

EDGE HILL UNIVERSITY

FINANCIAL REGULATIONS AMENDMENT SUMMARY

1.0 INTRODUCTION

This paper summarises the key changes made to the financial regulations of the University. The changes identified reflect the significant growth in the institution over recent years, balancing the need to operate flexibly whilst maintaining an appropriate general control environment as well as ensuring legislative requirements are met.

2.0 AREAS OF CHANGE

Revenue

The basis for authorisation of fee levels in relation to student residential fees, tuition fees, use of facilities and supply of goods and services more generally has been updated in accordance with present practice. Prior to obtaining University status authorisation of fee levels for tuition and residential fees resided with Governors. (6.1.2, 6.1.3)

Processing of Payroll

Changes applied to authorisation and review of Payroll and BACs reports reflecting changes in Finance Department structure from Management Accountant (a post now disestablished) to Deputy Director of Finance (a newly created post).

Payment of Suppliers

The requirement for all contracts above £25,000 to be authorised by the DVC (Resources) has been relaxed to all contracts above £50,000 requiring approval of the DVC (Resources) (9.2).

The requirement for all contracts up to £25,000 to be authorised by the head of the area being relaxed to all contracts up to £50,000 requiring approval of the head of area. (9.2)

The authorisation of the DVC (Resources) continues to be required for advance payments and in considering this the DVC will require an assessment of the risk. It is felt however that financial status cannot always be assured and the financial regulations should not be designed to preclude authorisation in such circumstances. (9.7.2)

Purchasing

Enhancement of requirements in relation to purchase orders to be both accurate and clearly enunciated. (10.11)

Specific reference to Gifts and Hospitality Policy and update of process for communicating offers of gifts and hospitality to the Procurement Compliance Officer (previously HR). (10.13)

Supplier Selection, Quotations and Tenders

Clarification around the circumstances in which exceptions to requirements for competitive tender can apply. Essentially this surrounds OJEU which is legally binding and so should always take precedence over commercially driven considerations. There may be circumstances in which it is felt that commercial considerations and the associated risks need to be considered in the light of OJEU. However, in such circumstances this would be reported to and authorisation sought from the Board. (11.3.5, 11.3.6, 11.3.7)

Safe custody of tenders usually entails storing in the Finance safe under the DVC (Resources) instructions rather than with the VC. Amendment reflects this (11.5.1, 11.5.4)

Where an insufficient number of tenders has been received, it is considered appropriate that this be reported to the DVC (Resources) for his consideration. At present the requirement is to report this to the VC. (11.5.3)

Increasingly in the new fees regime, greater weighting to the quality of the supply is being considered in tender design and subsequent evaluation. Changes to wording indicating the lowest tender would normally be (rather than should be) accepted unless there are good and sufficient reasons to the contrary reflects this. Such reasons should be held on file in accordance with retention periods set out in 11.7.1 rather than permanently. (11.5.9)

Fixed Assets

Policy around capitalisation levels should be for all items with a value greater than £1,000 including VAT to be capitalised whereas presently the regulations include computers regardless of value. Given the value of computers can be as low as £200-£300 this requires amendment. (12.1)

The responsibility for written procedures on the security of assets resides with the DVC (Resources) and not jointly with the Director of Infrastructure and Capital Projects. (12.2.3)

Reporting

Revision to timing and frequency of reforecasts to better reflect process. (16.3)

Risk Management and Insurance

Present wording suggests a Governor policy is in place around insurance cover which is not the case. However insurance details are reported to Resources Committee as appropriate. Revision reflects this. (18.2)

Irregularity

Section on Irregularity enhanced to reference various documents ratified by Audit Committee following the implementation of the Bribery Act which came into force on 1st July 2011 (20)

Capital Programme Variations – Approval Limits

The present wording suggests all variations regardless of how small should be reported to Resources Committee. The revision sets practical limits to this requirement (Appendix 5)

Revenue Expenditure Variations – Approval Limits

This section dates back to our local authority control origins when revenue expenditure was strictly monitored within agreed sums across various limited account codes with no opportunity for virement. Budgetholders can however vire between account codes but are expected to manage their “bottomline”. Meetings with all budgetholders take place regularly to ensure this is monitored and the quarterly review process summarises the outcome of those meetings. This section has no meaning for a modern appropriately run organisation and has therefore been removed. (Appendix 7)

Timescales for Tendering

The services outlined in this section should be considered for retender once the previously tendered contract has expired and not every 5 years as presently stated. The requirement to tender may in certain

circumstances be relaxed by Governors if it is felt appropriate.
(Appendix 8)

Personal Expenses and Travel Cost Policy

Increasingly, there are strong cases being made for first class travel where the costs are significantly lower than that of a standard class rail fare and there is a need to work whilst travelling. The present policy has been updated to allow such requests to be considered by the DVC (Resources). (Appendix 10)

3.0 Conclusion

This document summarise the key changes to the financial regulations which are effective from 1st August 2013.

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