

Appendix 2 of Delegation Framework



SCHEME OF DELEGATION OF FINANCIAL AUTHORITY

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Delegation of Financial Authority Regulations

1. Introduction

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

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

2. Principles

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

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

Framework of Delegated Financial Authority

3. Procurement Authority Limits

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

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

4. Non Pay and Contract Expenditure

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

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

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

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

5. Purchasing Cards

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

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

- 5.3 Purchasing Card spend is approved via the cost centre approvals set within the finance system. The persistent failure to complete the monthly purchasing card spend narrative and coding for submission will result in the suspension/removal of the purchasing card.
- 5.4 All Purchasing card limit requests are approved by Deputy Director of Finance, Financial Control.

6. Capital Expenditure

- 6.1 QMUL defines capital expenditure (as per the Capital Expenditure Policy) as:
- any expenditure over £10,000 on an item or group of related items which has a life of more than 1 year and
 - has a use in the teaching of students; research; the care of patients or for administrative purposes.
- 6.2 This covers all construction and improvements which increase the value and useful economic life of a building, major equipment purchases, software, and expenditure related to research, consultancy and other areas of knowledge transfer.
- 6.3 The Capital Budget is prepared annually which incorporates all planned spend on land, buildings and equipment. This is formally approved by SET; Finance and Investment Committee and Council. Responsibility for ensuring spend is in line with the approved Capital Budget is delegated to the relevant SET lead overseen by either the Estates Strategy Board (ESB) or the Information Technology Strategy Board (ITSB).
- 6.4 Proposals for Capital Expenditure that arise outside the annual Capital Budgeting cycle relating to the acquisition; construction or disposal of land; buildings or equipment require Finance and Investment Committee approval up to the value of £1m and further approval from Council for expenditure in excess of £1m.
- 6.5 A full business case will be prepared for all projects valued in excess of £2m for consideration by the ESB or ITSB and SET, and by Finance and Investment Committee and Council for projects in excess of £5m, including projects that are initially valued below this amount and are subsequently expanded,

7. Disposal of Fixed Assets

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

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

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

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

7.4 Disposal principle

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

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

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

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

7.5 Lost, stolen and destroyed assets:

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

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

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

8. Bad Debt Write Offs

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

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

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

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

Appendix A

Bank Mandate

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

Panel A:

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

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

Panel B:

Can sign up to £20,000 on their own:

Deputy Director of Finance, Financial Management
Head of Financial Accounting

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

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

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

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