



THE UNIVERSITY OF THE WEST INDIES
FINANCIAL PROCEDURES
& GUIDELINES



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CHAPTER 1



**SHORT TITLES, COMMENCEMENT, DEFINITIONS
AND OVERVIEW – CHAPTER 1**

SHORT TITLE AND COMMENCEMENT

- 01.** The companion volume to the Financial Code shall be called The **FINANCIAL PROCEDURES and GUIDELINES**
02. The Financial Procedures & Guidelines 2010 shall come into force on August 1, 2010.

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AND OVERVIEW – CHAPTER 1**

GENERAL

- 03.** The Revised Financial Code 2008 incorporates the Recommendations of the Commission on Governance and the suggestions made by the Members of the Chancellor's Commission on Governance Working Group on Finance and Planning Issues, and the suggestions by the Representatives from Contributing Governments during the Meetings of the Governing Committees, and other meetings.
- 04.** The Financial Code stipulates in the various Chapters the Principles of Financial Propriety, Probity, Transparency, Integrity and Honesty, Accountability, Openness, Objectivity, Value for Money, and generally, the safeguarding of the interests of the University.
- 05.** Financial Code means the provisions relating to the approval and control of expenditure and the receipt of moneys by the University and related matters entitled the Financial Code, adopted by the Finance & General Purposes Committee on behalf of the Council on June 01, 1996, and any amendments thereto which may, from time to time, be adopted by the Council. The Financial Code sets the broad policies on the general systems of financial management and control to be followed by members of the University entrusted with or having responsibility for financial matters related to the University.
- 06.** The Financial Code has been structured in such a way that the main policies and principles are spelt out. The details are set out in the Financial Procedures and Guidelines.
- 07.** The Financial Procedures and Guidelines have been organized by chapters which correspond with those set out in the Financial Code. Each chapter of the Financial Procedures and Guidelines has been divided into sections with appropriate section numbers to facilitate the location of specific policies and procedures.

DEFINITIONS (IN ALPHABETICAL ORDER):

- 08.** The terms used in the Financial Procedures and Guidelines shall have the same meaning as in the Financial Code. In this volume, unless the context otherwise requires, the terms used shall be construed to have the meaning as per definitions below. Words used in the singular shall include the plural, unless the contrary intention appears.
- 09.** **APPROPRIATION** means the assignment, to meet specified expenditure of funds included in the budget of each budget centre in the Approved Budget Estimates.

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AND OVERVIEW – CHAPTER 1**

10. **AUXILIARY FUNDS** represent revenues and expenses in relation to Auxiliary Units such as halls of residence, bookshop and commercial operations.
11. **AUXILIARY SERVICE UNITS** are units established in a Campus/ University Centre which are to be run on a self-financing basis.
12. **BUDGET HOLDER** is a member of staff who is responsible for the efficient budget management of the budget centre for which Budget Holder is responsible. Budget Holders are responsible to their Principal Budget Holders. Heads of Academic Departments and Heads of Research Centres within a faculty are Budget Holders.
13. **CAMPUS AUDIT COMMITTEE** means the Campus Audit Committee of each Campus constituted and performing the functions as laid down in Ordinance 12.
14. **CAMPUS BURSAR** is the Campus Finance Officer and reports to the Campus Principal. The Campus Bursar shall be responsible for the financial administration and control of the affairs of the Campus. The Campus Bursar is answerable to and works with the University Bursar in matters of Finance and Accounting, and shall refer to the University Bursar if and when required.
15. **CAMPUS COUNCIL** means a Campus Council of a Campus, constituted as per Statute 16A (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 bodies of the Campus of the University with powers to manage all matters not provided otherwise by its Charter and Statutes.
16. **CAMPUS FINANCE AND GENERAL PURPOSES COMMITTEE** is a Standing Committee of each 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 & 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).
17. **CAMPUS INVESTMENT OPERATING COMMITTEE** is a Committee appointed by the relevant Finance and General Purposes Committee, to monitor and direct investment decisions of the Campus and the Centre's investments on the Campus. The Campus Bursary/Office of Finance will be responsible for conducting the day-to-day management of the investments under the broad guidelines established by the Campus Investment Committee.

**SHORT TITLES, COMMENCEMENT, DEFINITIONS
AND OVERVIEW – CHAPTER 1**

18. **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 to which he is appointed. (Vide Statute 10).
19. **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. (Vide Statute 11).
20. **CANNONS OF FINANCIAL PROPRIETY** means that every Principal Budget Holder/Budget Holder must satisfy himself/herself that, adequate provisions exist within the departmental organization for systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings of respective subordinate officers and to guard against any waste or loss in money and stores. Principal Budget Holders/Budget Holders must ensure that the prescribed checks and balances are effectively applied.
21. **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.
22. **CAPITAL FUNDS** are funds set aside to replace property, plant and equipment.
23. **CONTRIBUTING GOVERNMENTS** refer to Governments of the Countries which have undertaken to contribute to the revenues of the University on a continuing basis. (Vide Statute 24 (1)).
24. **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.
25. **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 bodies of the University with powers to manage all matters not provided otherwise by the Charter or the Statutes.
26. **DEAN OF A FACULTY** is an Officer of the University, appointed by the Council, acting on the recommendation of the relevant Campus Principal through the Vice Chancellor after the Campus Principal has conducted consultations with the faculty.

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Deans of faculties are Principal Budget Holders, responsible for the budget management and control of the departments under the faculty and the faculty office. (*Vide Statute 11*).

27. **DEFALCATION** refers to any fraud and or misappropriation of monies or property resulting in loss to the University.
28. **ENDOWMENT FUNDS** are funds for which donors or other external agencies have stipulated, as a condition of the gifts that the principal is to be maintained intact. The use of the income maybe restricted by the donor; if so, the income is considered as an addition to the fund.
29. **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).

A Campus /University Finance and General Purposes Committee in the exercise of powers vested in it by virtue of the above provisions in respect of matters connected with the receipt and expenditure of money, shall comply with the provisions of the Financial Code.

30. **FINANCIAL CODE** means the provisions relating to the approval and control of all financial transactions including revenues and expenditures as contained in the Financial Code, first adopted by the University Finance and General Purposes Committee on behalf of Council, June 1, 1996.

It also incorporates any amendments thereto adopted by Council from time to time.

31. **FINANCIAL PROCEDURES AND GUIDELINES** are the Procedures and Guidelines established as a supplement to the Financial Code.
32. **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.
33. **HEAD OF DEPARTMENT** is a member of staff of the Campus/ University Centre in a Department and reports to the Dean of the Faculty. Heads of Departments are Budget Holders with respect to their respective departments and as Budget Holders are responsible to their respective Principal Budget Holders.

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34. **HEAD OF OFFICE** is a member of staff of the Campus/ University Centre in the Administration/Non-academic Unit. The Heads of Offices are Principal Budget Holders.
35. **ORDINANCES** mean Ordinances made by the Council pursuant to the Charter or the Statutes.
36. **PRINCIPAL BUDGET HOLDER** is a member of staff of the University responsible for the proper and efficient management and administration of a 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 from the Campus Finance and General Purposes Committee with respect to a Campus.
37. **RECURRENT OR OPERATIONAL EXPENDITURE** is the expenditure which is incurred at periodic intervals towards the operational costs of the University.
38. **REVENUE CENTRES** are Centres in each Campus/Centre which are established to run on commercial principles 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.
39. **SENIOR ADMINISTRATIVE STAFF** means those 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.
40. **STATUTES** mean the Statutes for the time being of the University.
41. **UNIVERSITY STRATEGY 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.
42. **UNIVERSITY** means the University of the West Indies.
43. **UNIVERSITY AUDIT COMMITTEE** means the University 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 financial management of the University.

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AND OVERVIEW – CHAPTER 1**

44. **UNIVERSITY BURSAR** is an Officer of the University. As the Chief Finance Officer of the University, the University Bursar is responsible for the general administration, control and efficient management of the financial affairs of the University. The University Bursar exercises a monitoring and advisory role over the activities of the Campus Bursars and their staff. (Vide Statute 14).
45. **UNIVERSITY INVESTMENT COMMITTEE** is a Committee appointed by the Finance and General Purposes Committee to monitor and direct investment decisions of all the Campuses and the University Centre. Investment Sub-Committees of each Campus and the University Centre conduct the day-to-day management of the investments under the broad guidelines established by the University Investments Committee.
46. **UNIVERSITY MANAGEMENT AUDITOR** is a Senior Administrative Staff member appointed by the University Council on the recommendations of the University Audit Committee to be responsible and accountable for the Management Audit and Internal Audit functions of the University.
47. **UNIVERSITY REGISTRAR** is an Officer of the University responsible for the administration of the University. The office exercises a monitoring and advisory role over the activities of the Campus Registrars and shall be responsible for the custody of the Common Seal and for impressing it upon or affixing it to documents in accordance with Guidelines.
48. **VICE CHANCELLOR** is an Officer of the University who shall maintain and promote the efficiency and good order of the University for which he/she shall be responsible to the Council. As the Chief Executive Officer of the University, is responsible for the overall management of the affairs of the University - Academic, Administrative and Financial. Vice Chancellor exercises a monitoring, advisory, and executive role over the activities of the Campus Principals and their staff. (Vide Statute 5).
49. **VIREMENT** is the process by which transfer of funds are made from one primary unit of appropriation to another such unit by Budget Holders, Principal Budget Holders, Campus Bursars, University Bursar, Campus Principals, Vice Chancellor, Finance and General Purposes Committees within the powers delegated to them to approve virements.

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OVERVIEW OF CHAPTERS

50. Chapter 01 entitled **SHORT TITLE, COMMENCEMENT, AND DEFINITIONS** provides the Title of the Financial Procedures & Guidelines, the effective date on which it shall become operative, and the definitions of the various terms used.

51. Chapter 02 entitled **FINANCIAL MANAGEMENT AND CONTROL** summarizes the salient features of the General System of Financial Management and Control, and highlights the areas which shall be focused on to ensure that the financial management of the University shall be in consonance with accepted principles of financial propriety and probity, generally Accepted Financial and Accounting Standards (IFRS) laid down by the Profession, the laws of the land, guidelines prescribed by the stakeholders of the University, namely Contributing Governments, Donors, Aid Agencies and Trusts, Financiers, the Financial Code and these Financial Procedures and Guidelines.

The Chapter also sets out procedures and guidelines to address other areas of emphasis including: Accountability, Transparency, Efficiency, Productivity, and Value for money.

52. Chapter 03 entitled **REVENUES** outlines the manner in which the revenues of the University shall be collected, lodged into the banks, and properly accounted. Time limits for the operational sequences and internal controls have been provided.

53. Chapter 04 entitled **EXPENDITURE** deals with the manner in which expenditure of the University shall be authorized and the code of conduct expected of the Officers and members of the University delegated with powers to authorize expenditure.

Canons of Financial Propriety are outlined in this Chapter, which every Officer and member of the University are expected to observe strictly. The steps to be followed in approving expenditure in relation to budgetary control, transparency and accountability are stressed in this Chapter.

54. Chapter 05 entitled **PURCHASES, PROCUREMENT AND CONTRACTS** explains the procedures relating to contracts entered into by officers of the University, on behalf of the University. The term Contract is used in a wider sense to cover contracts of Employment and Services, Contracts for Purchases, Contracts of Civil Works and any other Contract types.

This chapter outlines the importance of protection of the interests of the University in contracts. It also provides for openness in resolving conflicts of interests between the exercise of powers, and the benefits from the exercise of powers, and makes it obligatory

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on the part of such officers to declare their vested interests in such contracts to the next higher authority, Campus Principal and the Vice Chancellor. To ensure transparency, such officers are precluded from the meetings in which decisions are made on contracts in which they have interests. This chapter also stresses the importance of decisions based on merits and interests of the University, and not simply awards of contracts to lowest bidders without other considerations.

55. Chapter 06 entitled **DEFALCATION AND LOSSES** addresses the manner in which cases of defalcations and losses are to be handled. This chapter provides for investigations; follow up action, and administrative and disciplinary action against those in default. Provision is also made for criminal prosecution, where the merits of the case warrant such an action. As part of the preventative action to avoid recurrence of such cases, provision has also been made for a review of the Systems, Procedures, and Internal Controls. This will also assist in plugging of the loopholes and ensuring vigilant surveillance and compliance with the Financial Code, and the Financial Procedures and Guidelines.

This Chapter also considers transparency aspects in dealing with cases of defalcations and losses. It has been made mandatory for such cases to be investigated by the independent Management Auditor, whose mandate provides for direct reporting to the University council through independent Audit Committees, comprising of members from outside, without having any role in the governance of the University, either as employee or a member of Governing Committees.

This chapter also provides for the distinct disclosure of the write off of such losses in the Accounts and examination by the External Auditors. It also specifically provides for write off of the losses only with the approval of the competent authorities.

56. Chapter 07 entitled **BUDGET, APPROPRIATION AND VIREMENTS** outlines the budget procedure, wherein the Budget Holders are responsible for the proper and efficient management of their budgets, assisted and monitored by the Bursary. It explains the different steps in the preparation of the budgets, budget cycle, budget control, virements, control of staff employment and costs, judicious use of powers in authorizing expenditure and application of modern techniques of budgeting.

Provision has been made for proper Record Keeping, Accounting, Reporting and independent verification by both the Management Auditor and the External Auditors. Value for Money, Transparency, Accountability, Integrity and Honesty, Judicious use of Powers in line with delegated responsibilities, and regulating the expenditure in accordance with the norms, have been integrated into the budgeting process in this Chapter.

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57. Chapter 08 entitled **SPECIAL PROJECTS** deals with management of Special Projects, funded by Donors and External Agencies. In these cases, the University is under an obligation to observe the terms and conditions stipulated by the Donors in their agreements, in relation to expenditure, administration and reporting. As the financial integrity and image of the University depends on the responsiveness of the University in complying with the Donors requirements, special emphasis has been made in this chapter on organization, origination of Project Requests, Project Approvals, Project Contract Agreements, Project Administration and Reporting, Staffing and Remuneration - technical, administrative and financial. Considering the importance of this area, it has been prescribed that reports and matters relating to Special Projects should be laid before the Finance & General Purposes Committee in every meeting of the Committee.
58. Chapter 09 entitled **FINANCIAL INVESTMENTS** deals with Investments Guidelines, Investment Decisions, Day-to-Day Management of the Investments, and Review of Investments. Emphasis is made on generating income by maximization of investments in short-term, medium-term and long-term investments vis-a-vis cash requirements.

Persons from public life, who have been associated with Investment guidelines and/or decisions, are appointed as Members of the University Investment Committee.

59. Chapter 10 entitled **INVESTMENT IN BUSINESS ENTERPRISES** deals with the University of the West Indies investments in new business enterprises. The Chapter outlines applicable procedures for investments in commercial projects/business enterprises that involves a third party and enterprise initiatives that fall outside of the third-party component (i.e. non third party ventures)
60. Chapter 11 entitled **CASH AND BANKING** deals with Campus Bursars/University Bursar ensuring that all monies received on University account are properly accounted and lodged with the bank with the least delay. It outlines the procedures for the opening and operations of bank accounts, signing authority, bank reconciliation and short term investment of surplus cash.

It also deals with the treatment of all revenues received for and on behalf of the University, including Endowment Funds, Project Funds, Departmental Consultancy Funds, Trust Funds and Deposits.

61. Chapter 12 entitled **CAPITAL EXPENDITURE AND CAPITAL ASSETS** deals with Capital Budgeting and Planning, Acquisition, Maintenance, Depreciation, Safeguard, Record Keeping and periodic physical verification, related to Fixed Assets. Provision has also been made for permanent Identification Tags/Painting on the assets and proper use and control of vehicles.

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Assets can be written off, only after inspection and approval for write off by a Board of Survey; this provision ensures full utilization of the asset in accordance with the concept of Value for Money.

The provisions in the Ordinance that sale of real property can be made only with the approval of the Council have been incorporated in this Chapter.

- 62.** Chapter 13 entitled **ACCOUNTS AND REPORTS** refers to the proper maintenance of accounts and documents by every officer responsible for receiving funds on behalf of the University (or who receives funds on behalf of the University) and for approving expenditure out of University Funds (including project funds and Trust Funds).

In maintaining the accounts, aspects of Transparency, Accountability, and Compliance with the Code, and the Financial Procedures and Guidelines have been emphasized. Policy guidelines on the opening of Bank Accounts and their operations by the University have been spelt out in the Section Bank Accounts.

The planned implementation of Programme Budgeting, and the Management Control Reports emanating there from have been outlined in the Section Management and Cost Accounts.

The Section on Published Accounts deals with the presentation of the Annual Audited Accounts, Annual Appropriation Accounts, and the Supporting Schedules.

The Section on reports deals with the Financial Reports that will be prepared and circulated and their frequency. In the preparation of the reports, the essential characteristics expected of them have been listed.

- 63.** Chapter 14 entitled **AUDIT AND AUDIT COMMITTEES** addresses Internal and Management Audit and Audit by External Auditors. The Mandates for the Management Auditor and Audit Committees guarantee the independence of audit so that they shall function without fear or favour, affection or ill-will.

Audit Committee Membership shall be drawn from eminent members in the public life; they will not be University employees or members of any Governing Committee of the University.

The Management Auditor has confidential free access to the Chairmen of the Audit Committees. The Final Report of the Management Auditor shall be placed before the Councils by the Chairman of the respective Audit Committee.

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The audit by the Management Auditor will cover: Fiscal Accountability, Managerial Accountability, Programme Accountability through Compliance Audit, Audit against Propriety, Efficiency-cum-Performance Audit, and Information Systems Audit.

Provision has been made for conducting Special Investigations and Reporting, where such a need is felt by the Officers of the University (Campus and the Centre).

Follow up action on the Report of the Management Auditor and External Auditors has been provided as a mandatory requirement on the part of the University Officers responsible for the Academic, Administrative and Financial management.

Separate sections deal with Management Audit and Audit by External Auditors.

The independence of audit provides for Transparency, Accountability, and Value for Money, Financial Integrity and Financial Stability.

64. Chapter 15 entitled **DUTIES AND RESPONSIBILITIES OF STAFF AND BODIES DELEGATED WITH FINANCIAL POWERS** sets out the powers, duties and responsibilities of the various Authorities, Committees, Officers, and Members of the University as they relate to financial matters. The information provided herein is for easy reference and guidance only, and is not intended to be exhaustive or comprehensive. For authoritative references, the Charter, Statutes, Ordinances and Orders, the Financial Code and other similar documents establishing University policy should be referred to and quoted.
65. Chapter 16 entitled **RELATIONS BETWEEN THE CAMPUSES AND THE UNIVERSITY CENTRE** summarizes the main financial responsibilities of and relationships between the Vice Chancellor and the Campus Principals, and between the Centre and the Campuses.
66. Chapter 17 entitled **SANCTIONS** outlines the suggested sanctions which may be imposed on the duties and responsibilities by those below the line of authority, and by those who have a direct or indirect reporting relationship. Specific provisions related to Powers of Sanctions have been introduced in this Chapter.



CHAPTER 2



FINANCIAL MANAGEMENT AND FINANCIAL CONTROL – CHAPTER 02

GENERAL

1. This chapter summarizes the salient features of the General System of Financial Management and Control, and highlights the areas which shall be focused on 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. Currently, the University has adopted the International Financial Reporting Standards (IFRS);
 - (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, etc.; and
 - (e) The Financial Code and its supporting Financial Procedures and Guidelines.
2. The University for good governance shall ensure that emphasis be put on:
 - (a) Accountability;
 - (b) Transparency;
 - (c) Efficiency;
 - (d) Productivity; and
 - (e) Value for money.
3. In conducting its financial affairs, the University shall not only fulfill the requirements and expectations, but also clearly show to its different stakeholders, that this has been done.
4. Acid tests are quick tests which establish and assess whether the criteria established as indicators of achieving the planned objectives have in fact been achieved, without resorting to analysis of too many details.

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GENERAL

5. For the due discharge of the financial responsibility, it is imperative that the Vice Chancellor and the University Bursar receive financial information and reports from all sources, as a matter of routine, without the necessity for them to call for such reports.
6. The Vice Chancellor and the University Bursar shall receive, as expeditiously as possible, copies of policy and other pertinent documentation and correspondence between the University (all Campuses and the Centre) and its stakeholders Governments, Donors, Public and Students.
7. The Vice Chancellor and the University Bursar shall also receive copies of the Minutes of all the Meetings of Governing Committees (Campus and Centre), such as the Finance and General Purposes Committee, Strategic Committee, Investment Committee, Budget Standing committee, as a matter of routine.
8. The University Bursar shall review and summarize all financial information and reports received by University Bursar, and forward comments to the Campus Principal/Vice Chancellor, either on each case, or in the monthly Financial Report to the Vice Chancellor, as circumstances may warrant.
9. Any person who signs or counter-signs an official document shall be personally responsible for the facts certified therein in so far as it is their duty to know or to the extent to which they may reasonably be expected to be aware of them.
10. If any member of the University has any pecuniary interest, direct or indirect, (conflict of interest between the exercise of powers and the benefits from the exercise of such powers) in any contract or proposed contract for the purchase, sale or other disposition of land, or for the supply of goods, services or work to or for the purposes of the University, such member shall disclose interests to the next higher authority and to the Principal/Vice Chancellor in writing. Such reports shall be presented to the Finance & General Purposes Committee(s) in the next meeting.

FINANCIAL MANAGEMENT AND FINANCIAL CONTROL – CHAPTER 02

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- 11. If the member is present at a meeting, the member shall at the meeting, as soon as is practicable after the commencement thereof, disclose the fact and shall withdraw from the meeting during the consideration of the contract or proposed contract.
- 12. No member of the staff shall solicit funds on behalf of the University, unless expressly permitted by the Campus Principal/Vice Chancellor.

JUDICIOUS USE OF POWERS AND CONTROL

- 13. Each Principal Budget Holder and Budget Holders shall use their delegated powers to further the objectives of the University as set out in its Mission, Strategic Plans and Operational Plans.
- 14. No person shall exercise delegated powers which will result in circumventing the provisions in the Financial Code and/or the Financial Procedures and Guidelines. For example, no person shall employ staff on a temporary basis and continue the same by extensions, with the result that the post and the person employed against that post are defector (in effect) permanent, without provision in the budget. Similarly, employment of support staff against the provision of academic posts will be a glaring case of misuse of powers, as such an action is against the spirit of the Financial Code.
- 15. Principal Budget Holders and Budget Holders are responsible for controlling all expenditure and income in their budgets in furtherance of the targets and objectives set out in the Operational Plan.
- 16. Where a programme is administered as a Cross-Faculty or Cross-Campus programme, one of the Deans shall be nominated to act as the Project Manager for purposes of coordination and control. Such a Dean shall be Principal Budget Holder for the Programme.
- 17. Principal Budget Holders may delegate any or all of the financial powers delegated to them, but they will remain accountable to the Planning Committee of the respective Campus, with respect to Campuses, and Sub-Committee of the University Strategy Committee, with respect to the University Centre and to the Principal/Vice Chancellor or his/her authorized designate for the exercise of those powers and, therefore, must ensure that they are in a position to render an account for budget sub-delegated. Under no circumstance may they delegate powers not delegated to them.

FINANCIAL MANAGEMENT AND FINANCIAL CONTROL – CHAPTER 02
=====**ACID TESTS****SOLVENCY**

18. The solvency of the University is imperative for its continued viability.
19. Solvency is assessed by the financial resources available to the University at any point in time.
20. Solvency is measured by representation of;

- (a) Positive bank balances

Since the University is expected to manage its affairs within the budget. It is essential that all payments are collected when due.

Where an overdraft arises, the reasons and contributing factors therefore shall be explained by the Campus Bursars/University Bursar. If the situation has arisen because of poor Treasury Management, sanctions shall be applied and action taken against those responsible.

Artificial solvency, by non-payment, when due, to creditors, Governments for statutory payments, financing agencies for their charges such as Commitment Fees, Interest Charges, etc., does not reflect the true and fair view of the state of affairs of the Campus/University.

- (b) Positive Net Current Assets (Current Assets – Current Liabilities)
 - (c) A positive quick ratio – (Liquid assets / current liabilities).
 - (d) These ratios will be measured against current comparative industry standards.

FINANCIAL MANAGEMENT AND FINANCIAL CONTROL – CHAPTER 02
=====**EFFICIENCY**

- 21.** This is achieved and measured by assessment of:
- (a) Efficiency in the Treasury Management functions;
 - (b) Maximization of revenues by intelligent investment decisions;
 - (c) Early collection of all Accounts Receivables, including Government Contributions on their due dates;
 - (d) Negotiating with suppliers and contractors favourable credit periods and credit limits;
 - (e) Efficient management of Accounts Payable and payment on due dates, availing the full credit periods, and at the same time ensuring prompt payments to maintain the image and goodwill of the University;
 - (f) Control of Expenditure within the Approved Budgets;
 - (g) Efficient Inventory Management and adoption of Just-in-Time Concept, ABC Analysis, Economic Order Quantities, and other modern inventory management and control techniques;
 - (h) Measures for cost efficiency by way of cost control and cost reduction;
 - (i) Identification of inefficiencies and imprudent expenditure and taking appropriate timely action to correct same;
 - (j) Vigilant watch over the trend of expenditure and initiate action, in cases of mismanagement of funds and powers, and over-expenditure;
 - (k) Strict observance to reporting schedules, realizing fully well the consequences of delays in presentation or non-presentation: the credibility of the institution would be jeopardized, and the University's ability to raise funds, would be at risk;
 - (l) Presentation of the Annual Audited Accounts to the relevant University Committee together with lucid Management Reports, as per planned schedules in Financial Procedures and Guidelines; and

FINANCIAL MANAGEMENT AND FINANCIAL CONTROL – CHAPTER 02

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- (m) Timely and accurate billing of Governments for contributions, with explanatory user-friendly statements and commentaries.

ACCOUNTABILITY

22. This acid test is proved by:

- (a) Presentation of timely accurate reports, statements, financial information, and Annual Audited Accounts, indicative of efficient financial management;
- (b) Attending promptly to queries from Governments, Donors, Financiers, Banks and Financial Institutions, and Budget Holders, so that they are satisfied as to the veracity and transparency of the information; and
- (c) Efficient budget management and budget reports, including Variance Reports using the technique of Management by Exception.

FINANCIAL MANAGEMENT AND FINANCIAL CONTROL – CHAPTER 02

TRANSPARENCY

23. The acid test of transparency would be proved by:

- Full and adequate disclosure;
- Adherence to established Norms, Rules, Regulations and Procedures;
- Proof of actual expenditure being charged against the appropriate budget line;
- Satisfaction of the stakeholders queries and information requirements and explanations.

The above applies to all financial information.

24. The concept of transparency extends beyond the realm of financial management. It embraces the personal conduct of the Officers and Members of the University both within and outside the precincts of the University. All Officers and Members of the University are expected to maintain high moral and ethical norms and standards and observe impeccable conduct and behaviour, in the exercise of the authority and powers vested in them, either directly or by delegation. Their conduct shall not give rise to suspicion that the dignity of their positions and attendant privileges have or appear to have been misused.

25. The standards expected of the Officers and Members of the University, are listed below. (These are taken from the report of the Lord Nolan Committee, England that inquired into Standards in Public Life: Principles of Public Life).

Officers and Members of Staff:**(a) Honesty**

- Shall take decisions solely in terms of the interests of the University. Decisions shall not be influenced in order to gain financial or material gain for or anyone including themselves, their family, or their friends and relatives, either immediately or at a future date, say, after their retirement.

(b) Integrity

- Shall not place themselves under any financial or other obligation to anyone including individuals or organizations that might influence them in the performance of their prescribed duties and responsibilities.

FINANCIAL MANAGEMENT AND FINANCIAL CONTROL – CHAPTER 02

Integrity - continued

- Shall have a duty to declare any private interests relating to their official duties and to take steps to resolve any conflicts arising in a way that protect the interests of the University.

(c) Accountability

- Shall be accountable for their decisions and actions and must submit themselves to whatever scrutiny be liable or subject to sanctions.

(d) Transparency

- Shall be as open as possible about all the decisions and actions that they take. They shall give reasons for their decisions, when required, and restrict information only when the wider University interests clearly so demand.

(f) Leadership

- Shall promote and support the above principles by leadership and example.

- 26.** Staff and officers shall adhere to the University guidelines and policies concerning the acceptance of invitations, gifts and offers of hospitality.

PRODUCTIVITY

- 27.** This will be determined by measuring each activity against established standards/norms. Where the actuals results fall below expected standards, continuous action must be followed by designated persons to ensure that corrective action is taken within agreed time limits.
- 28.** The University will continually strive to implement modern tools and techniques to measure and assess productivity and efficiency.

FINANCIAL MANAGEMENT AND FINANCIAL CONTROL – CHAPTER 02
=====**VALUE FOR MONEY**

29. All resources must be utilized to their optimum, including the pooling of the resources, where feasible. No capital expenditure shall be incurred unless assessment of the present utilization justifies the proposed additional capital expenditure.

30. This is partially met by productivity and efficiency analyses. Additionally, maximum advantage of prices, discounts, credit periods, etc. should be availed.

Established policies and procedures, for the tendering and award of contracts, shall be followed. A system of monitoring to ensure that such policies are being adhered to should be implemented.

31. Efforts to obtain value for money should be exercised in all the activities of the organization.

AUDITS

32. The expansion of the Management Audit Departments and the grant of independence in the exercise of their duties and responsibilities shall result in better financial management of the University and compliance with the various acid tests.

33. The establishment of independent Audit Committees, with powers to report to the Councils directly, shall act as a deterrent to acts of financial mismanagement and contribute to the improvement of the standards of performance.

34. All Officers and members of the staff of the University, whose responsibility it is to comply with the audit requests and audit reports of the University Management Auditor and External Auditors shall attend to them promptly and take action as may be recommended by the Auditor and/or the University Bursar. Failure to do so shall result in appropriate sanctions being imposed on those in default.

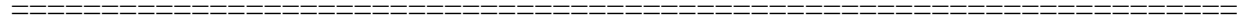
FINANCIAL MANAGEMENT AND FINANCIAL CONTROL – CHAPTER 02

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**PROCEDURES BY WHICH THE VICE CHANCELLOR
VERIFIES THE FINANCIAL STABILITY OF THE INSTITUTION**

35. The Vice Chancellor shall exercise administrative and financial powers over any department or office, demand and/or request information and reports, within set time limit, have access to any record or documents, and to take decisions on any administrative, academic or financial matter. Any decision taken shall be implemented by the persons to whom such decisions are directed.
36. The Vice Chancellor shall receive a copy of all significant financial information and minutes of meetings of major committees such as Finance & General Purposes Committees, Councils and Boards from the Campuses and the Centre.
37. The Vice Chancellor shall approve Budget Guidelines and the Budgets before they are submitted to the Finance and General Purposes Committees and the Technical Advisory Committees.
38. **For non-capital and new activities and proposals, the Vice Chancellor shall receive a Financial Plan, supported by detailed statements, highlighting major financial implications: no commitment shall be made on such proposals costing excess of US\$100,000 before the plan is approved by the Vice Chancellor before the Plan is approved by the Vice Chancellor.**
39. **For non-capital and new activities and proposals, the Vice Chancellor shall receive a Financial Plan, supported by detailed statements, highlighting major financial implications: no commitment shall be made on such proposals costing excess of US\$250,000 before the plan is approved by the Vice Chancellor before the Plan is approved by the Vice Chancellor.**
40. No press release or bulletin shall be issued by any Officer of the University on any matter having a significant financial implication on the University, without clearance from the Vice Chancellor or such officer designated by Vice Chancellor.
41. Where a suspected case of fraud or mismanagement of funds comes to his attention, the Vice Chancellor may institute any appropriate action, as may be deemed fit, in consultation with the Campus Principals.
42. Where information required by the Vice Chancellor is not furnished within the agreed time frame, the Vice Chancellor may defer or freeze activity in such areas covered by the information, until such time as the required information is furnished.

FINANCIAL MANAGEMENT AND FINANCIAL CONTROL – CHAPTER 02



- 43.** The Vice Chancellor may impose sanctions on any delinquent Officer or member of staff for failure to discharge their duties and responsibilities; this shall be done either through the various levels of management or directly, at his sole discretion. In exercising such powers of sanction, the established procedures laid down in the Statutes and Ordinances shall be followed.



CHAPTER 3



FINANCIAL PROCEDURES AND GUIDELINES

REVENUE - CHAPTER 3

GENERAL

- 01.** The University Bursar, Campus Bursars and Heads of Departments/Units should ensure that all revenues due to the University are recorded into the books of accounts as soon as they become due.
- 02.** Normally all revenues due and addressed to the University shall be received by the Campus Bursar (for Campus activities)/University Bursar (for Centre activities) or designated staff in their office.
- 02a.** Where remittances are received by any staff member other than the designated Office of Finance/Bursary Staff of the University, such staff member shall keep a proper record of such receipts and deposit them with the cashier or at the direction of the Campus Bursar or University Bursar, to credit the amount to the designated bank account of the University, within 24 hours of receipt or on next working day.
- 02b.** Funds received by University staff/representative at non-Campus location are to be deposited into a local University bank account by the University staff/representative, within 24 hours.
- 03.** A receipt shall be prepared and issued to the payer by the Campus Bursar/University Bursar or by designated staff in their offices; such receipt shall be sufficient discharge for the receipt of the money.
- 04.** Control over the Pre-printed Receipt Books and stock of cheque books shall be exercised by the Campus Bursars/University Bursar
- 05.** Funds received for such operations as Special Projects by Heads of Departments shall advise the University Bursar and Campus Bursar as soon as it becomes known that these are due.
- 06.** For Special Projects or any funds received directly by a department or unit, the Principal Investigator / Head of Department shall ensure that a copy of the bank transfer or any relevant notice should be dispatched to the Campus Bursar / Office of Finance as soon as the funds are remitted to the bank.



CHAPTER 4



FINANCIAL PROCEDURES AND GUIDELINES

EXPENDITURE - CHAPTER 04

GENERAL FUNDS

01. The University Council and Campus Councils are the final authorities for approving expenditure and the incurring of obligations at the level of the University and of the Campuses.
02. Expenditure from the University funds shall be incurred only with the authorization of the respective Finance and General Purposes Committee.
 - (a) All persons are expected to exercise the same vigilance in respect of expenditure incurred from the University funds, as a person of ordinary prudence would exercise with respect to expenditure of his own money;
 - (b) The expenditure shall be kept to the minimum required to achieve the objectives of the expenditure;
 - (c) No authorized person shall exercise his powers of authorizing expenditure which will directly or indirectly be to his/her own advantage/benefit;
 - (d) Expenditure from University funds shall not be incurred for the benefit of a particular person or a section of the people unless;
 - (i) a claim for the amount could be enforced in a Court of Law, or
 - (ii) the expenditure is in pursuance of a recognized policy or custom e.g. presentation of small gifts on certain occasions like retirement, presentation of flowers, etc.
03. Every Principal Budget Holder and Budget Holder must satisfy himself/herself that:
 - (a) adequate provisions exist within the departmental organization for systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings of his subordinate officers and to guard against any waste or loss in money and stores; and
 - (b) the prescribed checks and balances are effectively applied.

APPROVAL OF EXPENDITURE FOR PURCHASES AND CONTRACTS

04. The responsibility and accountability of every person delegated with financial powers to procure any item or service on University account is total and indivisible. Such

FINANCIAL PROCEDURES AND GUIDELINES

EXPENDITURE - CHAPTER 04

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procurement shall conform to the following principles.

- (a) Offers shall be invited in accordance with governing the Financial Code and these Financial Procedures and Guidelines;
 - (b) The authority shall be satisfied that the selected offer will adequately meet the requirement for which it is being procured (in the case of purchases) or contract is awarded (for services and engineering contracts);
 - (c) The price chosen shall be reasonable and consistent with the quality required; and
 - (d) The offer being accepted shall be the most appropriate, taking all relevant factors into account and in keeping with the standards of financial propriety (Financial Code and the Financial Procedures and Guidelines).
- 05.** In all instances, the considerations which led to the procurement decision/award and the precise terms must be placed on record.
- 06.** In every charge against a budget line, the money must be applied to the purpose or purposes for which the budget was intended and it must be charged to the budget line under which provision for the expenditure was made.
- 07.** The plea that certain expenditure was necessary and justifiable is not a sufficient reason for charging a budget line which was not intended to carry such expenditure.
- 08.** The responsible Principal Budget Holder shall ensure that all documents pertaining to the award/purchasing decision should be systematically filed for the audit trail.

FINANCIAL PROCEDURES AND GUIDELINES

EXPENDITURE - CHAPTER 04

SPECIAL EXPENDITURES

- 09.** The Vice Chancellor or Campus Principals may in an emergency approve in writing to the University Bursar or Campus Bursars, non recurrent expenditure out of savings not exceeding US\$25,000.00 or expenditure from capital exceeding US\$100,000.00. Any such approval must set out the details of the expenditure and the nature of the emergency, and must be reported by the University Bursar or the Campus Bursar to the next meetings of the relevant Finance and General Purposes Committee(s). This power to make emergency expenditure must be exercised sparingly by the Vice Chancellor or the Campus Principal and may not be delegated.
- 10.** Any proposed expenditures, whether from recurrent or capital funds, on improving or replacing the housing, furniture or motor car, where relevant, of the Vice Chancellor, the Pro Vice Chancellors, the University Registrar, the University Bursar, any Dean or any other officer so designated by the respective Finance and General Purposes Committee, must be submitted to the relevant Finance and General Purposes Committee, for prior approval.
- 11.** Whenever the relevant Finance and General Purposes Committee approves expenditure not provided or in excess of the sum provided in the recurrent budget, the Minute shall record to what account this expenditure is to be charged. The University Bursar or Campus Bursar must certify that funds exist to meet the proposed expenditure.

FINANCIAL PROCEDURES AND GUIDELINES

EXPENDITURE - CHAPTER 04

SALARIES, WAGES AND EMOLUMENTS

12. The University Bursar or Campus Bursar (where relevant) may not pay the salary or wages of a member of staff unless satisfied that the member of staff possesses a valid contract signed under the authority of the University Registrar or Campus Registrar.
13. The University Registrar or Assistant Registrar shall only issue such a contract except in accordance with the - procedure laid down in the Statutes and Ordinances of the University and the terms and conditions (laid down by the University) for staff; and until the University Bursar or Campus Bursar signifies that such a position is included in the approved estimates.
14. Payment of wages of casual staff may be made by the University Bursar or Campus Bursar upon the application of a Head of Department where the Bursar is satisfied that provision exists in the approved estimates.
15. The University Bursar or Campus Bursar may not pay emoluments for a staff of the Academic or Senior Administrative Staff (whether from the regular budget or from research funds) unless satisfied that the member of staff possesses a valid contract signed under the authority of the University Registrar/Campus Registrar. The University Registrar/Campus Registrar may not issue such a contract except in accordance with the procedure laid down in the Statutes and Ordinances of the University.)



CHAPTER 5



PURCHASING PROCUREMENT AND CONTRACTS - CHAPTER 05

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**GENERAL PRINCIPLES TO BE OBSERVED
WHILE ENTERING INTO CONTRACTS/AGREEMENTS**

- 01.** Contracts on behalf of the University may in addition to any other 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
 - (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.

CONTRACTS

- 02.** The terms of a contract must be precise and definite and there must be no room for ambiguity or misconstruction therein.
- 03.** No contract shall be made by any member of staff who has not been authorized or directed to do so under the relevant Financial Procedures and Guidelines.
- 05.** The limitation upon the powers of various authorities and staff, the conditions under which such powers shall be exercised and the general procedures prescribed with respect to various classes of contracts and assurances of property, (for example, the calling for and acceptances of tenders, and approve limits of various officers), shall be included in the Financial Code, the Financial Procedures and Guidelines and by the Financial and General Purposes Committee
- 06.** The responsibility and accountability of every person delegated with financial powers to enter into contracts on behalf of the University are total and indivisible. Contracts shall not be split up to avoid the necessity to obtain approval of a higher authority with reference to the amount of the contract, and to bring it within his powers of approval.
- 07.** The terms of a contract once entered into shall not be varied without the previous written consent of the authority competent to approve such variations. No payment to contractors by way of compensation or otherwise, in excess of the terms of the contract

PURCHASING PROCUREMENT AND CONTRACTS - CHAPTER 05

- rates may be incurred, without proper sanction and written approval from the competent authority.
- 08.** Where escalation in respect of any item of cost such as labour overheads, Government levies and taxes, freight, price of materials, is provided in the contract, the basis for the calculation of the same shall be clearly spelt out.
 - 09.** To ensure value for money and cost effectiveness, quotations/tenders shall be invited in respect of each contract of supplies, work or service, to obtain competitive bids. As a general principle, the University shall, as far as possible, avoid concentration of contracts on a selected few suppliers, contractors or service contractors.
 - 09 a)** Where quotations and tenders are not sought, the reasons for such exception should be documented by the responsible Principal Budget Holder/Budget Holder.
 - 10.** Subject to adequate prior scrutiny of forms, general or special, if any, standard forms of contract shall be adopted wherever possible. The alternatives used in the standard forms, which are not applicable, shall be invariably scored out, after due consideration.
 - 11.** No relaxation of a specification in a contract or relaxation of the terms of an agreement entered into by the University shall be made without proper examination of the financial and technical effects involved in such relaxation. Any such relaxation or charge only shall be authorized by the pre-designated person(s) or body so empowered after due investigation and agreement with the Campus/University Bursar and the other relevant senior officers. The short, medium, and long-term interests of the University shall be taken into consideration and given the highest priority, before agreeing to any relaxation of agreement or contract.
 - 12.** In selecting the tender to be accepted, the financial status and the technical competence and experience in similar assignments of the individuals and firms tendering shall be taken into consideration in addition to all other relevant factors. These shall be provided in writing.
 - 13.** No work of any kind shall be commenced without prior execution of contract documents or / and purchase orders. Even in cases where a formal written contract is not completed (for whatever reason), no order for supplies, shall be made without at least a written agreement as to the contract price.
 - 14.** Provisions must be made in contracts to safeguard University property entrusted to a contractor and for recovery of any amounts required to repair or replace such property.

PURCHASING PROCUREMENT AND CONTRACTS - CHAPTER 05

15. All contractors shall have a provision for recovery of liquidated damages for defaults on the part of the contractor, unless any special instructions otherwise are issued by the competent authority. It is important in this regard that such matters as the date of the contracts are communicated and dates for which such damages may be imposed are clearly agreed in writing.
16. It shall be ensured that in all contracts where a warranty clause is included, the position regarding delivery of goods and replacement of rejected ones, at the point of delivery required by the University, is made clear beyond doubt.
17. Where the contract provides for maintenance services by the contractor, the terms should be explicit in respect of costs of materials and replacements, labour, and other charges.
18. Where materials are issued from the University Stores or from a Department towards contract work, the contract/agreement shall contain a clause specifying that market rates will be charged for such materials.
19. The question whether any taxes/levies imposed by the Government or local body are to be paid and, if so, by which party, shall be stated in all contracts.
20. The UWI has been granted exemption from all consumption type taxes. Suppliers should be advised that where applicable any such taxes should be clearly and specifically stated.
21. Before entering into a contract or an agreement, all relevant factors shall be considered and completeness and legality of contractual documents shall be ensured by review by appropriate legal personnel. Effective administrative machinery shall be set up to establish and ensure that the University has adequate and appropriate oversight, and monitoring of all contracts on the performance of parties concerned.
22. Whenever any of the Finance and General Purposes Committees is asked to approve a building contract that will include classrooms, where applicable the relevant Bursar shall certify in writing to the F&GPC that allotments of space per student and per teacher do not fall below the minimum laid down by the Finance and General Purposes Committee.

PROCUREMENT & PURCHASES

23. All purchasing activities shall be guided by the relevant Purchases Manual or other document as approved by the relevant Finance & General Purposes Committee.
- 23a. Procurement and Purchasing Manuals of individual Campus guide all purchasing activities.

PURCHASING PROCUREMENT AND CONTRACTS - CHAPTER 05

24. Campus Bursars shall be responsible for ensuring the Manuals are kept up to date as required.

All significant changes to the Purchasing Manuals/Operational Manuals of the respective campuses should be communicated to the University Bursar through the respective Campus Bursar to determine if such changes comply with the Financial Procedure and Guidelines, and to make any adjustments if required.

25. The purchasing, approval authorities and limits of officers authorized to purchase on behalf of the University shall be approved by the relevant Finance & General Purposes Committee.
26. The limits of all officers authorized to purchase shall also be set and approved by the relevant Finance & General Purposes Committee
27. These guidelines apply to all purchasing transactions and act including Special Project. It is noted however that some Special Project agreements may stipulate special purchasing procurement procedures. Where this is the case, such special procedures as agreed with the Donor shall take precedence over the University's.
28. Where specialized equipment is sourced from a single supplier without quotations being sought, Heads of Departments or Principal Budget Holders shall justify in writing why the tendering process was bypassed.
29. Any purchase that cannot meet the normal requirement of purchasing procedures should be referred to the tendering committee for approval to bypass the usual process.
30. Each Campus and Centre shall have a tendering committee that meets at least once per month to consider all purchases in excess of the amount established by Finance & General Purposes Committee.

RETENTION OF DOCUMENTS

31. All relevant retention of documents including request for tender, or quotations received as part of procurement shall be retained by the department according to the statutory requirements of the laws of the respective country.



CHAPTER 6



FINANCIAL PROCEDURES AND GUIDELINES

DEFALCATION AND LOSSES – CHAPTER 06

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GENERAL

- 01.** As soon as a suspected fraud, defalcation or other loss is identified by a member of the staff, he shall report the same to his Head of the Department. However, if the member of the staff has any reservations in reporting the matter to his Head of the Department, he can report the matter to the Dean of the Faculty/Head of Office, or to the Campus Principal/Vice Chancellor, as he may deem fit, with a copy to the Campus Bursar and the University Bursar.
- 02.** If the irregularity is detected by the University Management Auditor, he shall immediately report the matter to the Campus Principal/Vice Chancellor, as the case may be, with a copy to the Campus Bursar and University Bursar, pending detailed investigations.
- 03.** Immediately on receipt of the report of suspected loss or defalcation, the University Management Auditor shall discuss the matter with the Campus Principal or the Vice Chancellor, together with the Campus Management Auditor, where deemed fit. The University Management Auditor shall deploy staff from the Management Audit Department to investigate the matter to establish the loss, to ascertain the extent of the loss, and the persons responsible for causing the loss.
- 04.** The University Management Auditor shall conduct a preliminary investigation and submit an interim report to the Campus Principal/Vice Chancellor, with a copy to the Campus Bursar and the University Bursar, within ten working days of the receipt of the alleged defalcation/loss.
- 05.** The University Management Auditor shall discuss his/her Interim Report with the Campus Bursar, University Bursar, Campus Principal and/or the Vice Chancellor. In that meeting the date for submission of the Final Report shall be decided, this shall be adhered to strictly.
- 06.** When the matter has been fully investigated by the University Management Auditor, a full comprehensive report shall be submitted detailing the nature and extent of loss, the errors or neglect to strictly follow the provisions in the Financial Code and the Financial Procedures and Guidelines by which such loss was rendered possible, and the prospects of effecting a recovery. This procedure shall be followed even when the loss has been made good by the person responsible for the loss.
- 07.** Within ten working days after receipt of the report of the University Management Auditor, the Campus Principal and/or Vice Chancellor shall decide and take

FINANCIAL PROCEDURES AND GUIDELINES

DEFALCATION AND LOSSES – CHAPTER 06

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administrative action, such as report to the police, departmental enquiry and or disciplinary proceedings, etc. with regard to the persons responsible. Campus Principal will report his action on the report to the Vice Chancellor.

- 08.** In all cases involving loss of University money arising from erroneous or irregular issue of cheques or irregular accounting of receipts or cheques, electronic banking circumstances leading (enabling) to the loss will be reported by the relevant Unit / Department Head to the Campus Bursar, and University Bursar.
- 09.** The University Bursar shall take immediate steps to revise defects in the Financial Code and Financial Procedures and Guidelines where such corrections will prevent a recurrence of any loss incurred.
- 10.** Where the report of investigation indicates that the loss or shortage was due to non-observance of prescribed provisions in the Financial Code, and/or Financial Procedures and Guidelines the University Management Auditor will recommend to the University Bursar remedial steps to strictly enforce adherence to the provisions.
- 11.** Where the loss is covered by insurance, the Campus Bursar/University Bursar shall immediately notify the insurance company and simultaneously institute steps to file a claim within the deadline date on the insurance company at least 5 working days before the deadline for filing a claim. The procedural requirements shall be followed with the greatest urgency in order to make a claim and obtain compensation as quickly as possible from the Insurance Company.
- 12.** Where a computer fraud is suspected or identified, immediate action shall be taken in order to prevent any recurrence. In such cases urgent action by the Deans/Heads of Offices and the Heads of Departments/Offices/Units is imperative.



CHAPTER 7



BUDGETS, APPROPRIATION & VIREMENTS – CHAPTER 07**GENERAL**

- 01.** In preparing the budgets, the instructions contained in the Planning Guidelines approved by the Strategy Committee, and the Budget Guidelines issued by the University Bursar shall be strictly observed.
- 02.** The Principal Budget Holders shall exercise central control over the Budget for which they are responsible. The University/Campus Bursars shall allocate budgets and monitor expenditure for both UGC and non UGC budgets.
- 03.** The Principal Budget Holders shall ensure that their actions and decisions are not in conflict with any University Policy, Procedures or Guidelines, such as:
 - Financial Code
 - Financial Procedures and Guidelines
 - Blue Book
 - Statutes and Ordinance
 - Heads of Department Handbooks
 - Ethical Standards

BUDGET PROCESS

- 04.** Where several additional activities are planned in a department or unit, the Principal Budget Holder shall initially rank them and prepare different incremental packages (decision packages) in order of priority.
- 05.** All Budgets shall be prepared with detailed supporting schedules, which shall include not only the figures, but the rationale for the Budgets.
- 06.** Budgets for Basic and Incremental Package(s) shall list personnel needs, cost estimates and planning assumptions, levels of performance, student numbers and any other relevant supporting details.
- 07.** The cost implication of each new programme in the Incremental Package(s) shall clearly show the cost implications. An Incremental Package shall also list the benefits together with a statement of consequences if the Incremental Package is not approved. All proposals for new academic programmes shall be submitted by the Principal Budget Holder to the (appropriate) Academic Committee for approval before being considered for inclusion in the Budget.

BUDGETS, APPROPRIATION & VIREMENTS – CHAPTER 07

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08. It shall be ensured that all proposals for the filling of posts are approved by the relevant authorities in advance of the making of the appointments so that proper procedures are followed.

09. The Principal Budget Holder shall review the Decision Packages submitted by the Budget Holders and rearrange the priorities, where necessary. Principal Budget Holder shall be responsible for the final submission of the decision package.

The Budget Committee of the Campuses and University Centre shall review the Budget and Decision Packages and decide on the priorities.

09a. The Bursary shall, be a service/support department to the budgeting and budget-control process. The Campus Bursars and the University Bursar shall proceed to exercise control over the Budget Management Process to ensure that the system process and procedures operate in accordance with the Financial Code and the Financial Procedures and Guidelines.

Various budgeting concepts may be reviewed from time to time for possible implementation.

10. Campus Bursars shall nominate a senior member of the Bursary (herein after referred to as the Campus Budget Officer) to coordinate the budget process and to prepare the total budget (Master Budget) for the Campus. Such officer shall assist the Principal Budget Holders and Budget Holders in the budget preparation and management process.

11. With respect to the University Centre, the Manager (Budgets and Special Assignments) shall coordinate the budget process and prepare the total budget (Master Budget) for the Centre. He/she shall assist the Principal Budget Holders and Budget Holders in the Centre in the budget preparation and management process.

12. Under the agreed approved Budgeting System, the University shall prepare:

- Rolling Biennial Budgets;
- The Five Year Strategic Plan shall include financial projections for the 5 years. The first year of which should be the detailed budget which will be presented to the TAC,

13. The Biennial Budgets will be annually updated. Year 2 will become Year 1 and another year will be added at the end. The budgets should reflect the key priorities / objectives established in the Strategic Plan.

BUDGETS, APPROPRIATION & VIREMENTS – CHAPTER 07

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14. Five Year Strategic Plan will form the basis of the Biennium Budgets.

Budgets for Year 1: These will be the Annual Budgets, prepared in detail as mentioned in Paragraph 32 (revise to 01. of the Financial Code);

Budgets for Year 2: These will form the second year of the biennium budget and will be completed as an extension of Year 1.

Strategic Plans for : Year 3 to 5 There will be Estimates based on policies, assumptions and trends.

15. The University shall prepare Budgets for:

- Each Campus; and
- One for the University Centre.

16. There shall be continuous dialogue and communication between the Governments and the University with agreed times for meetings/discussions. The University Strategy Committee shall consider the paper on Strategic Objectives of the Campus(es) and the Centre and approve the same.

17. Specific meetings and discussions shall take place before the Budget Cycle is agreed, so that the Planning Guidelines with indicative figures such as student numbers for different programmes which are being planned to be taken by each Contributing Governments. Programme requirements by Governments in relation to their manpower needs, etc, can be built in into the proposed Budgets.

18. Since the major source of funding is from contributions from the Contributing Governments, it is necessary that the budget formulation and processing respond to the requirements of the Contributing Governments.

19. One of the major factors which has been emphasized by the Governments is that they should be informed in proper time of the contributions due, so that necessary provisions could be included in their fiscal budgets for approval by the Parliament.

20. Since the fiscal years of Governments (for one Government the fiscal year is the same as the Calendar Year, while most have their fiscal years from April to March), differ from the financial year of the University (August to July), and if the requests of the Governments are to be acceded to, it becomes necessary to adapt the process of Biennial Budgets.

BUDGETS, APPROPRIATION & VIREMENTS – CHAPTER 07

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21. The Government whose fiscal year starts from January requires the contribution figures no later than the end of August so that they could finalize the figures, in consultation with the University, for inclusion in their budgets.

22. The Governments require figures for inclusion in their annual fiscal budgets, which spans over two fiscal years of the Governments; it is, therefore, necessary for the University to prepare the budgets for the two financial years, well in advance and in greater detail and analysis.

Thus, though it has been agreed that the University shall prepare an Annual Budget, it has to prepare Biennial Budget - detailed budgets for the following year and a reasonably accurate budget, based on current and expected conditions for the second year.

23. Since the payments of Government Contributions are based on the Approved Budget of the University, it is necessary to plan the Budget Process, the Budget Cycle, and the Contribution Calculations, so that they are completed by the deadline dates and advised to the Governments.

24. The final approval for the Budget for the first financial year of the Biennial shall be completed no later than the end of October/November of the preceding year. Approval of the Budgets by the University/Campus Grant Committees shall be completed no later than 16th January each year with respect to the budget for the following two years.

25. Since maintenance of academic quality and standards are of paramount importance, academic and administrative activities shall be regulated within the budgets, without jeopardizing the achievement of the academic objectives.

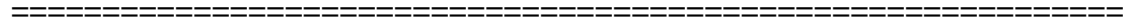
26. Each Campus and University Budget shall have **Four Divisions:**

(a) **Recurrent or Operational Budget, including Income and Expenditure for Current Activities (Base Package);**

(b) **Recurrent or Operational Budget, including Income and Expenditure for additional activities (New Programmes, Additional Student Enrollment, etc.) listing staff needs in quantity, category and costs, and other expenditure related to the additional activities, under the various budget line items (Incremental Package).**

If the New Programmes are to be financed from funds other than UGC/CGC approved funds, potential sources of funds and the amount shall be indicated.

BUDGETS, APPROPRIATION & VIREMENTS – CHAPTER 07



- (c) **Capital Budgets for** }
Current Activities; and } **Separate for Replacements**
} **&**
- (d) **Capital Budgets for** } **New additional requirements**

Additional Activities. } **and large capital outlays**

27. Under normal circumstances, in expending funds there should be even distribution of expenditure in a year so that funds are available for the planned objectives and are not exhausted prematurely. Principal Budget Holders and Budget Holders shall, therefore, keep watch over the trend of expenditure and take the appropriate remedial steps where there are indications that there may be a shortfall before year end of the financial year. However, where expenditure is incurred in advance by bulk purchases, the effect on such purchases on the progress of expenditure shall be kept in view, in monitoring and control of expenditure. In making bulk purchases account must be taken of opportunity cost of the use of cash.

ESTABLISHMENT BUDGET

- 28. Manpower Budgets shall be prepared to support the detailed calculations of staff costs.
- 29. All requests for employment of staff shall give the following information:
 - (a) Position;
 - (b) Category (level of Salary and Grade);
 - (c) Starting Date; and
 - (d) Duration of Employment where applicable
 - (e) Department of Employment of Account Code
- 30. After approval of the Basic Package and Incremental Packages a combined amended budgets for the Campuses and the Centre shall be combined into a single Operational Budget, which shall be the Approved Budget for application and control.

BUDGETS, APPROPRIATION & VIREMENTS – CHAPTER 07

**DUTIES AND RESPONSIBILITIES OF PRINCIPAL BUDGETS
AND BUDGET HOLDERS**

31. The Principal Budget Holders and Budget Holders shall provide the information necessary to enable the appropriate Officers and others with management responsibility in the University to monitor their financial decisions and actions.
32. Principal Budget Holders and Budget Holders shall exercise their discretion within the total resources allocated to them, and do nothing which commits the University to on-going expenditure above that agreed in the budget.
33. Normal replacement of capital assets may be financed from a Sinking Fund where such has been established. For capital replacements, the Principal Budget Holders and Budget Holders shall prepare a Capital Budget. Detailed justification, including evidence of full utilization of the existing available resources, shall be given for each item of the proposed capital expenditure.
34. The Capital Budgets for the Campus Faculties/Offices/Units shall be reviewed by the Principal through the Campus Bursar. After approval by the Campus Bursar, the Capital Budget is sent to the Principal. Such Budgets shall be sent to the Vice Chancellor, through the University Bursar, for his review. Similar action shall be taken by the Principal Budget Holders in the Centre who shall send the Capital Budgets to the Vice Chancellor through the University Bursar.
35. After approval of the Capital Budgets of the Campuses and the Centre by the Vice Chancellor, the Capital Budgets shall be submitted to the respective Budget Committee for review and approval. Capital Budgets approved by the Planning Committee of the respective Campus, with respect to Campuses, and Sub-Committee of the University Strategy Committee, with respect to the University Centre shall be put forward to the Finance and General Purposes Committee and Strategy Committee(s) for final approval.
36. In all cases where the expenditure is against revenue(s), the authorization of expenditure would be restricted strictly to the value of the revenue.

BUDGETS, APPROPRIATION & VIREMENTS – CHAPTER 07**REPORTS**

37. The responsibility to provide regular and timely financial management information, as laid down in the Financial Procedures and Guidelines relating to 'Budget, Appropriation and Virements', and 'Accounts and Reports', to all levels of management devolves on the Campus Bursars/University Bursar (for the activities of the Centre).

The reports referred in the above paragraph include:

Monthly Budget Summary for each Cost Centre, Revenue Centre, and Auxiliary Centre, showing:

- (a) Approved Budget;
- (b) Approved Virements;
- (c) Updated Approved Budget;
- (d) Total Expenditure during the month:
 - (i) Actual Expenditure during the month;
 - (ii) Commitments during the month;
 - (iii) Commitments cleared during the month; and
 - (iv) Total Expenditure during the month (i + ii - iii).
- (e) Cumulative Expenditure to the end of the month:
 - (i) Actual Expenditure to the end of the month;
 - (ii) Commitments outstanding at the end of the month;
 - (iii) Cumulative to end of the month (i + ii).
- (f) Budget Balance available at the end of the month {c - e (iii)}- Transaction listing for each Budget Line in support of (d) above.

BUDGETS, APPROPRIATION & VIREMENTS – CHAPTER 07

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VIREMENTS

38. Virements shall not result in the commitment of an expenditure not provided for in a budget.
39. Principal Budget Holders, in consultation with and agreement of the concerned Budget Holders within the Faculty Departments and Units, may approve virements from one Department to another. Such virement shall not move funds from/to Staff Costs.
40. Approved virements by Budget Holders shall not vary the total expenditure or income of the Department, without the approval of the Principal Budget Holder.
41. Approved virements by Principal Budget Holders shall not vary the total expenditure or income of the Faculty or Service Department, without the approval of the Planning Committee of the respective Campus, with respect to Campuses, and Sub-Committee of the University Strategy Committee, with respect to the University Centre.
42. In approving the virements, the limits imposed on virements in the Financial Code and Financial Procedures and Guidelines shall be strictly observed. These provisions provide for reference to next higher authority for approval, if the amount of virement exceeds the specified limits - Budget Holder to Principal Budget Holder, Principal Budget Holder to the Campus Principal/Vice Chancellor (in the case of the Centre), Campus Principal to the Vice Chancellor, Vice Chancellor to the Planning Committee, and Planning Committee of the respective Campus, with respect to Campuses, and Sub-Committee of the University Strategy Committee, with respect to the University Centre to Finance And General Purposes Committee.
43. The Planning Committee of the respective Campus, with respect to Campuses, and Sub-Committee of the University Strategy Committee, with respect to the University Centre shall also consider requests for additional budget allocation from Principal Budget Holders, where a need is justified in writing because of imminent and unforeseeable over-expenditure in a Cost Centre. Any additional budget allocation to a Cost Centre will be a virement from the potential savings in another Cost Centre.
44. Proper records shall be maintained, both by the Budget Holder and the Campus Bursar/University Bursar to reflect the current status of the budget, after the virements.
45. Each and every virement shall be notified by the Budget Holders to the Campus Bursar/University Bursar. The Form at **Annexure 1** shall be completed and circulated as specified, in respect of all virements.

BUDGETS, APPROPRIATION & VIREMENTS – CHAPTER 07

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ANNEXURE I

THE UNIVERSITY OF THE WEST INDIES

COST CENTRE

REQUEST FOR BUDGET REVISION

VIREMENT NO.

DATE:

Please DECREASE the following Budget Line:

ACCOUNT NAME	ACCOUNT NUMBER	SUB CODE	AMOUNT	REVISED BUDGET
TOTAL				

Please INCREASE the following Budget Line:

ACCOUNT NAME	ACCOUNT NUMBER	SUB CODE	AMOUNT	REVISED BUDGET
TOTAL				

TRANSACTION DESCRIPTION

PURPOSE OF REVISION:

APPROVAL:

SIGNATURE

APPROVED BY:

DATE:

DISTRIBUTION:

FILE COPY

PRINCIPAL BUDGET-HOLDER

CAMPUS BUDGET OFFICER/MANAGER (PLANNING & BUDGETING)

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BUDGETS, APPROPRIATION & VIREMENTS – CHAPTER 07**JUDICIOUS USE OF POWERS AND CONTROL**

46. Each Principal Budget-Holder and Budget –Holders shall use his delegated powers to further the objectives of the University as set out in its Mission, Strategic Plans and Operational Plans.
47. No staff member shall exercise his/her delegated powers which will result in circumventing the provisions in the Financial Code, and Financial Procedures and Guidelines. For example, no Officer shall employ staff on a temporary basis and continue the same by extensions, with the result that the post and the person employed against that post are defacto permanent, without provision in the budget. Similarly, employment of support staff against the provision of academic posts will be a glaring case of misuse of powers, as such an action is against the spirit of the Financial Code.
48. Principal Budget-Holders and Budget-holders are responsible for controlling all expenditure and income in their budgets in furtherance of the targets and objectives set out in the Operational Plan.
49. Where a programme is administered as a Cross-Faculty or Cross-Campus programme, one of the Deans shall be nominated to act as the Project Manager for purposes of coordination and control. Such a Dean shall be Principal Budget-Holder for the Programme.
50. Principal budget-holders may delegate any or all of the financial powers delegated to them, but they will remain accountable to the Budget Committee and to the Principal/Vice Chancellor or his authorized designate for the exercise of those powers and, therefore, must ensure that they are in a position to render an account for budgets sub-delegated. Under no circumstances may they delegate powers not delegated to them.



CHAPTER 8





GENERAL

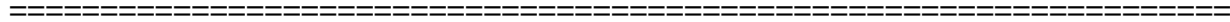
- 01.** Special projects are those Projects funded by Grants from external Donors which include private individuals, private organizations including companies, local and overseas aid agencies, philanthropic and charitable Trusts/Organizations/Institutions, and financing agencies (loans). Generally, the donors/financiers stipulate the terms and conditions for the management of the Project, and the purposes and objects on which the funds provided shall be expended. Each Project shall have its own budget.

- 02.** Projects shall be classified into:
 - Teaching Projects;
 - Academic Research Projects;
 - Contract Research Projects;
 - Consultancy Projects.
 - Departmental Internal Project

- 03.** All project proposals shall be approved by the Vice Chancellor for the Centre and by the Campus Principals for the Campuses or their Nominees. In order to keep the Vice Chancellor advised and avoid duplication the Vice Chancellor must be informed of the key aspects of any project exceeding US\$100,000.00.

- 04.** Since the financial stability of the University, its international image, and its future ability to negotiate successfully project funds depend on the compliance of the requirements of donors and financing agencies providing such funds, the University Management Auditor and the External Auditors shall include in their Audit Programmes the Audit of Special projects and ensure compliance with the Project Agreements.

- 05.** In many cases, the requirement of a separate audit of the Project Accounts is waived by the Donor, as the University has a system of internal/management audit and also an annual audit by independent external auditors. Consideration is also given to the international image, reputation and standing of the University. It is therefore imperative that the expectations of the donors and the financiers are strictly met and that both internal audit and external audits examine the reports and accounts of Projects, to ensure that all clauses in the agreement are fulfilled by UWI.



FUND RAISING

- 06.** In order to carry out their research and other academic activities, Faculties and Departments and Units are authorized to solicit funds from firms, individuals, foundations and other donors. In soliciting funds they must adhere to the following guideline:-
- (a) The Office of the Vice Chancellor will maintain and circulate a **list** of Donor Organizations and Foundations with which the Vice Chancellor will be the primary University official for contact. Therefore, where a Faculty or Department proposes to request funding from a donor or foundation on the Vice Chancellor's list, the Dean/Head of Department must consult beforehand with the Office of the Vice Chancellor through the Campus Principal to determine whether the request should be made by the Campus or by the Vice Chancellor.
 - (b) As a general principal the University encourages staff to seek external funds for research and special projects. It fully recognizes the importance of these activities to the growth and development of the University and will recognize the success of such activities through appropriate incentives. However, there should be guidelines to determine these incentives.

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PROJECT PROPOSALS

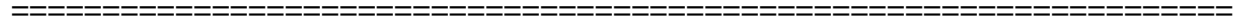
07. All Project proposals shall be submitted through the Dean of the Faculty, Heads of Department, Head of Institutes or Units. After clearance by the Dean, or Head of Department, Head of Institutes or Units, the proposal shall be submitted to the Campus Principal/Vice Chancellor, with the comments of the Dean.

08. Project proposal documents shall include the following details:

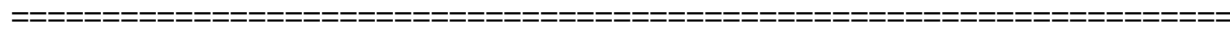
- (a) The nature and proposed site of the Project;
- (b) Project Objectives: Immediate, Short-term, and Long-term;
- (c) Name and address of the proposed donor/agency which has agreed to consider the Project;
- (d) Key conditions with which UWI must comply.
- (e) Financial implications for University arising from the acceptance of the Project Agreement (immediate, short-term and long-term);
- (f) Unless specifically advised by the Donor in advance that no administrative charges will be allowed, administrative overhead costs of at least 15% of gross project income shall be included in all project proposals. UWI could request funding in lieu of administrative costs as for specific staff positions at the administrative level. Where no administrative costs are allowed, request for funding in lieu of administrative costs should be made for specific items such as staff positions (full/partial) rent and utility costs.

Finance and General Purposes Committees should receive periodic reports of those projects from which no administrative costs are being recovered.

- (g) Project budgets must capture all operating and overhead expenses, such as printing stationery, and utilities. All additional capital requirements of the project must be covered by project funds, unless there is specific agreement up front to the contrary.
- (h) Impact of the Project on Academic Programmes;
- (i) Impact of the Project on socio-economic conditions of the society;
- (j) Evidence of the University's technical and administrative competence, capability and capacity and assumptions, to carry out the Project successfully and complete it in line with the time schedule and all other terms and conditions of the donor;



- (k) Project personnel who will be working on the Project and the time expected to be devoted on the Project by each. The staff costs of such staff shall be a charge to the Project and shall not be charged to the University.
 - (l) Additional remuneration other than UGC funded salaries and benefits that would be paid to individual staff members and Faculty, Department, Institute or the Unit of the University for participating in the Project shall be specifically approved by the Campus Principal/Vice Chancellor for Centre Projects.
 - (m) The named Project Manager/Principal Investigator who will be responsible for execution of the Project and the terms and conditions of such appointment; and
 - (n) Cash flow projections, disbursement schedules and conditions precedent to disbursements.
 - (o) Inclusion of the costs of special training for Bursarial staff if required to meet special financial reporting requirements of donor.
- 09.** The Project Budget /Lead Investigator, the financial data and the implications of the Project proposal shall be verified and checked by the Campus Bursar/University Bursar before sending the proposal to the Principal or Vice Chancellor or their designate for approval. Where required, the financial aspects shall be amended where recommended after discussion with the proposer.
- 10.** Where a Special Project envisages counterpart financial input by the University in terms of staff and/or, other expenses, sources of funds for such expenditure shall be identified at the start of the project, and prior approval obtained from the Campus Bursar/University Bursar, or Principal/Vice Chancellor.
- 11.** The Campus Principal/Vice Chancellor shall review the project document and approve the same, if satisfied with the proposal after analysis by the Campus Bursar/University Bursar.
- 12.** There is usually also a project agreement which has to be signed by Vice Chancellor/Principal and other Officers of UWI. There need to be adequate time from the signing of a grant agreement and the commencement of the project, for receipt of funds and making the necessary advanced related arrangements.
- 13.** A Project Manager and a Principal Investigator may be one and the same person. The Principal Investigator who shall be appointed for each project shall be responsible for conducting the technical aspects of the project. The Project Manager shall be responsible for the overall administration of the Project, including the timely reporting on the project, covering administrative and financial aspects. They shall report to the Dean of the



Faculty/Unit Head in respect of the campuses.

14. Where a Dean is appointed as the Project Manager and or Principal Investigator, the appointee shall report to the Campus Principal. Where the Head of a Centre Institute / Unit is appointed as the Project Manager/ Principal Investigator the appointee shall report to the Vice Chancellor.
15. Cross-Campus Projects shall be treated as Centre Projects and shall so be accounted and recorded in University Centre's records and accounts.

PROJECT OPERATIONAL PROCEDURES

16. In respect of each Project, there shall be a mid-term review by the Dean of the Faculty for the campuses. If the Project Agreement provides for a review at different periods, such a requirement shall be complied with in addition to the mid-term review.
17. In addition to compliance with the requirements of the Grant Agreement, the administration, accounting and reporting of the Projects shall conform to the general system of financial management and control as contained in the Financial Code, and Financial Procedures and Guidelines.
18. Where any expenditure is approved against specific revenue this revenue must be received before incurring expenditure, except in extenuating circumstances as approved by the Campus Bursar/University Bursar.
19. Where Project Agreement stipulates that the University shall expend funds on the Project before requesting reimbursement, expenditure statements and reports must be submitted to the donor at the agreed periodic intervals.
20. Where no period is indicated in the project agreement, monthly statements shall be sent claiming reimbursement, in the month following the month of the expenditure.
21. Under normal circumstances, expenditure on projects shall be incurred only after there is a signed project agreement between the University and the Donor(s). Where an exception becomes necessary, the written approval of the Campus Principal/Vice Chancellor specifying the types and limits of expenditure shall be obtained.
22. Where projects involving clinical trials in human subjects are involved, the project document shall speak specifically as to who is liable in the event that a lawsuit arises from such trials. If the University is liable, provision must be made in the University's portfolio for insurance against this risk.

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23. a) No expenditure shall be incurred on any project unless provided by the project budget.
 - b) Similarly, no expenditure shall be incurred beyond the approved limits for each budget line, or beyond the project cycle, without the specific written approval of the donor/financing agency,
 - c) The written approval must indicate the additional amount agreed to the project budget, budget lines on which the additional amounts shall be spent, and the revised termination date of the project.
24. Annual Performance Assessment of staff, shall incorporate all staff including academic, senior administrative and professional, and administrative and technical staff. Assessment should include their efficiency/ time management and adherence to plans, programmes and due dates in reporting requirements with respect to such projects.
 25. Where the University is under an obligation to refund unutilized funds of a Project, a report on the same shall be presented to the Finance and General Purposes Committee explaining the reasons for under-utilization of Project funds. Refunds shall be authorized by the Finance and General Purposes Committee.

STAFFING & REMUNERATION

26. The Human Resources Management Division must be involved in the recruitment process for special projects staff, in accordance with the University's stipulated procedures.
27. All staff related matters, including salary costs, extension of contracts, and all such salary related matters funded by special projects shall be routed by the Human Resources Management Division through the Bursary/Office of Finance Special Projects Unit for verification that funds are available before employment contract letters are issued.
28. All Special projects employment contracts draft by the Campuses HRMDs/Office of Administration and must be approved by the Principal Investigator prior to finalization and issue.
29. Salaries paid to staff members solely employed on Special projects should conform to the approved salary scales of The University of the West Indies, save in extraordinary circumstances. In such cases, deviations must be approved by the University Bursar and the Vice Chancellor for the Centre and by the Campus Bursar and the Principal in the case of the Campus. The total staff costs, including benefits, should be charged to the project.

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30. Full-time University staff members shall only earn up to a maximum of 30% of their approved basic salary in additional salary from working on Special projects in any one year, unless approved by his/her Supervisor and the Vice Chancellor or Campus Principal. When a full time University employee is seconded to a project whether on a partial/full time basis, the amount earned from the Project shall be deducted from the UGC salary.
 31. If a full time University staff member is also working on a Special Project, the Head of Department/Dean must ensure that the substantive University work is not in any way compromised by the time spent by the person on the project work.

FIXED ASSETS

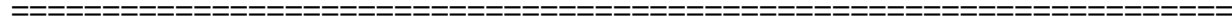
32. Where authorized Project Fixed Assets should be transferred to the University at the end of the Project at net book value. The permission of the Donor should be obtained if not already addressed in the project contract.
33. Vehicles acquired by Special projects should be maintained by project funds and not become the responsibility of the University Grants funded budget. The use of these vehicles should also be governed by the Campus/University motor vehicle policy.
34. Assets acquired for a project are subject to the same controls as University assets. The procurement procedure should be according to the guidelines of the project document; where the project agreement is silent on the matter, the procurement guidelines of the University of the West Indies should be applied. Though project funded, the asset should be recorded in the Fixed Asset register in a section for this category.
35. Special projects assets are not to be used for personal use and the Project Manager Principal Project Investigator must ensure that this does not happen. If the project does not have specific guidelines on the use of the assets, then there should be compliance with the regulations of the University's fixed assets policy.
36. Project funded assets which are not fixed assets shall be transferred to the University at the end of the Project in accordance with the agreement/communication with the Donor.
37. When the project document does not give specific instructions as to disposal of the asset, such asset is to be taken over by the University at net book value, after communication with the Donor.
38. Vehicles acquired for special projects shall be governed by the relevant Motor Vehicle Policy of the Mona Campus.

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REPORTS TO DONORS

39. The reporting requirements of each Project shall be strictly observed. Where the need for extension of the time limit for submitting reports on a project becomes necessary, the Campus Bursar/University Bursar shall review such cases. If a revised date is agreed with the Project Manager/Principal Investigator, such date with full explanation shall be immediately conveyed in writing to the Donors for approval. This must form a part of the report by the Vice Chancellor/Campus Principal(s) to the Finance and General Purposes Committee(s).
40. Reporting to Donors shall be made on due dates, as required in the Project Agreement/Document. If, however, in exceptional circumstances, a delay is anticipated, it shall be brought in writing to the attention of the Campus Bursars/University Bursar by the Principal Investigator, sufficiently in advance of the due date, with full explanations of the circumstances warranting the expansion of the due date.

The Campus/University Bursar shall bring to the attention of the Principal/Vice Chancellor who will request an extension from the Donor/Agency.
41. The Principal Investigator shall be responsible for reporting to the Dean//Head of the Department/Unit if there are any technical or other non-financial requirements that are not being met. The Head of Department/Unit will decide on the materiality of the breach, and at his/her discretion; discuss the matter with the Dean/Principal/Vice Chancellor who will decide if it warrants a submission to Finance & General Purposes Committee.
42. The University Bursar/Campus Bursar shall submit to each Finance and General Purposes Committee a Financial Report, which shall include the status reports on Special projects. Any delays in meeting the reporting requirements to Donors shall be included in this report.
43. Where matters are outstanding from the previous months' report, such activities shall be highlighted under the heading "Matters from Previous Reports". This report shall also be prepared in line with the Four-monthly Statements which are presented to the University Finance and General Purposes Committee.
44. At every meeting of the Finance and General Purposes Committee (Campus and Centre), a Report on Special projects approved for the financial year to date shall be presented.
45. Income and Expenditure related to each category of project shall be reported for the financial year of the University. This shall be supported by a schedule indicating with respect to each project:



- (a) Project Title;
- (b) Project objectives and activities, in brief;
- (c) Date of Commencement and End Date of the Project;
- (d) Approved Project Grant;
- (e) Amount received during the year and to date;
- (f) Expenditure during the year and to date; and
- (g) Balance funds available.

46. Financial Reports

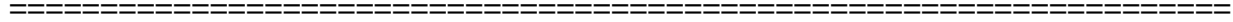
- (a) Financial Reports should conform to stipulations of donors as regards format, frequency.
- (b) Where donors do not indicate a reporting format reports should stipulate:
 - (i) Expenditure to date
 - (ii) Approval received to date
 - (iii) Budgets to date, income and expenditure
 - (iv) Variances
 - (v) Value recoverable from donors, amounts received in advance from donor

47. In cases of Projects which have arrangements for reimbursement still outstanding and expenditure not yet claimed, the above report shall also include:

- (a) The date up to which reimbursement has been claimed;
- (b) The date up to which reimbursements have been made; and
- (c) Arrears in reimbursement

48. With respect to the Financial Section, the Project Manager shall coordinate with the Campus Bursar/University Bursar and shall ensure that the Financial Report is prepared accurately and in time.

49. The Technical and Administrative Sections of the Project Report shall be signed by the Project Manager/Principal Investigator, Dean/Head of Department/Unit, Campus



Principal/Vice Chancellor or their nominee.

- 50.** The Financial Section of the Project Report shall be signed by the Campus Bursar /University Bursar, Project Manager/Principal Investigator, and the Campus Principal/Vice Chancellor or their nominee.



CHAPTER 9



FINANCIAL PROCEDURES AND GUIDELINES

FINANCIAL INVESTMENTS – CHAPTER 9

GENERAL

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

UNIVERSITY CENTRE FINANCIAL INVESTMENTS ADVISORY COMMITTEE

02. The University Financial Investments Advisory Committee shall prepare and submit Investment policies and investments 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. Financial Investments are made with the objective of optimizing returns. The Campus and Centre Financial Investment Operating Committees should seize every opportunity to invest, divest, and reinvest.
04. Financial Investments may be made in short-term, medium-term and long-term investments, as may be demanded by prudent portfolio management. Such investments may be in liquid portfolios such as securities, stocks, and deposits.

CAMPUS FINANCIAL INVESTMENTS OPERATING COMMITTEES

05. The Campus Financial Investments Operating Committees shall consult and pool their best judgments on financial investments. This should result in generating additional revenues to the University.
06. The Campus Financial Investments Operating Committees shall recommend investments to Campus Management, in accordance with the policies and guidelines determined by the University Financial Investment Advisory Committee.
07. The Campus Financial Investments Committees shall explore mechanisms whereby there may be joint investments of specific areas of the Campus/Centre portfolios in order to obtain optimal returns and economies of scale. Such mechanisms shall ensure the continuity of the identification and accountability of the portfolio of each Campus / Centre.
08. The University Financial Investment Advisory Committee shall review the investment

FINANCIAL PROCEDURES AND GUIDELINES

FINANCIAL INVESTMENTS – CHAPTER 9

decisions of the four (4) Financial Investments Operating Committees in every meeting and revise the guidelines, as may be necessary.

09. Business community members of the Campus Financial Investment Operating Committee may channel their inputs into the investment process between meetings to the Campus Management.

CENTRE FINANCIAL INVESTMENTS OPERATING COMMITTEE

10. The Centre Financial Investments Operating Committee shall consult and pool their best judgments. This should result in generating additional revenues to the University.
11. The Centre Financial Investment Operating Committee shall recommend investments to the University Centre Management, in accordance with the policies and guidelines determined by the University Financial Investment Advisory Committee.
12. The Centre Financial Investments Committees shall explore mechanisms whereby there may be joint investments of specific areas of the Campus/Centre portfolios in order to obtain optimal returns and economies of scale. Such mechanisms shall ensure the continuity of the identification and accountability of the portfolio of each Campus / Centre.
13. The University Financial Investment Advisory Committee shall review the investment decisions of the four (4) Financial Investments Operating Committees in every meeting and revise the guidelines, as may be necessary.
14. Business community members of the Centre Financial Investment Operating Committee may channel their inputs into the investment process between meetings to the University Centre Management.

FINANCIAL PROCEDURES AND GUIDELINES

FINANCIAL INVESTMENTS – CHAPTER 9

RISK

- 15.** The risk of increasing volatility of the capital markets, combined with rapid changes in the global economy, make weighing risks as important as anticipating the rewards of investing. A carefully calibrated risk-conscious portfolio should be targeted in order to achieve the delicate balance between risk and reward.
- 16.** The Campus and Centre Financial Investments Operating Committees shall take into consideration risks, which are described as inherent, and cannot be avoided. These include:
- Income risk: varying rates of return on the same investment;
 - Capital risk: varying values of the invested capital in the market;
 - Default risk: where there is a contractual obligation to pay income or capital, the possibility that this will not be paid;
 - Bankruptcy
risk: total loss from liquidation or bankruptcy;
 - Unsystematic
risk: risks arising from problems encountered by the company only and not by the market, e.g. strikes, production problems, marketing problems, etc.
 - Systematic
risk: risk affecting the market because of inflation, high interest rates on borrowing, Government's economic policies, high taxes and levies, economic conditions, etc.
- 17.** To spread the risks, the portfolio shall be diversified. Investment decisions shall take into consideration the *following* investment guidelines.
- Country's economic programmes and stability;
 - Free foreign exchange flow/restrictions;

FINANCIAL PROCEDURES AND GUIDELINES

FINANCIAL INVESTMENTS – CHAPTER 9

- Movements in exchange Rates
- Inflation;
- Liquidity of the investments;

INVESTMENT PORTFOLIO

18. While no hard and fast rule can be laid down as to the types of investments and portfolio mix, investment decisions shall weigh the risks and rewards and balance them.

FUND MANAGERS AND STOCK BROKERS

19. Selection of Fund Managers and stock brokers shall be from among the reputable managers in the financial market. Performance standards for the fund managers and stock brokers should be established against standard benchmarks.
20. The tax-exempt status of the University shall be clearly brought to the attention of the fund managers to ensure that the University recovers the taxes withheld without undue delay.



CHAPTER 10



INVESTMENT IN BUSINESS ENTERPRISES – CHAPTER 10

GENERAL**INVESTMENT IN BUSINESS ENTERPRISES**

- 01.** Investments by the University of the West Indies in new business enterprises involve the following types which will need a separate set of applicable procedures:
- (a) investments in commercial projects/business enterprises that involves a third party
 - (b) enterprise initiatives that fall outside of the third-party component (i.e. non third party ventures)

SUBMISSION OF PROPOSALS**PROCEDURES**

- 02.** The preparation of an initial Request for Proposals (RFP's) and competitive bidding documents for third-party entities regarding potential business enterprises shall be done through the Finance Officer at the Business Development Office, or Bursary or Office of Finance who should liaise with the Campus Legal Unit to ensure that the RFP's are within the legal boundaries.
- 03.** The identification of appropriate third-party entities to be involved with the commercial business enterprise and dispatch RFPs to prospective third-party shall be done through the Business Development Office or Bursary or Office of Finance.
- 04.** The Business Development Office or Bursary or Office of Finance shall receive all proposals from interested third parties and evaluate, prepare calculations and preliminary estimates of income flows (revenues and expenditures) and to conduct preliminary negotiations with prospective third parties and prepare draft a contract.
- 05.** The Business Development Office or Bursary or Office of Finance shall collate any draft contract or agreement examined and approved by the Legal Unit before signing.
- 06.** The Business Development Office or Bursary or Office of Finance shall collate revised contract, RFP and third-party's proposal and send to the Office of Finance (University Bursar) for final review and sign off.
- 07.** New business ventures shall be received by the Office of Finance for review, and signoff, thereafter forward to the Campus Principal or Vice Chancellor (depending on the projects size) for comments and recommendations.

INVESTMENT IN BUSINESS ENTERPRISES – CHAPTER 10

08. The Vice Chancellor or Campus Principal to review and comment on the proposal and recommendations.
09. The Business Development Office or Bursary or Office of Finance shall prepare details of the project for submission to F&GPC for final approval, after review by the Campus Principal or Vice Chancellor.
10. Depending on the size of the project, similar project details (as submitted to F&GPC) should be prepared for submission to UGC for final approval by the Business Development Office, or Bursary or Office of Finance.
11. The responsible Officer at the Business Development Office or Bursary or Office of Finance shall receive as applicable from Campus Principal/F&GPC/UGC on project before concluding contractual arrangements with the prospective third-party entity.
12. The responsible Officer at the Business Development Office or Bursary or Office of Finance shall put in place appropriate measures to effectively provide project oversight (especially where a new building is being constructed) , collection of lease payments and marketing, where applicable.
13. The Bursary or Office of Finance shall prepare periodically appropriate reports on the financial returns from the involvement with the third-party business enterprises.

INVESTMENT IN BUSINESS ENTERPRISES - (NON THIRD PARTY COMMERCIAL VENTURES)

14. Non-third party commercial ventures, have the potential to involve substantially higher levels of capital injection or direct loan requirements by the UWI campuses. Initiatives for non-third party commercial/business ventures, invariably carry higher levels of financial risk and therefore should be subject to more detailed scrutiny before implementation. Non-third party business enterprises include for example, the Rex Nettleford Hall, and the Mona Visitors' Lodge in the case of the Mona Campus. For Post-implementation, there will be the issue of providing ongoing financial management and administrative oversight. Appropriate structures and systems should be adhered to, in order to ensure that adequate procedures apply to both the pre and post implementation procedures related to the UWI's investment in non-third party new business ventures.

INVESTMENT IN BUSINESS ENTERPRISES – CHAPTER 10

PROCEDURES

15. The responsible Officer at the Business Development Office, or Bursary or the Office of Finance shall receive initial request from proposers regarding establishing/developing a non-third party commercial/business enterprises
16. The responsible Officer of the Business Development Office, or Bursary or the Office of Finance shall prepare preliminary calculations and estimates of investment required (capital cost), income flows (revenues and expenditures), etc.

**INVESTMENT IN BUSINESS ENTERPRISES
(THIRD PARTY COMMERCIAL VENTURES)**

17. The responsible Officer of the Business Development Office/Bursary/Office of Finance shall discuss with the project sponsors, with objective of making possible changes to project scope, design and optional funding arrangements. If initial projections indicate that the project is not financially feasible.
18. The responsible Officer of the Business Development Office/Bursary/Office of Finance shall ensure that the project projection initially indicates feasibility and if so undertake more detailed feasibility study, including cash-flow projections, capacity utilization studies among others.
19. The responsible Officer of the Business Development Office/Bursary/Office of Finance shall obtain initial approval for the project after discussion with the respective campus entities.
20. The responsible Officer of the Business Development Office/Bursary/Office shall prepare initial Request for Proposals (RFP's) from third party entities for potential business enterprises.
21. The responsible Officer of the Business Development Office/Bursary/Office BDO Finance Officer shall liaise with the Legal Unit to ensure that the RFP's are in order.
22. All proposals for investments in new commercial ventures and major expansion of existing commercial ventures, of a Campus, shall be submitted to the Campus Principal through the Campus Bursar, with detailed Project Document, which shall, inter alia, include Feasibility Study, Cash Flow Analysis, Sources of Financing, and other critical factors. They shall review the proposal and record their comments. Such proposals shall not involve committing funds from the University, unless the Governments have indicated their willingness to fund such proposals for financing.

INVESTMENT IN BUSINESS ENTERPRISES – CHAPTER 10

23. Proposals involving an investment of over US\$100,000 shall be submitted by the Campus Principal(s) to the Vice Chancellor, through the University Bursar, for approval.
24. All proposals for investments in new commercial ventures and major expansion of existing commercial ventures, of the Centre shall be submitted to the Vice Chancellor through the University Bursar, with detailed Project Document.
25. The Project Document shall, inter alia, include Feasibility Study, Cash Flow Analysis, Sources of Financing, and other critical factors. They shall review the proposal and record their comments. Such proposals shall not involve committing funds from the University, unless the Governments have indicated their willingness to fund such proposals for financing, The Vice Chancellor may, at his discretion, refer any such investment proposal for consideration and comments by the University Investments Committee or the University Investments Sub-Committee.

MISSION STATEMENTS

26. There shall be a Mission Statement for each commercial operation of the University, clearly defining the objectives and expectations. Proposals for such ventures shall be made including:
 - Project Report;
 - Feasibility Report;
 - Organizational Structure;
 - Fund Flow Statements;
 - Investment Appraisal using the techniques of Pay Back Method, Discounted Cash Flow, etc.;
 - Sources of funds, both for capital and working capital;
 - Projected Profit and Loss/Income and Expenditure Statements and Balance Sheet for five years; and
 - Cost of capital.

INVESTMENT IN BUSINESS ENTERPRISES – CHAPTER 10
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27. Where the viability of the proposal is established and financing of the project has been recommended by the University Investments Committee, the Finance and General Purposes Committee may approve such projects, or decide otherwise with reasons.

Each business plan shall clearly identify the proposed source of funding for each investment. All University investment in business enterprises should be submitted by the Vice Chancellor to the University Finance and General Purposes Committee for approval.

FINANCIAL VIABILITY

28. Where the operations of the commercial ventures prove viable, such cases should be identified and brought to the immediate attention of the Campus Principal and the Vice Chancellor. A report shall be presented on such units in the next meeting of the Finance and General Purposes Committee (Campus and Centre).
29. Where a commercial activity is not expected to generate surplus, because of the development stage and gestation period, Operational Plans shall be drawn for future years when the unit is expected to declare a return on the investment from the surplus, after wiping off the cumulative deficits.
30. Additional investments or cash outlay in existing ventures shall be supported by detailed justification and a revised Business Plan and similar to an original Business Plan. The same approval process as required by an original investment shall be followed for additional investments.

ACCOUNTS AND REPORTS

31. The accounts of commercial ventures shall be maintained and presented in a similar manner in accordance with best accepted business practices.
32. In respect of investments in business enterprises, the Finance and General Purposes Committee shall compare the operations and operating results against the projections, budgets and plans, and review them with their mission statements and purpose for which they were established. In reviewing the profitability of the enterprises, the Audited Final Accounts, the Report of the Management, and the Auditors Report shall be considered. A summary of review by the Finance & General Purposes Committee shall be submitted to the next meeting of the University Finance And General Purposes Committee.
33. Where there are projects within a commercial venture, separate modules shall be prepared for each project e.g., in the case of the Press, each Book shall be treated as a Project and profitability or otherwise of each project shall be analyzed. Each module shall be a Profit Centre.

INVESTMENT IN BUSINESS ENTERPRISES – CHAPTER 10

34. In keeping with prudent policy interim statements shall be prepared by the commercial ventures, at least half-yearly, so as to ensure their directions in the planned growth path.
35. Commercial operation Centres of the University shall prepare the Final Accounts, which shall include:
- Manufacturing, Trading, Profit & Loss accounts; or
Income & Expenditure Account (depending on the type of the venture);
 - Balance Sheet;
 - A Comparative Analysis of Budgets and Actual;

Together with:

- The Mission Statement of the venture;
- Report of the Management; and
- Auditors Report

These shall be presented as supplementary to the University's Annual Accounts (Campus, Centre and Consolidation) at the same time as the Annual Audited Accounts are presented.



CHAPTER 11



CASH AND BANKING – CHAPTER 11

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GENERAL

- 01.** University Bursars/Campus Bursar shall ensure that all monies received on University account are properly accounted and lodged with the bank with the least delay. All receipts should be lodged into the bank on the next working day following receipt.
- 02.** All revenues received for and on behalf of the University, including Endowment Funds, Project Funds, Departmental Consultancy Funds, Trust Funds and Deposits, shall be deposited to authorized bank accounts.

OPENING BANK ACCOUNTS

- 03.** The University and Campus Finance and General Purposes Committees have the authority to:
 - (a) Authorize the opening of Bank Accounts in the University’s name including the names of departments and special projects.
 - (b) Designate authorized Signing Officers for cheques and negotiable instruments.
- 04.** Bank Accounts must receive the approval of the Finance and General Purposes Committee before the account is opened. Chapter 10 of the Financial Code clearly states: All Bank Accounts shall be opened in the name of the University, only after approval by the Finance and General Purposes Committee (Campus/Centre), following established procedures. In extenuating circumstances the Chair of the respective Finance and General Purposes Committee shall give authority. Such authority must be ratified at the next meeting of the respective Finance and General Purposes Committee.
- 05.** No Department, Office, Revenue Centre, Profit Centre, Auxiliary Service Centre or member of staff of the University shall open a Bank Account with respect to transactions of the University and operate the same outside the provisions of the Financial Code, and those contained in the Procedures and Guidelines. Violation of the above request could result in sanctions.

CASH AND BANKING – CHAPTER 11

BANK SIGNING AUTHORITIES

- 06. There shall always be a minimum of two signatories to the operation of any bank account of the University.
- 07. The signatories to the operation of any bank account of a Campus shall always include the Campus Bursar and/or his nominees, Campus Principal, and the Campus Registrar.
- 08. In the operation of any Campus bank account , it is mandatory that the Campus Bursar or a signatory who is a senior staff member of the Bursary shall always be the actual signatory to any bank transaction.
- 09. The signatories to the operation of any bank account of the Centre shall always include the University Bursar and/or his nominees, the Vice Chancellor, and the University Registrar.
- 10. In the operation of any bank account of the Centre, it is mandatory that the University Bursar or a signatory who is a senior staff member of the Office of Finance shall always be the actual signatory to any bank transaction.

BANK RECONCILIATIONS

- 11. Monthly bank reconciliations must be prepared by the end of the following month in accordance with standards of accounting practices for each bank account.
- 12. The reconciliation must be signed, dated, filed and passed to the Accountant or Senior Manager, or Campus Bursar for approval. After review by the appropriate staff member at the Bursary, the reviewer must sign and date the reconciliation. The review shall be completed within five (5) working days of receipt by the reviewer.
- 13. All outstanding monies (cheques and deposits) must be followed up on a monthly basis. Equally, special investigation must be done to identify any deposits/remittances to the University’s bank accounts for which there is no clear identification.

CASH AND BANKING – CHAPTER 11

SHORT-TERM INVESTMENTS OF SURPLUS CASH

- 14.** The management of cash and cash equivalents shall be organized in such a way that funds which are not required for immediate use, are invested to optimize revenues until the funds are required. In the investment of such funds, accountability and liquidity must be considered. University Bursar /Campus Bursars shall invest funds in such investments and for such periods in accordance with approved procedures and guidelines.
- 15.** Bank balances shall be monitored on a continuous basis to avoid unauthorized overdraft balances on which interest charges will be incurred.
- 16.** In respect of bank balances (local and foreign), efforts shall be concentrated on earning interest on the balances left in the accounts (after investment of funds not required immediately). Where no interest is being earned on credit balances, arrangements shall be made for a daily sweep from those accounts to an interest bearing account. If interest is not charged on credit balances, or a daily sweep facility is not available with the present bankers, consideration should be given to moving the account to another reputable bank offering such facility.
- 16a.** To obtain the benefit of highest interest rates available on deposits and bank accounts, with due regard to risk versus returns, a review of current market rates offered by different financial institutions and the market shall be conducted, to form the basis for negotiation with the bankers.

REPORTING

- 17.** The University Bursar shall monitor treasury management of the Centre. With respect to the Campus, there should be a mechanism whereby the University Bursar is informed by the Campus Bursar about difficulties/shortfalls of the Campus on an exception basis. This should form part of the reporting by the University Bursar to the Vice Chancellor.
- 18.** Campus Bursar shall monitor treasury management including cash flow projections and forecasts of the Campus for prudence and variance.
- 19.** The responsibility for the preparation of the above report devolves on the following persons:

University/Bursar or designated Senior Staff Member

Campus Bursars or designated Senior Staff Member

CASH AND BANKING – CHAPTER 11

20. Each Campus Bursar, and the University Bursar (in respect to Centre) shall be responsible for the preparation of the Financial Statements/Reports that are reported on a four-monthly basis. This should be a comprehensive report which should include information essential to the proper management of the University and in accordance with the professional accounting standards.

CASH RECEIVING AND LODGEMENT

22. To ensure that all amounts received are accounted for accurately and on a timely basis, the following procedures must be adhered to.
- 22a. All amounts received must be reconciled and lodged intact no later than the next working day.
23. A receipt must be issued to each customer, at the time the money is received. Until the system is operating more efficiently, manual receipts should be used along with computer receipts.
24. All receipts must be filed in numeric sequence.
25. A Cashier's report must be prepared for the lodgments made on a daily basis. The report should indicate receipt number, amount, bank account to which lodged. The report should separate foreign and local currency.
26. The coding of the receipts must be checked to the source documents. Errors in coding are to be corrected immediately and the session finalized in Banner Finance.
27. All lodgments are to be placed by the designated Supervisor, at the Campus/University Centre in the lodgment bag, the bag closed, and delivered to the bank by Custodian, Office Services or the Driver. (If the deposit includes a large amount of cash, a Security Officer should be requested to escort the bearer to the bank.)

PREPARATION AND DISPATCHING CHEQUES

28. Cheques are generated at each Campus and the Office of Finance on agreed days.
29. Provision is made for additional runs to be effected as necessary when authorized or requested by the University Bursar, Campus Bursar, Accountants or Accounting Supervisors.

CASH AND BANKING – CHAPTER 11

30. Printed cheques must have supporting documentation (relevant Vendor Invoices, or other authorized correspondence) attached, and are placed in file folders labeled by bank code and date before signatures are affixed.
31. Cheques should be sorted and dispatched within five clear working days after signatures are affixed. The responsible officer should provide a listing of all cheques not dispatched within these guidelines.

LOCAL CHEQUES

32. Cheques for subsistence, imprest, staff refunds and students are placed in envelopes and passed to the Cashier section for collection by payee or an authorized person. The Supervisor or designated clerk signs the dispatch copy of the register to acknowledge receipt.
33. All cheques passed to the Cashier for collection should either be sealed or a copy of the voucher (or duplicate of the cheque form) attached to the envelope. This voucher or register is signed by the person collecting the cheque to acknowledge receipt or the receiver on identification signs in a Cheque Register to acknowledge receipt of payment.
34. Cheques for utility payments are sent by hand.

INTERNATIONAL CHEQUES/ DRAFTS

35. Cheques drawn on overseas bank accounts should be recorded on the form provided and passed to any other Secretary or Stenographer/Clerk as designated for dispatch.
36. Cheques requiring the purchase of foreign exchange through a local bank should be entered in the Delivery form provided and sent by hand to the bank.
37. On return from the bank, the drafts are checked for correctness, and any adjustments due to exchange rate differences are journalized.
38. The Drafts/Cheques for dispatch form is prepared and passed to the Stenographer/Clerk for dispatch.

PERSONAL CHEQUES

39. Personnel and salary cheques are delivered by the Cashier on presentation of some form of identification or relevant authority.

CASH AND BANKING – CHAPTER 11

40. Paid cheque vouchers, i.e. the duplicate copy of the cheque form, should be batched for filing daily.
41. Cheques not collected within five working days of the cheque date should be reported to the Supervisor (Liaise with the Accounts Payable Section in this matter).

DOCUMENT FILING

42. The voucher i.e. the triplicate of cheque form should be placed in a labeled folder box and passed to the Records Manager for filing.

PREPARATION AND DISPATCHING CHEQUES

43. Payment of Foreign Orders may be requested by one of the following methods:
 - (i) Sight Draft drawn on a local bank. (Forms of advance payment since the original documents which are required for clearance of goods are sent direct by the supplier to the Bank and are only released when the Bank has been paid. Duplicate copies of Invoices are sent to the Bursary in advance, to facilitate processing of orders).
 - (ii) Establishment of an Irrevocable Letter of Credit. (Once the Letter of Credit is established with the local Bank it is confirmed with the supplier's bankers and the goods are then dispatched. The Supplier is then able to draw on his Bank. A Letter of Credit can only be established for three (3) months in the first instance, but may be renewed or extended, if necessary).
 - (iii) Payment in advance. (Pro Forma Invoice must first be submitted).
 - (iv) Payment by cheque or draft, after receipt of goods.

**BANK ACCOUNTS OF THE UNIVERSITY CENTRE -
FOR GOVERNMENT CONTRIBUTIONS.**

44. These Bank Accounts fall into two (2) categories, (1) The Control Transit Bank Accounts, (2) Operating Bank Accounts.

The Control Transit Bank Accounts are maintained to record the receipt and allocation of

CASH AND BANKING – CHAPTER 11

recurrent contributions from Governments and are accounted for in the Books of the University Centre.. The billing and collection of recurrent contributions is managed directly by the /University Bursar/his designee in the Office of Finance. The allocation of these cash proceeds to the UWI Beneficiaries is similarly managed by the /University Bursar/his designee in the Office of Finance to ensure that cash is allocated equitably.

The Campus Bursars convey the instructions, as agreed to the Local Banks, and liaise as necessary with the Banks and the Office of Finance.

THE OPERATING BANK ACCOUNTS

45. The University Centre at each Campus is entitled to its share of recurrent contributions, allocated from the Control Transit Accounts, and to other sources of funds budgeted to finance its annual operations. These resources are deposited in each case into the Operating Bank Account.
46. The Campus Bursaries at St. Augustine and Cave Hill are by agreement responsible for the day to day operations of the Operating Bank Accounts of the University Centre, held in those countries. The Agreement includes the activities listed below and is guided by the financial framework communicated annually by the University Bursar, or his designee, for budgeted activities.
47. The Campus Bursaries at St. Augustine and Cave Hill perform the following functions with respect to the Centre's accounts:
 - Maintain and manage under the direction of the Office of Finance, the cash resources of the University Centre in the designated Bank Accounts.
 - Ensure the integrity of transactions and balances reported in the accounts of the University Centre.
 - Keep the transactions of the University Centre separate from those of the Campus;
 - Exercise overall Budget Control for the University Centre;
 - Ensure that coding of the transactions are accurate and postings to the accounts are correct;
 - Account for the transactions of the University Centre discretely from those of the Campus, by keeping a separate identity for the University Centre in the Books of Account;
 - Process receipts by issue of separate receipt for the receipts of the University Centre, and ensure prompt lodgment into the appropriate bank account;
 - Process requests for payments, prepare cheques on the appropriate bank account, and arrange delivery of the cheques to the payees;
 - Monitor sufficiency of funds in the bank accounts to meet payments authorized from each bank account;

CASH AND BANKING – CHAPTER 11

- Receive Bank Statements and Bank Advices from the Banks for each University Centre Bank Account and University Centre Operating Account in each Campus.
- Prepare Bank reconciliation Statements for the University Centre Bank Accounts for which the Campus is responsible;
- Follow up with the Bank for outstanding items in the Bank Reconciliation Statement, until the items are removed from the Bank Reconciliation Statement;
- Prepare Journal Entries to reverse stale-dated cheques;
- Seek specific approval from the /his designee on non-routine/ non-budgeted items.

BANK ACCOUNTS OF THE UNIVERSITY CENTRE HELD AND/OR OPERATED BY THE UNIVERSITY CENTRE

48. The University Centre assumes full responsibility for its financial operations in Jamaica, through the Office of Finance.
49. The Office of Finance manages fully the Control Transit Bank Accounts established for the recurrent contributions from contributing Governments which make payment directly to the Office of Finance, University Centre.
50. The Office of Finance directly manages the University Centre's Operating Accounts except those operated by the Campuses.
51. The Office of Finance liaises, as necessary with the Mona Campus Bursary on the costing/re-imburement of services provided, e.g. for the payroll of the University Centre.

INTER-ENTITY BANKING ARRANGEMENTS

52. Each Campus, the University Centre and the University Hospital of the West Indies (UWI beneficiaries) shall operate at least one bank account denominated in the respective currencies in which Recurrent Contributions are paid/received.
53. Each such Bank account shall be designated for the receipt of the Beneficiary's entitlement of recurrent contributions receivable from all Contributing Governments which fund its operating budget.



CHAPTER 12



CAPITAL EXPENDITURE AND CAPITAL ASSETS – CHAPTER 12

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GENERAL

- 01.** Capital expenditure is expenditure of more than US\$500 which provides benefit which have a useful life exceeding three years. However, the University Bursar / Campus Bursar may from time to time deem certain specific items of furniture and fixture and equipment to be capital expenditure despite their being under US\$500.

- 02.** No member of the Authorities of the University shall take or hold any interest in any property owned/held by the University, otherwise than as a Trustee for the purposes thereof.

The Authorities of the University shall be the University Council, Campus Councils, the Senate, the Guild of Graduates and such other bodies as may be prescribed by Statute.

The above provision equally applies to all Officers and members of staff of the University.

- 03.** It shall also be the responsibility of each Principal Budget Holder and Budget Holder to ensure that they have a list of all capital assets under their control and that each item has its Identification Number, and Identification Tag.

- 04.** Where the maintenance or operation of an asset is regulated by a law of the land, the Principal Budget Holders/Budget Holders controlling such assets, shall ensure compliance with the legal requirements, such as licence, fitness, taxes, etc

UNIVERSITY VEHICLES

- 05.** With respect to vehicles owned or in the control of the University (Project Vehicles), the name of the University and the Department/Project to which the vehicle(s) belong shall be painted in bold letters, on the body of the vehicle(s).

- 05a.** This rule does not apply to the vehicles provided to Officers of the University who are entitled to vehicles provided to them by the University as part of their employment contract.

- 06.** A log book shall be maintained for each vehicle to record the journeys and the mileage, duly signed by the user. Periodically, the Principal Budget Holder/Budget Holder shall check the log book (either done by himself or through another member of the staff in his

CAPITAL EXPENDITURE AND CAPITAL ASSETS – CHAPTER 12

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Office/Department delegated with the responsibility) to ensure that there is no misuse of the vehicle.

DISPOSAL OF ASSETS

- 07.** Disposal of capital assets (in good condition or otherwise) shall be made only after following the prescribed procedure of calling for limited tender/tender/quotations.
- 07a** For the disposal of any capital asset a Board of Survey shall be appointed by the Campus Bursar and University Bursar comprising no less than three persons.
- 08.** Heads of Department / Units shall advise the University Bursar/Campus Bursar as soon as it is determined that a capital asset under custody and control of the Department / Unit should be disposed of.
- 09.** The University Bursar / Campus Bursar shall take whatever steps necessary to allow the University to obtain the highest price for the capital expenditure. This shall be in accordance with any agreement or understanding which may be relevant to the disposal.
- 10.** The Board of Survey shall inspect the asset and based on the information produced by the Bursary provide a written recommendation to the University Bursar or Campus Bursar.
- 11.** Where an asset is sold or transferred by the University, after following the proper procedure, the Principal Budget Holder/Budget Holder shall ensure that the title to such assets are transferred to the new owner, to avoid any liability arising there from after the sale or physical transfer.
- 12.** The value of such transferred assets, including accumulated depreciation shall be removed from the Asset value and from the Register of Fixed Assets, by appropriate remarks and accounting entries.

CAPITAL EXPENDITURE AND CAPITAL ASSETS – CHAPTER 12

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DONATED ASSETS

- 13. Assets which are donated by donors, either in cash or kind, and assets allowed to be retained by the University after the completion of a Project, shall be brought into the accounts of the University as gifts and the net book value on the date of transfer shall be capitalized.
- 13a. The University Registrar/Campus Registrar and the University Bursar/Campus Bursar shall ensure completion of the procedural formalities connected therewith.
- 14. Upon completion of each Special Project the Principal Investigator must advise the Bursary of any assets which are to leave the University.

INSURANCE

- 15. The Campus Bursar/University Bursar, shall coordinate together with the Campus Principal, Vice Chancellor, and the Estate Manager and provide the necessary information required by the Finance and General Purposes Committee to arrive at a decision in formulating the Insurance Policy for each year.
- 16. The Insurance charges shall be apportioned between the Cost Centres, Revenue Centres, Profit Centres, Auxiliary Service Centres, and Projects, in proportion to the insurance premium related to the insured value of each.
- 17. Losses covered by insurance cover shall be recovered by filing a claim with the Insurance Company, following the procedure outlined by the Insurance Company. The Principal Budget Holder/Budget Holder shall initiate the proceedings by advising the Campus Bursar/University Bursar for taking up the matter with the Insurance Company and claim the compensation.

CAPITAL EXPENDITURE AND CAPITAL ASSETS – CHAPTER 12

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SECURITY AND SAFE-CUSTODY

- 18. Each Principal Budget Holder and Budget Holder shall be responsible for the proper maintenance and up-keep, and security of the assets under his domain. He can delegate this function to another academic, or other Administrative staff, not below the rank of Administrative Assistant/Office Manager. However, the Budget Holder shall retain responsibility for the overall compliance with the requirements and must exercise supervision.

DEPRECIATION AND AMORTIZATION

- 19. Depreciation on assets shall be charged in the accounts at the rates approved by the University Finance and General Purposes Committee from time to time, on the advice of the University Bursar.
- 20. The normal wear and tear by use of the fixed assets in each year is charged as an expense during the year by way of an annual depreciation charge.
- 21. Unless otherwise circumstances warrant, depreciation shall be charged on assets using Straight Line Method.
- 22. The Annual Depreciation Value shall be charged to the relevant Cost Centre, Revenue Centre, Profit Centre, Auxiliary Services Centre, and Project.
- 22a. The rates to be used for the purposes of accounting shall be communicated in writing by the University Bursar.
- 23. Since the University applied the Government system of accounting for replacement of assets by charging them to revenues, the University shall arrange for a physical stock-taking of all the fixed assets in the entire University and appraise their fair current value which shall be brought into the accounts. This value shall be used as the capital value of each asset and depreciated annually.
- 24. With respect to Assets for which the value cannot be determined (such as donated assets or assets for Special Projects) these should be valued independently for purposes of recording into the accounts.

CAPITAL EXPENDITURE AND CAPITAL ASSETS – CHAPTER 12

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CAPITAL ASSET REGISTER

- 25.** Each Campus Bursar shall maintain a Register of Fixed Assets, separately for each category of Fixed Assets (Annexure 11).

Each Register shall indicate for each asset:

- (a) Full description of the asset;
- (b) Date of Purchase/acquisition;
- (c) Supplier Information
- (d) Reference to Voucher/document and value;
- (e) Identification Number;
- (f) Location;
- (g) Insurance coverage details and Insured Value;
- (h) Depreciation Rate;
- (i) Depreciation by each year and Accumulated Depreciation;
- (j) Net Book Value at the end of each financial year; and
- (k) Any other significant information.

CAPITAL EXPENDITURE AND CAPITAL ASSETS – CHAPTER 12

ANNEXURE 11.

CATEGORY OF FIXED ASSETS

- (a) Land;
- (b) Buildings;
- (c) Laboratory Equipment;
- (d) Laboratory Furniture and Fixtures;
- (e) Lecture Room Furniture;
- (f) Scientific Equipment;
- (g) Office Equipment;
- (h) Office Furniture and Fixtures;
- (i) Motor Vehicles;
- (j) Tractors and Agricultural/Farm Equipment;
- (k) Computers;
- (l) Library Books;
- (m) Tools;
- (n) Household Equipment (like Fridge, Cooker, etc.);
- (o) Kitchenware (Halls); and
- (p) Kitchenware.

CAPITAL EXPENDITURE AND CAPITAL ASSETS – CHAPTER 12

INVENTORY OF CAPITAL ASSETS

- 26.** The Campus Bursar/University Bursar shall ensure that physical stock-taking of existing assets is carried out. Along with the physical stock-taking procedure the Campus Bursar/University Bursar shall ensure that all existing assets are tagged with unique Identification Numbers.
- 27.** Each Campus Bursar, in consultation with the Campus Principal, University Management Auditor and External Auditors, shall arrange for independent physical check of selected inventory/stock at the end of each financial year. Specifically identified categories would include furniture, fixtures, and equipment which meet the definition of fixed assets
- 28.** Reports of Stock-taking (including Capital assets), indicating discrepancies and value of such discrepancies, shall be submitted to the Campus Principal/Vice Chancellor by Campus Bursar/ University Bursar. With respect to the Centre, the Manager for Accounting and Financial Operations shall be responsible for this report. Investigations of losses from shortages of inventory shall be conducted and write-offs shall be done only with the approval of the Competent Authority (Campus/University Bursar).



CHAPTER 13



ACCOUNTS AND REPORTS – CHAPTER 13

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ACCOUNTABILITY AND TRANSPARENCY

- 01** There is growing demand from the University stakeholders for greater accountability and transparency in the presentation of financial information and supporting narration. The University shall ensure compliance with this requirement.
- 02.** All members of staff are required to adhere to established Policies, Procedures and Practices, Generally Accepted Standards of the Accounting Profession, and the Canons of Financial Propriety.
- 03.** Compliance with the requirements of transparency and accountability is facilitated by the systems of Internal/Management Audit, External Audit and systems of internal control. Compliance is exhibited in the presentation of the information in the required format, by supporting details, and by prompt attention and satisfactory replies to queries on them.
- 04.** Since the terms Accountability and Transparency are abstract and subjective, the staff members and the reviewer of the information has to satisfy themselves by obtaining such additional information and explanations as they may consider necessary.
- 05.** The management of the financial affairs of the University shall be conducted in conformity with the Statutes, Ordinance, Financial Code and these Financial Procedures and Guidelines. It shall also be in accordance with the policies.

ACCOUNTING FUNDS

- 07.** The various fund accounting group in the University system of accounting include:
 - Operating Funds (UGC)
 - Endowment Funds;
 - Special Projects (external donors)
 - Auxiliary Funds – such as (bookshops, halls of residence, commercial operations)
 - Capital Funds.
 - Other Projects (externally and internally generated)

ACCOUNTS AND REPORTS – CHAPTER 13

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- 08.** Operating Funds are funds available for use in carrying out the operations directly related to the institution,
 - 09.** Endowment Funds are funds for which donors or other External Agencies have stipulated, as a condition of the gift that the principal is to be maintained intact. The use of the income may be restricted by the donor; if so, the income is considered as an addition to the Fund. If the use of the income is unrestricted, the income is considered to be the revenue of the Current Fund - Unrestricted
 - 10.** Term Endowment Funds are similar to Endowment Funds, with the exception that the conditions of the gift provide that the assets are released from inviolability to permit all or a part of them to be expended on the happening of a particular event or the passage of a stated period of time.
 - 11.** Internal Endowment Funds are Funds functioning as Endowment Funds, established by the Campus Councils/University Council for assets to be retained and invested. Since they are Council-designated funds, the income may be utilized at the discretion of the Council(s).
 - 12.** Life Income Funds are used to account for assets given to the University under agreements that bind the institution to pay periodically to the donor(s), or other designated individuals, the total income earned by the donated assets for a period of time, usually the lifetime of the income beneficiaries.
 - 13.** Capital consists of:
 - (a)** Unexpended Capital Funds representing funds set aside for the acquisition of fixed assets for University purposes;
 - (b)** Funds for Renewal and Replacements of properties set aside for the renewal and replacement of existing institutional properties;
 - (c)** Funds for retirement of Indebtedness representing capital assets acquired by borrowings. These are Funds set aside for debt servicing, the repayment of principal and interest, as and when they accrue.
 - 14.** Funds may be restricted or unrestricted. Restricted Funds are those where a legal restriction is placed on the use of funds or the income from such funds.

ACCOUNTS AND REPORTS – CHAPTER 13

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15. The University shall maintain its accounting records so that the Income and Expenditure statements and balance sheets may be prepared for each fund group.

PUBLISHED ACCOUNTS

16. The University's Accounts are to be prepared in accordance with such accounting standards approved by the Finance & General Purposes Committee. Since 2007 the approved accounting standards have been the International Financial Accounting Standards (IFRS)
17. Each Campus Bursar shall present the Draft Annual Audited Accounts and a report to the Campus Audit Committee. The Campus Accounts shall be signed by the Campus Bursar and the Principal after compliance with the procedures outlined in Chapter 14.
18. The University Bursar shall present the Draft Annual Audited Accounts and Annual Appropriation Accounts of the Centre, covering all Centre activities, irrespective of the location where the expenditure or revenue takes place or where the accounting takes place, to the University Audit Committee. The Accounts of the Centre shall be signed by the University Bursar and the Vice Chancellor after compliance with the procedures outlined in Chapter 14.
19. The University Bursar shall also present the Draft Annual Audited Consolidated Accounts and a Bursar's Report for the University to the University Audit Committee. The accounts will be signed by the University Bursar and the Vice Chancellor after compliance with procedures outlined in Chapter 14.
20. The main objectives of the published Financial Accounts, Statements, Reports and statistical information of the University (Campus, Centre and Consolidated Accounts) shall be to provide the following information to the users and stakeholders:
 - (a) The results of the financial activities and the financial position of the Campus/Centre/University in sufficient detail for an understanding thereof;
 - (b) The income from all sources within the period of the accounts, grouped by fund category;
 - (c) The expenditure by each Cost Centre. The expenditure grouping shall fall in line with the budget lines, so that meaningful Appropriation Accounts are prepared

ACCOUNTS AND REPORTS – CHAPTER 13



and presented for each Campus and the Centre;

- (d) The assets and liabilities of the Campus, Centre and the University classified by fund groups, in the prescribed format;
 - (e) The financial health of the Campus, Centre and the University, adequacy of the working capital and capital funds; solvency or otherwise, budget management and control, and investment performance.
- 21.** Detailed Schedules of related financial statement balances shall be published. The schedule shall include the accounts of each project and the Annual Audited Accounts of Auxiliary Service Units and Commercial Enterprises

COMMERCIAL ENTERPRISES AND AUXILIARY ENTERPRISES

ACCOUNTS AND REPORTS – CHAPTER 13
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22. In the case of Auxiliary Units, Revenue Centres and Profit Centres, whether operated as a department or as Company, each such unit is expected to be financially self-sufficient and generate a surplus. In view of this, each Unit is required to prepare annually an Operating Plan for the coming year, and for the next three years, indicating how it will fulfill the objectives of financial self-sufficiency and generating a surplus.
23. A management committee will examine the budgets and plans of these units and compare with the actual operating results. A Performance Review Analysis will be conducted annually by the Unit's Managers and a report submitted on each to the relevant Bursar/Principal or Vice Chancellor. Special attention will also be given to the examination of Accounts Payable, Accounts Receivable, Stocks at the beginning and end, and determination of price(s) with reference to the pricing policy.
24. Each unit operated on the principle of self-sufficiency and generating a surplus, shall produce separate Final Accounts with a Report from the Management and a Report from the Auditors. These accounts shall form part of the Final Accounts of the University. These accounts may be subject to audit by the University Management Auditor and the External Auditors.

ACCOUNTS

25. The Final Accounts of the Campuses/Centre/University, with the detailed supporting schedules thereto, the Final Accounts with supporting schedules in respect of the Accounts of Projects, Auxiliary Service Units, and Commercial Enterprises/Ventures shall be ready for audit within the agreed deadlines.
26. Audit of the Accounts and Schedules by the External Auditors shall be concurrent with the progress in the preparation of the Final Accounts. The draft audited accounts of the Campuses and the University Centre shall be ready within three months from the end of the financial year.

The draft Audited Consolidated Accounts of the University shall be completed within three and a half months of the financial year end.

27. The External Auditors will consider improvements made by the UWI with the implementation of matters raised in the Management Letters. They shall consider these improvements in reducing the extent of procedures required in the audit programmes, and thereby reduction in the Audit Fees.

ACCOUNTS AND REPORTS – CHAPTER 13

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ANNUAL APPROPRIATION ACCOUNTS

- 28.** Each Campus and the Centre shall prepare Annual Appropriation Accounts showing:
- (a) Original Approved Budget Estimates;
 - (b) Approved Virements;
 - (c) Current Adjusted Approved Budget Estimates;
 - (d) Actual Income for the year in a comparative form for each budget line;
 - (e) Actual expenditure for the year in a comparative form for each budget line; and
 - (f) Variance by each budget line with Explanatory Notes on significant variances both positive and negative.
- 29.** Budget Holders shall maintain their expenditure within the Approved Budget through effective budget management and control. This shall be ensured by the Monthly Budget Reports prepared and sent to Budget Holders by the Bursars. These reports shall be sent to the Principal Budget Holders and Budget Holders by the **fifteenth working day** following the month to which the report relates.
- 30.** Significant variances, if any, in the Monthly Budget Reports shall be brought to the attention of the Campus Principal and the University Bursar by the Campus Bursars, for taking appropriate steps.

REPORTS

- 31.** The University Bursar shall issue guidelines as to the manner, format and deadline by which the prescribed reports shall be prepared, presented and reported and the internal controls to which the reports shall be subjected. In issuing such instructions, the objective of the University's financial stability and international image shall be kept in focus.
- 32.** The University Bursar will review the various reports that are to prepared by the Campus Bursars and from the Office of Finance with respect to the overall monitoring of the financial affairs of the Campuses and the Centre.
- 33.** The Campus Bursar has the responsibility for the timely preparation, presentation and reporting for the Campuses and the Centre. The Consolidation of the University reports is the responsibility of the University Bursar.

ACCOUNTS AND REPORTS – CHAPTER 13
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- 34.** In preparing and presenting the Financial Reports, and information the following essential characteristics shall be observed:
- (a)** Clarity
 - (b)** Objectivity;
 - (c)** Comparability;
 - (d)** Completeness as to Form and Substance;
 - (e)** Relevance;
 - (f)** Reliability;
 - (g)** Consistency;
 - (h)** Timeliness;
 - (i)** Prudence;
 - (j)** Reasonableness
 - (l)** Accuracy; and

ACCOUNTS AND REPORTS – CHAPTER 13

35. The following Reports shall be prepared:

REPORT	DUE DATE NO LATER THAN	TO WHOM PRESENTED
(a) Daily Bank Balances, Report of Main Bank Accounts	Second Working Day	Bursars
(b) Monthly Budget Variance Reports	No later than the 15 th Working Day	All Principal Budget Holders
(c) Financial Report (Campuses)	To be issued no later than 7 working days preceding the meeting	Campus F & GPC Vice Chancellor, Campus Principal University Bursar
(d) Financial Report (Open Campus)	To be issued no later than 7 working days preceding the meeting	Council Vice Chancellor Campus Principal University Bursar
(e) Financial Report (Campuses) (for the Consolidation)	To be issued no later than 15 working days before issue date for the Consolidated Four-Monthly statements are to be issued:	Campus Bursar University Bursar
(f) Four -Monthly Financial Report (for Consolidation) Campuses and Centre	To be issued no later than 7 working days preceding the meeting	University F & GPC Vice Chancellor University Bursar
(g) Monthly Cash Flow Statements with projections for the current month and next five months	15 th Working Day of the month	Campus Principal Vice Chancellor University Bursar
(h) Quarterly report on Investments	15 th Working Day following the Quarter	Vice Chancellor (Centre) University Bursar (Centre) Principals (Campuses) Campus Bursars (Campuses) Chairman Investment Sub-Committees.
(i) Report on Special Projects	15 th Working Day following the Quarter	Vice Chancellor (Centre) University Bursar (Centre)

ACCOUNTS AND REPORTS – CHAPTER 13

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REPORT	DUE DATE NO LATER THAN	TO WHOM PRESENTED
		Principals (Campuses) Campus Bursars (Campuses) Chairman Investment Sub-Committees.
(j) Quarterly Report on Accounts Receivable (with analysis of ageing)	Per Financial Report above	University Bursar/Campus Bursars Recipients of Financial Reports
(k) Four-Monthly Schedule of Government Contributions	Per Financial Reports above	Vice Chancellor, University Bursar/Campus Bursars Recipients of Financial Reports
(l) Annual Audited Accounts of Campuses, the Centre and UWI Consolidated	Draft Audited Annual Financial Statements to be issued by External Auditors within three months after the Financial Year End. Consolidated by mid November.	Relevant Audit Committee(s)

36. The responsibility for the preparation of the above reports devolves on the following persons:

Campus Bursars: Reports at (a) to (f), (g) to (j) and (l) for the Campus;

University Bursar: Reports at (a) and (b), (f) to (k) also for the Centre, also (l) for the Audited Consolidated Accounts (Due by mid November).

37. For efficient budget management and control, the University Bursar and the Campus Bursars will be responsible for the preparation, presentation and reporting of and Four-monthly Financial Reports and Statements for each Cost Centre, Revenue Centre, Profit Centre, Auxiliary Service Centre, and Special Project.

ACCOUNTS AND REPORTS – CHAPTER 13

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The following may need to be modified to reflect the reports generated from Banner

- 38.** The Monthly Budget Report will be sent to the Principal Budget Holders, and Budget Holders, will consist of:
- (a) Summary for the Month and Cumulative to the end of the month; and
 - (b) Transaction listing for the transaction of the month, supporting the Summary Statement.
- 39.** The Summary Statement will contain:
- (a) The Approved Budget for each budget line item;
 - (b) Approved virements for each budget line;
 - (c) Current Adjusted Approved Budget;
 - (d) Commitments against the Adjusted Approved Budget for each budget line;
 - (e) Expenditure incurred during the month against each budget line;
 - (f) Total Budget Utilized, against each budget line (Commitment plus Expenditure);
 - (g) Budget balance available for future utilization, by each budget line.
- 40.** Each Campus Bursar, and the University Bursar (in respect of Centre) shall be responsible for the preparation of the Four-monthly Financial Reports, covering the events that had taken place in the previous four (4) months. This report shall include:
- (a) Significant financial events and transactions during the reporting period;
 - (b) Report the bank balances;
 - (c) Receipts from Governments and outstandings;
 - (d) Cases of warning signals on budget management and financial management;
 - (e) Projected significant financial events or transactions in the month following the reporting period;
 - (f) Cash flow projections for the next six months;

ACCOUNTS AND REPORTS – CHAPTER 13

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- (g) Delays or anticipated delays in the presentation of mandatory reports to Donors, Governments, and other external persons;
 - (h) Delays or anticipated delays in the presentation of internal management reports; and
 - (i) Delays or anticipated delays in meeting mandatory and statutory payment obligations.
- 41.** The Four-monthly Financial Reports from the Campus Bursars shall be sent to the Campus Principals and the University Bursar. The University Bursar shall review the reports and bring to the attention of the Campus Principal, the Vice Chancellor, and the Executive Management Team, a Summary of the Reports, together with comments.
- 42.** The Four-monthly Financial Report for the Centre shall be prepared and presented by the University Bursar to the Vice Chancellor. Information on the Centre's activities as incorporated in the accounts of the Campus together with other relevant information shall be sent no later than the second week of each month, by the Campus Bursars to the University Bursar.



CHAPTER 14



FINANCIAL PROCEDURES AND GUIDELINES

AUDIT AND AUDIT COMMITTEES – CHAPTER 14
=====**GENERAL**

- 01.** Auditing forms an indispensable part of the financial system. Auditing is the main instrument to secure accountability - without auditing there can be neither accountability nor control.
- 02.** Auditing, as in instrument of financial and management control to secure accountability, acts as a safeguard on behalf of the stakeholders against waste, extravagance, carelessness, and fraud on the part of managers and employees in the realization and utilization of funds and other assets.
- 03.** Audit ensures that:
 - (a)** - the accounts maintained truly represent facts;
 - (b)** - expenditure has been incurred with due regard to transparency and propriety; and
 - (c)** - financial management complies with the requirements of the Financial Code, and these Financial Procedures and Guidelines which are supplemental to the Code.
- 04.** The primary responsibility for proper conduct of the affairs of the University rests with the respective administrative authorities. Since an audit is conducted ex post facto, it cannot, for example, prevent an overpayment of fraudulent payment through negligence or non-compliance with the Financial Code and Financial Policies and Procedures, or an irregularity or impropriety in any transaction.
- 05.** Each Department, Office, Unit Revenue Centre, Profit Centre, Auxiliary Service Centre and Project Office shall be notified of its Audit Programme, three weeks prior to the commencement of the audit, to enable them to provide the facilities and information required by the auditors.
- 06.** The Vice Chancellor, University Bursar/Director of Finance, Campus Principals, and the Campus Bursars may request the University Management Auditor to conduct an audit of the Report to be sent to external persons/agencies/donors to ensure their accuracy and compliance. Such requests shall be selective and occasional.
- 07.** The Campus Bursars and the University Bursar shall provide necessary assistance and facilities required by the External Auditors to complete the interim and final audits, other

FINANCIAL PROCEDURES AND GUIDELINES

AUDIT AND AUDIT COMMITTEES – CHAPTER 14

audits, reviews and investigations as may be assigned to them by the University.

AUDIT COMMITTEES

- 08.** The independence of the Audit Committees and the University Management Auditor is provided in the Mandate. The University Management Auditor shall have continuing and direct access to the Audit Committees and to the Chairman of each Audit Committee to discuss any matter of concern which affects his work.
- 08a The Audit Committee shall meet with the University Management Auditor, at least annually, to discuss matters relating to cooperation received from management, provision of sufficient resources, and to ensure that no undue pressures have been exerted on the University Management Auditor.

AUDIT ENTITIES AND FUNCTIONS

This chapter contains the following sections

Audit entities
 Audit Committees
 The Management Audit Department
 Procedures for conducting scheduled audit assignment
 Procedures for the review and approval of draft audited financial statements

1.0 AUDIT ENTITIES

There are three categories of entities regularly involved in audit activities of the University. These are the Audit Committees, the Management Audit Department and the University's external auditors.

The University also may from time to time engage other external time to conduct specific engagements.

2.0 AUDIT COMMITTEES

There is a University Audit Committee and three Campus Audit Committees. The Audit

Committees are independent of University Management and their members are respected members of the business community.

FINANCIAL PROCEDURES AND GUIDELINES

AUDIT AND AUDIT COMMITTEES – CHAPTER 14

2.1 THE UNIVERSITY AUDIT COMMITTEE

MANDATE

The University Audit Committee has responsibility for the University Centre as well as for the University as a whole.

Key responsibilities in the mandate of this Committee are to:-

- Monitor the financial activities and financial health of the Campuses
- Ensure that there are effective systems of internal control in place.
- Ensure that the University's policies and procedures are being adhered to
- Review findings and recommendations of audit reports by the Management Audit Department and to monitor implementation of recommendations
- Review and approve annual audit plans
- Review and recommend approval of the audited consolidated financial statements and those of the University Centre to the University Finance and General Purposes Committee
- Review findings and recommendations in external auditors' management letters and the implementation thereof
- Recommend the annual reappointment of, or any change in, external auditors, their engagement letter and their fees

MEMBERSHIP

The membership of the University Audit Committee Comprises two lay members of the University Council and the three Chairs of the Campus Audit Committee

Reporting Relationships

The University Audit Committee reports directly to the University Council to whom it submits an annual summary report.

MEETINGS

The Committee is required to meet at least twice a year.

FINANCIAL PROCEDURES AND GUIDELINES

AUDIT AND AUDIT COMMITTEES – CHAPTER 14

2.2 THE CAMPUS AUDIT COMMITTEES

MANDATE

Key responsibilities in the Mandate of the Campus Audit Committees are to:-

- Monitor the financial activities and financial health of the Campuses.
- Ensure that there are effective systems of internal control in place.
- Ensure that the University's policies and procedures are being adhered to.
- Review findings and recommendations of audit reports and monitor the implementation of recommendations
- Review and approve annual audit plans and other assignments
- Review and recommend to the Finance and General Purposes Committee the annual draft audited financial statements
- Review the findings and recommendations in management letters from the external auditors and implementation thereof.

MEMBERSHIP

Membership of the Campus Audit Committees is five (5). The Chair of each Campus Audit Committee is also a member of the University Audit Committee.

Reporting relationships

Campus Audit Committees report to both the Campus Councils and to the University Audit Committee. Annual reports summarizing their activities and recommendations are submitted to both the Campus Council and to the University Audit Committee.

MEETINGS

Campus Audit Committees are required to meet at least three (3) times a year.

3:0 THE MANAGEMENT AUDIT DEPARTMENT

Definition of Internal Auditing

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

FINANCIAL PROCEDURES AND GUIDELINES

AUDIT AND AUDIT COMMITTEES – CHAPTER 14

MISSION STATEMENT

The Management Audit Department's Mission is:-

To contribute to the achievement of the University's objectives by providing high quality assurance, risk management and advisory services designed to:-

- Making recommendations which will reduce risks to the achievement of the University's objective, reduce costs, and improve operational efficiency.
- Ensuring compliance with all the University's policies, procedures and regulations, and with all legal statutory requirements and
- Evaluating the adequacy and effectiveness of all financial and operational procedures and controls, and making recommendations for their improvement.

3.1 STAFFING

The Management Audit Department is headed by a university Management Auditor and comprises four (4) units:- a. Centre Unit based at Mona and three Campus Management Audit Units. The Department is a unit of the Vice Chancellery and operationally the University Management Auditor's reports directly to the Vice Chancellor. The University Bursar/Director of Finance has been assigned administrative oversight for the Department.

The Centre Unit comprises the university Management Auditor, the Computer Information Systems Auditor and a Senior Secretary. These positions are based at Mona.

The Campus Management Audit Unit at each of the three Campuses is headed by a Campus Management Auditor who reports to the University Management Auditor.

At July 2007, the Mona and St. Augustine Campus Audit Units each had an approved staff of five (5) comprising the Campus Management Auditor, a Senior Auditor and three auditors.

The Cave Hill Campus had an approved staff of two (2) with a Senior Auditor in addition to the Campus Management Auditor.

3.2 OPERATIONS OF THE MANAGEMENT AUDIT DEPARTMENT

The activities of the Management Audit Department and the Campus Audit Units are determined primarily by the results of risk assessment surveys of all the auditable units and processes. Attempts are made get the views of academic, administrative and professional staff in identifying

FINANCIAL PROCEDURES AND GUIDELINES

AUDIT AND AUDIT COMMITTEES – CHAPTER 14

and assessing the various risk factors, their likelihood and potential impact. Based on the results of those risk assessments, annual work plans are prepared for approval by the relevant Audit Committee. Invariably, the Department is also requested to undertake special investigations including fraud investigations and accounting and auditing reviews.

Annual audit plans and reports are presented to the Audit Committees for their review and comment. Annual work plans detail the assignments and projects the Unit proposes to work on during the current year, while the audit Reports summarize the findings and recommendations on completed assignments.

A copy of the report on each completed assignment is sent to the Vice Chancellor, the Director of Finance/University Bursar and to the relevant principal. Copies are also issued as pertinent to the relevant Dean, Head of Administrative Department or other senior manager.

Types of audits carried out include

- Financial audits
- Operational / compliance audits
- Cost efficiency and value for maney and computerized
- Special investigations including frauds and defalcation
- Advisory services

A synopsis of purpose of each of these and what they try to achieve is given below. It should be noted that an assignment may include elements of more than one type.

- Financial audits evaluate the accounting and reporting of financial transactions, including commitments, authorizations and receipts and disbursement of funds.
- Operational and compliance audits relates to economy, efficiency, and effectiveness in the use of resources. They also assess compliance with established policies, procedures, plans, laws and regulations.
- Cost efficiency / value for money to ensure that funds are being expended in a manner which maximizes the benefit to the University.
- Information Systems (Manual and computerized) – to assess all controls and all aspects of operations including but not limited to security of data and all other assets; business continuity and recovery plans, and integrity of date and physical security.

FINANCIAL PROCEDURES AND GUIDELINES

AUDIT AND AUDIT COMMITTEES – CHAPTER 14

- System Development and Implementation Reviews – to assess and provide input into the control and security aspects of all software and information systems development projects.

Definition of three key terms in audit reviews and reports

Economy is the systematic management of the affairs of a Unit, Department, Office, Project or Enterprise at minimum operating costs for carrying out the assigned functions, duties and responsibilities;

Efficiency is the accomplishment of agreed and assigned goals, mission, objectives and targets in a systematic manner at minimum operating costs which detriment to the level, quality or timing of the service by a Department, Office Project or Enterprise

Effectiveness refers to the degree with which the adoption of selected courses of action ensure achievement of the plans, goals, objectives and mission within the planned time schedule.

4.0 PROCEDURES FOR THE CONDUCT OF AN AUDIT ASSIGNMENT

- The Campus Management Auditor and assigned audit staff first have a meeting with the head of unit/department to discuss the audit. This discussion will include the following:
 - a. Explaining the scope and objectives of the audit
 - b. Enquiring whether the head of the department had any particular concerns which should be addressed by the audit
 - c. The documents which would be required by audit staff
 - d. A starting date and the estimated time for conduct and completion of the audit
 - e. Departmental staff members with whom the audit team needed to interact.

(Note: The head of department referred to in this example is the individual with over responsibility for any unit or operation being audited).

- At the end of the audit, a draft report is prepared by the auditor and reviewed by the Campus Management Auditor
- The draft report incorporating findings and recommendations is then reviewed by the University Management Auditor in conjunction with the Campus Management Auditor

FINANCIAL PROCEDURES AND GUIDELINES

AUDIT AND AUDIT COMMITTEES – CHAPTER 14
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- The Campus Management auditor sends the draft report to the head of the unit/department and a meeting is held to review the findings and recommendations with the heads
- At that discussion the Campus Management Auditor requests responses to the recommendations and also, targeted dates for the implementation of agreed recommendations.

AUDIT REPORTS

09. The detailed results of audit shall be reported by the auditor (University Management Auditor and External Auditors) in an Audit Report, couched in a courteous and impersonal language.
10. The Audit report shall be divided into two sections:
 - (i) **Minor points; and**
 - (ii) **Major and important points which are material.**
11. Audit reports shall be finalized after discussions with the respective concerned authorities and soliciting their comments so that the matters contained in the Audit Reports are factual and real and there can be agreement to implement recommendations.
12. Separate Audit Reports shall be prepared for each Campus and for the University Centre, covering:
 - (a) UGC Funded Activities and Activities funded from Funds for New Programmes and Activities;
 - (b) Special Projects;
 - (c) Investments, including Sinking Fund Investment for replacement of Assets;
 - (d) Consultancy Fund;
 - (e) Revenue and Profit Centres (There shall be a separate audit report for each commercial activity); and

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- (f) Auxiliary Service Centres.
- 13.** The Audit Report, inter alia, shall contain:
- (a) Points arising from the audit expenditure;
 - (b) Points arising from the audit of stores and stock;
 - (c) Cases of non-observance to the Financial Code, Financial Polices and Procedures;
 - (d) Points arising from the audit of Receipts;
 - (e) Important material cases of losses, write-offs and of wasteful and nugatory expenditure;
 - (f) Points arising from a review of operating results and efficiency of Cost Centres, Revenue Centres, Profit Centres, and Auxiliary Service Centres;
 - (g) Points arising from the audit of Fixed Assets (Physical verification, Record-keeping by user and Maintenance of Fixed Assets Register and Accounting, and control);
 - (h) Points of interest arising from the final Accounts;
 - (i) Matters relating to contributions from Governments Calculation of Economic costs, Assessment of Contributions, and Contribution Receipts from Governments;
 - (j) Matters relating to supporting schedules and reconciliation with the control figures;
 - (k) Efficiency of Internal Control Systems and their operations in practice; and
 - (l) Review of the process in the implementation of the recommendations of the University Management Auditor and the External Auditors.
- 14.** The Audit Report shall also comment of the Appropriation Accounts, the more important being:
- (a) Cases of excess expenditure over the approved budgets;

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- (b) Cases of irregular virements;
- (c) Cases of irregular expenditure circumventing the rules, opposed to the financial norms and budgetary control;
- (d) Cases of unauthorized expenditure on new items of expenditure not provided for in the approved budgets;
- (e) Points relating to efficiency of budget administration and control;

AUDIT REPORT TO EXTERNAL AGENCIES

15. These audits ensure that:

- (a) The Reports conform to the requirements and specifications of the party to whom it is intended;
- (b) Conformity to the Generally Accepted Principles and Practices of accounting and financial reporting;
- (c) Accuracy and completeness; and
- (d) Adherence to scheduled dates in the presentation of the reports together with supporting documentation, where necessary.

AUDIT SCOPE

16. The scope of audit encompasses the following elements:

- (a) **Fiscal Accountability:**
This includes fiscal integrity, full disclosure, compliance with the laws of the Country, and compliance with the Financial Code, Rules, Regulations and Procedures;
- (b) **Managerial Accountability:**
This concentrates on efficiency and economy in the use of funds, property,

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personnel and other resources; and

(c) Programme Accountability:

This is concerned with the management (administrative and financial) of Programmes, Projects and activities to assess and evaluate the achievements against Objectives and Mission Statements established for them, including those mandated by funding agencies, with due regard to both costs and results.

17. An Auditor with his instinct for assessing the importance or otherwise of an audit observation, objectively and independence, which are complimentary in manifestation, shall prepare his report logically, substantiated by the facts tested during the audit.
18. Audit will provide the management with all possible assistance within the sphere of its functions in financial matters. Though the auditor's role is a critical one, the duty of criticism in the proper spirit and perspective, must be developed to include the faculty of constructive help. The auditor while pointing out critical areas deserving the attention of the management, shall also indicate how the mistakes, irregularities, etc., contained in the Report may be rectified and avoided in the future and include suggestions for improvements in the system. Thus the function of the auditor includes education as well as investigation.
19. The role of Audit and Administration are really complementary to each other. The aim and purpose of both are the same, viz. to see that the Departments, Offices, Units, Projects, Revenue Centres, Profit Centres, and Auxiliary Service Centres keep to the path of financial rectitude, and that the resources are efficiently utilized with due regard to considerations of compliance, efficiency, economy, effectiveness, and financial propriety.
20. The relationship between the Audit and the Administration shall be cordial so that the audit is provided with the required information, documents and accounts promptly though the right of audit to requisition the required information and documents is absolute and the Administration has a responsibility to fulfill such a requirement. It will greatly improve the relationship between the Audit and the Administration and tone up the functional efficiency of Administration, if the audit queries and observations are taken in the proper spirit and perspective and attended to promptly.

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=====**TYPES OF AUDIT****Compliance Audit:**

21. This ensures fiscal accountability and transparency. The Procedural Systems Audits assure compliance with the University's Internal Control Policies, and evaluate the existing control systems to ensure relevance and effectiveness.

Audit against Propriety:

22. It is an essential and inherent function of audit to bring to light not only cases of clear irregularity (Compliance Audit) but also instances, which in its judgment, involve improper, infracts, uneconomic and/or wasteful expenditure or stores, even though the accounts themselves may be in order and no obvious irregularity has occurred. The scope of audit thus extends beyond the formality of the expenditure to its **wisdom, faithfulness, and economy.**

Efficiency-cum-Performance Audit:

23. This relates to **economy, efficiency, and effectiveness** in the use of resources.

Operations Audit evaluates economy, efficiency, and effectiveness of operations, including how effectively Faculties, Departments and Offices in the University carry out their financial management and programmes responsibility.

24. **Economy** is the practical systematic management of the affairs of a Department, Office, Project or Enterprise **at minimum operating costs** for carrying out the assigned functions, duties and responsibilities;
25. **Efficiency** is the accomplishment of assigned goals, mission, objectives and targets in a systematic manner **at minimum operating costs, without detriment to the level, quality or timing of the service** by a Department, Office, Project or Enterprise; and
26. **Effectiveness** is the adoption of course(s) of action which assures **achievement** of the plans, goals, objectives and mission within the **planned time schedule.**
27. **Efficiency-cum-Performance Audit** also applies the technique of Value Engineering to assess and evaluate Expenditure vis-à-vis **Value for Money.**
This also encompasses an examination of the procedures used in discharging the obligations of the Budget Unit with a view to determining whether the current rules and regulations, procedures, and internal control measures are cost effective and provide value for money.

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=====**28. Information Systems Audits:**

These audits assure compliance with the internal controls and procedures for:

- (a) Computer Systems Development and Documentation;
- (b) Systems Security;
- (c) Operations within the Information Systems Department; and
- (d) The processing of Application Systems.
- (e) Evaluation of the existing controls and procedures to ensure continued relevance and effectiveness.

29. Special Audits, Investigations and Reviews are undertaken at the special requests from the management.

CALENDAR OF RETURNS

30. Since the credibility, and thereby the financial stability of the University, is influenced by the Reports to the external parties, each Cost/Revenue/Profit/Auxiliary Service Centre, shall develop a Calendar of Returns and keep it updated.

31. The Calendar of Returns shall indicate:

- (a) Title of the Return;
- (b) To Whom Due;
- (c) When Due;
- (a) Type of Report;
- (e) Person responsible for the Report;
- (f) Actual Date of Reporting; and
- (g) In case of delay, reason for the delay.

Payments due to financing institutions and statutory authorities shall be included in the

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Calendar of Returns.

- 32.** Audit shall verify Calendar of Returns and test check the correctness of the entries to ensure that such reports have in fact been sent on the dates shown on the Calendar of Returns. In cases of delay, reasons therefore shall be ascertained and brought to the **immediate** attention of the Campus Bursar, Campus Principal, University Bursar and the Vice Chancellor.

DRAFT AUDITED FINANCIAL STATEMENTS-PROCEDURES FOR
THEIR REVIEW AND RECOMMENDATION FOR APPROVAL

- 33.** There are 4 entities/groups of persons involved with the approval of the draft audited financial statements. These are :-
- a. Senior managers of the University who have responsibility for their preparation and whose statements they are
 - a. The external auditors
 - b. The Audit Committees
 - c. The Finance and General Purposes Committees
- 34.** The draft audited financial statements will first be reviewed in detail by the Principal / Vice Chancellor, the respective Bursar and other UWI staff with the requisite training, skills and experience (such as senior faculty staff at Institutes of Business and the Departments of Management Studies and Management Audit.). When the Principal and Bursar are satisfied with the statements, they are forwarded to the relevant Audit Committee.
- 35.** The statements will be formally submitted to the Audit Committee by the Bursar advising that the statements have been reviewed per 1 above, and accepted as draft audited statements by the Principal and the Bursar. In addition, a letter with the same wording as the representation letter to the auditors will be addressed to the Audit Committee, signed by the Principal and Bursar and forwarded with the draft statements to the Audit Committee.
- 36.** The Audit Committee will review the statements at a meeting attended by the Principal or his designate , the Bursar and a Partner of the External Auditors. Members of the Committee will request such explanations and information as may be required to satisfy themselves that the statements are materially correct. When so satisfied, the Audit Committee accepts the draft statements from senior management and recommends their approval to the F&GPC.
- 37.** If a meeting of the full F&GPC cannot be arranged, a sub-committee of the F&GPC including external (non-UWI) members with relevant experience/expertise may be appointed to receive the draft audited statements from the Audit Committee, under cover of a letter from the Audit Committee's Chairman. This letter will documents the review procedures undertaken by the

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Audit Committee and advise of the Committee's recommendation for acceptance and approval. After review, the F&GPC or its sub-Committee will accept and approve the statements on behalf of the University and authorise the Principal and the Bursar to sign the statements on behalf of the University. **At this point, the statements become the audited financial statements.**

38. The F&GPC will submit the audited financial statements to Council.



CHAPTER 15



**DUTIES AND RESPONSIBILITIES OF STAFF AND BODIES
DELEGATED WITH FINANCIAL POWERS – CHAPTER 15**

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SUMMARY

01. For easy reference, the powers, duties and responsibilities of the various Authorities, Committees, Officers, and Members of the University as it relates to financial matters, who have been delegated financial powers, are set out in this Chapter. This is for guidance only and may not be exhaustive or comprehensive. For authoritative references, the Charter, Statues, Ordinances and Orders, Financial Code and other University Policy documents should be referred to and quoted.

02. POWERS OF THE UNIVERSITY COUNCIL

(a) To govern, manage and regulate the finances, accounts, investments, property, business and all affairs whatsoever of the University and for that purpose:

to appoint such committees and Task Force to be chaired as shall be determined;

to ensure that the University has adequate internal control systems for financial, compliance and management auditing; and

to appoint bankers and any other officers or agents whom it may deem expedient to appoint.

(b) To determine, after considering the recommendations of the Senate, all University Fees;

(c) To invest any monies belonging to the University, including any unapplied income, in such stocks, funds, fully paid shares or other securities in such manner as the Council may from time to time think fit, whether these may be investments authorized by the general law for the investment of trust moneys or not, and whether within the Contributing Countries or not; in the purchase of freehold, or leasehold hereditaments, including rents. The University Council shall also have the power to vary such investments from time to time or varying such investments from time to time by sale or re-investment or otherwise. Provided that the University Council may in its discretion retain any investment given or bequeathed to the University although not coming within the description of investments authorized as aforesaid; as long as it shall think fit.

(d) To sell, buy, exchange, lease, or grant or take on lease, real and personal property on behalf of the University.

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- (e) To borrow money on behalf of the University, and for that purpose (if the University Council thinks fit) to mortgage all or any part of the property unless the conditions of any Will, Deed or Gift or other similar instrument are thereby contravened, and to give such other security whether upon real or personal property or otherwise as the University Council thinks fit.
- (f) To receive from the Senate estimates of expenditure required to carry out the work of the University and to provide the requisite money in so far as the estimates are approved and accepted by the Council.
- (g) To provide for the welfare of all persons in the employment of the University, or formerly in the employment of the University or of the former University College of the West Indies and the spouses, surviving spouses and dependents of such persons, including the payment of money, pensions or other payments, and to subscribe to benevolent and other funds for the benefit of such persons;
- (h) To enter into, vary, carry out and cancel contracts on behalf of the University;
- (i) To institute, on the recommendations of the Senate (and subject, where appropriate, to any conditions acceptable to the Council and to the Senate which might be made by the founders or donors) Fellowships, Studentships, Scholarships, Exhibitions, Bursaries, Prizes and other aids to study and research; and
- (j) To promote and to make provision for research within the University.

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03. POWERS OF CAMPUS COUNCILS

- (a) On behalf of the University Council, to govern, manage and regulate the finances, accounts, investments and property of the University as shall have been acquired or allocated for the purposes of the Campus and for that purpose on the same behalf to appoint bankers and any other officers or agents whom it may deem expedient to appoint.
- (b) To determine, after considering the recommendations of the Academic Board of its Campus, all University fees, other than tuition and examination fees, for students at its Campus.
- (c) On behalf of the University Council, (1) to invest any monies belonging to the University and acquired or allocated for the purposes of the Campus, (2) including any unapplied income, in such stocks, funds, fully paid shares or other securities in such manner as the Campus Council may from time to time think fit, whether these may be invested authorized by the general law for the investment of trust monies or not, and whether within the Contributing Countries or not; in the purchase of freehold, or leasehold hereditaments, including rents. The Council shall also have the power to vary such investments from time to time like power or varying such investments from time to time by sale or re-investment or otherwise. Provided that the Council may in its discretion retain any investment given or bequeathed to the University although not coming within the description of investments authorized as aforesaid; as long as it shall think fit.
- (d) On behalf of the University Council, to sell, purchase, exchange, lease, or grant or take on lease, real and personal property on behalf of the University for the purpose of its Campus. The prior approval of the Council shall be required for any sale or other disposition of real property of the University.
- (a) On behalf of the Council, to borrow money on behalf of the University for the purposes of its Campus, and for that purpose (if the Campus Council thinks fit) to mortgage or charge all or any part of the property of the University acquired or allocated for the purpose of its campus unless the conditions of any Will, Deed or Gift or other similar instrument are thereby contravened, and to give such other security whether upon real or personal property or otherwise as the Campus Council think fit. The prior approval of the University Council shall be required for any sale or other disposition of real property of the University.
- (f) To receive from the Academic Board of its Campus estimates of expenditure

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required to carry out the work of the University at its Campus and on behalf of the Council to provide the requisite money in so far as the estimates are approved and accepted by the Campus Council.

- (g) On behalf of the University Council, to provide for the welfare of all persons in the employment of the University at its Campus, or formerly in the employment of the University or of the former University College of the West Indies at its Campus and the spouses, surviving spouses and dependents of such persons, including the payment of money, pensions or other payments, and on the same behalf to subscribe to benevolent and other funds for the benefit of such persons;
- (h) On behalf of the University Council, to enter into, vary, carry out and cancel contracts on behalf of the University in relation to the Campus;
- (i) To promote and on behalf of the University Council to provide for research at its Campus
- (j) To make Orders to govern in the exercise of the above powers by the members of the University in relation to its Campus.

04. UNIVERSITY FINANCE AND GENERAL PURPOSES COMMITTEE

- (a) The University Finance and General Purposes Committee is a Standing Committee of the Council, 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 matters whatsoever in respect of which the powers of the Council are not otherwise specifically delegated. In exercising the powers vested in it, the Finance & General Purposes Committee in respect of matters connected with the receipt and the expenditure of money, shall comply with the provisions of the Financial Code.
- (b) The limits for expenditure which may be incurred by Campus Councils and Campus Principals without prior approval of the Vice Chancellor shall be established by the Finance & General Purposes Committee, but subject to annual review, and documented in the Financial Code.
- (c) To approve, on behalf of the Council, The Financial Code, Financial Procedures and Guidelines of the University, and amendments thereto.
- (d) To provide advice to the Vice Chancellor on matters relating to the financial administration, management and control of the University; and
- (e) To report to and be accountable to the University Council.

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05. UNIVERSITY STRATEGY COMMITTEE

- (a) The University Strategy Committee is a Standing Committee of the Council and Senate.
- (b) The University Strategy Committee 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;
- (c) The University Strategy Committee shall submit to Council an annual report of its activities.

06. UNIVERSITY AUDIT COMMITTEE

- (a) The University Audit Committee shall report directly to the University Council on the work and findings of the University Management Auditor and on any comments by the External Auditors on the financial management of the University.
- (b) The University Audit Committee shall be entitled to be furnished by the Campus Audit Committee with such reports and at such times as the University Audit Committee may require.

07. CAMPUS AUDIT COMMITTEE

The Campus Audit Committee (of each Campus) shall:

- (a) Review and assess the findings and recommendations of the University Audit Committee concerning operations of the Campus; and
- (b) The Vice Chancellor, by virtue of office, shall be entitled to attend, and participate in meetings of Campus Audit Committees.

08. CAMPUS FINANCE & GENERAL PURPOSES COMMITTEES

- (a) The Campus Finance & General Purposes Committee is a Standing Committee of each Campus Council which between meetings of the Campus Council shall, subject to the Charter and Statutes, exercise the powers of Council in all matters

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connected with the receipt and expenditure of money and in all matters in respect of the powers of its Campus Council, whether directly conferred thereon by Statute or by delegation and in all matters whatsoever in which the powers of its Campus Council are not otherwise specifically delegated.

In exercising the powers vested in it, the Campus Finance & General Purposes Committees in respect of matters connected with the receipt and the expenditure of money, shall comply with the provisions of the Financial Code.

- (b) To provide advice to the Campus Principal on matters relating to the financial administration, management and control of the University; and
- (c) To report to and be accountable to its Campus Council
- (d) To receive and review four monthly Financial Reports.
- (e) To the Pre-ordering of goods under Head 60 for departments against succeeding year's budget (not exceeding one-third of department's current year's budget).
- (f) To approve Investments.
- (g) To approve all contracts other than those reserved for approval by Finance And General Purposes Committee (Centre) and Council(s).
- (h) To accept grants, benefactions, (excepting those creating continuing commitment).
- (i) To determine the signatories and the limits for the signing of cheques and negotiable instruments authorized officers.
- (j) To approve the opening and operation of the bank accounts.
- (k) Other staff -

To approve all Human Resource and Staff matters relating to:

Appointments, dismissals
Promotions, resignations
Union representation
Salary scales
Terms and Conditions of service.
Leave Regulations

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Applications for Special Leave
Pension Schemes

- (l) Academic and Senior Administrative Staff -

To approve grants to staff for travel abroad for medical attention on the advice of Campus medical advisers.

To approve nomination of government Boards and Committees
- (m) To approve the affixing of Seal of the University on all Documents.
- (n) To approve the incurring of expenditure out of savings.
- (o) To approve Ex-gratia payments.
- (p) To approve Board and Lodging Fees for Halls of Residence.
- (q) To approve the incurring of Capital expenditure not specifically provided for in the approved Capital estimates. Incurring of expenditure on minor works and/or equipment in an amount not exceeding the equivalent of US\$50,000 on any one project is expected.
- (r) To approve applications and virement of Colonial Development Welfare (C.D. & W.) and equivalent schemes.
- (s) To approve agreements with Architects, Quantity Surveyors or Consultants for fees and expenses.
- (t) To approve the raising of loans except where secured on land or other real property.
- (u) To approve the students fixing of fees:-

Caution Money
Scholarship fees
Any other fees not elsewhere provided for.

Matters Not within the Competence of the Campus Finance and General Purposes Committee:

- (a) Raising of loans on land or other real property.
Any legal proceedings relating to land.
- (b) Lease, purchase, exchange, grant or sales of lands.

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- (c) Applications from outside bodies for building on Campus lands.
- (d) Tuition Fees and Examination Fees.

09. AUDIT COMMITTEES

- (a) To be responsible, and report to the Campus/University Councils for the financial and management audits and investigations, of the Campus(es)/Centre, including follow-up action;
- (b) To propose to the Councils, the names of the external auditors for appointment as Auditors to the Campus(es)/Centre;
- (c) To recommend to the University Council, the name of the selected candidate for appointment to the post of University Management Auditor, whenever necessary, and
- (d) To undertake such other duties and responsibilities, as the Council(s) may assign from time to time.

10. VICE CHANCELLOR

- (a) To deal with External Agencies, Governments and Donors in matters relating to the administration and financing of the University;
- (b) To protect and promote the financial stability of the University;
- (c) To report to the University Finance & General Purposes Committee and University Council on all fund-raising activities launched by and on behalf of the University;
- (d) To present the Campus and Centre Budgets to the University Council;
- (e) To approve Recurrent and Capital Budgets of the Campuses and the Centre, before they are presented to the Technical Advisory Committee(s) of the Campus/University Grants Committee(s);
- (f) To approve Capital Budgets for Renewals and Replacements before they are presented to the Strategy Committee(s);

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- (g) To propose fees, charges and other arrangements which the University intends to apply in respect of the goods and services it offers;
- (h) To report, on a regular basis, on the financial administration of the Campuses and the Centre, to the University Council;
- (i) To present the Annual Audited Accounts and Annual Appropriation Accounts of the Campuses and the Centre, to the University Council;
- (j) To ensure implementation of the various recommendations of the Governing Committees and Audit Committees by the Campuses and the Centre;
- (k) To discharge such other functions as the University Council or its Finance And General Purposes Committee may assign from time to time; and
- (l) To report and be responsible to the University Council.

11. CAMPUS PRINCIPALS

- (a) To deal, in consultation with the Vice Chancellor, with External Agencies, Governments and Donors in matters relating to the administration and financing of the Campus of the University;
- (b) To protect and promote the financial stability of the Campus;
- (c) To report on all fund-raising activities launched by and on behalf of the Campus;
- (d) To present the Campus Budgets to the Campus Council;
- (e) To approve Recurrent and Capital Budgets of the Campus, before they are presented to the Vice Chancellor and the Technical Advisory Committee(s) of the Campus Grants Committee(s);
- (f) To approve Capital Budgets for Renewals and Replacements before they are presented to the Vice Chancellor and the Campus Strategy Committee(s);
- (g) To report, on a regular basis, on the financial administration of the Campus to the Governing Committees;
- (h) To present the Annual Audited Accounts and Annual Appropriation Accounts of the Campus, to the Campus Council;

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- (i) To ensure implementation of the various recommendations of the Governing Committees and Audit Committees by the Campuses;
- (j) To discharge such other functions as the Campus Council or its Finance And General Purposes Committee may assign from time to time;
- (k) To discharge such other functions as the Vice Chancellor may assign from time to time; and
- (l) To report and be responsible to the Vice Chancellor and the Campus Council.

12. UNIVERSITY BURSAR

- (a) To advise the University Council, Committees, Vice Chancellor, Pro Vice Chancellors, Campus Principals and Campus Bursars on finance related matters;
- (b) To coordinate the development and updating of the University Strategic Plans and ensure the preparation of biennial budgets and Five Year Indicative Plans based on the Strategic Plans;
- (c) To coordinate the development and updating of the University Risk and Crisis Financial Management Plan;
- (d) To establish financial policies and performance standards, monitor results, and rectify variances;
- (e) To ensure the maintenance of accurate accounting and financial records for all transactions of the University;
- (f) To ensure the strict observance of the provisions in the Financial Code and the Financial Procedures and Guidelines, as amended from time to time;
- (g) To propose for approval by the Vice Chancellor, Finance And General Purposes Committee (Centre), and the University Council, amendments to Financial Code, and Financial Procedures and Guidelines
- (h) To monitor treasury management including cash flow projections and forecasts of all Campuses for prudence and variances;
- (i) To monitor funds received from donor agencies and other agencies and ensure that they are used for the specified projects and specified objectives;
- (j) To review and approve project appraisals before submission for approval to the Finance And General Purposes Committees;

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- (k) To monitor capital expenditure projects and ensure their budgetary control;
- (l) To monitor the timely presentation of reports and statutory returns;
- (m) To monitor the annual external audits of the Campuses and the Centre;
- (n) To develop and/or implement systems, procedures and internal control systems to address areas of weaknesses identified by both external auditors and University Management Audit Department;
- (o) To issue Budget Guidelines, including Budget Cycle, for the preparation of Campus/Centre Budgets, and get the same approved by the Vice Chancellor, before issue;
- (p) To prepare Centre Budgets and present the same to the Vice Chancellor for approval;
- (q) To coordinate and review Campus Budgets and present the same to the Vice Chancellor for approval;
- (r) To advise and assist Principal Budget Holders and Budget Holders in the Centre on the efficient management of their budgets;
- (s) To ensure presentation to the Principal Budget Holders, Budget Holders, Vice Chancellor, and Governing Committees, of monthly, quarterly and annual budget reports, and other financial and management accounts and reports relating to the Centre;
- (t) To be responsible, acting in close liaison with the Vice Chancellor, for the efficient and prudent management of investments by Campuses and the Centre;
- (u) To present the Annual Audited Accounts, and Appropriation Accounts, and Management Reports of the Centre, and the Consolidated Accounts of the University, to the Vice Chancellor, Governing Committees, the University Council and other sections within the University;
- (v) To ensure preparation of the Annual Audited Accounts, and Annual Appropriation Accounts, and Management Reports of the Campuses, to the Campus Principals, the Vice Chancellor, Governing Committees, the Campus Councils, the University Council and other sections within the University;
- (w) To ensure timely preparation and presentation by campus Bursars, of monthly,

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quarterly, and annual financial and statistical reports as is required to meet the regular and ad hoc financial and management reporting requirements of the Vice Chancellor, Campus Principals, Governing Committees, and other sections within the University;

- (x) To ensure that the human and technical resources in the Centre are up-to-date and adequate to deliver efficient financial administration and management;
- (y) To perform such other duties as may be assigned by the Vice Chancellor/University Council, from time to time and to be responsible and report to the Vice Chancellor.

13. CAMPUS BURSAR

- (a) To maintain accurate accounting and financial records for all Campus transactions and of the University;
- (b) To monitor proper treasury management including cash flow projections and forecasts of the Campus for prudence and variance;
- (c) To monitor funds received from donor agencies and other agencies and ensure that they are used for the specified projects and on specified objectives;
- (d) To review and appraise project proposals and advise Campus Principals;
- (e) To implement Budget Guidelines, including Budget Cycle, in the preparation of Campus Budgets;
- (f) To prepare Campus Budgets and present the same to the University Bursar for review and approval;
- (g) To coordinate and review Campus Budgets and present the same to the Campus Principal and the University Bursar for approval;
- (h) To advise and assist Principal Budget Holders and Budget Holders in the Campus on the efficient management of their budgets;
- (i) To prepare and present to the Principal Budget Holders, Budget Holders, Vice Chancellor, and Governing Committees, monthly, quarterly and annual budget reports, and other financial and management accounts and reports relating to the Campus;

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- (j) To monitor capital expenditure projects and ensure their budgetary control;
- (k) To ensure timely presentation of financial reports and statutory returns;
- (l) To be responsible, acting in close liaison with the Campus Principal and the University Bursar for the efficient and prudent management of investments by the Campus;
- (m) To prepare and present the Annual Audited Accounts, and Annual Appropriation Accounts, and Management Reports of the Campus, to the Campus principal, the University Bursar, Vice Chancellor, Governing Committees, the Campus Council and other sections within the University;
- (n) To ensure timely preparation and presentation, of four-monthly, and annual financial and statistical reports as is required to meet the regular and ad hoc financial and management reporting requirements of the Vice Chancellor, Campus Principals, Governing Committees, and other sections within the University;
- (o) To ensure that the human and technical resources at the Campus Bursary are up-to-date and adequate to deliver efficient financial administration and management;
- (p) To perform such other duties as may be assigned by the Campus Principal, Vice Chancellor, University Bursar, and the Campus Council, from time to time; and
- (q) To be responsible to and report to the Campus Principal.

14. PRINCIPAL BUDGET HOLDERS/BUDGET HOLDERS

- (a) To be responsible for the management of the Budget Centre to achieve the objectives and mission of the Campus/Centre;
- (b) To assist the Campus Principal/Vice Chancellor in the proper and efficient management of the Faculty and Departmental Budgets;
- (c) To be responsible to report to the Campus Principal/Vice Chancellor.
- (d) To prepare and co-ordinate and submit required inputs for biennial budgets in accordance with Budget Guidelines for the Campus / Centre.

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15. CAMPUS/UNIVERSITY REGISTRAR

- (a) To act as Secretary to the Meetings where specified
- (b) To be the custodian of all tender lists;
- (c) To ensure compliance with approval of and Procurement Tender Procedures; and
- (e) To ensure that approved projects are executed in accordance with agreement

**16. PROPOSALS FOR A PERMANENT UNIVERSITY GRANTS
COMMITTEE (UGC)**

The Council of the University of the West Indies at its meeting on 26 June 1963 adopted the following proposals for a permanent University Grants Committee for forwarding to the Governments concerned:

Functions and Terms of Reference

- (i) There should be a permanent University Grants Committee with terms of reference which covers three main tasks:
 - a. to examine the extent to which the University is meeting the national needs, both in the education of students and in research of benefit to the region;
 - b. to examine University proposals for expenditure in the light of these national needs, to recommend to Governments the provision of the necessary finance and to satisfy itself that the money voted is properly managed;
 - c. to do both these things without interfering with the essential freedom of the University, thereby leaving the conduct of the University business to the organs of academic self-administrations.
- (ii) The Terms of Reference of the University Grants Committee shall be:

“To enquire into the financial needs of University education; to advise the contributing Governments of the grant to be made towards meeting them and to assist in consultation with the University and other bodies concerned, in the preparation and execution of such plans for the development of the University as may from time to time be required in order

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to ensure that they are fully adequate to national needs

Composition and Secretariat

- (iii) a. The membership of the Committee should be as follows:
- (A) Two members, the Ministers of Finance and the Ministers of Education, or their nominees as necessary, from –
- Barbados
Jamaica
Trinidad and Tobago
- (B) One member, a Minister of Finance or a Minister of Education, or his Nominee as necessary from
- The Windward Islands
The Leeward Islands
- (C) One member, the Minister of Finance or the Minister of Education, or his nominee, as necessary, from
- British Honduras
- This proposal should be reviewed in the context of any new Federation which may be formed in the Eastern Caribbean Islands and of any participation by the Bahamas
- b. The Committee should have as advisors, not more than three persons eminent in University administration not connected with the University of the West Indies, selected by the University Grants Committee to advise on the triennial allocation
- c. The Committee should have powers to co-opt and should normally work through specialist sub-committees.
- d. The Chairmanship of the Committee should rotate amongst the Ministers of Finance of Barbados, Jamaica and Trinidad and Tobago on a triennial basis.
- e. The Committee should rotate its meetings among the various campuses of the University.
- f. The Secretariat should be provided by the Ministry of Finance

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Committee in Jamaica and the Secretary should be a senior member of that Ministry, nominated by the Minister.

- g. Representatives from any four Governments shall constitute a quorum

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- (iv) The Committee should work through visitations and seek to be in close and friendly touch on the one hand with the University and on the other hand with the contributing Governments. It should endeavour to study the needs of the contributing Governments adequately and to keep in touch with University developments overseas.
- (v) The Committee would be geared to deal with any situation arising from a shortfall in Government's contributions to the University.
- (vi) The Committee's approval shall be sought by the University for acceptance of any outside grants which would create a continuing commitment.

17. EXTRACT FROM THE MINUTES OF THE MEETING OF THE UNIVERSITY GRANTS COMMITTEE HELD ON JUNE 22, 1984

Campus Grants Committee:

Terms of Reference

A. UGC agreed:

- (i) That there should be a Campus Grants Committee for each Campus
Which should:
- (a) Examine the extent to which the University through the activities of the Campus, was meeting the national and regional needs, both in education of students and in research of benefit to the campus country and the region;
- (b) Examine proposals for expenditure at the campus in the light of these national and regional needs, recommend to Governments the provision of the necessary finance, and satisfy itself that the money voted is properly managed;
- (c) Do both these things without interfering with the essential freedom of the University, thereby leaving the conduct of University business to the organs of academic self-administration.

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- (ii) That the Campus Grants Committee should, in consultation with the Grants Committee of the other campuses and the UGC, and with due regard for the specific need of the NCC's:
 - (a) Enquire into the financial needs of University education with particular reference to the relevant campus;
 - (b) Advise the contributing Governments of the grant to be made towards meeting these needs on a triennial basis;
 - (c) Assist, in consultation with the University and other bodies concerned, in the preparation and execution of such plans for the development of the Mona/St. Augustine/Cave Hill Campus of the University as may from time to time be required in order to ensure that they are fully adequate to national and regional needs.
- (iii) That the Campus Grants Committee should work through specialist Sub-Committees and should be advised by a Technical Advisory Committee.
- (iv) That the Campus Grants Committee should seek to be in close and friendly touch on the one hand with the University, and on the other hand with the other contributing Governments, should endeavour to study the needs of the other contributing Governments before reaching policy decisions and should keep in touch with University developments. Overseas
 - (v)
 - (a) that any costs of running the Committees, not including the costs for the representatives of the other Campus Governments and the Non-Campus Countries attending meetings, should be borne by the Government of the Campus Country;
 - (b) that the costs of their representatives attending meetings of a Campus Grants Committee should be to the charge of the Governments concerned.
- (vi) That the approval of the Campus Grants Committees should be sought by the University before accepting any Grant from non-UGC or CGC sources which could create a continued commitment on the campus budget.
- (vii) That the Secretariat for the Campus Grants Committee should be provided by the Government of the Campus Country and the Secretary should be nominated by that Government.

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Composition**B. UGC agreed:**

- (1) That the members of each Campus Grants Committee should be:
 - (a) A Minister of Government of the Campus Country who should be Chairman of the CGC;
 - (b) Four persons appointed by the Government of the Campus Country;
 - (c) One member nominated by the Government of the Campus Country who has special knowledge of University administration, and/or finances;
 - (d) One member at Ministerial level from each other Campus Country;
 - (e) Three members at Ministerial level from the NCCs as a group. In this connection it was agreed that two members would be chosen from the Organization of Eastern Caribbean States (OECS) and the other member from the other countries;
- (ii) that the Chairman should have a casting vote in the case of a tie.
- (iii) that the Committee should have powers to co-opt Advisors.
- (iv) that at least two members from the categories (a), (b) and (c) of section (i) and at least one member from the categories (d) and (a) should constitute a quorum.
- (v) that in the absence of a quorum, no business other than the adjournment of the Campus Grants Committee should be transacted, but the business might be completed at an adjourned meeting of the Campus Grants Committee in the absence of any member from categories (d) and (e).

It was suggested that in the interest of continuity the chairmanship should normally remain with one Ministry and not be rotated

- C. UGC agreed that each Campus Grants Committee should be advised by a Campus Technical Advisory Committee which should be established on the following terms of reference and composition

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(i) Terms of Reference

To examine the Campus Estimates for both recurrent and capital expenditure in order to establish whether all activities, actual or potential, have been costed with optimum efficiency, and to this end:

- (a) To examine the cost of the campus and to satisfy itself as to efficiency and absence of waste;
- (b) To examine the estimated cost of proposals for new development;
- (c) To make a report to the Campus Grants Committee stating:

The reasonable expected cost of carrying on the campus at its current level of activity, and

The reasonable expected cost of each of the possible developments at the campus (or operated through the campus) on which decisions are to be taken by the Campus Grants Committee.

(ii) Composition

The membership of each Campus Technical Advisory Committee should be:

- (a) A maximum of seven members appointed by the Government of the Campus Country;
- (b) One representative from each other Campus Country;
- (c) Three representatives from the NCCs as a group. In this connection, it was agreed that two representatives would be chosen from OECS and the other from the other countries.
- (d) One representative from the Centre (the Vice-Chancellor or Nominee).

The representatives under categories (a), (b) and (c) should usually be senior officials from the appropriate Ministries, e.g. Finance, Education, Health, Agriculture.

The Chairman should be elected at the meeting from amongst the members in category (a).

The quorum for a meeting should be three members, two of which must be from category (a).



CHAPTER 16



CAMPUS CENTRE RELATIONS – CHAPTER 16
=====**GENERAL**

01. For the governance of the University to be effective, there has to be a balance of responsibilities between the Campuses and the Centre.
02. Centre will concentrate on:
 - Strategic planning and policy decisions,
 - Maintenance of the University's international reputation,
 - Relations with Governments,
 - Needs of non-campus countries,
 - Generation of funding, and
 - Ensuring that the University is committed to Regional development.
03. The Centre will retain strategic control over any proposals that embody significant academic developments.

04. THE RESPONSIBILITIES OF THE VICE CHANCELLOR

As endorsed by the Commission on Governance 1995/1996, include inter alia:

- (a) Ensuring and safeguarding the University's financial stability;
 - (b) Dealing with external agencies in matters relating to the administration and financing of the University; The Vice Chancellor may delegate this power to other Officers/members of the University;
 - (c) Preparation and presentation of an account for all fund-raising efforts and activities launched by and on behalf of the University; The Vice Chancellor may delegate this duty to the University Bursar/Director of Finance;
 - (d) Approval of recurrent and capital expenditure budget/proposal which Campus Principals propose to submit to the Grants Committees and Campus Councils;
 - (e) Submission of proposals for fees, charges and other arrangements which the University intends to apply in respect of the academic, auxiliary, consultancy, and other commercial services provided by the University; and
 - (f) Submission or causing submission of Reports and other statistical and financial information as may be mandated or required by the Governing Committees.
05. The Vice Chancellor, as the Chief Executive Officer of the University, is responsible in financial matters to the University Council, and by extension, to the financing

CAMPUS CENTRE RELATIONS – CHAPTER 16

Governments and other financiers, and several publics with which the University must increasingly interact, for the proper, prudent and effective financial administration of the entire institution.

- 06.** As the Chief Executive Officer of the University, the Vice Chancellor has full authority and powers to extend his arm to any Department or Office, demand and request information and reports, have access to any record or documents, and to take decisions on any administrative and/or financial matter.
- 07.** The Report of the University Bursar will include the major financial and accounting matters of the University Campuses and the University Centre. The report of the University Registrar should address the major administrative and human resource development matters of the University Campuses and the University Centre.
- 08.** The Pro Vice Chancellors, University Registrar, University Bursar and the Campus Principal shall send to the Vice Chancellor Operational Reports, which shall evidence proper and efficient financial and administrative management of the University Centre and the University Campuses.

CAMPUS PRINCIPALS

- 09.** Campus Principals are Officers of the University and is the Head of the University Campus to which they are appointed. Campus Principals shall be responsible to the Vice Chancellor for maintaining and promoting the efficiency and good order of the University on the University Campus to which they are appointed. Campus Principals shall at all times take such action as they may deem necessary or expedient to maintain peace, and to protect property and to promote and protect the safety and welfare of the students and staff within the University Campus.
- 10.** Campus Principals are responsible for the financial integrity and stability of the University Campuses. They have full authority and powers to extend over to any Department or Office of the University Campus to which they are appointed, demand and request information and reports, have access to any record or documents, and to take decisions on any administrative and/or financial matter.
- 11.** The Campus Principals are responsible to the Vice Chancellor and perform functions similar to the Vice Chancellor's, in relation to the Campus Councils and the public with which the University Campuses interface.
- 12.** The Campus Principals shall send Operational Reports to the Vice Chancellor, which shall evidence proper and efficient financial and administrative management of the University Campuses.

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13. The Campus Principal may direct any Dean or Head of Office in the University Campus to take a particular course of action and they shall abide by such directives. Similarly, any decisions taken by the Vice Chancellor for implementation by Campus Principals shall be mandatory and binding on them for execution.
14. The Campus Deans, Campus Bursar Campus Registrar and Heads of Offices in the University Campus shall send Operational Reports to the Campus Principal, which shall evidence proper and efficient financial and administrative management of the University Campus.

UNIVERSITY BURSAR

15. The University Bursar is an Officer of the University with responsibility for the financial management and accounting functions in the University as a whole. In exercising these functions, he acts, in so far as the activities of the University Centre are concerned, as:
 - Financial Adviser;
 - Finance Officer; and
 - Accounting Officer.
16. The duties and responsibilities of the University Bursar are provided in detail in **Paragraph 12 of Chapter 15.**
17. The University Bursar is assisted by the Campus Bursar, in discharging the duties and responsibilities with respect to the University Campuses.
18. The University Bursar has full authority and powers to extend over to any Department on a University Campus or a University Centre Unit Office in the University Campus, demand and request information and reports, have access to any record or documents, and to take decisions on any financial matter, in consultation with the Vice Chancellor.
19. The University Bursar should ensure timely preparation by Campus Bursars, of quarterly and annual financial and statistical reports as is required to meet the regular and ad hoc financial and management reporting requirements of the Vice Chancellor, Campus Principals, Governing Committees and other sections within the University.
20. The University Bursar shall coordinate and monitor the financial activities of the University Campuses and the University Centre and shall bring to the attention of the Campus Principals and the Vice Chancellor, any matter which should be addressed by the

CAMPUS CENTRE RELATIONS – CHAPTER 16

Campus Principal/Vice Chancellor relating to unsatisfactory state of affairs in financial management accounting and reporting.

21. Serious lapses that may affect the functioning or which may have an adverse impact on the reputation of the University shall be brought to the attention of the Vice Chancellor by the University Bursar so that prompt action is taken to remedy the situation.
22. The role of the University Bursar is one of central coordination, monitoring and control to ensure that the financial affairs of the University are properly managed, and exhibit transparency, integrity, and accountability of high standards. This, in turn, assures and safeguards the financial integrity of the University.
23. The University Bursar, as the Chief Finance Officer of the University, has full powers to direct and monitor the Campus Bursars and their staff on financial matters. The Campus Bursars function under the administrative control of, and reports to, the Campus Principals.
24. The University Bursar have full powers and authority to recommend sanctions on the Campus Bursars, their staff and those who have a reporting requirements to him for negligence and non-performance in financial matters.
25. The University Bursar is responsible to prepare a consolidated summary of the University Centre and finances received from the Campus Bursars a copy of such report will be sent to Campus Principal efficient financial management of the University. He will prepare and submit a summary of the Monthly Financial Reports received by him from the Campus Bursars. A copy of such Report shall be sent to the Campus Principals.

CAMPUS BURSARS

26. Campus Bursars are members of the Senior Administrative Staff of the University and of the University Campuses to which they are appointed, with responsibility for the financial management and accounting functions in the University Campus.
27. The duties and responsibilities of the Campus Bursars are listed in detail in **Paragraph 13 of Chapter 15.**
28. Campus Bursars shall implement the instructions relating to financial management, financial reporting and other financial matters issued by the University Bursar/Director of Finance.
29. Campus Bursars shall coordinate and monitor the financial activities of the University Campus and shall bring to the attention of the Campus Principal and the University Bursar/Director of Finance any matter which should be addressed by the Campus

CAMPUS CENTRE RELATIONS – CHAPTER 16

Principal and/or the University Bursar/Director of Finance relating to identified breaches and/or desired improvements in financial management including management, accounting and reporting in the University Campus.

30. Serious lapses that may affect the functioning of the University Campus or which may have an adverse impact on the reputation of the University shall be brought to the attention of the Campus Principal and the University Bursar by the Campus Bursars, so that prompt action is taken to remedy the situation.
31. The role of the Campus Bursar is one of professional expertise and competence to assist the Campus Principal in the coordination, monitoring and control of the financial affairs of the University Campus and to ensure that the financial affairs of the University are properly managed, and exhibit transparency, integrity, and accountability of high standards. This, in turn, assures and safeguards the financial integrity of the University Campus and, therefore, of the University.
32. The Campus Bursar is under the administrative control of, and reports to, the Campus Principal. In financial matters, the University Bursar has full powers and authority to direct the Campus Bursars and their staff on financial matters. The University Bursar has powers of sanctions on the Campus Bursars, their staff, and on those who have a reporting requirement to him/her.

OTHER OFFICES OF THE UNIVERSITY CENTRE

33. Detailed inter-relationships of the Pro Vice Chancellors and the University Registrar with the Campuses fall outside the realm of the **Financial Code**, since they are more of an administrative nature.
34. The following matters re Academic and Senior Administrative Staff with by the University Centre:-
 - (a) Salary Scales
 - (b) Pay and Allowances
 - (c) Terms and Conditions of Service
 - (d) Leave
 - (e) Pension Scheme
 - (f) Appointments, dismissals of staff above the level of Senior Lecturer.

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- (g) Promotions, resignations of staff above the level of Senior Lecturer.
- (h) Housing Policy.



CHAPTER 17



FINANCIAL PROCEDURES AND GUIDELINES

SANCTIONS - CHAPTER 17

GENERAL

01. This chapter relates to sanctions for non-adherence to the principles, policies, procedures and guidelines of the Financial Code and the Financial Procedures and Guidelines. Since the whole edifice and future of the University are built on its financial stability, all Officers and members of staff of the University who are delegated with duties, powers and responsibilities, shall exercise their powers judiciously in the interest and to the achievement of the mission, ideals and objectives of the University. Where they fail or do not exercise the care required, sanctions shall be considered and any disciplinary action, 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, labour agreements and any other University provisions and guidelines.
02. Any staff member entrusted with the responsibility for approval and control of expenditure shall strictly follow the provisions in the Financial Code and Financial Procedures and Guidelines.
03. Any breach of the provisions of the Financial Code or Financial Procedures and Guidelines may attract disciplinary actions, and appropriate sanctions may be enforced.
04. In cases where it is revealed that a member of staff of the University either willfully or through gross negligence fails to observe the provisions in the Financial Code or Financial Procedures and the Guidelines resulting in loss to the University, action for recovery or restitution, either the whole or part of the loss, shall be taken. Sanctions may also be applied even where there is restitution.
05. Where upon the investigation of alleged defalcation or loss, the report indicates that the loss or shortage occurred because of the non-observance of prescribed provisions in the Financial Code or Financial Procedures and Guidelines, remedial steps shall be recommended by the University Management Auditor to the University Bursar to strengthen the financial management controls.
06. Because of their critical financial responsibilities, Budget Holders and Principal Budget Holders must ensure that they are fully aware of all the provisions and requirements of the Financial Code and the Financial Procedures and Guidelines, and other instructions relating to the financial management and control pertaining to the University.
07. Budget Holders and Principal Budget Holders must ensure that they are fully aware of all actions, activities and requests that should adhere to the provisions and requirements of the Financial Code and the Financial Procedures and Guidelines and shall only give permission in accordance therewith.