

UNIVERSITY COURT – AGENDA

Tuesday 1 May 2018, 09.30-15.00, coffee from 09.15

*Location: Boardroom, Advanced Forming Research Centre (AFRC), 85 Inchinnan Drive,
Renfrewshire, PA4 9LJ*

BUSINESS SESSION

(09.30-12.00)

Apologies: *Malcolm Roughead, Marion Venman, Jane Morgan, Alison Culpan, Dr Andrew McLaren*

Declarations of interest: *None*

Introduction		
1.	Minutes of the meeting held on 30 November 2017	Paper A
2.	Matters arising <i>All</i>	Oral <i>5 mins</i>
3.	Principal's Report <i>Principal</i>	Oral <i>20 mins</i>
Substantive items		
4.	Presentation: Strathclyde Online – Digital Education Strategy update <i>Deputy Associate Principal (Learning & Teaching)</i>	Oral <i>25 mins</i>
5.	Medicines Manufacturing Innovation Centre – Strategic Business Case <i>Chief Commercial Officer</i>	Paper B <i>25 mins</i>
6.	Budget setting 2018/19: context and process <i>Chief Financial Officer</i>	Oral <i>20 mins</i>
7.	USSA Financial Statements 2016/17 <i>USSA President, USSA Chief Executive</i>	Paper C <i>10 mins</i>
Items for formal approval		<i>15 mins</i>
8.	Financial Regulations 2018	Paper D

9.	Convener's Action: Magna Charta Universitatum	Paper E
Items for information		<i>10 mins</i>
10.	EPRC Delft – Update	Paper F
Committee reports		<i>10 mins</i>
11.	Senate	Paper G
12.	Executive Team	Paper H
13.	Court Business Group	Paper I
14.	Court Membership Group	Paper J
15.	Audit & Risk Committee	Paper K
16.	Estates Committee	Paper L
17.	Staff Committee	Paper M
18.	Enterprise & Investment Committee	Paper N
Closing remarks		<i>5 mins</i>
19.	Any other business <i>Convener</i> Date of next meeting <i>14.30-17.00, Wednesday 20 June 2018</i> <i>Location TBC</i>	

Lunch
(12.00-12.40)

MINUTES OF UNIVERSITY COURT

30 November 2017

- Present:** Dame Sue Bruce (Convener), Ronnie Cleland, Gillian Hastings, Malcolm Roughead, Alison Culpan, Dr Jane Morgan, Paula Galloway, Principal Professor Sir Jim McDonald, Vice-Principal Professor Scott MacGregor, Dr Andrew McLaren, Professor Erling Riis, Amanda Corrigan, Dr Kathy Hamilton, Gillian Pallis, Louise McKean, Calvin Hepburn, Taylor Wong
- Attending:** Professor Douglas Brodie, Professor David Hillier, Professor David Littlejohn, Professor Atilla Incecik, Professor Sara Carter, Professor Tim Bedford, David Coyle, Dr Veena O'Halloran, Rona Smith, Sandra Heidinger, Darren Thompson, Kirsty MacLeod (for item 6)
- Apologies:** Kerry Alexander, Dr Archie Bethel, Dr Jeremy Beeton, Susan Kelly, Marion Venman, Councillor David McDonald

Welcome and apologies

The Convener noted the apologies received. She welcomed Court members and attendees to the meeting.

No interests were declared.

1. Minutes

Court **approved** the minutes of the meeting held on 28 September 2017.

2. Matters arising

[RESERVED ITEM]

- Universities Superannuation Scheme (USS): The CFO reported the results of a recent consultation by Universities UK (UUK) on the current funding position of USS. On the basis of responses received from participating employers, UUK had proposed that the USS defined benefit scheme be closed to further pension accrual and that, in future, pension savings should be made via a defined contribution arrangement. The Director of Human Resources confirmed that initial discussions had taken place with trade union representatives at a meeting of the University's Joint Negotiating and Consultative Committee (JNCC). Court noted that the relevant trade unions were currently balloting their members and that any resulting industrial action was likely to take place early in 2018.
- Advertising Standards Authority: Following previous correspondence to Court, the Principal updated members on a recently published decision by the Advertising Standards Authority (ASA). The ASA had received and upheld a complaint about a statement published on the University's website. Although the ASA had not disputed the veracity of the University's statement, "The University is ranked number one in the UK for Physics research according to REF 2014", it believed that the Times Higher Education (THE) should have been clearly referenced on the University's website as the source of the ranking position. The University had expressed its disappointment with the ASA's approach to the issue and with its ultimate finding but had agreed to adjust the wording of the statement accordingly.

3. Principal's Report

The Principal informed members of the following key developments since the September meeting:

QS Stars award: Following an independent benchmarking exercise, the University had recently been rated as a “Five Star Institution” by Quacquarelli Symonds (QS), achieving the maximum five-star rating in all eight categories of assessment. This represented an improved result, compared to the last such audit undertaken by QS in 2014.

Public policy and funding environment: There were a number of recent or anticipated developments in this area, including:

- The expected announcement of the Scottish Government’s Draft 2018/19 Budget on 14 December 2017. Representations to the Government from the Scottish higher education sector had focused on the protection of core funding and the sector’s strong record in delivering positive outcomes;
- The recent announcement of the composition of the Enterprise and Skills Strategic Board. Court welcomed the appointment of Professor Sara Carter, Associate Principal (Learning & Teaching);
- The receipt, in late October, of a Ministerial Letter of Guidance and the Scottish Funding Council’s subsequent guidance on the Outcome Agreement process for 2018/19. This had been followed by a meeting on 8 November between the Minister for Further Education, Higher Education and Science and University and College Principals;
- Continuing sector-level efforts to seek clarity and assurances from both Scottish and UK Governments on post-Brexit arrangements. The Scottish Government had confirmed that EU students commencing a course of study in 2018/19 would be guaranteed tuition support for the duration of their course;
- The publication of the UK Government’s Industrial Strategy on 27 November and the accompanying commitment to increase Government Research & Development spending (GERD) to 2.4% of GDP over the next ten years. Court noted the potential opportunities for the University to engage and contribute significantly to the delivery of the Strategy; and
- The announcement of the final arrangements for the Research Excellence Framework (REF) 2021 and the University’s continued preparations.

Global Talent Attraction: the response to a recent recruitment initiative to attract up to 60 internationally-leading Professors and Readers had been very positive. A number of Professorial offers had been made so far and selections were currently taking place for potential Reader appointments.

Research grants: The Principal highlighted a range of recent major research awards across all four Faculties.

Court members welcomed the information provided and, in regard to the significantly complex and fast-changing public policy environment, discussed how the University might positively influence the nature and tenor of the sector’s engagement with the Scottish Government. It was suggested that this issue could be considered further, outside the cycle of normal Court business.

4. Health, Safety & Wellbeing Moment

The University Secretary and Compliance Officer (USCO) presented headline statistics on recent incidents reported to the University’s Occupational Health, Safety & Wellbeing Team. In addition to the information provided, it was noted that:

- An increase in the number of reported incidents corresponded with an increased level of awareness amongst staff and reflected an enhanced institutional focus on reporting;
- The University planned to launch a targeted initiative to further encourage greater reporting, specifically in regard to near misses and in recognition of the importance of these incidents in identifying areas of potential risk to be addressed;
- A new University-wide online reporting system would be introduced in 2018. This was expected to deliver further enhancements in reporting; and
- The University intended to introduce and promote a culture of “zero harm”, recognising that, whilst the number of incidents reported would never, realistically, fully reduce to zero, such an approach was consistent with the intention to achieve an environment that is safe and healthy for all.

5. Confucius Institute for Scotland’s Schools at the Ramshorn

The Associate Principal & Executive Dean of the Faculty of Humanities & Social Sciences introduced a business case for the investment required to establish the University's Confucius Institute for Scotland's Schools (CISS) within new accommodation at the Ramshorn Theatre. He explained that the CISS, hosted by the University for a number of years, had grown significantly and had recently been granted the status of a Model Confucius Institute by Hanban, the Confucius Institute Headquarters. This had generated an opportunity to relocate the CISS to a more suitable location which in turn would support a further expansion of activity, greater levels of collaboration within the Faculty, and greater opportunities for income generation.

The overall value of the investment (£2.1M) was such that Court's approval was required to proceed. It was indicated that the majority of funding would be provided via a contribution of £1.2M from Hanban, with the University providing a central contribution of £0.8M. A further £0.1M would be provided via a contribution from the CISS itself.

Court members considered the proposal, discussing the following key issues:

- The proposal provided a unique opportunity to refurbish the Ramshorn Theatre and bring it back into regular use. There were no competing requests for the use of the building;
- It was agreed that responses made by the University to previous information requests on the work of the CISS should be circulated to Court members, for information. Feedback from local schools had been overwhelmingly positive;
- The Estates Committee had considered the proposal in detail, acknowledging the additional benefits likely to arise from closer engagement with China (e.g. student placements, collaboration agreements, etc.), and had agreed to recommend this to Court for approval;
- The University had significant and longstanding experience of collaborative activity with other Chinese academic, industry, and government partners and was well attuned to the environment.

Court **approved** the overall investment of £2.1M (£0.8M from the University) required to establish the CISS within new accommodation at the Ramshorn Theatre.

6. Financial Statements 2016/17

The Chief Financial Officer (CFO) and Deputy Finance Director presented the draft Financial Statements 2016/17. The CFO provided a commentary on the statements, reminding members of the increased volatility in reported year-end figures as a result of the new accounting standard (FRS102) which had been introduced for the previous year's Statements. He highlighted a positive year-end result, including the delivery of an operational surplus, which was impacted by several significant items. These items included unrealised gains on investments, gains from the disposal of spin-out investments, an underspend in regard to restructuring costs, and the in-year costs associated with the development of a new Student Information Management System (SIMS). The following additional factors underpinning the year-end position were highlighted:

- Whilst strategic and research funding from the Scottish Funding Council (SFC) had increased, income from SFC in the form of recurrent teaching funding had decreased;
- Tuition fee income had increased across all areas of activity, with significant increases in non-EU fee income, despite on-going, sector-wide challenges;
- Staff costs had increased, in line with the University's growth trajectory. It was noted that the pattern and volume of new strategic staffing appointments correlated strongly with recent increases in research income;
- A significant proportion of the increase in staff expenditure during 2016/17 could be attributed to sector-wide increases in National Insurance and pension contributions;
- The University's cash balances had increased due to recent capital disposals. These were expected to decrease in subsequent years as a result of planned investments in the University estate;
- The University's position in regard to borrowing and liquidity, relative to the Scottish and UK higher education sectors. Both would reduce in subsequent years as borrowings were repaid and cash reserves expended;
- The expectation that SFC income would remain flat for the foreseeable future whilst institutions in England would seek to fund a significantly increased level of investment through additional borrowing.

The CFO confirmed that the University retained the financial strength required to resource major planned investments and take advantage of emerging opportunities. Notwithstanding this, the continued and future growth of non-governmental funding streams remained a priority.

The Treasurer welcomed the Financial Statements and commended members of the University's Finance Team for their efforts. The Convener of the Audit & Risk Committee noted a positive report from the University's External Auditors and signalled the Audit & Risk Committee's formal recommendation to Court that the draft Financial Statements be approved and signed.

Court members discussed the optimal level of liquidity and borrowings. It was considered that the University's targeted future growth would include significant cash generation, as a means of ensuring financial sustainability. The CFO confirmed that the University was currently well within its borrowing limits, as defined by the European Investment Bank's own lending parameters. Court members asked that further information be provided in graphical form.

Court **approved** the draft Financial Statements for 2016/17.

7. Q1 Business Report 2017/18

The CFO and the Director of Strategy & Policy introduced the Q1 Business Report for 2017/18. Following previous discussions at Court, the content of Business Reports had been reviewed to ensure that they continued to meet the needs of the Executive Team and Court over the course of 2017/18.

[RESERVED]

Court welcomed assurances from the Executive Team that positive steps were being taken to drive additional income growth and monitor and control in-year expenditure, wherever possible.

The Director of Strategy and Policy highlighted several non-financial indicators within the Business Report, including:

- Postgraduate Research (PGR) recruitment: growth in the overall population had slowed and there was a consequent significant internal focus on increasing intakes. The Executive Team was monitoring this closely and taking appropriate action;
- Postgraduate Taught (PGT) recruitment: a decrease in the intake of PGT students from the rest of the UK had contributed to the overall shortfall in tuition fee income. There remained significant potential for in-year recruitment of overseas PGT students; and
- Widening Access: the University had already achieved and surpassed its 2020 target for SIMD0-40 entrants and had significantly increased the percentage of total entrants from SIMD0-20 backgrounds, to 17.3%. The gap in the retention rates for SIMD0-40 students had widened slightly and this would continue to be monitored closely.

Court noted the report. Members particularly highlighted the significance of achieving an increase in the number and percentage of widening access student entrants whilst also protecting high entry standards.

8. Strategic Plan 2015-2020: year-end progress report 2016/17

The Director of Strategy & Policy introduced the year three progress report on the 16 KPIs contained within the University's Strategic Plan. Members welcomed positive year-on-year performance in relation to a range of measures, noting that the majority of KPIs were 'on track' or ahead of relevant milestones. A small number of KPIs had been flagged to indicate that further work was required. Court also noted that KPI 15 had been revised from a measure of 'operating surplus' to one focused on cash generation. This followed changes to financial reporting in 2015/16, with the implementation of FRS102 and the new Statement of Recommended Practice (SORP), which had resulted in greater volatility in the presentation of the annual Financial Statements.

Court noted that a mid-year Report would be provided in March 2018.

9. Outcome Agreement 2017-2020: Draft Annex 2018/19

The Director of Strategy & Policy presented an early working draft outline of the 2018/19 Supplementary Annex to the University's Outcome Agreement for 2017-2020. This was intended to address additional requirements set out in the SFC's most recent guidance, whilst maintaining and supporting the University's overall strategic objectives.

Members noted that the University was in a strong position to be able to address the additional requirements and that the Annex would be developed further ahead of the submission of a 'well-developed' draft to the SFC by the required deadline of 15 December 2017. Members were encouraged to offer any additional comments ahead of this date but were reassured that a final version would be provided for Court's input and approval in due course.

10. Governance Act 2016: Future composition of Court

The USCO presented recommendations from the Court Membership Group (CMG) for a revised future composition of Court intended to support compliance with the requirements of the Higher Education Governance (Scotland) Act 2016. Court noted that, whilst the Act required changes to the University's governing instruments in several areas, the proposal for consideration, at this time, was restricted to Court's future composition. Following approval, the University would commence informal discussions with the Scottish Government. Work would also be undertaken to draft revised governing instruments and develop proposals for the underpinning operational arrangements.

Court considered and noted CMG's recommendations on the future composition of Court which, in addition to ensuring compliance with the Act:

- strengthened the current lay majority;
- maintained the current number of *co-opted* lay member positions on Court;
- slightly increased the overall size of Court, whilst maintaining numbers within best practice limits;
- reduced the number of Senate-appointed representatives, but maintained the current overall number of non-ex officio staff representatives on Court;
- highlighted the importance of continued clarity in guidance for all Court members on understanding and accepting their responsibilities as trustees; and
- reinforced the need for subsequent work in order to ensure the appropriateness of underpinning processes for the future appointment or election of Court members.

In discussion, the current Senate members of Court indicated that they had discussed the proposals and were supportive of them. They also expressed understanding of the requirements that members appointed or elected by a particular constituency must act solely in the best interests of the institution and not as if delegated or mandated by any particular constituency.

Following discussions, Court **approved**:

- The core principles, as set out in the paper, as a suitable framework against which to assess the future composition of Court; and
- The future composition of Court, as recommended by CMG and set out within the paper.

It was noted that transitional arrangements and rules for the future election of Senate representatives would be considered by Court at a future date, following consultation with Senate.

Items for formal approval

11. Convener's Actions

There were no actions to report since the last meeting.

12. Change of Department Name, Strathclyde Business School

Following consideration by Senate, Court **approved** a change in the name of the Strathclyde Business School's "Department of Human Resource Management" to the "Department of Work, Employment and Organisation". It was noted that the change would be implemented no later than 1 August 2018.

13. Annual Statement on Research Integrity

Court reviewed and **approved** the University's Annual Statement on Research Integrity for 2016/17.

Items for information

14. Scottish Code of Good HE Governance 2017: update

Court **noted** the publication of a revised Scottish Code of Good HE Governance. Members also noted a number of new requirements related to the University's governance practices and a range of recommendations to ensure future compliance.

15. Prevent Strategy: Annual Report and update

Court **noted** the annual update on the implementation of the Prevent requirements under the Counter Terrorism Security Act (2015) and on action taken by the University to ensure continued compliance.

Committee Reports

Court received and **noted** the following committee reports:

16. Senate

Court **noted** the key matters discussed by the University Senate at its recent meeting on 15 November 2017. The following recommendations from Senate were **approved**:

- Department Change of Name – Strathclyde Business School (approved at Item 12, above)
- Amendment of Regulation 1.5.7: Court approved a minor amendment of *Regulation 1.5.7 (a) Composition of Senate Discipline Appeals Board* to permit the Vice-Principal to nominate an appropriate alternative Convener to be appointed when he is unable to act in this capacity.

17. Executive Team

Court **noted** the key matters discussed by the Executive Team at its recent meetings.

18. Court Business Group

Court **noted** and welcomed the Court Business Group's advance consideration and scrutiny of the Court agenda and its substantive items on 16 November 2017.

19. Court Membership Group

Court **noted** the report of the Court Membership Group (CMG) meeting on 16 November 2017. A recommendation from the CMG on the future composition of Court had been approved at Item 10 above.

In addition, Court **approved** the following recommendations from the CMG:

- Mrs Louise McKean to be appointed to the vacant staff member position on Court Business Group, for a period commensurate with her current term of office on Court; and
- Dr Andrew McLaren to be appointed to the vacant staff member position on Court Membership Group, for a period commensurate with his current term of office on Court

20. Audit & Risk Committee (including the Audit & Risk Committee's Annual Report to Court)

Court **approved** the recommendations made by the Audit & Risk Committee that:

- the draft Financial Statements for 2016/17 be approved;
- the relevant officers be authorised to sign the printed statements in due course; and
- Ernst & Young LLP be retained as the University's External Auditors for the audit of the 2017/18 Financial Statements.

21. Enterprise & Investment Committee

Court **noted** the items discussed by the Enterprise & Investment Committee at its recent meetings on 21 September and 6 November 2017.

22. Staff Committee

Court **noted** the items discussed by the Staff Committee at its recent meeting on 27 September 2017.

23. Estates Committee

Court **noted** the items discussed by the Estates Committee at its recent meeting on 16 October 2017. A recommendation from the Estates Committee in regard to the Confucius Institute for Scotland's Schools had been considered and approved at Item 5, above.

24. Strategic Marketing Group

Court **noted** the items discussed by the University's Strategic Marketing Group at its recent meeting on 16 November 2017.

25. AOB

There was no other relevant business.

Date of next meeting

- Thursday, 1 March 2018

Medicines Manufacturing Innovation Centre – Strategic Business Case
[RESERVED ITEM]

USSA Financial Statements 2016/17
[RESERVED ITEM]

Financial Regulations

Introduction

1. The University's Financial Regulations translate into practical guidance the University's policies relating to financial control. Compliance with the Financial Regulations is compulsory for all employees of the University.

Review of Financial Regulations

2. A full review of the Financial Regulations has been undertaken by Finance with input from colleagues in other Professional Services Directorates. The changes from the current Financial Regulations included within the proposed revised Financial Regulations reflect developments both within the University and the wider external environment. Overall there has been no significant change to the nature of the Financial Regulations, merely enhancement as appropriate. The Financial Regulations have been updated to reflect:
 - Guidance in 2013 edition of The Chartered Institute of Public Finance and Accountancy (CIPFA) model set of Financial Regulations. This has resulted in revisions to the structure and layout of the document and has included many other changes, including new sections.
 - Changes arising from revisions to the University's Charter and Statutes. These reflect changes in the governance arrangements of the University, including its Committee Structure and changes in the composition of the Executive Team.
 - Changes to University organisational structure. The proposed Financial Regulations now refer to Departments/Schools/Professional Services Directorates.
 - Changes arising from the revision of the SFC Financial Memorandum. SFC no longer has a separate Code of Audit Practice. Institutions must now adhere to Mandatory Requirements set out in the Financial Memorandum.
 - Changes in line with Court Schedule of Delegated Authority.
 - Changes to financial processes and controls following the introduction of the Financial Management System (FMS).
 - Additions to or changes in University policies with financial implications (e.g. Anti-Bribery & Corruption Code of Conduct).
3. Throughout the proposed Financial Regulations, links have been included to supporting documentation and guidance, where appropriate.

Recommendations

4. Court is invited to approve:
 - the revised Financial Regulations (recognising that non-material amendments may be required, from time to time, in order to accurately reflect changes to the University's internal structures or policies); and
 - the delegation of authority to Court Business Group to approve any future material revisions to the University's Financial Regulations

Financial Regulations

2018

Handbook for Staff

the place of useful learning

The University of Strathclyde is a charitable body, registered in Scotland, number SC015263

Financial Regulations

Contents

	Page
A General Provisions	
1 Introduction	1
2 Status of Financial Regulations	2
B Corporate Governance	
3 The University Court	3
4 The Principal	3
5 Delegated Authority	3
5.1 Court Business Group	3
5.2 Executive Team	3
5.3 Audit and Risk Committee	4
5.4 Enterprise and Investment Committee	4
5.5 Remuneration Committee	4
5.6 Estates Committee	4
6 Other Senior Managers with Financial Responsibility	5
6.1 The Convener of Court	5
6.2 The Treasurer	5
6.3 The Chief Financial Officer	5
6.4 The University Secretary & Compliance Officer	6
6.5 The Chief Commercial Officer	6
6.6 Executive Deans	6
6.7 Heads of Department and Professional Services Directors	6
7 Responsibilities of Staff	6
8 Code of Conduct	7
8.1 Conflicts of Interest	7
8.2 Receiving Gifts or Hospitality	8
8.3 Fraud	8
9 Risk Management	9

C Financial Management and Control

10	Financial Planning	9
10.1	Resource Allocation	10
10.2	Budget Preparation	10
10.3	Expenditure on Land and Buildings	10
10.4	Other Major Developments including Overseas Activity	11
11	Financial Control	11
11.1	Budgetary Control	11
11.2	Budget Transfers (Virement)	12
11.3	Treatment of Year End Balances	12
11.4	Strategic Funding	12
12	Financial Statements	12
12.1	Preparation of Financial Statements	12
12.2	Basis of Accounting	12
12.3.	Format of Financial Statements	12
12.4	Basis of Consolidation	13
12.5	Accounting Returns	13
12.6	Accounting Records	13
13	Audit Requirements	14
13.1	External Audit	14
13.2	Internal Audit	14
13.3	Other Auditors	15
13.4	Value for Money	15
14	Treasury Management	15
14.1	Treasury Management Code of Practice	15
14.2	Appointment of Bankers and Other Professional Advisers	15
14.3	Banking Arrangements	16
15	Income	16
15.1	General	16
15.2	Receipts	16
15.3	The Collection of Debts	17
15.4	Student Fees	17
15.5	Refunds	18
15.6	Debt Write-off	18

16	Research Grants and Contracts	18
16.1	Definition	18
16.2	Application	18
16.3	Costing and Pricing	18
16.4	Grant and Contract Conditions	19
16.5	Acceptance of a Research Project	19
16.6	Financial Management	19
17	Knowledge Exchange Activities	19
17.1	Definition	19
17.2	Short Courses, Conferences and Services Rendered	20
17.3	Work for Outside Bodies including Consultancies	20
17.4	Additional Payments to Staff	20
18	Intellectual Property Rights and Patents	20
19	Expenditure	20
19.1	General	20
19.2	Delegation of Authority	21
19.3	Procurement	21
19.4	Purchase Orders	21
19.5	Purchasing Cards, Credit and Debit Cards	21
19.6	Tendering	22
19.7	Construction Contracts	22
19.8	Receipt of Goods	22
19.9	Payment of Invoices	23
19.10	Staff Reimbursement	23
19.11	Petty Cash	24
20	Salary Expenditure and Pensions	24
20.1	Remuneration Policy	24
20.2	Appointment of Staff	24
20.3	Salaries and Wages	24
20.4	Pensions	25
20.5	Severance Payments	25
21	Assets	25
21.1	Land, Buildings, Fixed Plant and Machinery	25
21.2	Asset Register	25
21.3	Stocks and Stores	26
21.4	Safeguarding Assets	26
21.5	Personal Use	26
21.6	Asset Disposal	26

22	Funds Held on Trust	26
22.1	General	26
22.2	Gifts, Benefactions and Donations	26
22.3	Endowment Funds	27
22.4	Voluntary Funds	27
23	Other	27
23.1	Companies, Joint Ventures and Consortium Arrangements	27
23.2	Insurance	27
23.3	Taxation	28
23.4	Students' Association	28
23.5	Use of the University Seal	29
23.6	Provision of Indemnities	29
23.7	Security	29

Financial Regulations

A General Provisions

1 Introduction

The University was established by Royal Charter in 1964. The University's structure of governance is laid down in the instruments of incorporation, the Charter and Statutes. These can only be amended by order of the Privy Council. The University is accountable through its governing body, the University Court, which has ultimate responsibility for the University's management and administration.

The University has charitable status and is recorded on the index of charities maintained by the Office of the Scottish Charity Regulator (Charity Number SC015263) under the provisions of the Charities and Trustee Investment (Scotland) Act 2005.

The Financial Memorandum between the Scottish Funding Council (SFC) and the University, dated 1 December 2014, sets out the terms and conditions on which funds are made available by the Scottish Government. The University Court is responsible for ensuring compliance with any conditions attaching to a grant of public funds. The University is obliged to adhere to SFC's Financial Memorandum - Mandatory Requirements, which requires it to take account of good practice in the management of all of its activities and resources including its finances, risk and internal control procedures.

This document sets out the University's Financial Regulations, translating into practical guidance, the University's policies relating to financial control. The purpose of these Financial Regulations is to provide management with assurances that there are controls in place to ensure that resources are being properly applied for the achievement of the University's strategic plan and business objectives on a sustainable basis including:

- maintaining financial sustainability
- achieving value for money
- fulfilling its responsibility for the provision of effective financial controls over the use of public funds
- ensuring that the institution complies with all relevant legislation
- safeguarding the assets of the institution

These Financial Regulations, therefore, form part of the University's overall system of accountability and control. Although supporting policies and procedures are not necessarily included in full within the Financial Regulations, references and links to relevant webpages and related documents are included.

2 Status of Financial Regulations

The Financial Regulations were approved by the University Court on [] 2018 and supersede all previous versions of the Financial Regulations. They apply to the University and all its subsidiary undertakings and to all funds (whether public or otherwise) under the control of the University.

The Financial Regulations are subordinate to the University's Charter and Statutes and to any restrictions contained within the University's Financial Memorandum with SFC.

The Executive Team is responsible for periodically reviewing the Financial Regulations, through the Chief Financial Officer, and for recommending to the University Court any additions or changes necessary. In exceptional circumstances Executive Team may authorise a departure from the detailed provisions therein, such departure to be reported to the University Court at the earliest opportunity.

Compliance with the Financial Regulations is compulsory for all employees of the University. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the University's Disciplinary Procedure. The University Court will be notified of any such breach through the Audit and Risk Committee. It is the responsibility of Heads of Departments/Schools and Professional Services Directorates to ensure that their staff are made aware of the existence and content of the University's Financial Regulations and to ensure that there are effective controls in place to enable compliance to be monitored.

B Corporate Governance

3 The University Court

Under the terms of the University Charter, the University Court is the governing body of the University. It is composed of twenty-four members both internal and external to the University. The internal members are staff and students of the University and include the Principal and Vice-Chancellor, the Vice-Principal, five members of Senate, one member appointed by the Professional Services staff of the University and two student representatives nominated by the Students Association. Thirteen external members are appointed by Court itself and are referred to as co-opted lay members.

Court is responsible for overseeing the management and administration of the whole of the revenue and property of the University. Court exercises general control over the University and all its affairs, purposes and functions, taking all final decisions on matters of fundamental concern to the University. Court is responsible for safeguarding the University's good name and values.

Court's Primary Responsibilities are detailed in the [Court Statement of Primary Responsibilities](#), which can be found on the University Court webpage.

4 The Principal

The Principal, appointed by Court as the Chief Executive Officer, is responsible to the Court for the finances of the University. As well as being directly accountable to Court for the proper conduct of the University's affairs, the Principal is also directly accountable to the Chief Executive of the SFC for the University's proper use of funds deriving from the Scottish Ministers and ensuring compliance with the Financial Memorandum with SFC.

5 Delegated Authority

The Court has ultimate responsibility for the University's finances. However, it is not practical for the Court to make every decision that is required and the Court has agreed to delegate authority for certain decisions and certain areas of responsibility to appropriate individuals and committees, which are accountable to the University Court for the exercising of this authority. Details of the committee structure can be found on the [Committee Structure](#) webpage and the [Court Schedule of Delegated Authority](#) can be found on the University Court webpage.

5.1 Court Business Group

The [Terms of Reference](#) of the Court Business Group include supporting and challenging the formulation of strategic and annual financial plans and forecasts aligned to the delivery of the Court's strategic plans and considering the University's performance and progress against plan. It may also exercise financial authority up to limits specified within the [Court Schedule of Delegated Authority](#), which can be found on the University Court webpage.

5.2 Executive Team

The [Executive Team](#) chaired by the Principal, is responsible to Court for developing the overall strategic direction of the University, taking account of the resources at its disposal and the need to ensure sustainability in all aspects of University business. It is responsible for considering policy proposals on the University Budget, on resource allocation priorities, on

physical development, on employment and any other University business, for onward transmission and decision at Court.

The Executive Team is responsible for monitoring the University's financial performance against the annual budget approved by Court. It also considers other matters relevant to the financial duties of Court and makes recommendations thereon. The membership of Executive Team is defined in the [University Regulations](#).

The Executive Team can consider and approve requests for non-recurrent items of expenditure, additional to that approved in the annual budget, up to a limit of £1 million in accordance with the [Court Schedule of Delegated Authority](#), which can be found on the University Court webpage.

The Executive Team must ensure that sufficient information is made available for Court to be satisfied that it is discharging its financial responsibilities.

5.3 Audit and Risk Committee

The University is required by its Financial Memorandum with SFC to appoint an Audit Committee. The University's Audit and Risk Committee is a committee of Court independent of the senior management and reports directly to Court. It oversees the arrangements for risk, internal control and governance, including the associated assurances related to these systems. The Committee is authorised by Court to obtain outside legal or other independent professional advice and to secure the attendance of non-members with relevant experience and expertise if it considers this necessary, normally in consultation with the Principal and/or Convener of Court. It is also authorised to investigate any activity within its terms of reference and to seek any information it requires from any employee, and all employees are directed to co-operate with any request made by the Committee.

The Audit and Risk Committee has [Terms of Reference](#) relating to Internal Controls, Internal Audit, External Audit, Risk Management and Reporting.

5.4 Enterprise and Investment Committee

The Terms of Reference of the Enterprise and Investment Committee, which are set out in the [University Regulations](#), include reviewing commercial investment proposals presented by the University's Commercial Investment Team and making recommendations on investments in companies created by University staff and students.

The Enterprise and Investment Committee will report to Court annually on the University's Commercialisation activity.

5.5 Remuneration Committee

The [Terms of Reference](#) of the Remuneration Committee include determining the remuneration and conditions of service of the Principal, the University Secretary, other employed Senior Officers and the Directors of Professional Services. The Remuneration Committee is chaired by a senior Lay Member of Court.

5.6 Estates Committee

The Estates Committee is responsible for the strategic oversight of the University estates strategy and ensuring that it is consistent with the overall University strategy. Estates Committee brings forward to Executive Team detailed proposals on major estates projects,

acquisitions and disposals identified by the Executive Team as a strategic priority, prior to submission to Court. It is guided by the University's Strategic Plan, Estates Strategy, the Court Schedule of Delegated Authority and the University's Financial Regulations in the execution of this remit.

6 Other Senior Managers with Financial Responsibility

6.1 *The Convener of Court*

The Convener of the Court is responsible for the leadership of the Court, for the efficient and effective conduct of its business and for representing the Court within the University's system of governance. Court delegates authority to the Convener of Court to take decisions on behalf of Court in relation to both routine and non-routine matters of business on the understanding that all such action is reported to the next meeting of Court.

6. *Treasurer*

The Treasurer, who is a co-opted lay member of Court, is responsible to Court for maintaining an overview of the University's financial position. The Treasurer reports to Court on the finances of the University and their report is incorporated into the annual Financial Statements. The Treasurer is not a member of Audit and Risk Committee but may attend meetings of the Audit and Risk Committee, in agreement with the Convener of the committee.

6.3 *The Chief Financial Officer*

The Chief Financial Officer, under the direction of the Principal, is responsible for the financial management of the University and the strategic management of the Professional Service functions in the broad areas of resources, including Finance, Estates and Human Resources.

Day to day financial administration is the responsibility of the Chief Financial Officer including:

- preparing annual revenue and capital budgets and other financial plans
- preparing accounts and management information in respect of all financial operations
- monitoring and control of income and expenditure against budgets
- preparing the University's Financial Statements and any other financial information which the University is required to submit to external authorities
- ensuring that the University maintains satisfactory financial systems
- providing professional advice on all matters relating to financial policies and procedures
- day to day liaison with internal and external auditors in order to achieve efficient processes.

Details of [Finance contacts](#) are provided on the Finance webpages.

6.4 *The University Secretary & Compliance Officer*

The University Secretary, under the direction of the Principal, is responsible for the administration of the University and for providing secretarial services for the Court and the Senate. As Compliance Officer, the post holder also has responsibility for the coordination of institutional compliance based activities and reporting in partnership with other senior officers and Professional Services Directors.

6.5 *The Chief Commercial Officer*

The Chief Commercial Officer, under the direction of the Principal, is responsible for the management of the University's commercial and business development activities and the strategic management of relevant Professional Services functions including those in the areas of research and knowledge exchange and communications and marketing.

6.6 *Executive Deans*

The Executive Deans, as primary budget holders, are responsible for the distribution and the efficient and effective management of resources within their respective Faculties. Each Faculty has its own Planning and Resource Committee, chaired by the Executive Dean.

6.7 *Heads of Department and Professional Services Directors*

Heads of academic departments are responsible to the Executive Dean for financial management in their own areas. Heads of Professional Services Directorates are responsible to the Chief Financial Officer, University Secretary & Compliance Officer or the Chief Commercial Officer. Where resources are further devolved, individual budget holders are accountable to the Head of Department/School and Professional Services Directors for budgets under their control.

Heads of Department/Schools and Professional Services Directors are responsible for establishing and maintaining clear lines of responsibility within their department/directorate for all financial matters. Heads of Departments/Schools and Professional Services Directors are also responsible for monitoring budgets and for agreeing appropriate access to the Financial Management System (FMS), which provides on line access to financial records. They should ensure that staff are aware of their general responsibility to secure the University's property, and that they are aware of the University's delegated authority limits and purchasing procedures within the University. In particular, Heads of Departments/Schools and Professional Services Directors should ensure the separation of duties when ordering goods and services and authorising payment thereof.

7 *Responsibilities of Staff*

The University is committed to the highest standards of openness, honesty, integrity and accountability. It seeks to conduct its affairs in a responsible manner taking into account the requirements of the funding bodies and having regard to the Nine Principles of Public Life in Scotland, which staff at all levels are expected to observe.

The University expects its staff to exercise the highest standards of corporate and personal conduct including:

- Accountability - actions of University staff must be able to stand the tests of audit, propriety and professional codes of conduct;
- Honesty and integrity should be exercised in dealing with assets, staff, students, suppliers and the public;
- Openness - the University's activities should be sufficiently public and transparent to promote confidence between the University and its funding partners, staff, students and the public.

All members of staff should be aware and have a general responsibility for the security of University property, for avoiding loss and for due economy in the use of resources.

They should ensure that they are aware of the University's financial authority limits (see 19.2) and the values of purchases for which quotations and tenders are required (see 19.6).

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

They shall provide the Chief Financial Officer with such financial and other information as deemed necessary, from time to time, to support Court in fulfilling its duties.

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

The Public Interest Disclosure Act 1998 gives legal protection to employees against being dismissed or penalised by their employer as a result of publicly disclosing certain serious concerns that they believe to be in the public interest. The University expects individuals to work together in an open and honest environment, in compliance with the law, as well as University regulations and policies, and with integrity. However, where an individual discovers information which they believe shows malpractice or wrongdoing within the University then this information should be disclosed without fear of reprisal. Normally such disclosures will be made to the line manager or Head of Department in the first instance but may be made independently of line management. The full procedure for whistleblowing is set out in the University's [Public Interest Disclosure Policy](#).

8 Code of Conduct

8.1 Conflicts of Interest

It is the responsibility of Court members and Senior Management staff present at Court to declare any business or commercial interests which may conflict with their responsibilities and duties as members/advisers of the Court. This extends to any co-options of non-Court members to major committees. A register of Court members' interests is maintained by the University Secretary & Compliance Officer and updated annually. The register is reviewed annually by the Internal Audit Service. In particular no person should be a signatory to a University contract where he or she also has an interest in the activities of the other party.

Any member of staff having a personal, financial or other beneficial interest in any transaction between the University and a third party is required to disclose this interest to the relevant Head of Department/School/Professional Services Director and to the University Secretary & Compliance Officer.

The Court approved Code of Practice on Conflicts of Interest also requires certain members of staff (e.g. Principal, Vice-Principal, Executive Deans, Directors of Professional Services and Heads of Department/Schools) to submit an annual declaration of interest to the University Secretary & Compliance Officer. The annual returns are reviewed by the Internal Audit Service.

8.2 Receiving Gifts or Hospitality

The Bribery Act 2010 came into force on 1 July 2011. The Act introduced new offences for acts of bribery by individuals, or persons associated with relevant organisations.

It is the policy of the University that all staff, students and persons associated with the organisation as a result of being an employee, agent, third-party, intermediary, representative, business partner or supplier, or through another role such as a subsidiary, should conduct business on its behalf honestly, and without the use of bribery or corrupt practices in order to gain an unfair advantage. Further guidance is provided in the University's Anti-Bribery & Corruption Code of Conduct.

The University expects staff and members of Court to exercise the utmost discretion in giving and accepting gifts, hospitality and other benefits when on University business.

Staff must not accept gifts, hospitality or other benefits of any kind from a third party where it might be perceived that their personal integrity is being compromised, or that the University might be placed under an obligation.

The University Policy for Receipt of Gifts, Hospitality and Other Benefits provides guidance for staff relating to the acceptance of gifts, hospitality or other benefits.

8.3 Fraud

Whenever any matter arises which involves, or is thought to involve, irregularities or fraud concerning cash, stores or other property of the University, or any other suspected irregularity in the exercise of the activities of the University, staff are requested to report the circumstances to their line manager in the first instance. In instances where the line manager is subject to suspicion the next most appropriate senior person should be contacted. The line manager should then raise the matter with the Head of Department/School or Professional Services Director. If the Head of Department/School or Professional Services Director is subject to suspicion then the matter should be raised directly with the Executive Dean/Senior Officer. The Head of Department/School/Director/ Executive Dean/Senior Officer should then report the matter to the University Secretary & Compliance Officer at the earliest opportunity. The University Secretary & Compliance Officer will decide whether or not to invoke the Fraud Response Plan, which is detailed in the University's Fraud Prevention Policy.

Reported or suspected frauds will normally be investigated in accordance with the University's Fraud Response Plan, except where they involve straightforward acts of misconduct by University staff, in which case investigation under the University staff disciplinary procedures may be the most appropriate response.

9 Risk Management

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. The University views Risk Management as integral to the successful execution of its Strategy. In order to achieve the aims set out in our strategy, the University must pursue opportunities that involve some degree of risk.

To ensure a consistent approach is taken throughout the organisation, the University's [Risk Management Framework](#) provides a systematic Risk Management Assessment Process which all Departments/Faculties/Directorates must follow.

The Court is responsible for ensuring a structured Risk Management Framework is in place and implemented throughout the University. The Court is required to monitor significant risks within the organisation and must submit an annual Corporate Governance statement to the Scottish Funding Council that sets out how it has discharged that responsibility. The Court delegates authority for implementing the Risk Management Framework to the Principal.

The Principal is responsible for ensuring that a structured Risk Management Framework is drawn up and fully implemented and maintained. The University Secretary & Compliance Officer has day to day responsibility for risk management.

The Risk Management Framework details:

- Roles and responsibilities of all those involved in managing risks, from Court to all members of staff
- University's tolerance to risk e.g. risk appetite
- The risk management process to be adopted across the organisation
- Common terminology for defining and measuring risks
- Procedures for recording, reporting and escalating risks from Departments through to Faculty and Executive Team
- Regular review of the Corporate Risk Register by the Executive Team
- Regular reporting to Audit and Risk Committee and Court on the University's Corporate Risk Register

C Financial Management and Control

10 Financial Planning

The Chief Financial Officer is responsible for preparing rolling Four and Ten-Year Financial Forecasts for approval by Court on the recommendation of the Executive Team. The rolling forecasts include an income and expenditure forecast, cash flow forecast and projected year-end balance sheet for each year. Financial plans are prepared in such a way as to be consistent with the University Strategic Plan and the Estates Strategy approved by Court. The University is required to submit the Four Year Financial Forecast annually to SFC.

10.1 Resource Allocation

Resources are allocated annually by Court on the recommendation of the Executive Team. Budget Holders are accountable to the relevant Head of Department/School, Professional Services Director, Executive Dean, Chief Financial Officer, Chief Commercial Officer or University Secretary & Compliance Officer for the economic, effective and efficient use of resources allocated to them.

10.2 Budget Preparation

The Executive Team is responsible for formulating policy in respect of budgetary matters – these policies are reviewed on an annual basis. These policies should be consistent with the Strategic Plan and Estates Strategy approved by the University Court.

The Chief Financial Officer is responsible for preparing the annual Budget for consideration by the Executive Team before submission to Court. The Chief Financial Officer is also responsible for ensuring that detailed budgets are prepared and that these are communicated to Executive Deans, the Chief Commercial Officer, the University Secretary & Compliance Officer and budget holders as soon as possible following their approval by Court.

During the year, the Chief Financial Officer is responsible for monitoring the financial position of the University and for submitting revised forecasts to the Executive Team and to Court.

10.3 Expenditure on Land and Buildings

The Director of Estates Services, through the Chief Financial Officer, is responsible for preparing capital investment programmes for approval by Court. The capital investment programme includes all expenditure on the Estate, such as capital projects, maintenance, acquisitions, disposals, spend on buildings and related equipment, furniture and other project costs whether or not they are funded from capital grants or funded from the University's own resources.

Any expenditure on the Estate (land, buildings, and any associated costs) must only be incurred if there are funds available either from the approved capital investment programme or from an alternative funding source.

The approval requirements for expenditure of this type, including for variations to previous project approvals, are set out in the [Court Schedule of Delegated Authority](#), which can be found on the University Court webpage.

Major capital projects should be supported by a detailed Business Case which demonstrates that the project is consistent with the University's Strategic Plan and Estates Strategy as approved by Court. The Business Case must include:

- an estimated budget for the project for submission to the Estates Committee. The budget should include a breakdown of costs including professional fees, VAT and funding sources
- a financial evaluation of the proposals together with their impact on revenue plus advice on the impact of alternative plans demonstrated by an options appraisal
- an investment appraisal in an approved format which complies with SFC guidance on option and investment appraisal in accordance with HM Treasury's Green Book guidance.

- a demonstration of compliance with normal tendering procedures and SFC regulations
- a cashflow forecast
- a risk assessment.

The Director of Estates Services is responsible for providing regular statements in respect of all capital expenditure to Estates Committee and Court for monitoring purposes

Following completion of a capital project, a final report should be submitted to the Estates Committee recording actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Post-project evaluations may also need to be sent to SFC.

10.4 Other Major Developments Including Overseas Activity

Any new business developments including the proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time, should be presented as part of the annual plans of the relevant Academic Department/School or Professional Services for consideration by the Executive Team. Where such an opportunity arises outside the annual planning round, a business plan should be submitted for approval in line with the [Court Schedule of Delegated Authority](#), which can be found on the University Court webpage. The business plan should contain details of the proposed development, its alignment with the University's strategic objectives, its financial implications and an assessment of risk.

11 Financial Control

11.1 Budgetary Control

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder who must ensure that day to day monitoring is undertaken effectively. Budget holders are accountable to the relevant Head of Department/School or Professional Services Director, Executive Dean, Chief Financial Officer, Chief Commercial Officer or University Secretary & Compliance Officer for their own budget and should ensure that funds are used only for the purposes for which they are allocated. The budget holder will be assisted in this duty by management information provided by Finance, including on line access, as appropriate, to the Financial Management System (FMS).

The University operates a commitment accounting system; budget holders must take commitments into account before tendering for or ordering goods and services.

Significant departures from agreed budgetary targets must be reported immediately by the Head of Department/School or Professional Services Director concerned to the Executive Dean, Chief Financial Officer, Chief Commercial Officer or University Secretary & Compliance Officer. If necessary, corrective action should be taken and reported to the Executive Team.

11.2 Budget Transfers (Virement)

Transfers (virement) of funds from one sub-project budget to another is permissible. However, for some categories of sub-project where funds have been provided by external funders (e.g. research grants, SFC earmarked grants) there may be restrictions transferring funds. Prior to making any such transfer, staff should consult the relevant funding award notice and consult with Finance if further guidance is required.

11.3 Treatment of Year End Balances

At the year end, any balances held for restricted grants, restricted donations and endowments will be carried forward.

Other unspent budget balances may be carried forward to the next year with the approval of the Executive Dean, Chief Financial Officer, Chief Commercial Officer or University Secretary & Compliance Officer and subject to any restrictions agreed by Court. The University must maintain an appropriate relationship between balances available for discretionary departmental spend and those which can be channelled to corporate priorities of a revenue or capital nature.

11.4 Strategic Funding

Other funding may at times be allocated to Faculties/Departments/Schools and Directorates for specific strategic purposes. Virement from these earmarked funds is not permitted and any unspent strategic funds will be returned to the central strategic fund. It is the responsibility of the Head of Department/School or the Professional Services Director to ensure that expenditure from these strategic funded initiatives does not exceed the allocation.

12 Financial Statements

12.1 Preparation of Financial Statements

The Chief Financial Officer is responsible for the preparation of the University's Financial Statements and for ensuring that audited Financial Statements are presented to Court. The Financial Statements will, in the first instance, have been presented to the Audit and Risk Committee, which is responsible for recommending their approval to Court.

12.2 Basis of Accounting

The consolidated Financial Statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. The University's financial year runs from 1 August until 31 July. Details of the University's accounting policies are included in the [Annual Report and Financial Statements](#).

12.3 Format of the Financial Statements

Financial Statements are prepared for the financial year ending 31 July, in the format required by SFC and in accordance with the provisions of the Statement of Recommended Practice: Accounting for Further and Higher Education and any specific requirements of SFC.

12.4 Basis of Consolidation

The consolidated Financial Statements encompass the Financial Statements of the University and its subsidiary undertakings for the financial year.

12.5 Accounting Returns

The Chief Financial Officer is responsible for preparing and despatching financial returns and other periodic financial reports to SFC, the University's bankers and other agencies as required.

12.6 Accounting Records

The Chief Financial Officer is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities. The University is required by law to retain prime documents for six years, these include:

- official orders
- paid invoices
- accounts raised
- bank statements
- copies of receipts
- payroll records
- VAT records

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

The University's Financial Management System (FMS) provides the facility to store digitised images of hard copy documentation relating to the financial transactions undertaken using FMS. In the majority of FMS processes, users are expected to digitise any relevant hard copy documentation associated with a transaction, and to upload these images to the transaction record. This then provides a complete electronic record supporting that transaction, in a form that is more secure, searchable and cost-effective than hard copy records.

The accuracy, completeness and integrity of record-keeping is key to substantiating our financial position for internal and external purposes in the event of routine review or periodic query. In particular, we have obligations to be able to evidence financial transactions for statutory financial reporting purposes, for tax purposes and to support funder audit.

Further information on document retention can be found in the [Guidelines on FMS Hard Copy Document Retention](#).

13 Audit Requirements

External and internal auditors have authority to:

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

13.1 External Audit

The appointment of external auditors and their annual reappointment is the responsibility of Court on the recommendation of Audit and Risk Committee.

The primary role of the external auditors is to report to Court on the University's Financial Statements. The auditors are required to carry out such examination of the Statements and underlying records and control systems as is necessary to reach an opinion on the Statements and to report to Court on whether or not funds have been appropriately applied. The duties of the auditors are in accordance with guidance set out in SFC's Financial Memorandum and the Auditing Practices Board's auditing standards.

13.2 Internal Audit

The Financial Memorandum with SFC requires that the University maintains an effective Internal Audit service. The Chief Financial Officer to the University is responsible for maintaining an internal audit of the University's financial affairs in accordance with the mandatory requirements detailed in SFC's Financial Memorandum. The Terms of Reference of Internal Audit can be viewed on the University web site.

The main responsibility of Internal Audit is to provide Court, the Principal and senior management with an assurance regarding the effectiveness of the University's internal control systems.

The Internal Audit Service remains independent in its planning and operation and, notwithstanding a management reporting line to the Chief Financial Officer, the Head of Internal Audit has right of access to the Principal, the Convener of Court, the Treasurer, and the Convener of the Audit and Risk Committee.

The Internal Audit Service conducts its work in accordance with the professional and ethical auditing standards set out in the following:

- UK Public Sector Internal Audit Standards (derived from the Institute of Internal Audit Global standards);

- Institute of Internal Audit and International Professional Practices Framework (IPPF); and
- Professional and ethical Standards of relevant professional bodies (e.g. CIPFA, CIIA).

13.3 Other Auditors

The University may, from time to time, be subject to audit or investigation by external authorities such as SFC, Audit Scotland, European Court of Auditors and HM Revenue & Customs. These bodies have rights of access which are similar to those of external and internal auditors.

13.4 Value for Money

It is a requirement of the University's Financial Memorandum with SFC that the University has a strategy for reviewing systematically management's arrangements for securing value for money and that, as part of its internal audit arrangements, the University must obtain a comprehensive appraisal of management's arrangements for achieving value for money.

The University's commitment to achieving value for money from all of its activities is clearly articulated in the Strategic Plan. The principles of value for money are therefore fundamental to how the University conducts its business.

14 Treasury Management

14.1 Treasury Management Code of Practice

The University operates a Treasury Management Code of Practice approved by Court. This Code covers the management of all monies, investments and borrowings of the University.

Day to day responsibility for Treasury Management in the University shall rest with the Chief Financial Officer. External advisers will be employed, as appropriate, in respect of advising on and investing University funds. The Chief Financial Officer will be responsible for the investment of surplus cash (consulting the Treasurer before any long-term arrangements are entered into), and for the arrangement of the University's borrowings. Borrowing arrangements require the approval of the Court Business Group and, in certain circumstances set out in the Financial Memorandum, may also require the prior consent of SFC.

14.2 Appointment of Bankers and Other Professional Advisers

The Chief Financial Officer will review at an appropriate frequency the quality and cost of the following services and if deemed necessary will undertake a tender exercise in respect of any of these services:

- Banking services
- Fund management services
- Financial advisor
- Cash management, money broking services and general financial advice

Court Business Group is responsible for the appointment of the service provider on the recommendation of the Chief Financial Officer.

14.3 Banking Arrangements

All operational arrangements concerning the University's bank accounts, including the opening of accounts and the issuing of cheques will be made by the Chief Financial Officer on behalf of Court.

Unless otherwise approved by the Chief Financial Officer all funds due to the University must be deposited in accounts with the University's main bank and no Department, School or Directorate, other than Finance, will be empowered to operate a bank account in the name of the University. No cheques or financial instruments made payable to the University will be endorsed and credited to any other account.

All cheques, drafts and transfers drawn on behalf of the University must be signed in the manner approved by Court within the Treasury Management Policy.

15 Income

15.1 General

The Chief Financial Officer is responsible for ensuring that appropriate procedures are in operation to enable the University to receive all the income it is due. It is the responsibility of Heads of Departments/Schools and Professional Services Directors to ensure that all income due to the University is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt raising and approval of sales orders on the Financial Management System so that invoices can be generated and collection initiated.

Sales orders (and invoices) for all research grants and contracts must be issued by Research Finance, who will ensure that the invoice format meets the standard requirements of that funder. Sales orders for all other goods and/or services supplied by the University must be created and issued by the Department/School or Professional Services Directorate staff. These sales orders are automatically entered into workflow when the sales order is saved. Once the sales order is fully approved FMS converts the sales order into a sales invoice for issue to the customer.

The Chief Financial Officer is responsible for the prompt collection, security and banking of all income received.

The Chief Financial Officer is responsible for ensuring that all grants notified by SFC and other bodies are received and appropriately recorded in the University's accounts.

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

15.2 Cash Receipts

All cash and cash equivalents received within Departments/Schools and Directorates, from whatever source, must be recorded by the Department, School or Directorate on a daily basis and deposited with Finance as soon as practicable using Security Services.

Any cash holdings (e.g. petty cash) must be held securely to comply with the requirements of the University's insurers.

Unless other arrangements are agreed beforehand in writing with the Chief Financial Officer, no deductions may be made from any cash collected on behalf of the University prior to depositing monies with Finance.

Personal or other cheques must not be cashed out of money received on behalf of the University.

The University can receive payments by debit or credit card in various forms. Depending on the nature of the product/service/fee for which payment is being made, payments can be taken via the online payment systems or chip and pin terminals. The Chief Financial Officer is responsible for ensuring the University maintains PCI DSS compliance.

All payment methods must be approved by the Chief Financial Officer.

Further guidance on [Cash Handling Procedures](#) is provided on the Finance web pages

15.3 The Collection of Debts

The Chief Financial Officer is responsible for ensuring that:

- debtors invoices are raised promptly on official invoices in respect of income due to the University, showing the correct amount due with VAT correctly charged where appropriate
- invoices are prepared accurately, recorded in the ledger, show the correct amount due and are credited to the appropriate income account
- any credits granted are valid, properly authorised and completely recorded
- monies received are posted to the correct debtors account
- swift and effective action is taken to collect overdue debts in accordance with the University's formal procedures
- outstanding debts are monitored and reports are prepared for management.

The Chief Financial Officer is responsible for implementing credit arrangements and indicating the period within which different types of invoice must be paid.

15.4 Student Fees

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

Further information regarding tuition fees is provided in the University's [Debt Management Policy](#). Any student who has not paid tuition fees in full shall not be awarded a degree or any diploma, certificate and qualification from the University until all outstanding debts have been cleared. Such students shall be prevented from graduating or, in the case of continuing students, registering at the University and from using any of the University's facilities.

15.5 Refunds

The University seeks to minimise the opportunities for money laundering in accordance with the Money Laundering Regulations 2007. Where refunds are required, they will only be made to the bank and account holder (or other financial institution) that originally paid the fee. Payment by card will be refunded to the original card used for payment.

Details of when refunds of tuition will be made by the University and how they will be calculated are outlined in [Tuition Fee Refunds](#).

15.6 Debt Write-off

Bad debts to be written off must be authorised by the Chief Financial Officer (or nominated representative).

16 Research Grants and Contracts

16.1 Definition

Research can be defined as original investigation, undertaken to gain new knowledge and understanding, which may be directed towards a specific aim or objective. It can use existing knowledge in experimental development to produce new or substantially improved materials, devices, products and processes including design and construction. It excludes routine testing and analysis of materials, components and processes. The terms research grant or research contract covers research projects funded by UK Research Councils, Charities, the European Commission and any other appropriate funding body.

16.2 Application

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 Head of Department/School to ensure that the financial implications have been appraised by the Director of Research & Knowledge Exchange Services in accordance with existing Court policy.

The Director of Research & Knowledge Exchange Services is responsible for examining all applications for research grants and contracts and for ensuring that there is adequate provision of resources to meet all commitments.

16.3 Costing and Pricing

Research and Knowledge Exchange Services provides guidance and advice to academics in the costing of applications for external funding and the preparation of grant applications. Research grants and contracts must be costed on a “full economic cost” basis and the research agreement must be in line with the University’s policies with regard to directly allocated and indirect costs and expenses and take account of different procedures for the pricing of research projects depending on the policies of the funding body.

16.4 Grant and Contract Conditions

Many grant awarding bodies stipulate conditions under which funding is awarded. This includes compliance with legislative requirements such as appropriate procurement regulations. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. Failure to respond to these conditions often means that the University will suffer a significant financial penalty. It is the responsibility of the named supervisor or budget holder to ensure that conditions of funding are met. Any loss to the University resulting from a failure to meet conditions of funding will be charged to Department/School funds.

16.5 Acceptance of a Research Project

Research grants and contracts shall be accepted on behalf of the University only by the Director of Research & Knowledge Exchange Services.

Applications to special schemes, primarily funded by SFC (such as Research Partnership Investment Fund), which would not normally be processed through Research & Knowledge Exchange Services, must be signed by the Chief Financial Officer, or the Principal, as appropriate.

16.6 Financial Management

The Chief Financial Officer 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.

Staff undertaking research activity must maintain records specified by the Chief Financial Officer to enable compilation of returns to SFC which meet the requirements of the Transparent Approach to Costing.

17 Knowledge Exchange Activities

17.1 Definition

Knowledge Exchange activities include:

- Short courses
- Conferences
- Consultancy
- Materials or component testing
- Laboratory services
- Use of facilities
- Any other activities which are not teaching or research (e.g. publications)

17.2 Short Courses, Conferences and Services Rendered

A short course for the purpose of these Regulations is any course which does not form part of the award bearing teaching load of the department. Any member of staff wishing to run a short course or conference must have the course costed and the financial provisions approved in advance by the Head of Department/School or Professional Services Director. The term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information. Any surpluses or deficits on short courses or services rendered accounts will be credited or charged to Department/School or Directorate funds.

17.3 Work for Outside Bodies including Consultancies

To support the strategic objectives of the University and to facilitate individual professional development, the University encourages staff to engage in professional activities with outside bodies. In many cases, such activity will be approved on the basis that it represents University knowledge exchange activity and should therefore be treated as part of the individual's overall workload and managed through the University's systems. Where an individual is taking on an external work commitment which is unconnected to their University employment and does not interfere with their ability to fulfil their contract of employment, and where the activity does not create any conflict of interest or is otherwise considered incompatible with their University employment, then the matter will be treated as a personal business activity. For further information about the University's approach to outside work and consultancy, including the conditions, notification and/or approval processes and financial arrangements that apply, please refer to the University [Procedure in relation to Work for Outside Bodies including Consultancies](#) on the Human Resources Policies & Procedures webpage.

17.4 Additional Payments to Staff

Any knowledge exchange proposal which involves additional payments to members of staff (personal fee payment) must be detailed on the contract agreement approved by Research and Knowledge Exchange Services. Any such payment will be processed by Finance when payment for the contract has been received by the University.

18 Intellectual Property Rights and Patents

Certain activities undertaken by University staff as part of their normal duties, including teaching, research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property and remain the property of the University, unless determined by the University. All matters pertaining to the development, protection and exploitations of such intellectual property must be referred to Research & Knowledge Exchange Services for legal and commercialisation support and advice.

19 Expenditure

19.1 General

The Chief Financial Officer is responsible for making payment to suppliers of goods and services to the University.

19.2 Delegation of authority

The Head of Department/School or Professional Services Director are responsible for purchases within the Department/School or Directorate. They shall ensure that they have sufficient budget before committing the University to expenditure for the purchase of goods or services. Purchasing authority may be delegated to named individuals (or budget holders) within the department.

The Chief Financial Officer shall maintain a record of those authorised to requisition goods and services on behalf of the University, approvers and their respective financial limits. A hierarchy of approval levels for purchasing is automated within FMS. Heads of Department/School or Professional Service Directors must notify any changes to access and approval roles to Finance without delay by following the [FMS Users and Roles](#) guidance.

19.3 Procurement

The University is committed to obtaining best value for money and maintaining the highest standards of efficiency and integrity in the purchase of goods and services. It is essential that all staff who commit expenditure are aware of the obligations placed upon them and comply with the University's Procurement Policy, Procedures and Guidelines set out in the University's [Procurement Guidance](#).

19.4 Purchase Orders

Purchase orders are necessary to ensure suppliers can be paid efficiently, reduce invoice queries and processing time. Purchase orders should be placed in accordance with the University's Conditions of Contract as detailed within the [Procurement Guidance](#).

Purchase orders must be placed through FMS by raising a requisition.

Other methods of [Purchasing Goods and Services from External Suppliers](#) may be appropriate in some circumstances as detailed within the [Procurement Guidance](#).

19.5 Purchasing Cards, Credit and Debit Cards

The operation and control of the University's purchasing cards, credit and debit cards are the responsibility of the Chief Financial Officer. The [Purchase Cards Business Processes](#) ensure that there is oversight on the distribution of Departmental and University Traveller Purchase Cards and the associated card limits.

Holders of cards must use them only for the purposes for which they have been issued and within the authorised purchase limits. Such cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action. Where purchase are made using Departmental or University Traveller Purchase Cards, these must be used in accordance with [Purchasing Card Guidelines](#).

19.6 Tendering

Subject to special rules imposed by funding bodies and external authorities, the University's tendering procedures, contained in the University's [Procurement Guidance](#), are applicable to all significant purchases. Further guidance can be obtained from the Head of Procurement.

The Head of Procurement is responsible for ensuring that the University complies with its legal obligations concerning the EU Procurement Directives, Procurement (Scotland Regulations) 2015 and the Procurement Reform (Scotland) Act 2014. EU procurement regulations apply to contracts for all forms of procurement (or hire purchase, lease or rental) with a total value exceeding certain thresholds which are determined from time to time by the European Commission. Details of this threshold value can be found in the [Procurement Guidance](#). A breach of these regulations is actionable by a supplier or potential supplier.

It is the responsibility of the Head of Department/School or Professional Services Director to ensure that members of staff comply by notifying the Head of Procurement of any purchases likely to exceed the threshold referred to above. This will need to be done well in advance in order to permit advertisements in official journals, etc.

19.7 Construction Contracts

Construction contracts shall be let by Estates Services in conjunction with University Procurement. The Director of Estates Services shall be responsible for the management of construction contracts.

Proposals shall normally be initiated by the Director of Estates Services in respect of planned replacements, general improvement schemes, space planning or in response to requests from Departments, Schools or Professional Services Directorates.

Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the Chief Financial Officer as appropriate for Estates Committee. Investment appraisals should comply with appropriate SFC guidance.

Following consideration by Estates Committee and Executive Team and approval by Court, submissions should be forwarded to SFC where appropriate. If agreement is forthcoming from SFC, the Council's procedural rules should be followed. SFC guidance on best practice should be followed even when SFC approval is not required.

Procurement of both consultants and contractors shall be conducted via the most appropriate procurement process, established by a contract strategy. Approval of this strategy and ultimately the value of the contract awarded shall be based on approval as outlined in the Delegated Authority Schedule.

19.8 Receipt of Goods

All goods shall be received at the designated delivery address. They shall be checked for quantity, and/or weight and inspected for quality and specification. When goods or services are received, the relevant Departmental user must record this on FMS. Goods should only be receipted when the Department is satisfied that the goods are what was ordered, are of an appropriate quality, and if relevant, are also in good working order. Goods may be partially or fully receipted on FMS.

All persons receiving goods on behalf of the University must be independent of those who tendered the contract and placed the official purchase order.

19.9 *Payment of Invoices*

The procedures for making all payments shall be in a form specified by the Chief Financial Officer.

The Chief Financial Officer is responsible for deciding the most appropriate method of payment for all categories of invoice. Payments to UK suppliers will normally be made twice-weekly by BACS payment or by cheque. In exceptional circumstances the Chief Financial Officer will arrange the preparation of bank transfers for urgent payments.

Heads of Department/Schools and Professional Service Directors are responsible for ensuring that expenditure within their Department/School/Directorate does not exceed funds available. Suppliers are instructed by Procurement to submit invoices for goods or services to Finance.

Care must be taken by the budget holder to ensure that discounts receivable are obtained.

Payments will only be made by the Chief Financial Officer against invoices that can be matched to a receipted order or have been certified for payment via FMS by the appropriate signatory.

Certification of an invoice or receipting of an electronic order will ensure that:

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory
- where appropriate, it is matched to the order
- invoice details (quantity, price, discount) are correct
- the invoice is arithmetically correct
- the invoice has not previously been passed for payment
- where appropriate, an entry has been made on a stores record or departmental inventory
- an appropriate order number and/or sub-project code is quoted.

19.10 *Staff Reimbursement*

The University's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured without staff having to incur any personal expense. However, on occasions, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement.

All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed and submitted timeously to Finance in a form approved by the Chief Financial Officer (see guidelines for submitting [Expenses Claims and Travel Advances](#)). All advance requests and expenses claims, whether by staff, students or other parties, must be made in accordance with the University's [Expenses Policy](#).

As set out in the Policy, both the Claimant and Approver have a primary responsibility for ensuring that requests and claims fully accord with the Policy.

19.11 Petty Cash

The Chief Financial Officer shall make available to Departments such imprests as considered necessary for the disbursement of minor, incidental expenditures.

20 Salary Expenditure and Pensions

20.1 Remuneration Policy

Responsibility for determining the remuneration, terms and conditions of service of staff are set out in the [Court Schedule of Delegated Authority](#), which can be found on the University Court webpage.

20.2 Appointment of Staff

Due to their special nature as ongoing commitments, staff appointments are considered through a dedicated authority to appoint process. Requests for new or replacement posts must be authorised by the relevant Executive Dean, Chief Financial Officer, Chief Commercial Officer or University Secretary & Compliance Officer, Human Resources and Finance. All University staff will be appointed to the salary scale approved by the Court of the University and in accordance with appropriate Conditions of Service. All letters of appointment or variations in conditions of service must be issued by Human Resources.

20.3 Salaries and Wages

The Chief Financial Officer is responsible for processing payments of salaries and wages to all staff including payments for overtime or services rendered. All time sheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, must be in a form prescribed or approved by the Chief Financial Officer

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

The Chief Financial Officer is responsible for keeping all records relating to payroll including those of a statutory nature. All payments must be made in accordance with the University's payroll procedures and comply with HM Revenue & Customs regulations.

The University is permitted by HM Revenue & Customs to make payments to employees for certain specified items without deduction of income tax.

Reimbursement by the University of expenditure not included by these permissions is subject to the deduction of income tax before payment.

20.4 Pensions

The Chief Financial Officer is responsible for the administration of all pension matters.

The eligibility of staff for membership of the Universities Superannuation Scheme, the Strathclyde Pension Fund or the Scottish Teachers Superannuation Scheme will be detailed in the individual contracts of employment.

20.5 Severance Payments

A severance payment shall only be made in accordance with the University's internal policy, which follows the principles and requirements of the Scottish Funding Council Financial Memorandum with Higher Education Institutions and has been approved by the University's Remuneration Committee. This policy, which may be amended from time to time, sets out the necessary approval requirements for severance payments dependent on a combination of the staff member's length of service, salary level and proposed severance payment.

Legal advice shall be taken, where necessary, on severance payments and the accompanying legal documentation to effect the severance terms.

A severance payment shall only be agreed when it is fully costed and the funding for it approved by the relevant senior budget holder.

Cases referred to ACAS for pre-claim conciliation and / or to an Employment Tribunal or other competent court in respect of an employment dispute, shall be notified to the Director of Human Resources or their nominee, to ensure early risk assessment and adequate budget provision.

Determination of any employment dispute including any financial awards made by an Employment Tribunal or other competent court shall be notified to the Director of Human Resources or their nominee, to ensure appropriate payments are made and any necessary action is taken.

21 Assets

21.1 Land, Buildings, Fixed Plant and Machinery

The purchase, lease or rent of land, buildings and fixed plant shall only be undertaken in accordance with the [Court Schedule of Delegated Authority](#), which can be found on the University Court webpage and, where Exchequer funded assets or Exchequer funds are involved, by reference to SFC requirements.

21.2 Asset Register

Heads of Department/School and Professional Services Directors are responsible for ensuring that departmental records of the University's Assets are kept up to date in University systems, in accordance with the University's [Asset Register](#) processes. All additions (and disposals) should be notified to Finance without delay. All assets with a purchase price greater than £5,000 must be recorded, as well as personal computers regardless of value, and all other assets viewed as vulnerable to theft or misappropriation, regardless of value.

21.3 Stocks and Stores

Heads of Department/School and Professional Services Directors are responsible for establishing adequate arrangements for the custody and control of all assets including stocks and stores within their Departments, Schools or Directorates. Guidance on the control of stocks and stores is detailed in the University's Procurement Guidance.

Heads of Department/School and Professional Services Directors with stocks which require to be valued for Balance Sheet purposes must ensure that the stock-taking procedures in place have the approval of the Chief Financial Officer and that detailed instructions are issued to appropriate staff within their Departments, Schools or Directorates.

Stocks may be subject to validation by internal/external auditors.

21.4 Safeguarding Assets

Heads of Departments/Schools and Professional Services Directors are responsible for the care, custody, and security of the buildings, stock, stores, furniture, cash etc under their control. They should consult with the Chief Financial Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be required. Assets owned by the University should, as far as is practical, be marked as University property.

21.5 Personal Use

Any assets owned or leased by the University shall not be subject to personal use without the authorisation of the Head of Department/School or Professional Services Director.

21.6 Asset Disposal

Disposal of equipment and furniture must be in accordance with procedures agreed by Court. Further detailed information is provided in the University's [Procurement Guidance](#).

Disposal of land and buildings must only take place in accordance with the [Court Schedule of Delegated Authority](#), which can be found on the University Court webpage. SFC consent may also be required if Exchequer funds were involved in the acquisition of the asset.

22 Funds Held on Trust

22.1 General Funds

The Chief Financial Officer is responsible for ensuring that incoming funds are properly classified and designated as appropriate.

22.2 Gifts, Benefactions and Donations

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

The Alumni & Development Office is the recognised channel for all new donations given for University purposes.

22.3 Endowment Funds

The Chief Financial Officer is responsible for maintaining a record of the requirements for each endowment fund and for advising Court on the control and investment of fund balances. Court is responsible for ensuring that all endowment funds are operated within any relevant legislation and the specific requirements for each trust.

22.4 Voluntary Funds

The Chief Financial Officer must be informed of any fund that is not an official fund of the University but is controlled wholly or in part by an employee in relation to their employment in the University.

23 Other

23.1 Companies, Joint Ventures and Consortium Arrangements

In certain circumstances it may be advantageous to the University to establish a company, joint venture or consortium arrangement to undertake services on its behalf. Any member of staff considering the use of such an arrangement should first seek the advice of Research & Knowledge Exchange Services staff, who should have due regard to guidance issued by SFC. The Chief Financial Officer will keep a register of all financial investments. The Chief Commercial Officer will ensure the safe custody of certificates, receipts and similar documents.

Court is ultimately responsible for approving the establishment of all companies, joint ventures and consortium arrangements. No investment in such an arrangement shall be made without approval in accordance with the [Court Schedule of Delegated Authority](#), which can be found on the University Court webpage. It is the responsibility of the Executive Team, following scrutiny and recommendation by the Enterprise & Investment Committee, to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the University. The directors of companies, where the University is the majority shareholder, must submit, via the Enterprise and Investment Committee, an annual report to Court.

23.2 Insurance

The Chief Financial Officer is responsible for the University's insurance arrangements, including the provision of advice on the types of cover available. The Chief Financial Officer is responsible for assessing risk, reviewing and arranging insurance cover, negotiating claims and maintaining the necessary records. The Chief Financial Officer will also deal with the University's insurers and advisers about specific insurance issues. The Chief Financial Officer will keep a register of all insurances effected by the University and the property and risks covered.

Heads of Departments/Schools and Professional Services Directors must ensure that any agreements negotiated within their Departments/Schools or Directorates with external bodies cover any legal liabilities to which the University may be exposed. The advice of the Chief Commercial Officer and the Chief Financial Officer (where appropriate) should be sought to ensure that this is the case.

Heads of Departments/Schools and Professional Services Directors must give prompt notification to the Chief Financial Officer of any potential new risks and additional property and equipment which may require insurance and any alterations affecting existing risks.

Heads of Department/Schools and Professional Services Directors must advise the Chief Financial Officer, immediately, of any event which may give rise to an insurance claim. The Chief Financial Officer will notify the University's insurers and, if appropriate, prepare a claim in conjunction with the Head of Department/School or Professional Services Director for transmission to the insurers.

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

Additional guidance on insurance cover and procedures to be followed by staff and students is available on the [Insurance](#) webpage.

23.3 Taxation

The Chief Financial Officer will advise Heads of Departments/Professional Services Directors on taxation matters in the light of guidance issued by the appropriate bodies and relevant legislation as it applies. Heads of Departments/Schools and Professional Services Directors should seek advice from Finance on all matters concerning VAT, PAYE, National Insurance and other taxes.

The Chief Financial Officer is responsible for maintaining the University's tax records, making all tax payments, receiving tax credits and submitting tax returns by the due date.

23.4 Students' Association

The University of Strathclyde Students' Association (USSA), a company limited by guarantee, is a separate legal entity from the University. The University has agreed a [Code of Practice](#) with USSA, which details how the requirements of the Education Act 1994 will be met.

Subject to the constraints imposed by SFC, Court shall determine the level of grant to be paid annually to USSA.

USSA is responsible for maintaining its own bank account, financial records and preparing its own Financial Statements. At the year end its Financial Statements will be audited by an appropriately qualified firm of auditors and will be presented to Court for information.

In accordance with the [Code of Practice](#):

- USSA will provide a Business and Budget Plan on an annual basis to the University Court (or such other Committee of Court as the Court deems appropriate).
- USSA will provide reports to the University Chief Finance Officer on income and expenditure compared with budget on at least a quarterly basis

The University's Internal Auditor shall have access to records, assets and personnel within the Students' Association. For this purpose the Association will be treated as though it were a department of the University.

23.5 Use of the University Seal

The use of the University Seal is specified in the [University Regulations](#) and further detail is provided within the [Court Schedule of Delegated Authority](#), which can be found on the University Court webpage.

Any document to which the Seal is to be affixed must first have been evaluated and approved by the relevant Senior Officer or Committee prior to presentation for sealing.

23.6 Provision of Indemnities

Any member of staff asked to give an indemnity, for whatever purpose, should consult the Chief Financial Officer (or nominee) before any such indemnity is given.

23.7 Security

Keys to safes or other similar containers are to be held securely at all times. The loss of such keys must be reported to the Chief Financial Officer without delay.

The University has an [Information Security Policy](#), which is managed by the Digital Campus Sub Committee of the Information Strategy Committee. Staff and students are required to comply with it and its underpinning policies, which be found on the Information Security webpage. This includes the [University Policy on the Use of Computing Facilities and Resources](#) and operates within the legislative framework detailed in the [Legal Framework for ICT](#). All staff and students must also comply with the University's [Data Protection Policy](#).

The relevant Senior Officer is responsible for the safekeeping of official and legal documents relating to their area of the University. Signed copies of University title deeds, leases, agreements and contracts must be forwarded to the Chief Financial Officer. All such documents shall be held in an appropriately secure, fireproof location.

Convener's Action: Magna Charta Universitatum

Introduction

1. On 20 February 2018, the Executive Team discussed and endorsed a proposal that the University should apply to become a signatory to the Magna Charta Universitatum (MCU). As well as recognising the University's increasing European engagement and providing an opportunity to reaffirm its international connectivity, becoming a signatory to the MCU aligns with the University's longstanding commitments to institutional autonomy and academic freedom. In line with the requirements of the application process, the proposal requires formal endorsement by Senate and Court.
2. A paper detailing the proposal and seeking approval was circulated to Court on 22 February 2018, in advance of the scheduled meeting on 1 March 2018. That meeting was subsequently cancelled due to adverse weather. Therefore, in advance of the subsequent meeting and following similar action by the Convener of Senate, appropriate approval was sought and received from the Convener of Court, on behalf of Court and in line with Court's Schedule of Delegated Authority.
3. Additionally, all Court members were invited by email on 8 March 2018 to comment on and approve a number of items from the cancelled 1 March meeting, including the Magna Charta Universitatum recommendation.

Outcome of Application

4. The University's formal application was submitted to the MCU on 16 March 2018, along with a letter from the Principal, evidence of the approvals from the Conveners of Senate and Court, and supporting statements from three other universities (TU Delft, KTH and Ghent). The final application is available on [SharePoint](#), for information.
5. On 29 March 2018, the University received formal notification that the Council of the Magna Charta Observatory had considered and approved the University's application to become a signatory to the MCU. A formal signing ceremony will take place in Salamanca, Spain in September 2018.
6. All that remains to be provided to the MCU to complete the application process is the certified minutes to confirm that the application has the full support of both Senate and Court.

Recommendation

7. Court is asked to:
 - **note** the successful application submitted, which is available on [SharePoint](#) as a background document; and
 - formally **homologate** the Court Convener's action taken on 14 March 2018 (attached as Annex A) and confirm that the University's intent to become a signatory to the Magna Charta Universitatum has the full support of Court.

ANNEX A – Convener's Action 14 March 2018

Convener's Action: Application to sign the Magna Charta Universitatum

Introduction

8. On 20 February 2018, the Executive Team discussed and endorsed a proposal that the University should apply to become a signatory to the Magna Charta Universitatum (MCU). As well as recognising the University's increasing European engagement and providing an opportunity to reaffirm our international connectivity, becoming a signatory to the MCU aligns with our longstanding commitments to institutional autonomy and academic freedom. In line with the requirements of the application process, the proposal requires formal endorsement by Senate and Court.
9. A paper detailing the proposal was circulated to Court on 22 February 2018, in advance of the scheduled meeting on 1 March. That meeting was subsequently cancelled due to adverse weather. Therefore, in advance of the next meeting and following similar action by the Principal (as Convener of Senate), appropriate approval is sought from the Convener, on behalf of Court and in line with Court's Schedule of Delegated Authority. This approval will be formally homologated at the next meeting of Court on 1 May 2018 and evidence of this provided to the Magna Charta Observatory.

Approval sought

10. Court Convener's Action is sought to approve the proposal that the University should apply to become a signatory to the MCU, in advance of the application submission deadline of 17 March 2018.
11. Convener's Actions will be reported for homologation at the next Court meeting on 1 May.
12. A copy of the paper circulated to Court in February is enclosed, for information.

Approved by Convener of Court, Dame Sue Bruce, March 2018.



Signed:

Date: 14 March 2018

**EPRC Delft – Update
[RESERVED ITEM]**

Senate Report to Court

Senate met on 28 March 2018.

FOR APPROVAL

*Senate invites Court to **approve** the following recommendation considered by Senate on 28 March 2018.*

1. Magna Charta Universitatum

Senate homologated the Convener's Action taken by the Principal endorsing the Executive Team's recommendation that the University should become a signatory to the Magna Charta Universitatum, and recommended Court's approval of the University becoming a signatory to the Magna Charta Universitatum.

FOR NOTING

*Senate invites Court to **note** the following items considered by Senate on 28 March 2018.*

2. Report from Senate Business Committee

Senate Business Committee noted that the Collaborative Provision Agreement (CPA) Subgroup had reviewed a paper on the governance arrangements for fee paying Study Abroad agreements.

3. Financial Update

The Chief Financial Officer presented a financial update outlining key variances from the Q2 Forecast offset against the budget for 2017/18. An outline of the proposed approach to Strathclyde 2025 was included in the presentation.

4. Faculty Focus

Continuing the series of presentations to Senate from Faculties highlighting key areas of their academic activity, the Faculty of Humanities and Social Sciences presented to Senate on: Challenges Ahead: the Teacher Workforce for Scotland. An outline was given of immediate priorities and recruitment targets in the field of teacher training. As a result of a shift in focus, new routes into education are being explored. A range of proposed new developments to expand provision was highlighted, and an outline was given of proposals to be considered for implementation in support of the planned developments.

5. Teaching and Learning Building Update

The Associate Principal (Learning & Teaching) updated Senate on the Learning and Teaching Building Project. Stage 3 Design Consultation process having been completed, the project is now moving into a new phase. Main construction work is expected to start in June 2018, with construction (Colville building) due to be completed in June 2020, ready for the start of academic year 2020-2021. Senate noted USSA's involvement in the process, and that students are well sited in the project. Senate viewed slides from the exhibition of the project designed for students and staff which is due to be on display in the Library and in USSA. Feedback will be invited.

6. Update on NSS Planning

The Deputy Associate Principal (Learning & Teaching) updated Senate on the planning for NSS 2018 and recent activity, providing an overview of developments. The range of activity being undertaken was outlined. The impact of the work undertaken in relation to the NSS Improvement Framework Plans has been evident across many areas of enhancement activity. Senate was reminded of the importance of strong oversight of NSS activity and of the governance structure. Senators were encouraged to attend the next of a series of NSS Fora, "Reflection on NSS 2018" taking place on 3rd May.

7. ELIR Update

The Acting Director of Education Enhancement updated Senate on the background to the Enhancement-led Institutional Review (ELIR) scheduled to take place at the University in 2018/2019, highlighting the shift in emphasis in ELIR 4 to contextualisation. The background and elements of ELIR, as well as the critical path and key dates in the process were outlined: submission of Reflective Analysis and Advanced Information Sets (22 November 2018, pending confirmation); ELIR Planning Visit (31 January 2019); ELIR Review Visit (week commencing 11 March 2019); Formal Outcome Report (July 2019). Widespread engagement on ELIR will take place across the institution. Senate will be updated regularly on progress.

8. Principal's Report and Update

The Principal updated Senate on several matters of interest including:

- **Estates update:** The Principal updated Senate on the latest developments in the University's Estate, including information on the progress of the Sports, Health and Wellbeing Facility, due to open in September. The Principal also informed Senate of the University's acquisition of the Inovo building. This acquisition would enhance the University's role in the TIC zone of the Glasgow City Innovation District and would foster stronger engagement with local business.
- **Industrial Action:** Further to the recent strike action as a result of the dispute on proposed benefit changes within the Universities Superannuation Scheme, the Principal updated Senate on steps the University is taking to mitigate the impact of the action on students. The University continues to work to mitigate any future impact of the strike action on students and is keeping staff and students updated on developments.

Executive Team Report to Court

The Executive Team met on 20 February, 20 & 29 March. The following key items were discussed by the Executive Team and are provided here for Court to note:

1. Magna Charta Universitatum

The Executive Team considered the proposal for the University to become a signatory to the Magna Charta (MC) Universitatum. As a member of the European University Association (EUA), the University had been invited to sign up. Members agreed that the University should seek to do so, in recognition of the alignment with our values, and an increasing level of European engagement, noting the opportunity that this would provide to reaffirm the University's international connectivity. Approval was sought from the Conveners of both Court and Senate for the Executive Team's intent to sign the Magna Charta Universitatum and the application for the University to become a signatory was submitted in March.

2. Health and Safety

Under the 'Safety Moment' held at the opening of each Executive Team meeting and led by the University Secretary and Compliance Officer, the Team took the opportunity to discuss health and safety matters, including fire safety, an update on fire drills, road safety on campus and Wellbeing Week 2018.

3. PGR Analysis

The Executive Team continued to receive updates on action taking place to increase the number of PGR entrants in the remainder of 2017/18 and to ensure that the University achieves its strategic ambitions in this area.

4. Learning & Teaching building

The Executive Team received regular updates on the Learning & Teaching building.

5. Strathclyde 2025

Ahead of the 1 May Court meeting, the Executive Deans, Chief Financial Officer (CFO), Chief Commercial Officer (CCO) and University Secretary and Compliance Officer (USCO) outlined their Strathclyde 2025 Court presentations to the Team and spent time discussing their top priorities.

6. Industrial Relations

The Executive Team received regular updates in relation to the Universities Superannuation Scheme (USS) and the UCU industrial action. The Team continued to discuss mitigating actions, noted that the University's Industrial Action Planning Group continued to meet and had issued guidance to Departments and Schools and that contingency plans had been prepared across all areas of the University.

7. Executive Team Projects 2017/18 – update

The Executive Team received a progress update on the 2017/18 ET Projects, namely: 1) Financial Performance; 2) NSS Performance Enhancement; 3) Enhancing our Reputation and Influence and 4) The Efficiency of Teaching Provision. The final recommendations would be discussed at a future meeting of Executive Team.

8. Universities Scotland Strategic Plan

Members noted that Universities Scotland (US) had recently invited all Scottish Principals to share their ambitions over the next 10 years for their respective institutions to inform the development of the US Strategic Plan and in advance of a US workshop that had taken place in March.

9. Scottish Funding Council Indicative Allocations 2018-19

The Team noted several updates on the Scottish Funding Council (SFC) Indicative Allocations 2018-19. In relation to the Research Excellence Grant (REG), the University's SFC Outcome Agreement (OA) Manager had advised that there would be no major deviation from the 2018/19 indicative REG allocations. Members noted that the indicative allocations were better than anticipated, that SFC Final Allocations for 2018-19 were expected in May and that following on from regular engagement with the OA Manager, that there would not be any major changes to the University's indicative allocations.

10. 2018-19 Budget

The Team regularly discussed the outline indicative 2018/19 budget and reflected on the Planning Round/Budget meetings with Faculties/Professional Services that had taken place in March. Budget holders provided updates to the Team on ongoing activity to address the gap between the current operating outturn and the Four-Year Forecast target. The Team agreed that the 2018-19 Budget would be a standing item on the Executive Team meeting agenda for the duration of the budget setting process.

11. Investment Proposal 3f bio Ltd.

The Chief Commercial Officer and Director of Research and Knowledge Exchange Services presented a paper outlining the investment proposal for 3f bio Ltd, which had been considered by the Enterprise and Investment Committee who recommended the investment for ET's approval. The Team's discussions focused around the University's intent to secure Board attendance, the strength of the Management Team at 3f bio, the make-up of the other investors, and the relative risk and potential return, which were central to the opportunity to put forward.

Executive Team **considered** and **approved** the recommendation from RKES and the Enterprise & Investment Committee to invest **[Reserved]** as part of a funding round of c. £6,160,964 in the University spinout company 3f bio Ltd.

12. USSA Financial Statements

The Team noted the USSA Financial Statements for 2016/17 prior to presentation to Court on 1 May. Members noted that Finance colleagues had reviewed the Financial Statements 2016/17 and offered a number of revisions and a revised set of papers would be presented to University Court.

13. Strathclyde Graduate School Executive Board

The Team noted and **approved** the proposal to establish a Strathclyde Graduate School Executive Board with representation at Executive Dean-level from all four Faculties. During discussion, the Team responded positively to the objectives and Board proposals presented in the paper and recognised the opportunity to unify activity. Members noted the intention for the Board to refine the mission statement and then to co-ordinate activities leading up to a planned launch in September/October 2018.

14. European Policies Research Centre Delft – Progress Update

The Team received an update on progress in establishing the European Policies Research Centre's (EPRC) base in Delft and with EPRC's Dutch Foundation (the Stichting). Members noted that since Court had approved the establishment of the 'Stichting' at its meeting in June 2107, work had progressed to develop the Stichting, in parallel with developing wider joint working arrangements between Strathclyde and TU Delft (TUD). By the official launch of the Stichting in June 2018, the composition of the Supervisory Board would be revised to ensure a broader composition, including nominees from TUD and an independent chair.

The Team noted the progress with EPRC's activities to establish its Delft base of operations and **approved** the proposed change in the composition of the Board of the Stichting by June 2018.

15. Financial Regulations

The Team considered the University's draft revised Financial Regulations (FRs) which had been updated to reflect a number of changes both internally and externally and which now included signposts and hyperlinks to relevant information sources. The draft FRs had been considered and endorsed by Audit and Risk Committee on 22 March. The Team reviewed and commented on the revised Finance Regulations ahead of final approval being sought from Court on 1 May. Members commented positively on the revised FRs noting the scope for wider dissemination across the University and the potential for the FRs to be a key part of the management toolkit for Heads of Departments and other members of staff in leadership roles.

The Team noted and **endorsed** the proposal that Court should be invited to approve i) the revised FRs and ii) the delegation of authority to Court Business Group to approve any future material revisions to the FRs.

16. Medicines Manufacturing Innovation Centre

The Team noted that a Strategic Business Case for Medicines Manufacturing Innovation Centre (MMIC) was in the process of being prepared for Executive Team, Court Business Group and Court. Members noted that due to the timing of the next Senate meeting, Senate would be invited to homologate the business case at its June meeting.

Court Business Group Report to Court

The following items were discussed by Court Business Group on 17 April 2018 and are provided here for Court to note.

1. Matters arising not otherwise on the agenda

No matters arising were noted.

2. Presentation: Strathclyde Online – Digital Education Strategy update

The Vice-Principal provided a summary of the key developments in the University's Digital Education Strategy, to be presented at the next Court meeting in May. CBG members noted that draft slides had been circulated in advance and offered a range of suggestions to inform the further refinements of the Court presentation.

3. Medicines Manufacturing Innovation Centre – Strategic Business Case

The Chief Commercial Officer (CCO) presented a paper seeking Court's approval for the University's partnership with the UK Centre for Process Innovation (CPI) and industry partners to secure the funding and formation of the Medicines Manufacturing Innovation Centre (MMIC). He explained that the University had been working with partners on the project for some time and that the proposal was now at an appropriately developed stage for Court's consideration and approval. In particular, CBG members were asked to note the proposed partnership model where the University would act as a Strategic Partner, providing access to infrastructure, expertise, and the wider research base. This would be operated through a contractual relationship with CPI.

CBG members noted the intended main benefits for the University were increased research income, an enhanced reputation in this area, and additional opportunities for students to gain industry experience. During discussions, CBG members offered a number of suggestions to enhance the paper for Court.

In general, CBG members agreed that this project represented an exciting opportunity for the University and they welcomed the proposal being brought forward for Court's consideration, following endorsement from the Executive Team. It was agreed that, subject to Court's approval of the proposal, a post-investment report should be provided for future consideration by Court.

4. Budget setting 2018/19: context and process

The Chief Financial Officer (CFO) outlined the 2018/19 budget-setting process and the major factors affecting the emerging budget position, ahead of discussion at Court. The intent was to provide Court with background information in May, with a full draft Budget to be presented to the June CBG and Court meetings.

In general discussion, CBG members noted ongoing activity to ensure the systematic allocation of resource, as well as investments in key operational areas to drive greater efficiency of effort. The CFO agreed to provide an indication at Court in regard to the current trajectories in income and expenditure.

5. University of Strathclyde Students' Association (USSA) Financial Statements 2016/17

The USSA President introduced the Students' Association's Financial Statements 2016/17, noting that these were provided to Court annually for information, following approval by the USSA Trustee Board. CBG noted USSA's year-end deficit position, largely due to an unexpected increase in the Association's pension liability following the scheme's actuarial valuation in 2017. Notwithstanding this, CBG members welcomed the significant positive progress made in recent years in relation to the Association's financial performance. It was agreed that, in presenting the Financial Statements to Court, further information should be provided on the level of provision made within USSA's budgeting processes to account for unforeseen events and financial impacts.

6. Financial Regulations 2017/18

The CFO introduced revisions to the University's Financial Regulations, intended for Court's consideration and approval. CBG members agreed that the revised and reformatted Regulations, with the addition of hyperlinks to associated policy documents, represented a very useful and readable document for staff and should be presented to Court for approval. They discussed the need to ensure a high level of awareness amongst all staff, and particularly budget holders, of the revised Regulations and their financial responsibilities.

7. EPRC Delft – Update

The Head of the European Policies Research Centre (EPRC) introduced a paper intended to update Court on the University's progress in establishing a presence for the EPRC in Delft, Netherlands. CBG members were reminded that the establishment of a Foundation or "Stichting" was approved by Court in June 2017, with the intention of safeguarding EPRC's access to key EU income streams.

CBG members welcomed the key messages for Court and the progress achieved since June 2017. It was expected that the structures and developments described would provide appropriate assurances to Court ahead of the formal public launch of EPRC Delft which was scheduled for 20 June 2018.

8. Draft Court agenda, 1 May 2018

Members considered the draft agenda for the Court meeting on 1 March 2018. Subject to some revisions to the content and timings of Court's planned afternoon strategic session, the agenda was approved.

Members also noted the intention to provide Court with an update on the development of the National Manufacturing Institute for Scotland (NMIS), ahead of a formal business case being presented to Court in June. As the final arrangements for NMIS were unlikely to be formulated until August, it was suggested and agreed that Court should be invited in June to consider a formal delegation of authority to a sub-group comprised of Court members and senior officers to conclude final approvals on behalf of the University.

9. AOB

The USSA President provided CBG with an update on the results of the 2018/19 student elections. An increase in the number and diversity of election candidates was welcomed and CBG members looked forward to meeting and working with new members of the Student Executive in due course.

The Vice-Principal informed CBG members that the University's preparations for the next Enhancement-led Institutional Review (ELIR) were already underway. He indicated that a briefing on this would be

provided to Court in due course and it was agreed that, as with previous ELIR exercises, consideration should be given to involving selected lay members of Court in an advisory capacity.

Court Membership Group Report to Court

The following items were discussed by Court Membership Group on 17 April and are provided here for Court to note:

1. Matters arising not otherwise on the agenda

The Convener noted that she would shortly undertake discussions with those current lay members of Court eligible for reappointment to determine their willingness to serve from 2018/19. She would also liaise with the relevant Conveners of Court's committees on the potential reappointment of co-opted members.

2. Lay Member Recruitment 2018 - shortlisting

Court Membership Group (CMG) noted that, following an open and transparent exercise, 16 firm expressions of interest had been received for the Court lay member vacancy. The CVs and Supporting Statements received were discussed and assessed carefully by CMG against the required skills and areas of expertise, which had been previously agreed and highlighted in the advert. These were: Human Resources, Industry, Property, Marketing, and Health Policy (with a recognition that strong candidates with other areas of expertise could also be considered). From the expressions of interest received, CMG identified four potentially appointable candidates and **agreed** that:

- the Convener and Vice-Convener should meet the four candidates identified by CMG as having the required skills and experience in order to further assess their suitability;
- the Principal should also informally meet the four candidates;
- following these meetings, the Convener and Vice-Convener, taking a view from the Principal and exercising authority on behalf of CMG, should seek to identify a single candidate for recommendation to Court for appointment as a lay member from 1 August 2018; and
- any unsuccessful candidates deemed to be suitable may be considered for a co-opted position on another of Court's committees (where vacancies exist or are anticipated) or encouraged to reapply for Court membership in 2019 (recognising that any future recruitment exercise will be a competitive process).

CMG noted that, following agreement at the previous meeting, the University had undertaken an appropriate tender process and appointed Aspen People Ltd to work in partnership with the University during the recruitment exercise. The University would consider the potential for continuing this relationship or making use of other external agencies in future recruitment exercises.

CMG noted the projected impact of potential appointments on the gender balance amongst Court lay members and on the membership of Court as a whole. Members also noted Court's previously agreed objective that one third of Court lay members should also be alumni of the University and that this minimum would be maintained regardless of who was appointed.

It was noted that a range of potential future candidates for lay membership of Court beyond 2018 had also been provided by Aspen. CMG welcomed this as an indicator of the level of interest in engaging with the University but noted that it was not possible to consider these individuals for membership at this stage. In providing any feedback to these individuals it would be made clear that any future recruitment exercise would be a competitive process with vacancies advertised openly and widely.

3. Reappointment of the University Chancellor

The University Secretary and Compliance Officer (USCO) informed CMG that, following his appointment in 2013, Lord Smith's first five-year term as the University Chancellor would come to an end in July 2018 and that, in accordance with University Statutes, he was eligible for reappointment.

CMG agreed that Lord Smith's service as University Chancellor since 2013 had been exemplary and that he was an outstanding ambassador for the University. In addition, his standing in the wider community and his contribution to public life had continued to grow significantly since his original appointment.

In accordance with its terms of reference, CMG agreed to recommend to Senate and Court that Lord Smith should be reappointed as University Chancellor for a second five-year term from 1 August 2018. It was agreed that this recommendation would be presented to Senate at its next meeting on 6 June 2018, for endorsement, and subsequently to Court for approval on 20 June 2018.

4. Any other business

There was no other business

Report to Court from Audit & Risk Committee

The Audit & Risk Committee met on 22 March 2018.

The following items were discussed by the Audit & Risk Committee and are provided here for Court to note:

1. Internal Audit Services (IAS) Activity Report

The Committee noted reported progress against the delivery of the Audit Plan for the current academic year. Several other pieces of work had been undertaken in the period including the review of both the TRAC and Institutional Efficiency returns. It was anticipated that all planned work would be completed by the September meeting of Audit & Risk Committee.

The Committee was pleased to note that the Final Funding Assurance Report had been issued by the RCUK, following their planned audit visit to the University, and the Overall Assurance Rating was 'Substantial Assurance', which was the highest rating that could be awarded.

2. IAS Management Action Update Report

The Committee received an update on the progress achieved in addressing various management actions agreed following the conclusion of Internal Audit Service reviews. Members noted the following:

- Since the last report, 43 recommendations had been implemented;
- Of those outstanding, a significant number related to recent reports;
- The outstanding recommendation relating to overseas partner arrangements for the MBA had been subsumed in a review of MBA delivery in UAE;
- An issue surrounding segregation of duties within FMS had been resolved following a new FMS upgrade;
- The outstanding, high risk recommendation from the USSA review of 2015 centred on a revision of cost centres and increase of reserves and was made at a time of extreme challenges. In the intervening period there had been significant changes in Senior Management and improvement in the overall position. However, the commercial review had been delayed and an unforeseen pension revaluation had impacted the ability to increase reserves. A review of the Reserves Policy, by the Trustee Board, was underway.

3. Review of USSA

The Head of Internal Audit presented a report on the review of USSA which had covered the Governance arrangements between USSA and the University and the controls and processes associated with Cash Handling in USSA's main trading operations. Overall assurance on the review of Governance was Substantial and on the review of Cash Handling was Reasonable. Usually only one assurance judgement was made but the areas concerned, in this case, were too disparate to combine in this way. The review of Cash Handling would also be considered by USSA's own Audit Committee. The recommendations being made, particularly around security arrangements, were standard and there were no significant concerns.

4. Review of Digital Health & Care Institute

Members were reminded that the Digital Health & Care Institute (DHI) was hosted by Strathclyde but had separate governance arrangements and its own Board. DHI was not a separate legal entity and was embedded in the University finance and HR processes but was not part of a department.

The Head of Internal Audit reported that, although the overall level of assurance was limited, this was in the context of a period of significant change with improvements to governance arrangements not yet bedded in. The Finance Director had recently left the organisation for a new position and this exposed DHI to vulnerabilities until a new Finance Director could be appointed.

The Committee noted the key findings and recommended that the 'induction' process ensured that new Institutes are appraised of the University's standards and expectations as regards internal control.

5. TRAC Return 2016-17

The Chief Financial Officer and Director of Finance presented summary information on the University's TRAC Return for 2016-17, noting that the return had been approved by the University's Full Economic Costing Working Group (FECWG) and subsequently reviewed by the Internal Audit Service. The Scottish Funding Council required that the Annual TRAC return should be subject to review and approval by a Committee of the Governing Body although this was permitted to take place following submission of the return.

Members were reminded that there was a standard process that must be followed in compiling the return. There had been a slight change to the methodology, replacing the Infrastructure and Return for Finance and Investment (RFI) adjustments with the Margin for Sustainability and Investment (MSI). It was understood that this had occasioned an increase in this figure across the sector. However, it was not currently possible to benchmark the figures against peer institutions as this was the first year the data had been produced using this methodology and so comparable data was not yet available.

The Audit & Risk Committee noted and retrospectively **approved** the return.

6. SFC Efficient Government Return

The Director of Finance introduced the paper, noting that the name had changed from Efficient Government to Institutional Efficiency return. The University was required to provide the Scottish Funding Council (SFC) with details of its contribution to the Scottish Government's efficiency objectives. There was a standard approach that must be followed and specified categories of efficiency savings to be identified in completing this return. IAS reviewed the return to ensure the guidance had been followed.

The Audit & Risk Committee considered and **approved** the return.

7. Financial Regulations

The Director of Finance introduced this item noting that, although no fundamental changes were being proposed, the Financial Regulations had been reviewed to reflect the guidance in the 2013 edition of the Chartered Institute of Public Finance and Accountancy (CIPFA) model set of Financial Regulations and developments within the University. Court would be asked to approve the delegation of authority to Court Business Group to approve any future material revisions, recognising that non-material amendments may be required, from time to time, in order to accurately reflect changes to the University's internal structures or policies.

The Committee welcomed a good and comprehensive document.

8. Review of Committee Effectiveness

The Convener reminded Members that the Audit & Risk Committee had been included in the externally facilitated review of the effectiveness of Court and its committees which took place in the summer of 2017 and had received a positive review. Following this, a questionnaire, developed by PricewaterhouseCoopers LLP (PwC), had been circulated to members to facilitate the Committee's

annual review of its effectiveness. The responses had been largely positive with a few issues raised around timing and facilitation of meetings and development of skills and knowledge of members which were further discussed.

Report to Court from Estates Committee

The Estates Committee met on 20 March 2018 and the following items were among those discussed:

For Noting by Court:

1. AFRC Lightweight Manufacturing Centre

In June 2017 the University entered into an agreement with Scottish Enterprise (SE) to establish and operate the “AFRC Lightweight Manufacturing Centre” (AFRC LMC). Under the terms of this agreement SE provided a grant of [Reserved] against a total budget of [Reserved], with the balance of [Reserved] being provided by AFRC. The total budget covered a number of items including construction works, the purchase of equipment and various operational costs.

The agreement included [Reserved] for construction works related to the “Factory in a Factory” component. This sum was based on a survey carried out by consultants, [Reserved] who had been appointed in June 2017 by AFRC. It was reported that, for a variety of reasons, the relationship with [Reserved] had been terminated and a new Design Team had been appointed from the University’s Consultancy Framework

The new Design Team highlighted a number of issues related to the scope of [Reserved] previous proposals and undertook a revised design that would meet all the requirements of the user. The Committee was advised that the revised design would allow the project requirements to be fully delivered as outlined in the Scottish Enterprise agreement.

It was reported that the revised design had resulted in an increase in the construction costs and the Committee was asked to approve an increase to the previously indicated budget for the construction element of the project from [Reserved]. Of the revised total of [Reserved] would be met from the SE Grant and [Reserved] from AFRC.

It was reported that the revised schedule of costs had been agreed with SE and other project elements had been adjusted to maintain the overall project budget of [Reserved]. It was noted none of these changes had any impact on any other University budget.

The Committee approved the increase in budget as indicated above.

2. Annual Climate Change and Social Responsibility Report

A report was presented on the progress being made on a number of initiatives to tackle climate change mitigation and adaptation across the University estate. The University’s success in progressing towards its Strategic Plan carbon reduction target was highlighted in particular. The University’s target had required a reduction of CO₂e of 25% by 2020 based on a 2009/10 baseline. This equated to a reduction from 30,000 tonnes of CO₂e to 22,500 tonnes by 2020. This target was a measure of the gross carbon emissions across the estate relative to the gross internal area of the campus and was made up of two main emissions sources: a) grid electricity, and b) fossil fuel combustion and included electrical consumption in buildings, gas consumption in boilers for heating and hot water, gas consumption in labs, and petrol and diesel consumption in University fleet vehicles.

It was reported that at the end of the financial year 2016/17, the University's carbon emissions were 25,363 tonnes of CO₂e, a reduction of 15% since the baseline year and were on track to realise the 2020 target. Reductions had been achieved through asset disposed, investment in improving energy efficiency and the decarbonisation of the electricity grid. Since the 2009/10 baseline year the intensity of emissions of our campus buildings measured by the amount of energy per square metre of space had reduced by 25%. This was against a backdrop of a 12% increase in the physical campus footprint.

The Committee welcomed the progress that had been made to date and was pleased to hear that further emissions reductions were anticipated in 2018/19 and 2019/20 from the completion of the district heating project and SALIX enabled energy efficiency projects. The Committee acknowledged that future step changes in carbon emissions would be dependent on being able to take advantage of innovative schemes, city-wide solutions and collaboration with others.

3. Campus Disruption Minimisation Strategy

It was highlighted that a significant number of major projects were due to be live on campus concurrently during the period from August 2018 until August 2020, namely the Centre for Sport, Health and Wellbeing, the Royal College East Elevation, the District Energy works, the BME Wolfson building and the Learning and Teaching building.

Details were presented to the Committee of the control measures that were being implemented to ensure business as usual and safe access to buildings for staff, students and visitors during this time. Among these measures would be regular communication involving Security Services, Project Managers and Estates Services representatives, Corporate Communications and Contractors to allow information to be shared. Information deemed to be of benefit to the wider university community would also be included in the Weekly Digest, while fortnightly look-ahead information would be included on the SharePoint site. Regular updates would also be available on the Estates Services web pages.

It was noted that two of the projects would be located in close proximity to one another, and particular consideration would be given to the overall impact of these projects. Each set of project tender documents had included details of other projects to ensure that construction health and safety plans were developed with awareness of other project activities, site locations and proposed traffic management. Contractors would be required to provide fortnightly look-ahead information and communication meetings would take place so all works could be coordinated to minimise disruption. Contractors' site specific traffic management and logistics plans would be combined into a single site plan. Key university dates such as graduations, open days, examination diets etc. had been provided to Contractors to ensure that steps would be taken to avoid unnecessary disruption.

It was noted that lessons had been learned from the experiences of the CHP and the Sport, Health and Wellbeing projects and that these would be applied to the strategies for the new projects.

The Committee welcomed the contents of this paper.

AL, Mar 2018

MATTERS TO BE NOTED FROM THE STAFF COMMITTEE MEETING HELD ON 14 MARCH 2018

The following items are provided for Court's information.

- **STRATEGIC RECRUITMENT**

The Director of Human Resources reported that the majority of interviews for Reader/Professor and Chancellor's Fellow posts as part of the Strathclyde Global Talent Programme (SGTP) had now taken place and to date 24 appointments had been confirmed; 8 at senior level and 16 at fellow level. Discussions were still ongoing with a number of candidates and another strategic recruitment round was planned for later in the calendar year.

- **UNIVERSITIES SUPERANNUATION SCHEME AND INDUSTRIAL ACTION**

Staff Committee was reminded that the University and College Union (UCU), following an industrial action ballot, had called on its members to take 14 days of strike action at a number of universities across the UK, including Strathclyde. The industrial action related to proposed changes to the Universities Superannuation Scheme (USS) benefits structure which are designed to resolve the significant funding challenges faced by this national pension scheme. UCU were also taking action short of strike action (ASOS), including working to contract and refusing to reschedule classes cancelled due to strike action. The University had consistently communicated its view that constructive national dialogue was needed to identify an agreed solution to the pension scheme challenges, its willingness to consider paying an increased employer contribution into USS and its desire to retain a defined benefits element within the scheme.

UCU and UUK talks with ACAS had resulted in a proposal to retain a capped defined benefits scheme with increased employers' and employees' contributions. However, UCU branches had rejected this offer and UCU had advised that a further 14 days of industrial action were planned for during the assessment and examination period.

The University's Industrial Action Planning Group had continued to meet during the period of industrial action to mitigate the impact of the action on students.

Secretary's note: Since the meeting of Staff Committee, UUK and UCU had reached agreement that the methodology and assumptions used in the USS Valuation would be considered by a Joint Expert Panel, following which a decision would be taken regarding the proposed resolution. No changes would be made to the Scheme before 1 April 2019. Previously planned industrial action has been suspended pending this valuation work.

- **STAFF EQUALITY**

The Director of Human Resources noted that, as part of its Public Sector Equality Duty, the University was required to publish an annual report relating to equality monitoring statistics based on the protected characteristics of its staff. The Staff Equality Monitoring Report presented to Staff Committee would be published prior to 30 April 2018 and would be discussed at other committees including the Equality and Diversity Strategy Committee.

The Director of Human Resources was pleased to report that all remaining Humanities and Social Sciences Schools and Strathclyde Business School were preparing Bronze Athena SWAN applications for submission during 2018. The Schools of Humanities and Education had submitted their applications in November 2017, with the outcome to be advised during April 2018, at the same time as the outcome of the University's institutional Athena SWAN Silver Award application would be known.

Staff Committee **noted and discussed** the contents of the Staff Equality Monitoring report and **approved** its publication.

Enterprise & Investment Committee
[RESERVED ITEM]