

**FINANCIAL CODE**

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**THE UNIVERSITY OF THE WEST INDIES**

**REVISED FINANCIAL CODE**

**OFFICE OF FINANCE**

February 2008

## **FINANCIAL CODE**

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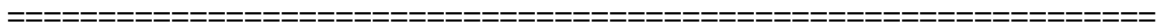
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**CHAPTER 01****SHORT TITLE, COMMENCEMENT AND DEFINITIONS**

01. The Code shall be called “The University of the West Indies Financial Code 2008” (The Code).
02. The Code shall come into force on August 1, 2008. Effective from that date it will replace the Revised Financial Code of 1996.
03. In the Code, unless the context otherwise requires, the terms used shall be construed to have the meaning as per definitions below.
04. The powers, duties and responsibilities of various Authorities, Committees, Officers, and Members of the University who have been delegated financial powers, are set out in the Code and the Financial Procedures and Guidelines. For authoritative references, the Charter, Statutes, Ordinances and Orders should be referred to and quoted.

**DEFINITIONS (IN ALPHABETICAL ORDER):**

01. **APPROPRIATION** means the assignment of funds included in the budget of each budget centre in the Approved Budget Estimates to meet specified expenditure.
02. **BUDGET HOLDER** is a member of staff with responsibility for the efficient management of a budget centre. Budget Holders are responsible to Principal Budget Holders. Heads of Academic Departments and Heads of Research Centres within a faculty are Budget Holders.
03. **CAMPUS AUDIT COMMITTEE** means the Audit Committee of each Campus constituted and performing the functions as laid down in Ordinance 12. The Campus Audit Committee shall report directly to the Campus Council on the Report of the University Management Auditor on the operational and financial management of the Campus, and on the work of the External Auditors.
04. **CAMPUS BURSAR** is the Financial Officer reporting directly to the Campus Principal. This officer shall be responsible for the financial administration, accounting, and control of the affairs of the Campus. The Campus Bursar indirectly reports to and assists the University Bursar/ Director of Finance, in carrying out the responsibility of monitoring the financial operations of the University.
05. **CAMPUS COUNCIL** means a Council of a Campus, constituted as per Statute 19 and exercising power as laid down in Statute 21. A Campus Council is an Authority of the University. Campus Council shall be the governing and



- executive body of the Campus of the University with powers to manage all matters not provided otherwise by its Charter and Statutes. Matters which pertain to the University as a whole should be referred to University Council for approval
06. **CAMPUS FINANCE AND GENERAL PURPOSES COMMITTEE** is a Standing Committee of a Campus which between meetings of the Campus Council shall, subject to the Charter and Statutes, exercise the powers of its Campus Council, whether directly conferred thereon by Statute or by delegation, in all matters whatsoever in which the powers of its Campus Council are not otherwise specifically delegated. A Campus Finance and General Purposes Committee, in the exercise of the powers vested in it in respect of matters connected with the receipt and expenditure of money, shall comply with the provisions of the Financial Code. (Vide Ordinance 25).
  07. **CAMPUS FINANCIAL INVESTMENTS OPERATING COMMITTEE** shall advise on and monitor investment decisions of the Campus. The Campus Bursary will be responsible for conducting the day-to-day management of the investments under the advice and guidelines established by this Committee and the University Financial Investments Advisory Committee.
  08. **CAMPUS PRINCIPAL** is an Officer of the University appointed by the Council on the recommendation of the Vice Chancellor for each Campus. A Campus Principal shall be responsible to the Vice Chancellor for maintaining and promoting the efficiency and good order of the University on the Campus. (Vide Statute 10).
  09. **CAMPUS REGISTRAR** is the member of the senior administrative staff, so designated at a Campus of the University, responsible for the administration of the Campus, and reports to the Campus Principal.
  10. **CAPITAL EXPENDITURE** shall have the same meaning as construed in commercial accounting. This is an expenditure, which yields benefit over a period of more than one year. Such expenditure is generally in tangible assets which are written off over the useful life of the asset through an annual depreciation charge.
  11. **CONTRACTS** mean any commitment or obligation made on behalf of or by the University for services and goods, including capital assets, by an authorized person.
  12. **CONTRIBUTING GOVERNMENTS** refer to Governments of the Countries which have undertaken to contribute to the revenues of the University on a continuing basis. Representatives of contributing Governments are nominated to a Technical Advisory Committee for which are responsible for examining the Campus and Centre estimates to determine all activities have been costed with optimum efficiency and make a report to the relevant Grants Committee.

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13. **COST CENTRE** is an operational unit of the University, and includes Faculty Offices, Departments, Administrative Units, Research Centres, and other Units to which costs can be separately attributed. Costs are accumulated by these Centres for cost measurement, budgeting and control. Principal Budget Holder/Budget Holders are responsible for their costs.
  14. **DEAN OF A FACULTY** is an Officer of the University, appointed by the Council in accordance with Statute 12. Deans of Faculties are Principal Budget Holders, responsible for the budget management and control of the departments under the Faculty, and the Faculty Office.
  15. **DEFALCATION** means the fraudulent appropriation or embezzlement of funds or property.
  16. **FINANCIAL CODE** sets out the policy guidelines for conducting the financial affairs of the University. This includes the approval and control of expenditure and receipt of monies by the University, and provision for other financial matters.
  17. **FINANCIAL PROCEDURES AND GUIDELINES** are the procedures established as a supplement to the Financial Code.
  18. **FINANCIAL YEAR** means a period of twelve calendar months ending on such date as may be designated from time to time by the University Council.
  19. **HEAD OF DEPARTMENT** is a member of staff of the Campus/Centre in a Department that reports to the Dean of the Faculty/ Campus Principal/Vice Chancellor. Heads of Departments are Budget Holders with respect to their respective departments and as Budget Holders are responsible to their respective Principal Budget Holders.
  20. **HEAD OF OFFICE** is a member of staff of the University Campus/Centre who is the Head of an administrative or non-academic unit. Heads of administrative units at a Campus/Centre shall be listed in a schedule designated by the relevant F&GPC on the recommendation of the Vice Chancellor/Campus Principal. Heads of Offices are Principal Budget Holders.
  21. **INVESTMENTS** are securities held for trading, or available for sale, or held to maturity.
  22. **ORDINANCES** mean Ordinances made by the Council pursuant to the Charter or the Statutes.
  23. **PRINCIPAL BUDGET HOLDER** is a member of staff of the University responsible for the proper and efficient management and administration of that officer's budget. Deans and Heads of Offices are the Principal Budget Holders. The Principal Budget Holders derive their authority and powers from the University Finance and General Purposes Committee, with respect to the

- University Centre, and Campus Finance and General Purposes Committee, with respect to each Campus.
24. **RECURRENT OR OPERATIONAL EXPENDITURE** is the expenditure which is incurred at periodic intervals towards the operational costs of the University.
25. **REVENUE CENTRES** are Centres in the Campus/Centre which are required to and generate a surplus from operations. Costs and revenues associated with these Centres are separately attributed to these Centres, so that profitability of each Centre can be measured. Managers of Revenue Centres are responsible for revenues as well as costs, to generate the planned surplus from operations.
26. **SENIOR ADMINISTRATIVE STAFF** are persons in the employment of the University other than the academic staff, who hold administrative, professional or technical posts designated by the Council as senior posts.
27. **SPECIAL PROJECTS** are those projects funded by grants or loans from external donors or lenders, which contain donor-imposed stipulations. Donors may include private individuals, private organizations including companies, local and overseas aid agencies, philanthropic and charitable trusts/organizations/institutions and financing agencies ( in the case of loans).
28. **STATUTES** mean the Statutes of the University.
29. **UNIVERSITY AUDIT COMMITTEE** means the Audit Committee constituted under Ordinance 11. The University Audit Committee shall report directly to the University Council on the Report of the University Management Auditor on the operational and financial management of the University, and on the work of the External Auditors
30. **UNIVERSITY BURSAR/DIRECTOR OF FINANCE** is the Chief Financial and Accounting Officer of the University. This officer is responsible for the general administration, control and efficient management of the financial affairs of the University. This officer exercises a monitoring and advisory role over the activities of the Campus Bursars and their staff. (Vide Statute 14).
31. **UNIVERSITY-CONTROLLED ENTERPRISES** are units established in a Campus/University Centre which are to be run on a self-financing basis.
32. **UNIVERSITY COUNCIL** means the Council of the University, constituted in accordance with Statute 18 and exercising the powers as laid down in Statute 20. Council is an Authority of the University. Council shall be the governing and executive body of the University with powers to manage all matters not provided otherwise by the Charter or the Statutes.
33. **UNIVERSITY FINANCE AND GENERAL PURPOSES COMMITTEE** is a

- Standing Committee of the Council of the University which between meetings of the Council shall exercise the powers of Council in all matters connected with the receipt and expenditure of money and in all other matters whatsoever in respect of which the powers of the Council are not otherwise specifically delegated. Finance and General Purposes Committee, in the exercise of the powers vested in it, in respect of matters connected with receipt and expenditure of money, shall comply with the provisions of the Financial Code. (Vide Ordinance 9).
- 34. UNIVERSITY STRATEGY AND PLANNING COMMITTEE** is a Standing Committee of the Council of the University and Senate which shall function as the crucial policy-making mechanism of the Council with responsibility primarily for strategy and monitoring its implementation of policy adopted by the Council. The Committee shall approve the Strategic Plans of the University.
- 35. UNIVERSITY INVESTMENT ADVISORY COMMITTEE** is a Committee appointed by the University Finance and General Purposes Committee, to monitor investment decisions of the Campuses and the Centre. The Office of Finance will be responsible for conducting the day-to-day management of the investments under the broad guidelines established by the University Investment Advisory Committee.
- 36. UNIVERSITY MANAGEMENT AUDITOR** is a Senior Administrative Staff member appointed by the University Council on the recommendation of the University Audit Committee, to be responsible and accountable for the Management Audit and Internal Audit functions of the University.
- 37. UNIVERSITY REGISTRAR/DIRECTOR OF ADMINISTRATION** is an Officer of the University responsible for the administration of the University. This officer exercises a monitoring and advisory role over the activities of the Campus Registrars. This officer shall be responsible for the custody of the Common Seal and for impressing it upon or affixing it to documents in accordance with the Statutes and Ordinances. (Vide Statute 13).
- 38. VICE CHANCELLOR** is an Officer of the University who shall maintain and promote the efficiency and good order of the University for which this officer shall be responsible to the Council. As the Chief Executive Officer of the University, this officer is responsible for the overall management of the affairs of the University-Academic, Administrative and Financial. This officer exercises a monitoring, advisory, and executive role over the activities of the Campus Principals and their staff. (Vide Statute 5).
- 39. VIREMENT** is the process by which transfers of funds are made from one primary unit of appropriation to another such unit by Budget Holders, Principal Budget Holders and Finance and General Purposes Committee, within the powers delegated to them to approve virements.

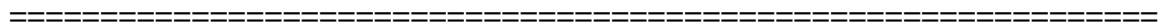
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**CHAPTER 02****FINANCIAL MANAGEMENT AND CONTROL**

- 01.** The Finance and General Purposes Committees (University and Campuses) perform a supportive role in the area of financial management, acting under powers delegated to them by the Councils.
- 02.** The Vice Chancellor, as the Chief Executive Officer of the institution, has the overall final responsibility for the planning, organizing, monitoring, directing and controlling the affairs of the University, in accordance with the Mission Statement, Strategic Plans, and Policy Guidelines established by the Council and other Governing Bodies.
- 03.** In order to carry out the above responsibility effectively, the Vice Chancellor has the administrative authority and over-riding powers over every member of the staff to whom powers have been delegated to carry out the duties and responsibilities.
- 04.** In the discharge of the assigned financial responsibility, the Vice Chancellor is assisted by the University Bursar/Director of Finance. The delegated financial responsibility makes the University Bursar responsible for the financial discipline in the management and administration of the University.
- 05.** The University Bursar and the Campus Bursars are responsible to the respective Finance and General Purposes Committees for the safe keeping of all University funds. They shall keep proper books of accounts and records and make periodic reports to the relevant Finance and General Purposes Committee and Council.
- 06.** Campus Bursars are responsible to the University Bursar on all technical matters affecting the accounts, and on any matters touching the propriety and regularity of transactions which may be called into question. On all such matters the decision of the University Bursar is binding.
- 07.** The salient features of the General System of Financial Management and Control shall be focused to ensure that the financial management of the University shall be in consonance with:
  - (a)** the accepted principles of financial propriety and probity;
  - (b)** the Generally Accepted Financial and Accounting Standards laid down by the Profession;
  - (c)** the laws of the land;

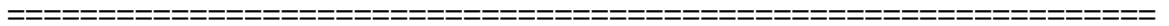




- (d) the guidelines prescribed by the stakeholders of the University, viz., Contributing Governments, Donors, Aid Agencies and Trusts, Financiers, and other sponsors.
  - (e) The Financial Code and its supporting Financial Procedures and Guidelines.
- 08. Emphasis shall be laid on:
  - (a) Accountability;
  - (b) Transparency;
  - (c) Efficiency;
  - (d) Productivity; and
  - (e) Value for money.
- 09. In conducting its financial affairs, the University shall not only comply with the requirements and expectations of its different stakeholders, but also clearly show that this has been achieved.
- 10. Accountability ensures that those entrusted with duties and responsibilities discharge them with due regard to quality, regularity, prudence, propriety, integrity, and promptitude. It also extends to decisions taken by the Authorities, Officers and Members of the University, who shall reflect impartial conduct in arriving at decisions, and who shall at all times act in the best interests of the University.

#### **STANDARDS OF FINANCIAL PROPRIETY**

- 11. All persons incurring or authorizing expenditure from University funds shall be guided by high standards of financial propriety. They shall enforce the following:
  - (a) financial order and strict economy at every step; and
  - (b) that all relevant Financial Procedures and Guidelines are observed by each officer's own office, and by subordinates to whom the powers have been delegated.
- 12. If a member of an authority of the University or a member of the staff has any pecuniary interest, direct or indirect, (conflict of interest between the exercise of powers and the benefits from the exercise of powers) in any purchase order, contract or proposed contract for the purchase, sale or other disposition of land, or for the supply of food, services or work to, the University, such person shall



disclose their interests to the next higher authority and to the Principal/Vice Chancellor in writing. If the member of the authority or staff, is present at a meeting, such member of the authority or staff shall, as soon as practicable after the commencement thereof, disclose the fact, and shall withdraw from the meeting during the consideration or discussion of, or vote on, any question with respect to the contract.

**SANCTIONS**

- 13.** All Officers and members of staff of the University who have been delegated with duties, powers and responsibilities, shall exercise their powers judiciously in the interest of and to the achievement of the Mission, ideals and objectives of the institution. Where they fail or do not exercise the care expected of them, sanctions may be imposed resulting in disciplinary action, which shall be dependent upon the circumstances of each case. Such sanctions shall be exercised in consonance with the established provisions in the Statutes and Ordinances and the Code.
  
- 14.** Any person entrusted with the responsibility for approval and control of expenditure shall strictly follow the provision in the Financial Code and the Financial Procedures and Guidelines.
  
- 15.** Any member of staff of the University who either wilfully or through gross negligence fails to observe the provisions in the Financial Code or Financial Procedures and Guidelines shall be considered guilty of misconduct..

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**CHAPTER 03****REVENUES**

- 01.** The University Bursar/Campus Bursar shall ensure that all amounts due to the University are properly and promptly assessed, collected and duly credited into the accounts of the University.
- 02.** The University Bursar/ Campus Bursars shall ensure that all monies received on the University's account are properly accounted for and lodged with the bank with the least delay. All receipts should be lodged into the bank no later than on the next working day after receipt, unless otherwise approved in writing by the relevant Bursar.
- 03.** All monies received by or on behalf of the University shall be brought into the appropriate accounts of the University.
- 04.** The University Bursar/Director of Finance shall ensure that contributions due to the University including amounts from the various contributing governments, are properly and promptly assessed, collected and duly recorded into the accounts of the University.
- 05.** Contributions received from Governments and from other sources for Capital Expenditure (including the amount equivalent to the provision for depreciation provided in the Budgets for replacement of Capital Assets) shall not be appropriated for recurrent expenditure, without the approval of the Finance and General Purposes Committee.
- 06.** Any amount or receivable due to the University shall not be abandoned, or written off save with the approval of the appropriate Campus Finance and General Purposes Committee, and the approval of the University Finance and General Purposes Committee.
- 07.** Any monies received for specific purposes such as endowments, grants and special projects, shall be spent and invested strictly in accordance with the relevant agreement. Where there is a breach of any such agreement, the officers and other members of staff responsible for the disbursements of such monies may be subject to sanctions resulting in disciplinary action, dependent upon the circumstances of each case.

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**CHAPTER 04****EXPENDITURE**

- 01.** The University Council and Campus Councils are the final authorities for approving expenditure and incurring obligations at the level of the University and of the Campuses respectively. Such authority shall usually be exercised by Finance and General Purposes Committee.
- 02.** No person may incur any expenditure or enter into any contract or liability unless:
- (a ) such expenditure has been provided for in the approved budget; and
  - (b ) the person has the power to approve such expenditure.
- 03.** Every Principal Budget Holder and every Budget Holder shall ensure that the total expenditure is kept within the limits of the approved budget, and that the funds allotted to spending units are expended in the University interests and upon objects for which the money was budgeted.
- 04.** The Academic Board of each Campus or the University Strategy Committee shall consider the cost and revenue implications of a proposed programme before making any decision on any new programme. After approval by the Academic Board or University Strategy Committee, the proposal for the new programme shall be put forward to the Finance and General Purposes Committee for consideration subject to funding. Funding for each programme from the following sources:
- a) Net income from programmes
  - b) Identified cost savings
  - c) Inclusion in next budget

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**CHAPTER 05****PURCHASING, PROCUREMENT AND CONTRACTS**

**01.** Contracts on behalf of the University may in addition to any other manner effectual in law, be made as follows:

(a) A contract, which if made between private persons would be by law required to be in writing and to be under Seal, may be made on behalf of the University in writing under its Common Seal.

(b) A contract, which if made between private persons would be by law required to be in writing, and signed by the parties to be charged therewith, may be made on behalf of the University in writing signed by any person acting under the express or implied authority of the appropriate Council;

and

(c) A contract, which if made between private persons would be by law valid, although made orally only and not reduced into writing, may be made either in writing or orally on behalf of the University by any person acting under the express or implied authority of the appropriate Council.

**02.** A contract made according to Paragraph 01 above may, in addition to any other manner effectual at law, be varied or discharged in the same manner in which it is authorized to be made.

**03.** The limitation upon the powers and the levels of expenditure of various authorities, the conditions under which such powers shall be exercised, and the general procedure prescribed with respect to various classes of contracts and assurances of property, for example, the calling for and acceptance of tenders, etcetera, shall be determined by the appropriate Finance and General Purposes Committee.

**04.** The terms of a purchase order or contract, once entered into, shall not be varied without the prior written consent of the authority competent to accept such variations. No payment by way of compensation or otherwise, in excess of the terms of the purchase order or contract, may be incurred without written approval from the competent authority.

**05.** No purchase order or contract involving an uncertain or indefinite liability, or any condition of an unusual character, shall be entered into without the previous written consent of the respective Finance and General Purposes Committee.

**06.** The prior approval of the University Council shall be required for any sale or disposal of real property of the University.

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- 07.** Where escalation in respect of labour, overheads, Government levies and taxes, freight, price of materials, is provided for in the contract, the basis for the calculation of the same shall be clearly spelt out.
- 08.** The Purchase and Tender Procedures laid down in the Financial Procedures and Guidelines shall be strictly followed. Where a deviation becomes necessary, specific reasons for so doing shall be recorded, and approval of the competent authority obtained.
- 09.** When the execution of a purchase order or contract is likely to take more than six months, there shall be a clear schedule for the fulfilment of the various stages of the purchase order or contract. In addition, the purchase order or contract shall include a provision for unconditional power of revocation or cancellation at the discretion of the University if the set schedule is not met by the contractor.
- 10.** The University Council shall prescribe in the Ordinances the rules for determining whether any member has any pecuniary interest in such a contract.

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**CHAPTER 6****DEFALCATION AND LOSSES**

- 01.** Every officer and member of staff of the University shall be held personally responsible for any loss sustained by the University through fraud or negligence (including overpayments) on the officer's or member's part; the officer or member shall also be held responsible for any loss arising from fraud or negligence on the part of any subordinate officer/employee, to the extent to which it may be shown that the officer or member contributed to the loss by their own action or negligence.
- 02.** Any loss or shortage of University assets (including property, project funds, computers and funds under the safe-custody of the University, departmental revenue or receipts, imprest cash, stores or other property held by, or on behalf of the University) caused by defalcation or otherwise, including losses and shortages noticed as a result of physical verification, which is discovered in a Department or Office, shall be immediately reported by the Head of the Department/Unit or Office to immediate head, the Campus Principal the Campus Management Auditor, and the Campus Bursar. In the case of the Centre the matter shall be immediately reported to the immediate Head, the Vice Chancellor and, University Bursar/Director of Finance and the University Management Auditor.

The Campus Management Auditor shall immediately advise the University Management Auditor of the alleged defalcation or other loss. Reporting shall not be delayed pending detailed investigation to establish the loss or defalcation.
- 03.** Cases of serious irregularities shall be brought to the immediate attention of the Chairman of the relevant Audit Committee by the University Management Auditor and be included in the annual report of the University Audit Committee to the University Council.
- 04.** The University Management Auditor shall submit a comprehensive report of each loss to the relevant Principal or the Vice Chancellor, detailing the nature and extent of the loss, the errors or the neglect in following the provisions of the Financial Code and the Financial Procedures and Guidelines which contributed to the loss, the persons responsible for the loss, and the prospects for effecting a recovery of the loss.
- 05.** Upon receipt of the report of the University Management Auditor, the Vice Chancellor or Principal shall decide on and initiate the further course of action required, such as reporting the findings to the police, holding a departmental enquiry or disciplinary proceedings. The Campus Principal shall report his decisions and actions taken on each report to the Vice Chancellor.

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- 06.** Vice-Chancellor/Campus Principal shall submit to their respective Finance and General Purposes Committees, at the meeting following receipt of the Report of the University Management Auditor, a comprehensive report on the defalcations/losses, including the administrative and/or other action taken by the Campus Principal/Vice Chancellor on the Report of the University Management Auditor.
- 07.** Losses shall be written off only with the approval of the competent sanctioning authority.



**CHAPTER 07**

**BUDGETS AND VIREMENTS**

01. The preparation of the budgets is guided by the University's Strategic Plan. The University Bursar shall issue Budget Guidelines, together with the timetable for the budgeting process showing when each major stage is expected to be completed.
02. Principal Budget Holders and Budget Holders are responsible for the preparation of the budgets for each Cost Centre in line with the Budget Guidelines and other instructions that may be issued from time to time.
03. The University/Campus Bursar shall co-ordinate the budgets from the various Principal Budget Holders and prepare the Master Budget.
04. Each Campus and the Centre shall have a Budget Review Committee. The Committee shall consist of:-

**CAMPUS**

**CENTRE**

Principal - Chair  
Deputy Principal  
Campus Registrar  
Campus Bursar  
Deputy Campus Bursar

Vice Chancellor- Chair  
Director of Finance/University Bursar – Secretary  
Two Pro Vice Chancellors  
Director of Administration/University Registrar

Principal Budget Holders may be members as required  
With respect to both committees one or two independent persons may be co-opted as members

05. The University Strategy and Planning Committee shall issue Policy Statements setting out the broad objectives, goals and methods of operation, for the University. The Budget Review Committee of each Campus and the Centre shall be responsible for developing and monitoring the Budgets.
06. The University shall prepare Biennial Budgets and a Strategic Plan which will be supported by both Operating and Capital Budgets. There will be annual reviews of the Biennial Budgets and the financial projections of the Strategic Plan.
07. The limit for expenditure which or investment on any one item may be incurred by Campus Councils and Campus Principals without prior approval of the Vice Chancellor shall be established by the University Finance and General Purposes Committee, and subject to annual review.
08. The academic committee shall consider the cost and revenue implications of a new programme before making any decision on a new programme. After approval by the academic committee, the proposal for the new programme shall be put forward

to the Finance and General Purposes Committee for approval .

09. Separate budgets shall be prepared in the format of decision packages for new initiatives which shall each contain such information as the Budget Review Committee(s) may consider relevant. New programmes shall be implemented only after necessary Budget provision is approved in the Budget, or specific funding to cover cost is identified in advance. Decision packages shall take into account decisions on courses that would be discontinued during the year(s).
10. There will be a Basic Package which will show the minimum costs of an entity for current activities. There may also be Incremental Package(s) which will include the incremental costs for any increases in activities.
11. The University Bursar in conjunction with the Campus Bursars shall oversee and monitor the budgeting process to ensure it operates smoothly, and shall issue necessary Policies and Procedures to operate, monitor and implement the budget process.
12. The Budget Review Committee shall review and recommend the proposed budget to Finance and General Purposes Committee. The Budget Review Committee shall have the absolute right to vary budget allocations in light of the current financial health of the Campus/Centre. Any such budget-cutting dictates shall be mandatory in their application. Any Principal Budget Holder or Budget Holder who overspends the approved budget can be held personally liable for the amount. Unauthorized spending could result in the imposing of sanctions against such members of the staff in default.

### **CAPITAL EXPENDITURE BUDGETS**

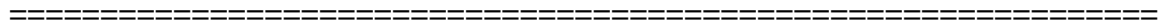
13. To meet the normal capital expenditure for replacement of existing assets, an amount equivalent to the annual depreciation charge shall be set aside on a cumulative basis in a Depreciation Sinking Fund to the extent funding for depreciation is provided.
14. The capital expenditure for replacement of existing assets which will be funded from the Depreciation Sinking Fund shall be part of the Approved Capital Budget for expenditure during the Budget period, on specified items listed in the said Estimates.
15. Capital outlays for additional items shall be budgeted as part of the normal budgeting process for funding by the Governments, or by identified special financing schemes which have been approved by the Campus and University Finance and General Purposes Committees.

**VIREMENTS**

16. Budget Holders are given the flexibility, within certain limits, to make adjustments during the budget cycle by virements or transfers from one budget line to another. No virement shall jeopardize the achievement of the objectives of the budgets.
17. Budget Holders may vire within their Departmental Operational Budgets to move funds between accounts . There shall be no virement of Staff Costs.
18. Where expenditure is approved against specific revenue, the revenue should be received before incurring the expenditure. Expenditure not provided for in the budget shall not be incurred in anticipation of the revenue.
19. Virements less than 25 per cent of the budget category can be requested by a written justification from the Principal Budget Holders and the Budget Holders. Cases beyond the 25 per cent limit require approval from the specified authorities whose powers have been defined in the Financial Procedures and Guidelines.

**INCENTIVE FOR EFFICIENCY**

20. To encourage prudent financial management, Principal Budget Holders and Budget Holders may be allowed to retain a part of their savings (other than that arising from Staff Costs) accruing to their Department/Office. The quantum shall be decided by the Vice-Chancellor/Campus Principal in consultation with the University/Campus Bursar.
21. To encourage Budget Holders to increase income from approved external activities, their budgets shall be allowed to be augmented by the net income after contribution of a percentage approved by the relevant F&GPC towards University Administrative charges and such other sums due to the University arising from the fulfilment of Consultancy Contracts. This percentage may vary from time to time.
22. Such sums shall be used by the Budget Units solely for the purposes of acquiring additional facilities, expenditure on research (other than Contract Research), attendance at seminars, and in furtherance of the objectives of the Budget Unit. The provisions in this Code, the Financial Procedures and Guidelines, and other instructions that may be issued from time to time shall apply to expenditure of such sums.



**ROLE OF THE MANAGEMENT AUDIT DEPARTMENT**

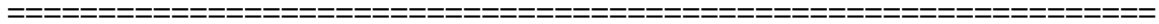
- 23.** The University and Campus Management Auditors have the authority to conduct audits and reviews of budget management by the Budget Holders. Such audits and reviews may include the following: compliance with the provisions of this Code, compliance with the Financial Procedures and Guidelines issued periodically, and an evaluation of the economy and efficiency of operations and how effectively faculties, departments and offices carry out their financial management and programme responsibilities. Budget Holders shall co-operate and provide the necessary documents and information to assist the audit function.

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**CHAPTER 08****SPECIAL PROJECTS**

- 01.** All proposals for soliciting funds for Special Projects shall conform to the Financial Procedures and Guidelines, and to such special conditions as potential donors may specify. It is mandatory for the Principal Budget Holders to ensure compliance.
- 02.** Where a Special Project envisages financial input by the University in terms of staff and/or expenses, sources of funds for such expenditure shall be identified and included in the Budget.
- 03.** At every meeting of the Finance and General Purposes Committee (Campus and the University), a report on Special Projects approved from the time of the last meeting to the current meeting shall be presented by the University Bursar/ Campus Bursar.
- 04.** The University/Campus Bursar shall be responsible for the preparation of the financial requirements of the Report to the donors and for liaising with the relevant departments to ensure that all reporting requirements are being complied with.
- 05.** The University/Campus Bursar and relevant Department Head shall be responsible for advising the relevant Finance and General Purposes Committee of any financial requirements that are not being complied with. The Department Head will be also responsible for reporting to Finance and General Purposes Committee any technical or other non-financial requirements that are not being met.
- 06.** A summary of the financial aspects of all Special Projects as at the end of the last financial year shall be prepared by the Campus/University Bursar and presented to the relevant Financial and General Purposes Committee.
- 07.** Where expenditure is approved against specific revenue(s), the revenue(s) should normally be received before incurring the expenditure.
- 08.** Expenditure not provided for in the project budget shall not be incurred. Where an exception becomes necessary, circumstances necessitating such an action will be recorded and the written approval of the Donor/Funding Agency shall be obtained by the Project Officer before funds are spent. The University Bursar/ Campus Bursar will be consulted in all such cases
- 09.** There should be some monitoring of the quantum of funds that an employee should be able to earn from project funds, if such funds would be in addition to monthly remuneration.



## CHAPTER 09

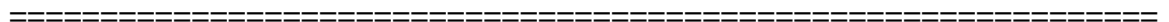
### FINANCIAL INVESTMENTS

- 01.** Investments are currently managed by the Bursaries and the Office of Finance. The Financial Code is seeking to provide the Campuses and the Centre with guidelines for investments and to establish the framework for joint investments. To achieve this and further to have a mechanism which can address funds received for Endowments from Donors, Alumni and other sources, the University will have the following committees:-

There shall be a University Financial Investments Advisory Committee, Campus Financial Investments Operating Committees and a Centre Financial Investments Operating Committee.

- 02.** The University Financial Investments Advisory Committee shall prepare and submit investment policies and investment guidelines to the University Finance and General Purposes Committee for its review and approval. In so doing, the University Financial Investments Advisory Committee shall take into consideration all relevant clauses of the Financial Code and the Financial Procedures and Guidelines.
- 03.** The Campus and Centre Financial Investments Operating Committees shall direct decisions on investments in accordance with the approved policies and guidelines.
- 04.** The membership of the University Financial Investments Advisory Committee shall comprise:
- (a) The Vice Chancellor, or such other member nominated by him, Chair
  - (b) The Campus Principals or their Nominees
  - (c) The Director of Finance University Bursar
  - (d) The Campus Bursars
  - (e) Two representatives from the business community membership of each of Campus and the Centre Financial Investments Operating Committees, nominated by the Chair.
    - (i) Such other members as may be co-opted by the Chair

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- 05.** The University Financial Investments Advisory Committee shall meet at least once in each financial year.
- 06.** A quorum for a meeting of the University Financial Investments Advisory Committee shall be six (6) and must include the Chair, the University Bursar, one Campus Principal, one Campus Bursar, one member from the business community.
- 07.** The Campus Financial Investments Operating Committees shall each comprise;
- (a) The Campus Principal or such other member as nominated by him, Chair
  - (b) The Campus Bursar
  - (c) The Manager responsible for the Campus' investment portfolio
  - (d) The Business Development Officer
  - (e) One representative each from the Academic /Senior Administrative Professional staff appointed by the Vice Chancellor on the advice of the Principal.
  - (f) **No more than** two persons from the business community with the requisite knowledge and expertise, appointed by the Vice Chancellor on the advice of the Principal.
  - (f) Such other persons as may be co-opted by the Chair.
- 08.** The Vice-Chancellor and the University Bursar shall be ex-officio members of the Campus Financial Investments Operating Committees.
- 09.** The Campus Financial Investments Operating Committees shall meet at least twice in every financial year.
- 10.** A quorum for a meeting of a Campus Financial Investments Operating Committee shall be four and must include the Chair, the Campus Bursar and one member from the business community.
- 11.** The Centre Financial Investments Operating Committee shall comprise:
- (a) The Vice Chancellor or nominee to chair
  - (b) The Director of Finance / University Bursar



- (c) The Manager responsible for the Centre's investment portfolio
  - (d) One representative from the senior academic/ professional staff appointed by the Vice Chancellor.
  - (e) Not more than two (2) person from the business community appointed by the Vice Chancellor.
  - (f) Such other persons as may be co-opted by the Chair.
12. The Centre Financial Investments Operating Committee shall meet at least twice in every financial year.
  13. A quorum for a meeting of the Centre Financial Investments Operating Committee shall be three (3) and must include the Chair or nominee, the University Bursar and one member from the business community.
  14. The Director of Finance/University Bursar may recommend to the Chairs of the Campus and Centre Financial Investments Operating Committees, investments to be made jointly by pooling funds within the remit of more than one such Committee.
  15. The University and Campus Bursars will prepare periodic reports to the University Financial Investments Advisory Committee, to the respective Financial Investments Operating Committees, and the respective Finance and General Purposes Committees on the status and results of all investments.
  16. The financial reports to the University Financial Investments Advisory Committee and the University Finance and General Purposes Committee will include the status and results of the investments of the Campuses and the Centre.
  17. Investments in real property shall only be made upon the written approval of the University Finance and General Purposes Committee.



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**CHAPTER 10****INVESTMENTS IN BUSINESS ENTERPRISES**

- 01.** Any proposal for investment in new business enterprises shall be submitted through the Business Development Office/Centre Project Office to the University Bursar/Campus Bursar/. The University Bursar/Campus Bursar will review the proposal and forward it to the Campus Principal Vice Chancellor with their comments and recommendations.
- 02.** After the Campus Principal has reviewed a campus-specific proposal, a copy of the proposal and recommendations shall be submitted to the Vice Chancellor for his review and information before the proposal is submitted to the respective Campus Finance and General Purposes Committee.
- 03.** After approval by the Campus Finance and General Purposes Committee, proposed Campus investments in business enterprises shall be presented to the University Finance and General Purposes Committee for final approval. A report on all new investments in business enterprises shall be placed before the Council at each meeting.
- 04.** The Chancellor in consultation with the Vice-Chancellor and the Campus Principal shall exercise shareholder's powers with respect to the appointment of Members of the Governing Committee/Directors to Campus-financed investments in business enterprises including those registered under Companies Acts.
- 05.** The Chancellor in consultation with the Vice Chancellor shall exercise shareholder's powers with respect to the appointment of Members of the Governing Committee/Directors representing the University in Centre-financed University-controlled enterprises, including those registered under the Companies Act.
- 06.** University Bursar/Campus Bursar in conjunction with the Vice Chancellor and Campus Principal shall monitor the progress and operations of all business enterprises to ensure that the planned activity is taking place and that such ventures are achieving their goals and do not become a burden on the resources of the University.
- 07.** The University-appointed Director(s) or member(s) of the Governing Committee/Board or their designate shall be required as a condition of appointment to ensure that; (a) a semi-annual report on the business enterprise is presented to the respective Finance and General Purposes Committee through the Bursar, and (b) annual audited financial statements and an annual report on the operations and status of the business enterprise are prepared and submitted to the respective Finance and General Purposes Committee through the Bursar.

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**CHAPTER 11****CASH AND BANKING**

- 01.** No bank account shall be opened in the name of the University, without approval by the respective Finance and General Purposes Committee (Campus/Centre), following the established procedures as set out in the Financial Procedures and Guidelines.
- 02.** No petty cash or other imprest shall be established without approval from the respective University/ Campus Bursar.
- 03.** The recipient of any revenues/monies on behalf of the University shall be responsible for the issue of an the official receipt by the Bursary cashier. Any exception to this clause, and the alternative procedures ( such as receipts for photocopying, library fines and similar types of receipts ) must be approved by the relevant Bursar.
- 04.** The relevant Administrative Officer and the Head of the Department/Unit shall be responsible for ensuring that all revenues/monies, received on behalf of the University, are paid into the Bursary, or, if authorized by the Bursar, directly into a University bank account, on the working day following receipt, unless other arrangements and scheduling have been approved in writing by the relevant Bursar.
- 05.** The custodians of imprest accounts (petty cash imprests or imprest bank accounts) shall be responsible to ensure that reports of expenditure of these funds are submitted to the University Campus Bursar at least once per month, unless otherwise instructed.
- 06.** The custodians of funds advanced for specific events/purposes (accountable advances) shall report to the University/ Campus Bursar on the expenditure of these funds no later than 30 days after the event.
- 07.** Any member of the University who becomes aware of any deviation from these requirements shall immediately report same to the University/Campus Bursar, who shall report the matter to the Vice Chancellor/Principal.
- 08.** All surplus funds, or funds which are not required for immediate use, shall be invested by the University/Campus Bursar in short/medium/long term investments, as the circumstances warrant.

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**CHAPTER 12****CAPITAL EXPENDITURE AND CAPITAL ASSETS**

- 01.** Capital Expenditure is expenditure for the acquisition, replacement, modernisation or expansion of buildings, furniture and equipment or other capital assets.
- 02.** Additional expenditure incurred on existing assets which significantly increases the value or life of the asset shall be treated as capital expenditure and charged to enhance the value of the asset.
- 03.** The rates of depreciation which shall be charged annually shall be in accordance with standard accounting practices.
- 04.** Each Campus Bursar shall be responsible for insurance coverage of the assets in the Campus location (covering both the Campus and the Centre assets). Insurance contracts shall be awarded after tenders have been invited and evaluated.
- 05.** A Committee headed by the University/Campus Bursar, and including external expertise, shall review the value of insurance coverage, type of coverage and other specifications prior to tendering. The Committee shall assess the tenders and recommend the insurance placement to the respective Finance and General Purposes Committee, after weighing the costs, benefits and other associated factors.
- 06.** Capital Assets shall be written off only after a Board of Survey has inspected and evaluated the asset(s) and submitted a written report to the University Campus Bursar in accordance with the prescribed limits. A Board of Survey is a committee of not less than three (3) persons who shall be responsible for the inspection and valuation of an asset selected for disposal.
- 07.** The approval of the University Council shall be required for any acquisition sale or any matter related to real property of the University. The University Finance and General Purposes Committee can exercise this power, under delegated authority.
- 08.** Every Head of Department/Unit shall be responsible for the safe custody and control of all assets assigned and allocated to the Department or Unit.

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**CHAPTER 13****ACCOUNTS AND FINANCIAL REPORTS****ACCOUNTS**

- 01.** The University shall prepare and maintain accurate, adequate and appropriate financial records for each Campus, the Centre and the University as a whole.
- 02.** The University shall maintain the accounts on an accrual basis, and present the financial statements in line with Fund Accounting Principles, covering all the transactions, irrespective of the sources of funds.

**FINANCIAL REPORTS**

- 03.** The University shall prepare timely, accurate and reliable financial statements and reports that conform to the Professional Accounting Standards approved by Finance and General Purposes Committee and to the provisions in this Code and the Financial Procedures and Guidelines Manual.
- 04.** Monthly Financial information and statistics shall be prepared by the University Bursar and the Campus Bursar for the Centre and Campuses respectively by the end of the following month. These will be presented to the appropriate Committees.
- 05.** A financial report for the University shall be prepared by the University Bursar for each meeting of the University Finance and General Purposes Committee.
- 06.** In the presentation of the Annual Audited Accounts, the University shall adopt the principle of full disclosure in preparing and presenting the Annual Audited Accounts and Financial Statements to the Council of the Campuses, the Centre and the consolidation to the respective councils and the University Council

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**CHAPTER 14****AUDIT AND AUDIT COMMITTEES**

- 01.** The Audit functions are entrusted to the Management Audit Department, the Audit Committees, and the independent External Auditors.
- 02.** The independence of the internal/management audit function and the Audit Committees has been provided by statute, so that they discharge their duties and responsibilities without fear or favour, affection or ill will. Nothing should fetter the discretion or judgement of the University Management Auditor/Audit Committees, as to the matters brought into the Audit Reports.
- 03.** The audit function extends to all activities of the University. It encompasses not only income and expenditure covered by the funds in the budgets approved by the University Grants Committee, but also all activities , for which the University has an obligation for accountability, including activities relating to Projects, Revenue Centres, Commercial Ventures, Auxiliary Service Centres, Consultancy Funds, Endowment and Pension Funds.
- 04.** The Office of the University Management Auditor has been established at the Centre for the purpose of conducting independent internal and management audits of the operations of the University. This department shall function independently from the Campus Bursars and the University Bursar/Director of Finance. The University Management Auditor reports to the Vice Chancellor and the Audit Committees for purposes of the audit, and to the University Bursar/Director of Finance for administrative matters.
- 05.** The University Management Auditor shall prepare comprehensive Annual Audit Plans for conducting the audits of the Campuses and the Centre, encompassing all the Cost Centres, Revenue Centres, Commercial Ventures, Auxiliary Service Centres and Externally Funded activities.
- 06.** The Campus Annual Audit Plan shall be approved by the respective Campus Audit Committee. The Annual Audit Plan for the Centre shall be approved by the University Audit Committee.
- 07.** The extent, scope, cycle, and dates of the audits shall be prepared by the University Management Auditor for approval by the Vice Chancellor and the Audit Committees. The University Management Auditor and his staff shall have access to all persons, including specialized resources, records, systems and facilities of the University, in the performance and discharge of that officer's his duties.

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**08.** Emphasis shall be laid on:

- (a) Accountability;
- (b) Transparency;
- (c) Efficiency;
- (d) Productivity; and
- (e) Value for money.

**09.** Heads of all University Units and departments shall accede to the official requirements of the University Management Auditor for financial information

**10.** The University Management Auditor shall have full rights to conduct surprise checks and special reviews and investigations, without any prior notice.

**11.** The Reports of the Campus Management Auditors and the University Management Auditor shall be submitted to the respective Audit Committees for consideration.

**12.** The University Management Auditor/Campus Management Auditors shall have continuing and direct access to the University/Campus Audit Committees and to their Chairmen to discuss any matters of concern which affect the work of the Management Audit Department.

**AUDIT BY EXTERNAL AUDITORS**

**13.** The Council shall at each Annual Meeting appoint the external auditors and determine their remuneration.

**14.** The External Auditors shall have the right of access at all reasonable times to such books, records, accounts and vouchers of the University, and shall be entitled to require from the Officers and members of the University such information and explanations as may be necessary for the performance of their duties.

**AUDIT COMMITTEES**

**15.** The independence of Audit Committees has been provided for in the Mandate. The Audit Committees shall report directly to the Councils at their meetings, so that Councils are kept aware of the activities of the Audit Committees and their recommendations.