about mental health problems without the fear of stigma or discrimination.

# **Appendix I – COLLEGE & UNIVERSITY EMPLOYEE & GOVERNOR ENTERTAINING EXPENSES POLICY**

This policy aims to clarify for all employees and governors of Hartpury the tax implications of entertainment and other gifts and benefits.

It provides a policy on Hartpury's approach for what entertainment and gifts are allowable to be funded by Hartpury and thus tax exempt and those that will no longer be allowable as it will incur a tax charge for the individual employee.

This policy should be read in conjunction with the Anti-Bribery Policy, Appendix H of the Financial Regulations, which set out our expectations regarding the receipt of gifts and hospitality by employees and governors of Hartpury.

## **BUSINESS ENTERTAINING**

For a relatively small number of staff there will be a requirement to entertain contacts of Hartpury, for example Business Development when looking at attract new funding, HE Research when discussing new partnership opportunities for research projects and the Directors of Agriculture, Animal or Equine where they have identified new partners to work with these areas.

For staff and governors where during the normal course of a working day their role with Hartpury requires them to entertain current and potential business connections, sponsor, partner, supplier, either on site at Hartpury or off site There are certain parameters to that entertainment.

This section aims to ensure that in such instances, the employee or Governor is aware of not only what is allowable as entertainment provided at Hartpury and that which can be claimed for through expenses.

It has been deemed by HMRC that students of universities and colleges are to be classed as customers for tax purposes and therefore the rules around entertaining also apply when entertaining students.

### **Bullet list of allowable expenses:**

- Working lunch at Hartpury for current or potential sponsor, partner, supplier - a new hospitality policy has been approved which sets out the type of working lunch available for different events. The following link provides that policy and the expectations of what can be ordered on site (Included here link to policy)
- Entertaining clients in the hospitality suite at Hartpury Rugby or equine events
- Entertaining clients at Gloucester Rugby as part of our sponsorship package
- Business events at for example Agri Tech or to raise Hartpury profile to increase sponsorship, student placements etc.
- Mileage claims for travel to and from external entertaining events

## **STAFF EVENTS AND ENTERTAINING**

Most staff entertaining & gifts are deemed to be taxable unless they fall under one of those classed as exempt (See appendix 1). If they are regarded as a taxable benefit, the benefit will be taxed at the employees' highest level of income tax. For example, an employee in the "higher" earner tax bracket for income tax, any taxable benefit will be charged against their income tax at 40p for every £1.

## **ANNUAL EVENTS**

Hartpury provides to all employees, a Christmas party and summer BBQ which both meet the criteria of being a non-taxable benefit as the event is available to all employees

& governors and the cost per employee of the two events is less than £150 including VAT.

However, to ensure we are working within the HMRC requirements, Hartpury will no longer fund individual team lunches or events in recognition for work done as this will generate an income tax liability for each individual attendee.

### **TRIVIAL BENEFITS**

On the surface, trivial benefits or gifts are those that are of a value of less than £50 inclusive of VAT each but there are other criteria that must be complied with to ensure they remain exempt. The benefit cannot be cash nor a voucher; the benefit cannot be in relation to an individual's work (i.e. a reward for hard work) and finally the individual cannot have a contractual entitlement nor can the benefit be "reasonably expected" from their role. There is a limit to the total value of trivial benefits a single individual can receive, restricted to £300 per tax year.

For clarity here, Hartpury will not fund the following activities from its budgets:

- Social activities that groups of employees may choose to attend both within Hartpury or external to Hartpury University and College
- Leaving Gifts for employees
- Cash or vouchers for employees
- Thank you gifts for individual employees

### **ENTERTAINMENT AND GIFTS FROM THIRD PARTIES**

When working with clients, a Hartpury employee may receive gifts or be invited to events by clients, this however does carry a risk of being regarded as a taxable benefit. All gifts & hospitality must be declared as set out in the Anti-Bribery Policy.

Entertainment is tax exempt if the entertainment is provided to an employee, by reason of their employment, by a genuine third party. This includes tickets to sporting events or cultural events provided by a business client, likely to strengthen the relationship. Gifts remain exempt if the gift is received by an employee from genuine third parties, by way of their employment, provided the cost of any one source does not exceed £250, inclusive of VAT, per tax year.

### **EQUALITY, DIVERSITY AND INCLUSION**

As with all Hartpury policies and procedures, due care has been taken to ensure that this policy is appropriate to all members of staff regardless of their age, disability, ethnicity, gender, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation and transgender status.

The policy will be applied fairly and consistently whilst upholding Hartpury's commitment to providing equality to all. If any employee feels that this or any other policy does not meet this aim, please contact the HR Department.

Hartpury is committed towards promoting positive mental health by working towards the MINDFUL EMPLOYER Charter. Hartpury aims to create a culture of support within the workplace where employees can talk about mental health problems without the fear of stigma or discrimination.

## **Appendix 1. Exempt Benefits**

This appendix details exempt benefits relevant to the Hartpury entertaining policy; this is not an extensive list of all exempt benefits.

### **Mileage**

Approved Mileage Allowance Payments (AMAP), HMRC approved rates which are tax allowable:

- First 10,000 miles 45p per mile
- More than 10,000 25p per mile

If mileage is paid by employer equals the AMAP, there is no tax charge.

### **Other Exempt Benefits**

- Trivial benefits (not vouchers) with cost to employer of no more than £50 per gift and which are not provided in recognition of service of employee. This exemption applies to low value benefits given for non-work reasons such as birthday gifts.
- Subsidised on site canteen facilities, provided they're available to all employees
- Provision of car parking space at or near place of work including reimbursement of cost of such a parking space.
- Provision of one mobile phone for private use by employee (including smart phones).
- Benefits that encourage travel to work other than in car.
- Christmas parties etc. provided modest cost (up to £150 p.a. per head) If exceeds £150, full cost of event is taxable.
- Expenses incurred when away overnight on employer's business including calls home & laundry up to max £5 per night UK, £10 overseas.
- Entertainment provided for an employee, by reason of his or her employment, by a genuine third party (e.g. a ticket or seat at a sporting or cultural event provided by a business contact or client, to generate goodwill).
- Gifts received, by reason of his or her employment, from genuine third parties, provided the cost from any one source does not exceed £250 in a tax year.
- Long service awards in kind (e.g. gold watches) to mark employment of 20 years or more are exempt up to a cost of £50 for each year of service.
- Provision of travel, accommodation and subsistence during public transport disruption caused by industrial action.
- Recreational or sporting facilities available to employees generally and not to the general public, whether provided directly or by a voucher.
- Awards of up to £25 under a staff suggestion scheme, which is available to all employees, for suggestions outside their duties. Higher awards may be justified if they reflect the financial importance of the suggestion to the business.

# Appendix J: INTERNATIONAL TRAVEL POLICY



## HARTPURY

### INTERNATIONAL TRAVEL POLICY

#### Background

In order to maintain and enhance Hartpury's reputation as a provider of education and training at all levels in the global marketplace, it is vital to conduct overseas promotion, establish international links and develop international products and services.

The following policy provides the model framework for all issues related to international travel undertaken on behalf of Hartpury in the promotion, conduct and/or implementation of products and services. This includes any Student Trips which include international travel.

#### Purpose

1. To ensure all overseas travel is cost-effective and represents best value for money.
2. To ensure that all overseas travel / international activities are approved.
3. To provide staff with guidelines / procedures relating to overseas travel.
4. To support the operating procedure 6.07 (study tours and day visits) in cases of overseas visits.

#### Scope

All employees or representatives working for / or on behalf of Hartpury.

#### Policy

To comply with current Hartpury purchasing regulations, and ensure best value for money, at least two quotes will be sought for all flight / travel costs and hotel accommodation.

All international travel arrangements are to be endorsed by the individual's line-manager and approved by the Vice-Chancellor/Principal. International travel by the Vice-Chancellor/Principal will be subject to the prior consent of the Chair of Corporation.

All staff intending to travel overseas on Hartpury business must complete the International Travel Application form (attached). This must be endorsed by the relevant line-manager before submission to the Principal. This must be accompanied by a detailed itinerary of the trip. This must be submitted at least 1 month before the planned trip.

Individual members of staff are responsible for ensuring they are medically fit and have the required immunisations to undertake the proposed overseas trip. If they are in any doubt, then Hartpury advises they seek medical advice before agreeing to undertake the trip.

Individual members of staff are responsible for adhering to current Foreign and Commonwealth Office (FCO) advice regarding the locations they will visit on their proposed trip. Details can be found at [www.fco.gov.uk](http://www.fco.gov.uk).

Personal expense claims for members of staff travelling overseas on Hartpury business should not normally exceed the following recommended limits:

- a) Appropriate accommodation where there is evidence that the market has been tested and proposed solutions offers best value for money (other than where justified and pre-agreed with the Vice-Chancellor/Principal)
- b) Maximum daily meal payment (only to include soft drinks) equivalent to £40 per person/day.
- c) Second class rail travel
- d) Entertainment payment of £30 per head for meetings pre-arranged in the travel itinerary or that can demonstrate, in the opinion of the Principal, sound business worth to Hartpury.
- e) Short haul flights (defined as less than 6-hour duration): Economy class
- f) Long haul flights (defined as over 6-hour duration): Economy class unless justified and agreed in advance by the Principal or his nominee.

All claims for travelling expenses, subsistence and incidental expenses must be supported by receipts and approved by the budget holder prior to submission to the Finance Office. Payment will be authorised by the Chief Operating Officer

Claims made by the Vice-Chancellor/Principal will be authorised by the Chair of the Corporation.

Hartpury will provide travel insurance and necessary visas required for staff travelling on Hartpury business.

Hartpury will not normally meet joining / membership fees of airport lounge clubs, except where an employee travels frequently on Hartpury business and there are benefits to Hartpury.

On return from the overseas trip the member of staff / representative of Hartpury will complete a detailed trip report, outlining activities against pre-agreed objectives (as stated on the International Travel Application form), benefits to Hartpury, future action plan / follow-ups, and recommendations.

Staff travelling overseas to accompany student groups (study tours, sports tournaments etc.) will comply with the operating procedure 6.07. Although the above regulations apply to these trips, they must be self-financing (i.e., covered by student contributions, fund-raising etc.). A budget must be prepared in advance,

encompassing all travel, subsistence and associated costs, and demonstrate relevant budget / funding has been sourced prior to travel.

## Appendix K - Terms of Reference of the Audit and Risk Management Committees



### **COLLEGE AUDIT AND RISK MANAGEMENT COMMITTEE** **Terms of Reference**

<b>1.</b>	<b>Governor Members</b>
	Three independent governor members
<b>2.</b>	<b>Co-opted Member</b>
	Up to three co-opted members
<b>3.</b>	<b>In attendance</b>
	Principal
	Chief Operating Officer
	Head of Finance
	Representatives from Internal and External Auditors as necessary
	Senior Managers as required
	Clerk to the Governors
<b>4.</b>	<b>Quorum</b>
	Three members (may include one co-opted member)
<b>5.</b>	<b>Membership</b>
5.1	The committee shall comprise a minimum of 3 members.
5.2	The internal auditor shall be entitled to attend and speak at all meetings of the committee (but not to vote) as shall the financial statements auditor and if appropriate the funding auditor where business relevant to them is being discussed. Senior management should also be invited to attend meetings of the Committee, particularly where their area of responsibility is under discussion, and shall be entitled to attend and speak at such meetings but not to vote.
5.3	The committee may invite the Board of Governors' advisers or other third parties to attend meetings of the committee as appropriate (such persons shall not have a vote but shall be entitled to speak at the meeting).
5.4	The Principal and other senior post holders may not be members of the committee but other members of staff, who are also governors, may sit on the committee provided they do not have significant executive, management, financial or budgetary responsibilities. (This would be assessed by Search and Governance Committee before a decision was made to have a staff governor on the Audit & Risk Management Committee).

5.5	In order to maximise the committee's independence and objectivity, the following people shall not be eligible to sit on the Committee. Those with executive responsibilities at senior level. The Chair of the Board of Governors. Governors who have significant interests in Hartpury College. Governors who are members of the Strategy Finance and Resources committee.
5.6	A person shall generally be ineligible for appointment to the committee if he or she has served more than 6 years on the Committee. The Clerk will arrange appointments to ensure that no two members are replaced at the same time.
5.7	The Chair of the committee will be selected by the Board of Governors.
5.8	The Clerk to the Governors shall act as Clerk to the committee. The Clerk to the Governors should not be Clerk of the Audit and Risk Management Committee if he/she has significant financial responsibilities at senior level within the University.
5.9	The committee will meet at least three times per year. The internal auditor, funding auditor or financial statements auditor may request a meeting of the Committee if they consider that one is necessary and the Committee will endeavour to comply with such requests.
5.10	The committee shall be entitled, whenever it is satisfied that it is appropriate to do so, to go into confidential session and (subject to the rules as to quoracy set out above) to exclude any, or all, participants and observers, except the Clerk to the Committee.
5.11	The committee shall be granted rights of access to obtain all the information it considers necessary from members of the staff and governors of the Board of Governors, and to consult the internal audit service (IAS), financial statements auditor and funding auditor directly.
<b>6.</b>	<b>Terms of Reference</b>
6.1	To advise the governing body on the adequacy and effectiveness of the Board of Governors' systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money).
6.2	To advise the governing body on the appointment, reappointment, dismissal and remuneration of the financial statements auditor and the IAS.
6.3	Advise the governing body on the scope and objectives of the work of the IAS, the financial statements auditor and the funding auditor.
6.4	To ensure effective co-ordination between the IAS, the funding auditor and the financial statements auditor including whether the work of the funding auditor should be relied upon for internal audit purposes.
6.5	To consider and advise the governing body on the audit strategy, annual internal audit plans and Annual Report for the IAS.
6.6	To advise the governing body on internal audit assignment reports and annual reports and on control issues included in the management letters of the financial statements auditor and the funding auditor, and management's responses to these.

6.7	To monitor, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports, the funding auditor's management letter and spot-check reports and the financial statements auditor's management letter.
6.8	To consider and advise the governing body on relevant reports by the NAO, the ESFA, other funding bodies and where appropriate, management's response to these.
6.9	To establish, in conjunction with Hartpury management, relevant annual performance measures and indicators, and to monitor the effectiveness of the IAS and financial statements auditor through these measures and indicators and decide, based on this review, whether a competition for price and quality of the audit service is appropriate.
6.10	To produce an annual report for the governing body and accounting officer, which should include the Committee's advice on the effectiveness of Hartpury's risk management, control and governance processes, and any significant matters arising from the work of the IAS, the funding auditors and the financial statements auditor.
6.11	To ensure that all allegations of fraud and irregularity are properly followed up.
6.12	To be informed of all additional services undertaken by the IAS, the financial statements auditors and the funding auditors.
6.13	To recommend the annual financial statements to the governing body for approval.
6.14	To oversee the Risk Management processes through consideration of the Risk Register Update, Top Risks and Risk Management Group Updates.
6.15	To oversee the provider's policies relating to ethical behaviours, including whistleblowing, anti-bribery, material events, fraud and irregularity etc.
6.16	To ensure there is regular re-tendering of internal and financial statements auditors, which should happen at least every five years.
6.17	To oversee the provision and pre-approval of all non-audit services by internal or external auditors. The Committee should consider the skills and experience of the audit firm, potential threats to the auditor's independence and objectivity, and any controls put in place by the institution and the auditor to mitigate such threats. (If necessary to support timeliness of such approval considerations this approval may be considered and approved electronically).
6.18	To oversee the implementation of the agreed approach, and monitor compliance with the College's legal obligations, in relation to health and safety.



# HARTPURY

UNIVERSITY

<b>1.</b>	<b>Governor Members</b>
	Three independent governor members
<b>2.</b>	<b>Co-opted Member</b>
	Up to three co-opted members
<b>3.</b>	<b>In attendance</b>
	Vice-Chancellor
	Chief Operating Officer
	Head of Finance
	Representatives from Internal and External Auditors as necessary
	Senior Managers as required
	Clerk to the Governors
<b>4.</b>	<b>Quorum</b>
	Three members (may include one co-opted member)
<b>5.</b>	<b>Membership</b>
5.1	The committee shall comprise a minimum of 3 members.
5.2	The internal auditor shall be entitled to attend and speak at all meetings of the committee (but not to vote) as shall the financial statements auditor and if appropriate the funding auditor where business relevant to them is being discussed. Senior management should also be invited to attend meetings of the Committee, particularly where their area of responsibility is under discussion, and shall be entitled to attend and speak at such meetings but not to vote.
5.3	The committee may invite the Corporation's advisers or other third parties to attend meetings of the committee as appropriate (such persons shall not have a vote but shall be entitled to speak at the meeting).
5.4	The Vice-Chancellor and other senior post holders may not be members of the committee but other members of staff, who are also governors, may sit on the committee provided they do not have significant executive, management, financial or budgetary responsibilities.
5.5	In order to maximise the committee's independence and objectivity, the following people shall not be eligible to sit on the Committee.
	Those with executive responsibilities at senior level.
	The Chair of the Corporation.
	Governors who have significant interests in Hartpury University
	Governors who are members of the Strategy Finance and Resources committee

5.6	A person shall generally be ineligible for appointment to the committee if he or she has served more than 6 years on the Committee. The Clerk will arrange appointments to ensure that no two members are replaced at the same time.
5.7	The Chair of the committee will be selected by the Corporation.
5.8	The Clerk to the Corporation shall act as Clerk to the committee. The Clerk to the Corporation should not be Clerk of the Audit and Risk Management Committee if he/she has significant financial responsibilities at senior level within the University.
5.9	The committee will meet at least three times per year. The internal auditor, funding auditor or financial statements auditor may request a meeting of the Committee if they consider that one is necessary and the Committee will endeavour to comply with such requests.
5.10	The committee shall be entitled, whenever it is satisfied that it is appropriate to do so, to go into confidential session and (subject to the rules as to quoracy set out above) to exclude any, or all, participants and observers, except the Clerk to the Committee.
5.11	The committee shall be granted rights of access to obtain all the information it considers necessary from members of the staff and governors of the Corporation, and to consult the internal audit service (IAS), financial statements auditor and funding auditor directly.
<b>6.</b>	<b>Terms of Reference</b>
6.1	To advise the governing body on the adequacy and effectiveness of the Corporation's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money).
6.2	To advise the governing body on the appointment, reappointment, dismissal and remuneration of the financial statements auditor and the IAS.
6.3	Advise the governing body on the scope and objectives of the work of the IAS, the financial statements auditor and the funding auditor.
6.4	To ensure effective co-ordination between the IAS, the funding auditor and the financial statements auditor including whether the work of the funding auditor should be relied upon for internal audit purposes.
6.5	To consider and advise the governing body on the audit strategy, annual internal audit plans and Annual Report for the IAS.
6.6	To advise the governing body on internal audit assignment reports and annual reports and on control issues included in the management letters of the financial statements auditor and the funding auditor, and management's responses to these.
6.7	To monitor, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports, the funding auditor's management letter and spot-check reports and the financial statements auditor's management letter.
6.8	To consider and advise the governing body on relevant reports by the NAO, the OfS, other funding bodies and where appropriate, management's response to these.

6.9	To establish, in conjunction with Hartpury management, relevant annual performance measures and indicators, and to monitor the effectiveness of the IAS and financial statements auditor through these measures and indicators and decide, based on this review, whether a competition for price and quality of the audit service is appropriate.
6.10	To produce an annual report for the governing body and accounting officer, which should include the Committee's advice on the effectiveness of Hartpury's risk management, control and governance processes, and any significant matters arising from the work of the IAS, the funding auditors and the financial statements auditor.
6.11	To ensure that all allegations of fraud and irregularity are properly followed up.
6.12	To be informed of all additional services undertaken by the IAS, the financial statements auditors and the funding auditors.
6.13	To recommend the annual financial statements to the governing body for approval.
6.14	To oversee the Risk Management processes through consideration of the Risk Register Update, Top Risks and Risk Management Group Updates.
6.15	To oversee the provider's policies relating to ethical behaviours including whistleblowing, anti-bribery, material events, fraud and irregularity etc.
6.16	To ensure there is regular re-tendering of internal and financial statements auditors, which should happen at least every five years.
6.17	To oversee the provision and pre-approval of all non-audit services by internal or external auditors. The Committee should consider the skills and experience of the audit firm, potential threats to the auditor's independence and objectivity, and any controls put in place by the institution and the auditor to mitigate such threats. (If necessary to support timeliness of such approval considerations this approval may be considered and approved electronically).
6.18	To oversee the implementation of the agreed approach, and monitor compliance with the University's legal obligations, in relation to health and safety.

## Appendix L - BUDGET HOLDERS at 1 January 2021

<b>Budget Holder</b>	<b>Dept</b>	<b>Sub Dept</b>
Director of Rugby	Sports Academy	Hartpury RFC
Director of Rugby	Sports Academy	Rugby
Residential Services Manager	Central Admin	Stationery & Office Costs
Residential Services Manager	Residence	Student Accommodation
Head of Vet Nursing	Vet Nursing	Vet Nursing
Head of HE Sport	HE	HE Sport
Safeguarding Manager	Bar	Student Entertainment
Director of FE Sport & A `Levels	FE	FE A Levels
Library Manager	Library	Library
Therapy Centre Manager	Equine	Equine Therapy Centre
Head of FE Animal	FE	FE Animal Care
Chief Operating Officer	Miscellaneous	Miscellaneous
Chief Operating Officer	Central Admin	Audit Fees
Chief Operating Officer	Central Admin	Banking
Chief Operating Officer	Central Admin	Central Admin
Chief Operating Officer	Central Admin	Contingency
Chief Operating Officer	Central Admin	Debtors Collection
Chief Operating Officer	Central Admin	Insurance
Chief Operating Officer	Central Admin	Legal & Professional
Chief Operating Officer	Central Admin	PAYE
Chief Operating Officer	Central Admin	Payroll Processing
Chief Operating Officer	Central Admin	Senior Management & Governors
Chief Operating Officer	Central Admin	Exps
Chief Operating Officer	Central Admin	VAT
Chief Operating Officer	Bank Interest	Interest Payable
Chief Operating Officer	Bank Interest	Interest Receivable
Chief Operating Officer	Assets	IT Assets
Chief Operating Officer	Grants Released	Grant Release
Chief Operating Officer	Depreciation	Asset Disposals
Chief Operating Officer	Depreciation	Depreciation
Director of Business Development	Business Development	Business Development
Director of Marketing & Communications	Marketing	International
Head Warden	Welfare	Common Room
Head of FE Agriculture	FE	FE Agriculture
Director of FE Sport & A `Levels	FE	FE Sport and Leisure
Deputy Vice-Chancellor	HE	HE General
Head of HE Learning Support	HE	HE LSW
Deputy Vice-Chancellor	HE	HE Other
Animal Director	HE	Laboratories
Animal Director	FE	Dog Grooming
Academic Dean	HE	HE Research
Director of Facilities	Transport	Staff Vehicles & Transport
Director of Facilities	Transport	Student Transport
Director of Facilities	Grounds	Grounds
Head of Property	Facilities	Maintenance
Director of Facilities	Facilities	Security
Director of Facilities	Utilities	Cleaning & Waste Disposal
Director of Facilities	Utilities	Utilities
Director of Facilities	Property Rental	Property Rental
Deputy Principal Resources	Conferencing	Conferencing
Deputy Principal Resources	Central Admin	Hospitality & Internal Catering
Head of HE Equine	HE	HE Equine
Head of HE Animal & Land	HE	HE Animal & Land Science

Deputy Principal FE	Marketing	Prize Day
Deputy Principal FE	FE	FE Exam Fees
Deputy Principal FE	FE	FE General
Enterprise Manager	FE	ICE
Academic Registrar	HE	HE Academic Systems
Head of IT	Central Admin	IT
Head of IT	Central Admin	Mobiles
Head of IT	Central Admin	Photocopiers
Head of IT	Central Admin	Telephones
Head of IS	Central Admin	Management Information
Director of Continuous Improvement	Central Admin	Continuous Improvement
Sports Academy Manager	Sports Commercial	Sports Commercial
Head of Vet Nursing	HE	HE Veterinary Physiotherapy
Deputy Principal Resources	Student Union	Student Union
Head of FE Learning Support	FE	FE Learning Support
Health and Safety Manager	Facilities	Health & Safety
Farm Manager	Farm	Arable
Farm Manager	Farm	Dairy
Farm Manager	Farm	Other Farm
Farm Manager	Farm	Sheep
Farm Manager	Farm	Youngstock
Farm Manager	Estate	Estate
Director of Elite Sport	Sports Academy	Equine
Director of Elite Sport	Sports Academy	Gloucester Hartpury WRFC
Director of Elite Sport	Sports Academy	Modern Pentathlon
Director of Elite Sport	Sports Academy	Physiotherapy
Director of Elite Sport	Sports Academy	Sports Academy General
Director of Elite Sport	Sports Academy	Women's Rugby
Director of Elite Sport	FE	FE Sports Academy
Director of Equine	International Equine Events	Festival of Dressage
Director of Equine	International Equine Events	International Horse Trials
Director of Equine	International Equine Events	Show jumping Spectacular
Director of Equine	Equine	Equine Shows
Director of Equine	Equine	Riding School
Director of Equine	Equine	Yard & Equine Facilities
Wellbeing Manager	Welfare	Welfare
Deputy Vice-Chancellor	Marketing	Welcome Day
Vice-Chancellor/Principal	Assets	Asset Additions
Director of Marketing & Communications	Marketing	Graduation
Director of Marketing & Communications	Marketing	Home Marketing
Director of Marketing & Communications	Marketing	International marketing
Catering Manager	Catering	Catering
Catering Manager	Bar	Bar
Director of FE Animal & Land	FE	FE Equine
Assistant Director of Elite Sport	Sports Academy	Football
Assistant Director of Elite Sport	Sports Academy	Football Coaching Academy
Assistant Director of Elite Sport	Sports Academy	Golf
Assistant Director of Elite Sport	Sports Academy	Netball
Assistant Director of Elite Sport	Sports Academy	Rowing
HR Manager	Central Admin	Employment Costs
HR Manager	Central Admin	Staff Development
Animal Collection Manager	Animal Collection	Animal Collection

## **Appendix M - TREASURY MANAGEMENT POLICY**

### **Introduction**

This policy sets out the University & College's policy concerning raising capital finance and investment of surplus funds. It also deals with the internal movement of surplus funds between accounts established by the University & college. This statement has been adopted by the University & Colleges in accordance with its financial regulations. It covers the University and any subsidiary undertaking.

### **Scope**

Treasury management comprises the management of all cash, money market investments and capital market transactions in connection with the cash and funding resources of the University & College and the control of associated risks.

All treasury management activities involve risk and potential reward. The policy of the University on borrowing is to minimise cost while maintaining the stability of the University's financial position by sound debt management techniques. The objective for investment purposes is to achieve the best possible return while minimising risk. The overriding principle is to avoid risk rather than to maximise return.

### **Approved Activities**

Subject to the provisions of the policy statement, the Chief Operating Officer is authorised by Strategy, Finance & Resources Committees, to:

- Deposit surplus funds of the University & College with any of the organisations listed in 'Approved Institutions' of this statement up to a maximum limit or sub-limit specified for each individual organisation: and
- Borrow funds subject to the strategy agreed by University Strategy, Finance & Resources Committee.

The University & College will not undertake currency risk and accordingly will not borrow, or deposit funds denominated in foreign currencies.

### **Formulation of Treasury Management Strategy**

The University & College's strategy for the application of its treasury policy mirrors that set out in "Treasury Management in Higher Education: A Statement of Best Practice" (CIPFA 1995) and in the annual financial strategy prepared by the Chief Operating Officer and approved by Strategy, Finance & Resources Committee.

The Chief Operating Officer will prepare for the approval of Strategy, Finance & Resources committees:

- An annual forecast of surplus funds and loan repayment requirements for the coming financial year; and
- A strategy for funding the University's capital finance proposals and investing surplus cash for the period covered by the forecast.

In preparing the strategy the Chief Operating Officer will have regard to:

- The maintenance of the stable financial position of the University and College. They will ensure that the University and College has appropriate facilities available to meet its capital and interest repayments; for funding needs arising from

uncertainties inherent in the planning process and from the timing and amount of cash flows.

- The current level of interest rates and forecasts of future changes in interest rates. They will prepare a recommendation for approval by University Strategy, Finance & Resources Committee of any new proposals to raise capital finance and the impact of forecast interest rates on these proposals. In addition, they will indicate the maximum proportion of interest on borrowing which is subject to variable rates of interest.

Based on the annual forecast, the Chief Operating Officer will prepare rolling twelve-month cash flow projections of the short-term surplus cash for the purpose of applying the strategy on a day-to-day basis. The results of applying the strategy will be reported to Strategy, Finance & Resources Committees. Where applicable during the course of the year the Chief Operating Officer will recommend amendments to the strategy to Strategy, Finance & Resources Committee.

The Chief Operating Officer has the authority to carry out the University and College's strategy for depositing surplus funds and managing the cash flow of the University and College. In exercising these powers, they will have regard to the perceived credit risk associated with the approved organisations with which funds may be deposited or invested; to the effect of possible changes in interest rates on the cost of borrowing and the return from investing and to the need to maintain adequate liquid funds to meet the University and College's obligations.

### **Approved Methods of Raising Capital Finance**

For each proposed capital borrowing the Chief Operating Officer will prepare a report for University Strategy, Finance & Resources Committee detailing the following:

- Borrowing requirement
- Proposed lender
- Interest rate structure
- Interest rate
- Arrangement fees
- Security arrangements
- Purpose
- Projected cash flow
- Comparison with alternatives
- Compliance with approved borrowing strategy
- Arrangements for draw-down
- Legality
- Arrangements for compliance with the terms and conditions of OFS funding
- Any other matters which might assist Strategy, Finance & Resources Committee in considering the proposal.

### **Approved Sources of Finance**

For each capital borrowing requirement, the Chief Operating Officer will seek the approval of University Strategy, Finance & Resources Committee for their proposed sources and methods of finance. Such approval will take account of the following:

- The University and College's powers and regulations

- Statutory restrictions
- The requirements of the terms and conditions of OFS funding and the financial memorandum with the ESFA, and
- Terms and covenants of borrowing.

### **Investing and Depositing of Surplus Funds**

The overriding principle guiding the investment of surplus cash balances is the preservation of the capital value of the University and College's resources. The Chief Operating Officer has delegated authority to invest the funds of the University and College in accordance with the annual financial strategy and in accordance with the terms of this statement. They are authorised to deposit or invest funds only with the organisations and subject to the limits set out in the 'Approved Institutions' of this statement and approved annually by Strategy, Finance & Resources Committees.

The Chief Operating Officer is responsible for monitoring the creditworthiness of approved deposit takers using appropriate external sources of information including credit agency reports and continuing exposure below the approved limits where appropriate. Individual limits can only be exceeded with the prior consent of Strategy, Finance & Resources Committees.

### **Interest Rate Exposure**

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

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

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

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

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

### **Legal Issues**

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

### **Use of External Managers**

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

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

### **Delegation**

The University and College has drawn up an 'Approved Scheme of Delegation' for the operation of treasury policy.

### **Review and Reporting**

The Chief Operating Officer will report Strategy, Finance & Resources Committees on the following matters:

- Analysis of current loans, deposits and investments by instrument, counterparty, maturity and interest rollover period, annually as part of the review of the Office for Students Annual Financial Plan.
- Commentary on treasury operations for the period, when applicable.
- Cashflow compared with budget/forecast with commentary on major variances, provided monthly as part of the Management Accounts.
- Revisions to cashflow forecast and future estimates of interest rates and the impact on the financial forecast. Updated in monthly Management Accounts and annually as part of strategic financial plan review in July and in Office for Students Annual Financial Plan in December.
- Proposed amendments to the list of approved counterparties and to limits (where appropriate). AS part of the annual review of the Financial Regulations
- Areas of non-compliance with the treasury management policy, as they occur

Other matters will be drawn to the attention of Strategy, Finance & Resources Committee as appropriate.

### **Systems and Procedures**

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

## **SCHEME OF DELEGATION FOR TREASURY POLICY**

<b>Delegated power</b>	<b>Exercised by</b>
Approval and amendment of Treasury Management Policy	Strategy, Finance & Resources Committees
Amendment of list of approved institutions and limits	Strategy, Finance & Resources Committees
Approval of annual financial strategy	Strategy, Finance & Resources Committees
Application of approved strategy	Chief Operating Officer/Head of Finance
Treasury dealing with counterparties	Chief Operating Officer/Head of Finance
Authorisation of cash transfers	Chief Operating Officer/Head of Finance
Borrowing and lending documentation	Chief Operating Officer
Bank and dealing mandates	Chief Operating Officer
Authorisation of terms of reference of external managers	Chief Operating Officer under authority of the Strategy, Finance & Resources Committees

### **APPROVED INSTITUTIONS**

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

#### **a) Banks and Building Societies**

- i. Deposits, Instant Access, Fixed Deposits, Short Dated Gilts, Treasury Bills and Financial Institutions Corporate Bonds with approved institutions
- ii. Approved institutions must as a minimum meet two of the three criteria listed below
  - Standard & Poors – A- and above
  - Fitch – A- and above
  - Moodys – A3 and above

#### **b) Investment Funds**

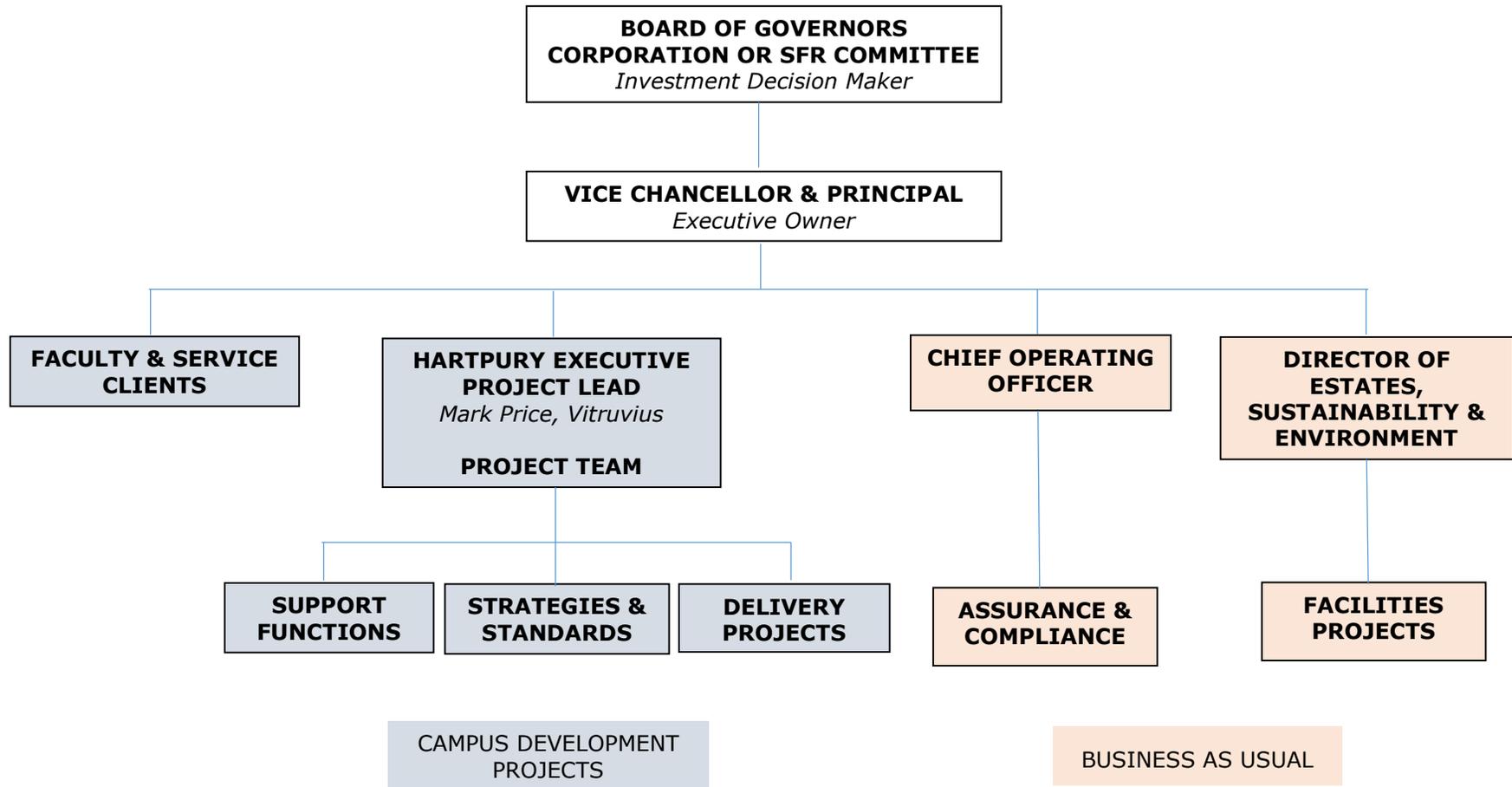
Deposits with approved investment funds including European Wealth Enhanced Cash Fund.

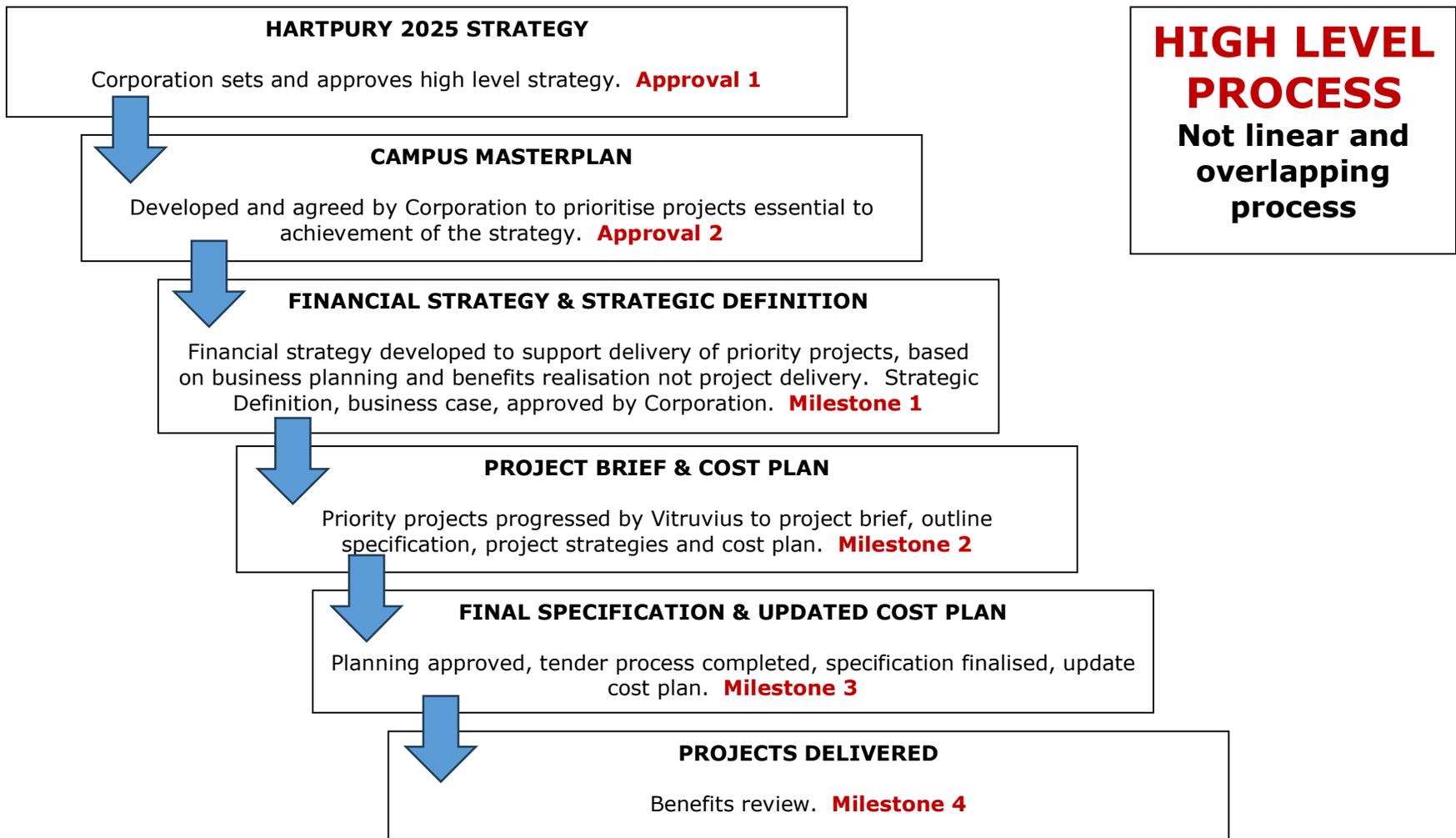
**NOTES:**

- i. The maximum deposit with any one approved institution at any one time is £2,000,000. This restriction does not apply to the University and College's clearing bank (currently Lloyds Banking Group plc.).
- ii. To qualify for entry on the approved list, an institution must meet the criteria in all above.

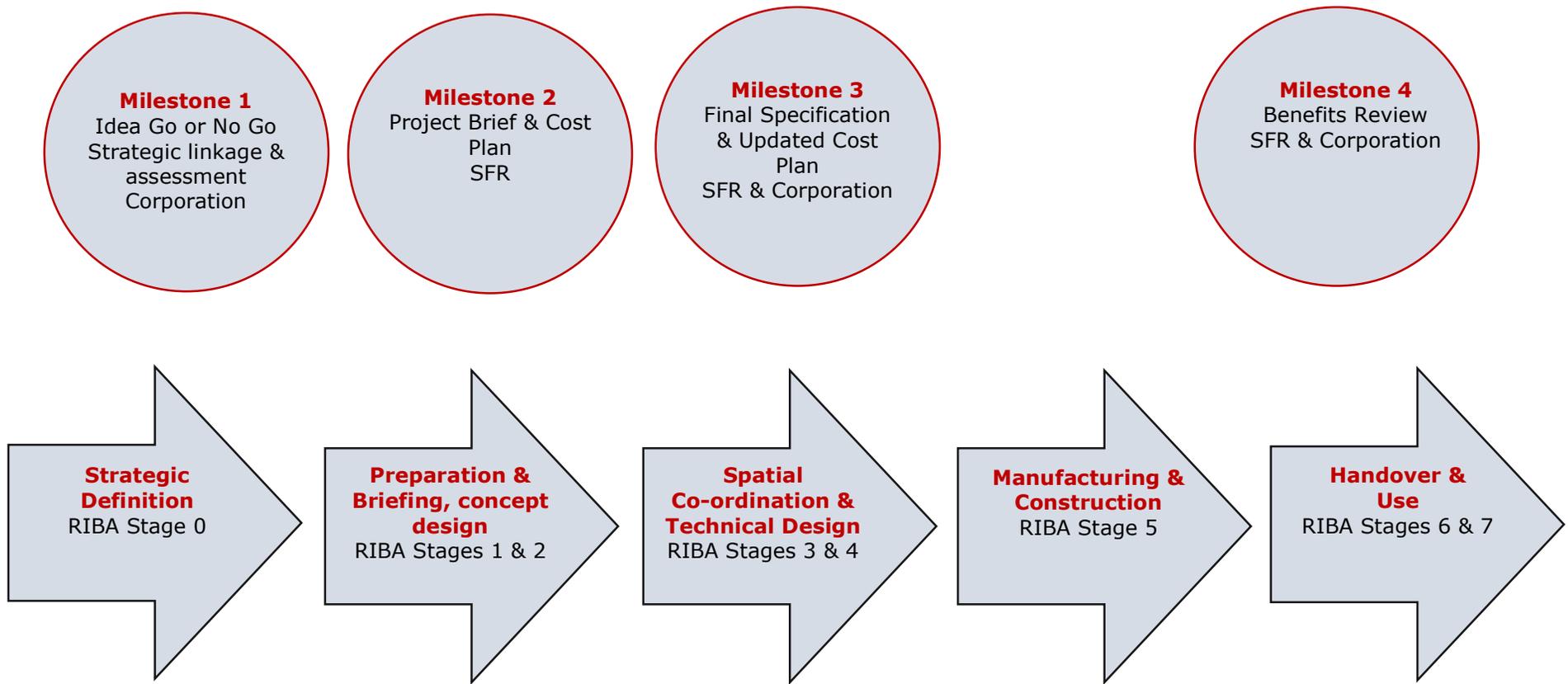
## Appendix N – Campus Development Approach

# Projects Governance





# Project approvals given incrementally using a four decision point gateway process



# Appendix O – Anti-Money Laundering & Counter Terrorist Financing Policy



**HARTPURY**

## **ANTI MONEY LAUNDERING & COUNTER TERRORIST FINANCING POLICY**

### **INTRODUCTION**

#### **Purpose**

Hartpury is committed to ensuring the highest standards of probity in all of its financial dealings. It will therefore ensure that it has in place proper, robust financial controls so that it can protect its funds and ensure continuing public trust and confidence in it. Some of those controls are intended to ensure that Hartpury complies in full with its obligations not to engage or otherwise be implicated in money laundering or terrorist financing. This policy sets out those obligations, Hartpury's response and the procedures to be followed to ensure compliance.

#### **Implementation**

1. The Chief Operating Officer is directly responsible to the Corporation for the implementation of this policy. As such, with the Corporation's full support, she will ensure:
  - i) regular assessments of Hartpury's money laundering and terrorist finance risks are conducted and relied on to ensure the effectiveness of this policy;
  - ii) appropriate due diligence is conducted, as a result of which risks relating to individual transactions are assessed, mitigated and kept under review;
  - iii) anti-money laundering and counter-terrorist finance training is delivered within Hartpury, including training on this policy; and
  - iv) this policy is kept under review and up-dated as and when necessary and levels of compliance are monitored.
2. Certain functions under this policy are to be undertaken by a Nominated Officer. For the purposes of this policy, the Nominated Officer is the Chief Operating Officer and, in their absence, their deputy.

3. This policy applies to all staff who are engaged in financial transactions for or on behalf Hartpury. Any failures to adhere to this policy may be dealt with under the Hartpury's
4. disciplinary or poor performance policies, as appropriate. Note that any such failures also expose the individual concerned to the risk of committing a money laundering offence.

### **What is Money Laundering?**

Money laundering is the process by which the proceeds of crime are sanitised in order to disguise their illicit origins and are legitimised. Money laundering schemes come with varying levels of sophistication from the very simple to the highly complex.

Straightforward schemes can involve cash transfers or large cash payments whilst the more complex schemes are likely to involve the movements of money across borders and through multiple bank accounts. Money laundering schemes typically involve three distinct stages:

- i) placement – the process of getting criminal money into the financial system;
- ii) layering – the process of moving the money within the financial system through layers of transactions; and
- iii) integration – the process whereby the money is finally integrated into the economy, perhaps in the form of a payment for a legitimate service.

### **Money Laundering Warning Signs or Red Flags**

Payments or prospective payments made to or asked of Hartpury can generate a suspicion of money laundering for a number of different reasons. For example:

- i) large cash payments;
- ii) multiple small cash payments to meet a single payment obligation;
- iii) payments or prospective payments from third parties, particularly where
  - a. there is no logical connection between the third party and the student, or
  - b. where the third party is not otherwise known to Hartpury, or
  - c. where a debt to Hartpury is settled by various third parties making a string of small payments;
- iv) payments from third parties who are foreign public officials or who are politically exposed persons ("PEP");
- v) payments made in an unusual or complex way;
- vi) unsolicited offers of short-term loans of large amounts, repayable by cheque or bank transfer, perhaps in a different currency and typically on the basis that Hartpury is allowed to retain interest or otherwise retain a small sum;
- vii) donations which are conditional on particular individuals or organisations, who are unfamiliar to Hartpury, being engaged to carry out work;
- viii) requests for refunds of advance payments, particularly where Hartpury is asked to make the refund payment to someone other than the original payer;
- ix) a series of small payments made from various credit cards with no apparent connection to the student and sometimes followed by chargeback demands;

- x) the prospective payer wants to pay up-front a larger sum than is required or otherwise wants to make payment in advance of them being due;
- xi) prospective payers are obstructive, evasive or secretive when asked about their identity or the source of their funds or wealth;
- xii) prospective payments from a potentially risky source or a high-risk jurisdiction;
- xiii) the payer's ability to finance the payments required is not immediately apparent or the funding arrangements are otherwise unusual.

### **Failure to Disclose Offence**

It is a crime, punishable by up to five years imprisonment, for a Nominated Officer who knows or suspects money laundering or who has reasonable grounds to know or suspect it, having received an authorised disclosure not to make an onward authorised disclosure to the National Crime Agency as soon as practicable after (s)he received the information. Annex A provides more detail of the legislative landscape for both money laundering and counter terrorist financing.

Disclosures are to be made by the Nominated Officer, who will consider & decide:

- i) whether or not to accept or to make the proposed payment;
- ii) whether or not to make an authorised disclosure to the National Crime Agency; and
- iii) whether or not to make a disclosure under the Terrorism Act 2000.

## **OUR PROCEDURES**

### **Overview**

Hartpury will:

- i) conduct an annual risk assessment to identify and assess areas of risk money laundering and terrorist financing particular to Hartpury;
- ii) implement controls proportionate to the risks identified;
- iii) establish and maintain policies and procedures to conduct due diligence on funds received;
- iv) review policies and procedures annually and carry out on-going monitoring of compliance with them;
- v) appoint a Nominated Officer to be responsible for reporting any suspicious transactions to the National Crime Agency;
- vi) provide training to all relevant members of staff, including temporary staff, on joining Hartpury, and provide annual refresher training; and
- vii) maintain and retain full records of work done pursuant to this policy.

### **Hartpury's Risk Assessment, Continuous Review and Accountability**

At least once a year, and more frequently if there is a major change in circumstances, the Chief Operating Officer will:

- i) conduct an assessment of money laundering and terrorist finance risk in Hartpury's work;
- ii) review and, if necessary, revise this policy in light of that risk assessment;

- iii) review and, if necessary, revise Hartpury's arrangements for ensuring compliance with this policy so that resources are targeted to the areas of greatest risk; and
- iv) report to the Corporation on all aspects of this policy, including its implementation.

In order to facilitate the review and accountability functions, the Chief Operating Officer will ensure:

- i) the availability of appropriate management information to permit effective oversight and challenge; and
- ii) the maintenance and retention of full records of work done under this policy.

In conducting the assessment of money laundering and terrorist financing risk arising from Hartpury's work and funding activity, the Chief Operating Officer will have regard to Hartpury's experiences and to any lessons learned in applying this policy. (S)/he will also take into account any guidance or assessments made by the UK government, law enforcement and regulators, including the Charity Commission, the Office for Students and the Financial Conduct Authority. She may also have regard to reports by non-governmental organisations and commercial due diligence providers.

### **Transaction Due Diligence**

Due diligence is the process by which Hartpury assures itself of the provenance of funds it receives and that it can be confident that it knows the people and organisations with whom it works. In this way Hartpury is better able to identify and manage risk. Due diligence should be carried out before the funds are received. Funds must not be returned before due diligence has been reviewed.

In practical terms this means:

- i) identifying and verifying the identity of a payer or a payee, typically a student or a donor;
- ii) where the payment is to come from or to be made by a third party on behalf of the student or donor, identifying and verifying the identity of that third party;
- iii) identifying and verifying the source of funds from which any payment to Hartpury will be made; and
- iv) identifying and in some circumstances verifying the source of wealth from which the funds are derived.

Source of funds refers to where the funds in question are received from. The most common example of a source of funds is a bank account. Source of wealth refers to how the person making the payment came to have the funds in question. An example of a source of wealth is savings from employment.

Guidance on how to do this is in Annexe B.

### **Transaction Risk Assessment**

Having completed its due diligence exercise, Hartpury will assess the money laundering and terrorist finance risk associated with the proposed transaction.

Where the case falls into the category of case described in Annex 1 as suspicious or the member of staff dealing with the case otherwise considers there is a suspicion of money laundering or terrorist finance, (s)he must report the case as soon as practicable, by

email, to the Nominated Officer on a Money Laundering Disclosure Form, which is to be found in Annex C.

The Nominated Officer will consider the report and will decide:

- i) whether or not to accept or to make the proposed payment;
- ii) whether or not to make an authorised disclosure to the National Crime Agency; and
- iii) whether or not to make a disclosure under the Terrorism Act 2000.

The Nominated Officer will record in writing the reasons for their decision and retain that record centrally. Information that an authorised disclosure has been made must never be kept on the file relating to the person concerned.

Risk assessments relating to individuals and authorised disclosures are to be kept strictly confidential and should not be discussed within the finance department except on a strict need-to-know basis. No member of staff may reveal to any person outside the finance department, including specifically the student or third-party funder in question, that an authorised disclosure or a disclosure under the Terrorism Act 2000 has been made.

### **Monitoring**

The Chief Operating Officer will devise and implement arrangements to ensure that compliance with this policy is kept under continuous review through regular file reviews, including reviews of due diligence and risk assessment, and reports and feedback from staff. Internal audit may be called upon to assist in monitoring effective implementation of this policy.

To enable monitoring to be conducted and compliance with this policy to be evidenced, Hartpury will retain all anti-money laundering and counter-terrorist finance records securely for a period of at least five years.

### **Training**

On joining Hartpury any staff whose duties will include undertaking a finance function will receive anti-money laundering training as part of their induction process.

All staff undertaking a finance function will receive annual refresher anti-money laundering and counter-terrorist finance training.

Hartpury's anti-money laundering and counter-terrorist financing training will include the applicable law, the operation of this policy and the circumstances in which suspicions might arise.

Hartpury will make and retain for at least five years records of its anti-money laundering training.

### **Equality, Diversity and Inclusion**

As with all Hartpury policies and procedures, due care has been taken to ensure that this policy is appropriate to all members of staff regardless of their age, disability, ethnicity, gender, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sexual orientation and transgender status.

The policy will be applied fairly and consistently whilst upholding Hartpury's commitment to providing equality to all. If any employee feels that this or any other policy does not meet this aim, please contact the HR Department.

Hartpury is committed towards promoting positive mental health by working towards the MINDFUL EMPLOYER Charter. Hartpury aims to create a culture of support within the workplace where employees can talk about mental health problems without the fear of stigma or discrimination.

**Related Policies**

In addition to the Anti-Money Laundering Policy, the following related policies are available on the Hartpury Intranet:

- i) Financial Regulations
- ii) Anti-Bribery Policy
- iii) Code of Professional Conduct
- iv) Fraud Policy
- v) Ethical Business Development & Fundraising Policy

# ANNEX A

## Money Laundering - The Law

1. The law concerning money laundering is complex and is increasingly actively enforced. It can be broken down into three main types of offences:
  - i) the principal money laundering offences under the Proceeds of Crime Act 2002;
  - ii) the prejudicing investigations offence under the Proceeds of Crime Act 2002; and
  - iii) offences of failing to meet the standards required of certain regulated businesses, including offences of failing to disclose suspicions of money laundering and failing to comply with the administrative requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

## The Principal Money Laundering Offences

2. These offences, contained in sections 327, 328 and 329 Proceeds of Crime Act 2002, apply to any property (e.g. cash, bank accounts, physical property, or assets) that constitutes a person's benefit from criminal conduct or any property that, directly or indirectly, represents such a benefit (in whole or partly) where the person concerned knows or suspects that it constitutes or represents such a benefit. Any property which meets this definition is called criminal property. It is a crime, punishable by up to fourteen years imprisonment, to:
  - i) conceal, disguise, convert or transfer criminal property or to remove it from the United Kingdom;
  - ii) enter into an arrangement that you know or suspect makes it easier for another person to acquire, retain, use or control criminal property; and
  - iii) acquire, use or possess criminal property provided that adequate consideration (i.e. proper market price) is not given for its acquisition, use or possession.
3. Hartpury staff can commit these offences when handling or dealing with payments to Hartpury: if they make or arrange to make a repayment, they risk committing the first two offences, and if they accept a payment, they risk committing the third offence.

## Defences

4. In all three cases, they will have a defence if they made a so-called authorised disclosure of the transaction either to the Nominated Officer or to National Crime Agency and the National Crime Agency does not refuse consent to it.
5. The Offence of Prejudicing Investigations / Tipping-Off

6. The purpose of making an authorised disclosure to the National Crime Agency is to allow it to investigate the suspected money laundering so it can decide whether to refuse consent to the transaction. That investigation would be compromised if the person concerned (or indeed anyone else) were to be told that an authorised disclosure had been made. To prevent this happening section 342 Proceeds of Crime Act 2002 provides that it is a crime, punishable by up to five years imprisonment, to make a disclosure which is likely to prejudice the money laundering investigation. University staff can commit this offence if they tell a person an authorised disclosure has been made in their case. At paragraph 0 below, this policy requires authorised disclosures to be kept strictly confidential.

### **The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017**

7. These regulations are aimed at protecting the gateway into the financial system. They apply to a range of businesses all of which stand at that gateway. They require these businesses to conduct money laundering risk assessments and to establish policies and procedures to manage those risks. Businesses to which the regulations apply are specifically required to conduct due diligence of new customers, a process known as "Know your Customer" or "KYC". There are criminal sanctions, including terms of imprisonment of up to two years, for non-compliance. Whilst Hartpury is not covered by the regulations in its work as a provider of education, the regulations provide a guide to the management of risk in handling money and due diligence is at the heart of Hartpury's approach in this policy to managing risk.
8. To the extent that Hartpury is regulated by the Financial Conduct Authority for part of its business, it must comply with Money Laundering Regulations (and a separate, more detailed policy sets out Hartpury's approach here).

### **The Principal Terrorist Finance Offences**

9. Whereas money laundering is concerned with the process of concealing the illegal origin of the proceeds from crime, terrorist financing is concerned with the collection or provision of funds for terrorist purposes. The primary goal of terrorist financiers is to hide the funding activity and the financial channels they use. Here, therefore, the source of the funds concerned is immaterial, and it is the purpose for which the funds are intended that is crucial.
10. Payments or prospective payments made to or asked of Hartpury can generate a suspicion of terrorist finance for a number of different reasons, but typically might involve a request for a payment, possibly disguised as a repayment or re-imbursment, to be made to an account in a jurisdiction with links to terrorism.

11. Sections 15 to 18 Terrorism Act 2000 create offences, punishable by up to 14 years imprisonment, of:
  - i) raising, possessing or using funds for terrorist purposes;
  - ii) becoming involved in an arrangement to make funds available for the purposes of terrorism; and
  - iii) facilitating the laundering of terrorist money (by concealment, removal, transfer or in any other way).
12. These offences are also committed where the person concerned knows, intends or has reasonable cause to suspect that the funds concerned will be used for a terrorist purpose.
13. In the case of facilitating the laundering of terrorist money, it is a defence for the person accused of the crime to prove that they did not know and had no reasonable grounds to suspect that the arrangement related to terrorist property.
14. Section 19 Terrorism Act 2000 creates an offence, punishable by up to five years imprisonment, where a person receives information in the course of their employment that causes them to believe or suspect that another person has committed an offence under sections 15 to 18 of Terrorism Act 2000 and does not then report the matter either directly to the police or otherwise in accordance with their employer's procedures. This policy sets out those procedures at paragraph 32 below.

### **The Offence of Prejudicing Investigations**

15. Section 39 Terrorism Act 2000 creates an offence, punishable by up to five years imprisonment, for a person who has made a disclosure under section 19 Terrorism Act 2000 to disclose to another person anything that is likely to prejudice the investigation resulting from that disclosure. At paragraph 21 above, this policy requires disclosures under the Terrorism Act 2000 to be kept strictly confidential.

## **ANNEX B**

### **Due Diligence checks for Students, other individuals and businesses**

Hartpury must be reasonably satisfied as to the identity of a student, other customer or third party and satisfactory evidence of identity must be obtained and retained.

Our customer due diligence follows the principles of Know Your Customer (KYC). The three components of KYC are:

- i) Ascertaining and verifying the identity of the customer/student i.e. knowing who they are and confirming that their identity is valid by obtaining documents or other information from sources which are independent and reliable. In order to satisfy the requirements, identity checks for money laundering purposes are interpreted as obtaining a copy of photo-identification (such as a passport) and proof of address (such as a recent utility bill).
- ii) Ascertaining and verifying (if appropriate) the identity of the beneficial owners of a business, if there are any, so that you know the identity of the ultimate owners or controllers of the business.
- iii) Information on the purpose and intended nature of the business relationship i.e. knowing what you are going to do with/for them and why.

Examples include: For students or individuals:

- a. Passport and/or Visa
- b. Birth Certificate
- c. Correspondence with students at their home address

For other customers or third parties:

- a. Letters or documents proving name, address and relationship For organisations not known to Goldsmiths the following evidence can be helpful:
  - Letter headed documents
  - Invoices that show a Company's registered office and VAT number
  - Check on Limited Company authenticity with Companies House
  - A credit check

# ANNEX C

## Money Laundering Disclosure Form

<b>NAME</b>		
<b>DEPARTMENT</b>		
<b>DATE OF REPORT</b>		
<b>DETAILS OF SUSPECTED MONEY LAUNDERING</b>		
<b>NAME AND ADDRESS OF CUSTOMER/STUDENT</b>		
<b>NAME AND ADDRESS OF PAYEE IF DIFFERENT FROM ABOVE</b>		
<b>DATE OF THE TRANSACTION</b>		
<b>DETAILS OF THE TRANSACTION (i.e. what as being paid for)</b>		
<b>TYPE OF TRANSACTION (i.e. proposed payment method)</b>		
<b>AMOUNT OF TRANSACTION</b>	<b>£</b>	
<b>CONFIRMATION THAT THE TRANSACTION HAS NOT BEEN COMPLETED</b>	YES	NO
<b>DETAILS OF SUSPICION/EVIDENCE, PLEASE INCLUDE:</b> <ul style="list-style-type: none"> <li>• Details of how the various parties are involved in the transaction</li> <li>• Why you are suspicious</li> </ul>		
<b>NAME OF ANY OTHER HARTPURY STAFF INVOLVED IN THE TRANSACTION</b>		

## Appendix P– Hartpury Procurement Cycle - Guidance and Checklist

### What is a procurement cycle?

The procurement cycle is the series of events that make up the process of procuring goods. An efficient, standardised and robust procurement process is critical to the financial efficiency of the institution. It ensures that the right product is procured (which meets the requirements of the customer) at the right price and that key fundamental considerations have been taken into account to ensure an effective, efficient, legally compliant product is purchased. All procurement activities must be fully compliant with Hartpury’s Financial Regulations and should complement their terms and conditions.

Relevant budget holders are responsible for implementing the rules and procedures outlined in this document. This checklist must be completed for any purchases over £15,000, regardless of whether this can be covered in existing budgets.

The crucial steps required for an effective and efficient procurement process are detailed below.

Key steps of procurement process	Checklist
<b>1. Identify required goods or services:</b>	
<p>a) Needs analysis - identify the requirements of the product being procured (e.g. must integrate with UNIT-e; must be a specific physical size) – an example requirements template is shown in Table 1.</p> <p>Consider:</p> <ul style="list-style-type: none"> <li>• GDPR compliance/requirements</li> <li>• Integration with current systems (where applicable)</li> <li>• Requirements from all relevant stakeholders through consultation (stakeholders may be individuals from associated departments who will be impacted by the purchase (e.g. Sustainability Manager for procurements with obvious sustainability aspects; Health &amp; Safety Manager for procurements linked with Health and Safety considerations)</li> <li>• Maintenance of product/system going forward</li> <li>• Whether the product being procured is compliant with UK legal requirements and standards</li> </ul>	<input type="checkbox"/>
<b>2. Assess current framework and expenditure:</b>	

a) Check that Hartpury does not have an existing product that could fulfil the requirements	<input type="checkbox"/>
b) Analyse existing spend on current products - to enable costs and benefits analysis	<input type="checkbox"/>
<b>3. Consider a list of suppliers:</b>	
a) Research the supplier market to identify suppliers able to meet the needs identified. Consider reputability including: <ul style="list-style-type: none"> <li>• Accountability</li> <li>• Production capacity</li> <li>• Ethical considerations</li> <li>• Sustainability principles</li> <li>• Ease of communication</li> <li>• Potential conflicts of Interest with Hartpury staff</li> </ul>	<input type="checkbox"/>
b) Source quotes from a minimum of three suppliers wherever possible – detail reasons for less than three quotes in procurement report	<input type="checkbox"/>
c) Invite suppliers to demonstrate/present their product	<input type="checkbox"/>
d) Undertake a Request for Quote (RFQ), Request for Information (RFI) or Request for Proposal (RFP) exercise with shortlisted suppliers to evaluate their suitability to supply the product at the right quality	<input type="checkbox"/>
e) Ensure supplier quotes for ALL costs; including delivery, installation, testing, operating costs and de-commissioning at the end of the contract (where applicable)?	<input type="checkbox"/>
f) Consider which supplier best meets the needs identified (a scoring system can be used to obtain an objective score of a product’s suitability for prioritisation purposes where applicable – an example scoring template is shown in Table 2.)	<input type="checkbox"/>
<b>4. Select supplier and obtain Hartpury approval:</b>	
a) Identify any relevant previous contract to identify any opportunities to streamline costs based on previous experience	<input type="checkbox"/>
b) Negotiate with chosen supplier regarding fees, costs and timescales.	<input type="checkbox"/>
c) Undertake due diligence checklist (see Annex) and obtain acceptable credit report for preferred supplier	<input type="checkbox"/>
d) Obtain references for new supplier if possible	<input type="checkbox"/>
e) Consider data protection measures including, where appropriate, completion of: <ul style="list-style-type: none"> <li>• Data Protection Impact Assessment (DPIA)</li> </ul>	<input type="checkbox"/>

<ul style="list-style-type: none"> <li>• Information Asset Register where appropriate</li> </ul>	
<p>f) Submit procurement report to SMT for approval to procure</p> <ul style="list-style-type: none"> <li>• For purchases from £50,000 to £200,000 (see Table 2 for procurement report template)</li> <li>• For purchases from £15,000 to £50,000 – this checklist is required and the budget holder must be satisfied that due process has been followed and can approved to finance the request from their budget</li> </ul>	□
<p><b>5. Set up new supplier and send Purchase Order:</b></p>	
<p>a) Set up new supplier on the finance system.</p> <ul style="list-style-type: none"> <li>• A 'New Supplier Request' form must be completed and authorised by the Head of Finance.</li> </ul>	□
<p>b) Submit contract to the supplier for sign off</p>	□
<p>c) Prepare and send purchase order(s) (PO) which should include:</p> <ul style="list-style-type: none"> <li>• A description of the goods or service</li> <li>• Total costs</li> <li>• Quantity</li> <li>• Approval of work and timescales</li> </ul>	□
<p>b) Confirm receipt of invoice to finance department</p>	□



**HARTPURY**

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**Legal and Financial Due Diligence Checklist for Procurement of Large Contracts (over £15,000)**

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[Name of Organisation to be inserted]

<b>Area to consider and check</b>	<b>Document provided Yes/No</b>	<b>Responsibility for review</b>	<b>Comment/conclusion</b>	<b>Acceptable/ unacceptable/ further information required</b>
Details of the name of the Organisation, directors (or trustees) and senior managers together with details of their previous appointments.		COO		
Review the organisation on Companies' House to confirm legal structure, directors and linkages to other companies		COO		
Particulars of all insurance arrangements of the Organisation relevant to the procurement.  Employer's (Compulsory) Liability Insurance Public Liability Insurance Professional Indemnity Insurance  Levels to be set relevant for the value of the contract		COO		
Copies of all permits, authorities, registrations, licences, approvals and consents (whether granted by public or private authorities or otherwise) held by the Organisation and necessary to carry on either the Organisation		COO		
Details of any of the following which is current, or which is known to be pending, threatened or possible in relation to the Organisation		COO		

1 any litigation or arbitration proceedings (whether as claimant or defendant);  2 any prosecution; and  3 any investigation or inquiry by a governmental or official body.				
Details of any data protection requirements and policies relevant to the Organisation.		COO		
Details of any reportable injuries, diseases and dangerous occurrences covered by the RIDDOR regulations, together with the actions implemented to prevent reoccurrences? This should cover the previous three years.		H&S Manager		
Audited accounts or equivalent records of the Organisation for the last three years.		COO		
Current Assets must be equal to or more than Current Liabilities.		COO		
Confirmation of the solvency of the Organisation through a credit check undertaken by <a href="mailto:ben.worton@hartpury.ac.uk">ben.worton@hartpury.ac.uk</a>		COO		
Details of all mortgages, charges or other security documentation affecting the Organisation		COO		
Details of the tax status of the Organisation.		COO		
Details of the financing arrangements of the Organisation including particulars of all overdrafts,		COO		

loans and other indebtedness and facilities affecting the Organisation.				
Modern Slavery Act 2015  Is the Supplier compliant with the annual reporting requirements contained within Section 54 of the Act 2015 or N/A		COO		
Other than as required elsewhere in this questionnaire, please provide details of any liabilities which are relevant to the Organisation.		COO		

**Table 1. Requirements Template With Examples**

REQUIREMENTS LIST					
ID	REQUIREMENT DESCRIPTION	REQUESTED BY	CATEGORY	PRIORITY	ACCEPTANCE CRITERIA
<i>Give each requirement a unique ID.</i>	<i>The feature, function, condition or capability that is required from the project, product, service or result.</i>	<i>The stakeholder who requested the requirement.</i>	<i>The category/ grouping of the requirement (e.g functional, technical, operational, KPI, transitional).</i>	<i>The priority of the requirement (e.g. MoSCoW (Must have, should have, could have, won't have)).</i>	<i>The criteria that the requirement must have for it to be accepted by the project stakeholders.</i>
1	Support statutory return requirements for external reporting purposes	IS	Technical	Must have	Agree specific returns e.g. HEBCE
2	Integration with UNIT-e with TT information continuing to be displayed through student & staff portal	IS	Technical	Must have	Functionality present

**Table 2. Scoring template with examples for prioritisation of suppliers**

REQUIREMENT DESCRIPTION	REQUESTED BY	CATEGORY	PRIORITY	Supplier 1	Supplier 2	Supplier 3
<i>The feature, function, condition or capability that is required from the project, product, service or result.</i>	<i>The stakeholder who requested the requirement.</i>	<i>The category or grouping of the requirement for example: functional, technical, operational, KPI (result metric), transitional.</i>	<i>The priority of the requirement for example: P1, P2, P3 or MoSCoW (Must have, should have, could have, won't have).</i>	Criteria: 0 - 5 0 - didn't see in demo 1 -shown in demo but didn't meet needs 3- meets needs 5 - Exceed requirement and offers significant improvement		
Requirement 1	<i>Finance</i>	Operational	Should have	3	0	3
Requirement 2	<i>IT Support</i>	Technical	Must have	5	1	5
Requirement 3	<i>HR team</i>	KPI	Must have	5	3	5

**Table 3. Hartpury Procurement Report Template (to be submitted to SMT for all purchases over £50,000)**

**Hartpury Procurement Report**

Name of person completing the report:	
Date:	
Project linked to procurement (where applicable)	

<b>What is being procured and why?</b>	
System/product being procured?	
<b>Which department(s) have been involved in the procurement process?</b>	
<b>Tender responses and prices received</b>	
<b>Analysis and Prioritisation</b>	
<b>Post tender negotiations</b>	
<b>Preferred supplier information</b>	
<b>References</b>	