

**MIDDLESEX UNIVERSITY**

**FINANCIAL REGULATIONS**

**November 2022**





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25.



44.	Pay.....	34
44-1	Pensions.....	35
44-2	Severance Payments .....	35
<b>FINANCE OPERATIONS ±ASSETS AND LIABILITIES .....</b>		<b>36</b>
45.	Property, Plant and Equipment.....	36
46.	Stocks and Stores .....	36
47.	Gifts, Benefactions and Donations .....	36
48.	Trust Funds.....	36
<b>APPENDIX A ±SCHEDULE OF EXPENDITURE APPROVAL LIMITS .....</b>		<b>37</b>
<b>APPENDIX B ±LIST OF FINANCE AND RELATED POLICIES.....</b>		<b>38</b>

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## GENERAL PROVISIONS

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### 1. Incorporation and Legal Basis for Existence

The University is formally known as Middlesex University Higher Education Corporation and is a higher education corporation created under the provisions of the Education Reform Act 1988, as amended by the Further and Higher Education Act 1992. Its structure of governance is laid down in the Instrument and Articles of Government. The University is accountable through its Board of Governors, which has ultimate responsibility for the effectiveness of its management and administration.

The University is also an exempt charity under Schedule 3 of the Charities Act 2011. For the purposes of charity law, the Governors are the trustees of the University and, as required, must have regard to the Charity guidance on public interest.  
Students (OfS).

The [Regulatory Framework for Higher Education in England](#) sets out the framework under which the University receives grants and other benefits associated with its status as a registered higher education provider. The Board of

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## **CORPORATE GOVERNANCE AND RESPONSIBILITIES**

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### **3. The Board of Governors**

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Each Budget Holder is accountable to their UET member for financial management for the areas or activities they control. They are advised by the CFO and DoF in executing their financial duties.

Designated Budget Holders are responsible for establishing and maintaining clear lines of responsibility within their faculty or service for all financial matters.

Where resources are delegated by Budget Holders, those Delegated Budget Holders are accountable to their Budget Holder for their own budget.

Budget Holders shall ensure that, for their areas of responsibility:

- income and expenditure is maintained within agreed budgets;
- value for money is achieved at all times;
- where external funding is obtained, all funder rules are adhered to;
- financial policies and procedures are adhered to at all times; and
- risk is managed in line with risk management policies and procedures.

Further detail is given in the section on [Financial Management and Control](#).

### **18. All Members of Staff**

All members of staff

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## RISK MANAGEMENT

### 19. Risk Management Process

The University acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable / unacceptable by the University is available in the form of a risk appetite statement, and key risks and mitigations in the Institutional Risk Register.

The Board of Governors has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the University through the development, implementation and embedding of a formal, structured risk management process within the organisation. The Board of Governors delegates certain responsibilities to the Audit, Assurance and Risk Committee.

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## FINANCIAL AUTHORITY

### 31. Significant Investments

Any new initiative or series of related initiatives outside the capital programme which will require an investment in resources of, or puts at non-trivial risk resources of, more than £5.0m over its lifetime should be approved by the Board of Governors on the recommendation of the Finance and Infrastructure Committee, with a value of £2.0m to £5.0m from the Finance and Infrastructure Committee and up to £2.0m from UET.

A new initiative can include, but is not limited to: purchasing, leasing or renting

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t financial year shall be consistent with that of the University unless specifically agreed by the CFO.

### **33. Banking Arrangements and Other Professional Advisors**

bankers and professional financial advisers (such as investment managers) on the recommendation of the Finance and Infrastructure Committee. The appointment of such advisers shall generally be for a specified period, usually five years, after which consideration shall be given by the Finance and Infrastructure Committee to competitively tendering the service.

The CFO or DoF may appoint professional advisers to act as consultants on specific pieces of work such as overseas tax advice or pensions matters.

Only the CFO or DoF may open or close a bank account in the name of the University or entity controlled by the University. All bank accounts, both UK and overseas, shall be in the name of the University or one of its subsidiary companies, and should be held with an approved banking service provider.

The structure of bank mandates relating to the University in the UK must be approved by Finance and Infrastructure Committee; likewise, overseas subsidiary companies bank mandates must be approved by the Board of that subsidiary company. Within this structure the CFO and DoF will approve specific signatories and their levels of authority. Details of the Unive

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### 35. Approval Authority

35-1 Non-Capital Non-Pay Expenditure  
The University shall

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### 37-2 Internal Audit

The internal auditor is appointed by the Board of Governors on the recommendation of the Audit, Assurance and Risk Committee for up to five years, with the option to extend by up to two years on an annual basis with approval from the Audit, Assurance and Risk Committee.

The main responsibility of internal audit is to provide the Board of Governors, the Vice-Chancellor and senior management with assurances on the adequacy of the internal control system, as well as providing an objective and independent

The internal audit service remains independent in its planning and operation and has direct access to the Board of Governors, Vice-Chancellor and chair of the Audit, Assurance and Risk Committee. The internal auditor will also comply with the Chartered Institute for Internal Auditors Internal Audit Code of Practice.

The Audit, Assurance and Risk Committee will approve the annual programme of audits as proposed and agreed by the internal auditors, UET and the Finance and Infrastructure Committee, and receive and review the reports. Additional audits may be commissioned and approved by the CFO or DoF to address emerging issues that require internal audit expertise, such as fraud investigations.

Internal auditors shall have authority to:

- access University premises at reasonable times;
- access all assets, records, documents and correspondence relating to any financial and other transactions of University;
- require and receive such explanations as are necessary concerning any matter under examination; and
- require any employee of the Institute to account for cash, stores or any other University property under their control.

Under no circumstances should staff members conceal information from or mislead them.

### 37-3 Other Auditors

The University may, from time to time, appoint or be subject to audit or investigation by external bodies such as the funding bodies, research funders and HMRC. They have rights of access as determined by relevant contract agreements, regulations and laws. Staff members should seek advice from the CFO, DoF or University legal staff if they are unsure of their obligations.



### 38. Office for Students

The OfS and the University must comply with its [Regulatory 0 1 Tf11.04 0 0 11.04 121.82 713.38 Tm\(O\)6 \(f\)-4 \(S \)JTJETQi\)6RnMew](#)with its

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The Student Marketing and UK Recruitment and the International Recruitment teams are responsible to the CFO for ensuring that the University has appropriate controls over discounts, bursaries, scholarships and similar items. Awards should not be made other than in accordance with an approved





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## 41. Awards and Monitoring

The Finance Post Award Team shall initiate all claims for reimbursement from sponsoring bodies by the due date and be responsible for accounting for the grant or contract in accordance with accounting rules and for financial reporting.

The grant or contract shall be managed in line with the funding agreement. University policies and procedures shall apply except where the funding agreement specifies otherwise. In all cases applicable national laws and regulations, including tax laws and regulations, shall always be complied with and take precedence over the funding agreement and University policies.

Each grant or contract will have a named principal investigator (PI) or grant holder and will be assigned to a specific Budget Holder by the head of department. Any overspend or under-recovery of overheads is the responsibility of, and will be charged to, the responsible department.

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 to the responsible department. Loss of income or reputation which results from evident negligence may lead to disciplinary action. It is the responsibility of the Budget Holder for the grant or contract to seek advice on compliance with laws, regulations and

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## FINANCE OPERATIONS ±ASSETS AND LIABILITIES

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### 45. Property, Plant and Equipment

property, plant and equipment. Budget holders will provide the DoF with any information required to maintain the register, such as disposals or changes of use which may affect their value to the University.

Assets owned or leased by the University shall not be subject to personal use nor loaned to third parties without proper authorisation by a UET member unless permitted by policy or being an approved business activity.

### 46. Stocks and Stores

Budget holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. The systems used for stores accounting must have the approval of the DoF.

The term stocks and stores refers to stocks of non-trivial value where receipts and issues are controlled and recorded.

Budget holders are responsible for ensuring that regular inspections and stock checks are carried out.

### 47. Gifts, Benefactions and Donations

The DoF is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the University and initiating claims for recovery of tax where appropriate.

### 48. Trust Funds

The CFO is responsible for maintaining a record of the requirements for each trust fund and for advising the Finance and Infrastructure Committee on the control and investment of fund balances.

The Finance and Infrastructure Committee is responsible for ensuring that all the trust funds are operated within any relevant legislation and the specific requirements for each trust. They will also be responsible for investment of fund balances.

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