INTRODUCTION

1. This Ordinance is made by the Council pursuant to Statutes 3(5)(e) and 3(5)(f) and in accordance with its statutory responsibilities for the proper control of the financial business of the College. The Ordinance applies to the conduct of all financial business of the College (as defined in paragraph 7a), including the Endowment, the Imperial College Union and all Subsidiary Companies. It applies irrespective of the source of funding.

2. The Ordinance sets out key responsibilities for financial matters within the College. Anyone who deals with financial matters must observe it.

3. Breach of this Ordinance may result in disciplinary action being taken against the person concerned under the terms of their employment contract with the College or a Subsidiary Company or, in the case of students, under the College Disciplinary Procedure.

4. It is the duty of the Chief Financial Officer and the College Secretary to ensure that this Ordinance is reviewed periodically and modified where necessary to reflect organisational or other changes within the College.

5. The College Cabinet, acting on the advice of the Chief Financial Officer, is empowered by this Ordinance to devise Financial Regulations to ensure the efficient management and good conduct of the all the College’s finances. The Endowment Board is required to devise and approve detailed financial regulations for the Endowment. The President of the Imperial College Union and the Directors of each Subsidiary Company are required to devise detailed financial regulations suited to the needs of their parts of the College, such regulations to be approved by the President with the advice of the Director of Financial Management. In the event of conflict between this Ordinance and any such subordinate regulations this Ordinance shall prevail.

DEFINITIONS AND ABBREVIATIONS

6. Unless defined otherwise in the following paragraphs, words which have been defined in the College’s Charter, Statutes or Ordinances shall (unless the context requires otherwise), bear the same meaning in this Ordinance. Rules of Interpretation applying to the Charter, Statutes or Ordinances (and in particular those contained in Ordinance A1), shall apply. The words and phrases “other”, “including” and “in particular” shall not limit the generality of any preceding words, or be construed as being limited to the same class as the preceding words where a wider construction is possible.
7. The following terms and abbreviations shall, save where the context requires otherwise, have the meanings indicated below wherever they occur in this Ordinance:

a. “the College” means the Imperial College of Science, Technology and Medicine, including its constituent faculties, divisions, departments, institutes, centres and other organisational units, including the Endowment, the Imperial College Union and all the College’s subsidiary companies;

b. “the University” means the College but excluding the Endowment.

c. “the Endowment” has the meaning ascribed by paragraph 12 hereof, and “the Endowment Board” has the meaning ascribed by Ordinance F1;

d. “the Council” means the supreme governing body of the College, established by the Royal Charter, with powers and functions set out in Statute 3(5);

e. “Department” shall encompass faculties, divisions, departments, institutes, centres, operating units providing support and any other subordinate organisational units within the College, by whatever name they are known;

f. “Chief Financial Officer” refers to the College’s Chief Financial Officer (as opposed to any Departmental officers with a similar designation, or any such officer of a Subsidiary Company or of the Imperial College Union). Functions required to be performed by the Chief Financial Officer may, in his absence, be fulfilled by the College Secretary, the Director of Financial Management, the Director of Financial Services & Procurement or such other College Officer as the President may from time to time determine;

g. “Director of Financial Management” refers to the College’s Director of Financial Management (as opposed to any Departmental officers with a similar designation, or any such officer of a Subsidiary Company or of the Imperial College Union). Functions required to be performed by the Director of Financial Management may, in his absence, be fulfilled by the Director of Financial Services & Procurement, the Chief Financial Officer, the College Secretary or such other College Officer as the President may from time to time determine;

h. “Director of Financial Services & Procurement” refers to the College’s Director of Financial Services & Procurement (as opposed to any Departmental officers with a similar designation, or any such officer of a Subsidiary Company or of the Imperial College Union). Functions required to be performed by the Director of Financial Services & Procurement may, in his absence, be fulfilled by the Director of Financial Management, the Chief Financial Officer, the College Secretary or such other College Officer as the President may from time to time determine;

i. “College Officer” has the meaning ascribed by Ordinance D3;

j. “Head of Department” means any person who is so designated by the Provost;
k. "Budget Holder" has the meaning ascribed by paragraph 25 of this Ordinance;

l. "HEFCE" means the Higher Education Funding Council for England;

m. "VAT" means Value Added Tax;

n. "Subsidiary Company" has the meaning ascribed by section 1159 of the Companies Act 2006, as amended, updated or replaced

**FINANCIAL RESPONSIBILITY WITHIN THE COLLEGE**

8. **The Council.** The Council is 'the governing and executive body of the College', and is responsible for the finance, property, investments and general business of the College, and for setting its general strategic direction. The constitution, powers and functions of the Council are set out in Statute 3. To perform these responsibilities effectively, it delegates detailed management to officers and committees, retaining ultimate responsibility subject to the statutes.

9. **The Court.** The constitution, powers and functions of the Court are set out in Ordinance A7. It meets at least once a year, *inter alia* to receive the College’s Annual Report and audited Financial Statements.

10. **The Audit Committee.** The Audit Committee’s Terms of Reference are set out in Ordinance A9. The members of the Audit Committee are appointed by the Council from amongst its external members. It keeps under review the effectiveness of internal control systems, and in particular it reviews the external auditors’ management letter, the internal auditors’ annual report, and the management responses; and considers the Annual Financial Statements (in the presence of the external auditor) including the auditor’s formal opinion, the statement of members’ responsibilities and any corporate governance statement.

11. **The Remuneration Committee.** The terms of reference of The Remuneration Committee are set out in Ordinance A9. It agrees the salaries of the President, the Provost, and other senior College staff and reviews the College’s overall remuneration and reward strategy. Its membership comprises the Chairman and three external governors. The Director of HR is the Secretary for the Remuneration Committee. The President and the Provost are in attendance, except when their own remuneration is being considered.

12. **The Nominations Committee.** The terms of reference of The Nominations Committee are set out in Ordinance A9. It keeps under review and recommends appointments to the Council and the Court and to other bodies for which the Council is the appointing authority. Its membership comprises the Chairman, three external governors, and three senior staff and/or ex-officio members of the Council, not including the elected member of the staff or the Imperial College Union President, appointed by the Council. The Clerk to the Council is the Secretary.

13. **The Endowment.** The Endowment is an operational entity, legally an integral part of the College, whose defined purpose is to undertake the stewardship of College's investment assets and to deliver a regular flow of unfettered funds back to the College. The Council has delegated
authority for the stewardship of assets held within the Endowment (subject always to this Ordinance and Ordinance F1) to a separately constituted Endowment Board.

14. **The President.** The President is the academic and administrative head of the College, appointed by Council under College Statute 8(1)(a), whose duties are set out in Ordinance D2. He is the Principal Accounting Officer for the purposes of the Memorandum of Understanding with the HEFCE.

15. **The Provost.** The Provost is appointed by Council under Statute 8(2) and is responsible for the delivery of the College’s core academic mission, including oversight of the quality and efficacy of education and research; recruitment, development and retention of academic and research staff; and student life and well-being. The Provost is also responsible managing the College’s annual budget agreed by the Council.

16. **The Chief Financial Officer.** The Chief Financial Officer is responsible to the President. The Chief Financial Officer is responsible for:

   a. Ensuring that adequate controls and procedures are in place to record all transactions of the College in an accurate and timely manner;

   b. The provision of financial information and advice to all Budget Holders; and

   c. Advising the relevant College bodies and officers on financial policies and planning, and the financial implications of any proposals.

Functions required under this Ordinance to be performed by the Chief Financial Officer may, in his absence, be fulfilled by the College Secretary, the Director of Financial Management, the Director of Financial Services & Procurement or such other College Officer as the President may from time to time determine.

17 **Financial Memorandum with HEFCE.** The Council is responsible for ensuring that the College complies with the Financial Memorandum with HEFCE and any related guidance issued by HEFCE under the Financial Memorandum. HEFCE must be satisfied that the Council has appropriate arrangements for financial management and accounting and that the uses to which HEFCE funds are put are consistent with the purposes for which they were given. The Council is also required to ensure that the College has a robust system of internal financial management and control and that value for money is delivered from public funds. The Financial Memorandum sets out detailed guidelines covering a number of areas referred to in these regulations; in such cases this Ordinance has been framed to incorporate the requirements of the Financial Memorandum.

**RISK MANAGEMENT**

18. The College acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. The College publishes detailed guidance on the management of risk, in a policy document with which all Members of the College are required to comply.
DELEGATION OF POWERS AND RESPONSIBILITIES

19. The following principles apply to all delegated authorities within the College:

a. In specific instances, which are clearly indicated in this Ordinance, the person designated to fulfil a particular function is required to fulfil the responsibility personally. In such cases, further delegation is not permitted. Where he or she is unavailable, authority must pass up the line rather than down it.

b. In all other cases, authority may be delegated downwards, but on the understanding that adequate controls are to be put in place by the delegator to ensure that the delegatee fully understands his obligations. The main elements of the matters delegated must be recorded in writing, for the avoidance of doubt between delegator and delegatee. Although the responsibility for carrying out certain duties may be delegated, together with the authority and resources to carry them out, the person making the delegation is not absolved by this from his overarching responsibility and the delegator continues to bear managerial responsibility.

c. Where Members of the College delegate their powers to third parties, it is the duty of the delegator to ensure continuing compliance with this Ordinance.

FINANCIAL PLANNING

20. The Council is responsible for long and short-term planning and allocation of resources to all parts of the College, and for producing plans in accordance with HEFCE requirements.

21. The President is responsible for advising the Council on all aspects of the College's Strategic Plan and its implications for the College's financial well-being, as is the Chairman of the Endowment Board on behalf of the Endowment and the President of the Imperial College Union for the Students Union.

FINANCIAL REPORTING, ACCOUNTING RECORDS AND INFORMATION

22. The Chief Financial Officer shall produce, within six months after the end of the College's financial year, group accounts for that year, which shall be presented to the Council after review by the Audit Committee.

23. The Chief Financial Officer shall also provide the Council with management accounts, trading accounts and such other information relating to the financial affairs of the College as it may from time to time require.

24. The Director of Financial Management shall establish and document accounting policies for the College to be agreed by the Audit Committee. All accounting systems and records within the College shall be maintained in accordance with the requirements of the Director of Financial Management. The Accounting Policies shall comply with, and will be amended as required in line
with changes in, generally accepted accounting principles for the UK ("UK GAAP") and the
Statements of Recommended Practice ("SORP").

**BUDGETS AND ALLOCATION OF RESOURCES**

25. The Council shall determine the Budget for the College once a year, before the
commencement of the financial year. It is the duty of the President, the Chairman of the
Endowment Board and the President of the Imperial College Union to report to the Council any
material variations to the expected outcome which come to their notice during the course of the
year, and if necessary seek sanction for any additional expenditure.

26. The Council delegates details of the budgetary allocations to the Provost, the Chairman of
the Endowment Board and the President of the Imperial College Union, each for their respective
areas of responsibility within the College, and who in turn delegate, within their agreed
allocations, to Deans of Faculties, Heads of Department, Directors of Support Service units etc.
Anyone to whom budgetary responsibility is delegated is known, for the purposes of this
Ordinance, as a “Budget Holder”. In every case, the Budget Holder is answerable to his line
manager for financial control of his budget, in accordance with directions given from time to time.

**EXPENDITURE CONTROL**

27. The Chief Financial Officer is required to ensure that proper procedures exist for the
control of expenditure against approved budgets throughout the College.

28. Budget Holders must ensure that expenditure incurred within their budgets complies
with these procedures. Budget Holders may, subject to the term of this Financial Ordinance and
of any Financial Regulations or procedures issued by the Chief Financial Officer, delegate
authority to incur expenditure within their budgets, but they will at all times retain ultimate
responsibility for the control of such expenditure.

29. Budget Holders are required to make themselves aware of, and abide by, any budgetary
constraints imposed on particular accounts by the College, HEFCE, research sponsors or other
agencies. The Chief Financial Officer will from time to time issue directions concerning use and
nature of the various types of account.

**INCOME CONTROL**

30. The Chief Financial Officer is responsible for ensuring that appropriate procedures exist
to enable the College to receive all income to which it is entitled, and for the prompt collection,
security and banking of all funds received.

31. The President is responsible for ensuring that authorisation processes exist for all College
income streams, except that this obligation will be fulfilled by the Chairman of the Endowment
Board in respect of income of the Endowment, by the President of the Imperial College Union in
respect of Students Union income.
TAXATION

32. The Chief Financial Officer is responsible for ensuring compliance with tax obligations, as required, throughout the College.

BANKING AND TREASURY MANAGEMENT

33. The banking and treasury management policy for the College shall be decided from time to time by the Council.

34. The Chief Financial Officer shall be responsible for ensuring that proper procedures exist for the efficient management of cash resources belonging to the College, including the operation of bank accounts, investment of short-term deposits, signing of cheques and other financial instruments, electronic funds transfers, etc.

35. Banking arrangements for all of the College’s Subsidiary Companies and for the Imperial College Union shall be determined by their respective boards of directors/trustees, subject to approval by the Chief Financial Officer.

36. No Member of the College is empowered to open or operate bank accounts or establish investment funds for sums belonging to the College and/or which bear the name of the College or any department, section or campus of the College, other than in accordance with the foregoing paragraphs.

BORROWING AND SECURITY FOR BORROWING

37. Subject to the restrictions which may be contained in any trust deed or other document, the College is empowered to raise money by borrowing or by selling, converting, calling in, mortgaging or otherwise charging all or any part of the property of the College.

38. Arrangement for exercising borrowing powers on behalf of the College shall be made only by the Chief Financial Officer. Subsidiary Companies are not permitted to borrow (except through group treasury management arrangements), without the approval of the Chief Financial Officer, unless there is a specific legal agreement in place with the College that allows otherwise.

39. Council’s approval must be obtained prior to establishing any new borrowing facility which exceeds the limit on delegation set out in Ordinance A4.

INDEMNITIES AND GUARANTEES

40. The power to give guarantees and indemnities in the College’s name shall be exercisable only by the President or the Chairman of the Endowment Board, or those to whom they have delegated responsibility in accordance with Paragraph 18 above.
41. Wherever commercially viable, the College's exposure under each indemnity or guarantee shall be protected by insurance.

42. The prior approval of the Council must be obtained before any guarantee or indemnity is given which exceeds the limit for acquisition or disposal of assets which is set out in Ordinance A4, except that such approval shall not be required if external insurance has been effected to fully protect the College's exposure; or the guarantee or indemnity is given by one part of the College in favour of another, such that the overall exposure of the College is unaffected (e.g. parent company guarantees).

43. The Chief Financial Officer is responsible for maintaining a central record of all guarantees and indemnities given by the College.

**PURCHASE OF GOODS AND SERVICES**

44. The Chief Financial Officer shall be responsible for ensuring that proper procedures exist for College purchasing.

45. All employees involved in purchasing must ensure that value for money is obtained, which they may be called upon to demonstrate in particular contracts or transactions.

46. The College's Policy on Gifts and Hospitality sets out the standards of behaviour the College expects from its employees, members of the Court and Council and members of College Advisory Boards when they are offered gifts and hospitality by external organisations or have personal, financial or other beneficial interests in any transaction between the College and a third party. Under this Policy, it is expressly prohibited for a member of staff to accept any gift or benefit from an organisation that is actively involved in a tender process at the College. This prohibition commences at the point that an invitation to tender is published and extends to a period 3 months after a contract has been awarded. Any offers of gifts or benefits during this period must be refused.

47. Private purchases through College channels shall not be permitted, except with the express written approval of the Chief Financial Officer, or through a scheme that has been approved by the Chief Financial Officer.

**TRAVEL AND SUBSISTENCE EXPENSES**

48. The Chief Financial Officer shall be responsible for devising and publishing rules relating to expenses for College employees, students and visitors travelling on College business.

**CAPITAL EXPENDITURE**

49. The College's capital investment plan is approved by the Council within the context of the Strategic Plan (see paragraphs 19 and 20 of this Ordinance). The President is responsible for
presenting the capital investment plan to Council on an annual basis, and for providing interim updates whenever necessary.

50. The Chief Financial Officer is responsible for ensuring that procedures are in place for the authorisation of all Capital Expenditure throughout the College, whose directors will make their own arrangements.

PROJECT APPROVALS

The Endowment's Non-Core Assets

51. Subject to Paragraph 52 below and to any conditions imposed by the Council in relation to the Strategic Assets as defined in Ordinance F2, final approval for those projects dealing exclusively with Non-Core Assets held within the Endowment as defined in Ordinance F2 shall be delegated to the Endowment Board.

52. Where a project involves both Non-Core and other College assets, the project will be subject to the project approval requirements set out in Paragraphs 52 - 55 below in respect of other College assets.

All Other Project Approvals

53. Final approval for those projects with a total value of less than £5M shall be delegated to the President, as advised by the College Cabinet.

54. Final approval for those projects with a value exceeding £5m but less than £10M, which have been included in the College's Capital Investment Plan and which have been approved in principle by the Council, shall be delegated to the President, as advised by the College Cabinet.

55. The President, as advised by the College Cabinet, shall have delegated authority to approve expenditure up to a maximum of £5M, where such expenditure is required for development work on a project to be carried out prior to its inclusion in the Capital Investment Plan.

56. For those projects with a total cost in excess of £10M which have been included in the Capital Investment Plan and which have been formally approved by the Council, the President, as advised by the College Cabinet, shall have delegated authority to approve subsequent variations to the total cost of the project, provided that the variation does not exceed 10% of the total project cost (regardless of whether this variation is the result of a single increase or of the aggregation of two or more smaller increases). This delegation of approval only applies to project changes and does not apply to variations between a project's initial cost estimates and the receipt of firm tenders.

INVESTMENTS
57. Subject to any obligation to which the College is bound in respect of any monies held by it on trust, and any relevant law, monies in the hands of the College and available for investment may be invested by the College in any of the following modes or objects of investment:

a. By placing them on deposit with any bank or licensed deposit taker;

b. By investing them in such stocks, funds, shares, securities and other investments (including land of any tenure or any interest therein) of whatsoever nature and wheresoever and whether involving liability or not, as the Council shall, in its absolute discretion, think fit.

58. The Council shall have the power at any time and from time to time by writing to appoint (and in like manner to revoke or to vary the terms of any such appointment) any person or persons including a company or firm to act as investment advisers or investment managers and to permit any monies, investments or other property belonging to or in the hands of the College to be registered or held in the name or names of any nominee or nominees on behalf of the College without being liable for any loss occasioned thereby in each case subject to such conditions and upon such terms (including the payment of remuneration) as shall from time to time be agreed in writing between the Council and such person or persons as aforesaid.

59. The Endowment Board is responsible to the Council for the management of the College's investment assets that have been formally transferred to it in accordance with Ordinance F2. In the case of any investment asset which is not vested in the Endowment Board the President is responsible to the Council for its management.

**SUBSIDIARY COMPANIES**

60. In accordance with its statutory powers, the College has the power to establish Subsidiary Companies as vehicles for carrying out commercial activities or for other purposes. Subsidiary Companies may be established, and the injection of investment or loan capital authorised by the President and Chief Financial Officer. In addition, subject to the agreement of the Chief Financial Officer, the Endowment Board shall have the authority to establish Subsidiary Companies in order to undertake commercial activities in relation to assets within the Endowment (the "Fund Subsidiaries").

61. This Ordinance shall apply to the financial affairs of the Subsidiary Companies, except in so far that their Memoranda and Articles of Association require otherwise, or where special arrangements have been agreed by the College's Audit Committee. Any proposed amendments to the Memorandum or Articles of Association of any Subsidiary Company must be referred to the College's Chief Financial Officer for approval prior to adoption by the company in general meeting.

62. Each Subsidiary Company shall adopt its own internal Financial Regulations, approved by the President, with the advice of the Chief Financial Officer, covering similar matters to those set out in the University's Financial Regulations. All Subsidiary Company accounts are consolidated into the College's published accounts and Subsidiary Companies are required to maintain their financial records in accordance with the College's accounting policies.
63. Where the College has the power to appoint:
   a. directors to the board of a company; and/or
   b. representative(s) at shareholder meetings

such directors or shareholder representatives shall be appointed and removed by the President; except that the Chairman of the Endowment Board shall have the power to appoint and remove such persons in respect of Fund Subsidiaries.

64. The Auditors of Subsidiary Companies shall be nominated by the College's Audit Committee.

65. The financial year-end of subsidiaries shall coincide with that of the College unless otherwise agreed by the College Audit Committee. The Chief Financial Officer shall ensure compliance by Subsidiary Companies of their statutory filing obligations.

66. Subsidiary Companies must (save where precluded by external regulatory prohibition) provide the College's Chief Financial Officer with such budgetary and other financial information concerning the conduct of their business as he may from time to time require.

DONATIONS AND TRUST FUNDS

67. The Council is responsible for ensuring that all of the College's trust funds are operated in accordance with any relevant law and the specific requirements for each Trust. This obligation is delegated to the Chief Financial Officer in accordance with paragraph 18 hereof.

68. The Chief Financial Officer is responsible for ensuring that appropriate procedures exist for the consideration and acceptance of donations.

INSURANCE

69. The Council shall be responsible for determining the College's overall strategy for insurance, risk management and risk transfer. Subject to this, the Chief Financial Officer is responsible for insurance matters.

70. The Chief Financial Officer must be informed at once if any new activity is commenced which materially affects the College's overall exposure to an insurable risk, or if substantial additional property is acquired, requiring to be insured. The Chief Financial Officer shall maintain a register of insurance policies.

SIGNING OF LEGAL DOCUMENTS
71. The President shall be responsible for ensuring that arrangements for authorising and signing legal documents in the College's name are devised and published.

72. Documents that are required to be signed under the Common Seal of the College shall be authorised, signed and sealed in accordance with the terms of Ordinance A6.

**ASSET REGISTERS**

73. The Chief Financial Officer is responsible for maintaining an inventory of all land and buildings owned or leased by the College.

74. The Chief Financial Officer is responsible for devising and publishing policies and procedures for the maintenance of asset registers for College equipment and other capital items. These will include arrangements for the sale or disposal of obsolete or surplus College equipment.

**INTELLECTUAL PROPERTY**

75. The Council is responsible for determining policy concerning the ownership, protection and exploitation of patents, copyright and other forms of intellectual property arising anywhere within the College.

76. Intellectual property rights arising from work done by employees of the College in the course of their normal duties belong to the College, rather than to the employee personally. The College has a policy for rewarding employees who produce commercially valuable intellectual property in the course of their work.

77. The College has entered into an agreement with Imperial Innovations whereby Imperial Innovations is granted a right of first refusal for exploitation of all intellectual property arising from work done by employees of the College in the course of their employment.

**PRIVATE WORK**

78. Rules governing private work undertaken by College employees in their own time are set out in their conditions of service. Private work must not impair the performance of employees' College duties nor conflict with the interests of the College.

79. Registers of Interests shall be maintained, showing details of external consultancies, directorships and membership of external committees held by employees of the College, members of the Council and College Officers. Responsibility for maintaining such registers rests with:

   a. The College Secretary in respect of members of Council and College Officers; and

   b. The Director of Human Resources in respect of all other employees of the College.
80. Under no circumstances shall stationery (printed or otherwise) bearing the College's name, letter heading, crest or logo be used in connection with private work.

81. Companies and other business entities are permitted to trade from College premises only if written authority has been given by the President, the Chairman of the Endowment Board or those to whom they have explicitly delegated this power.

**CONFIDENTIALITY, SECURITY AND ACCESS TO FINANCIAL INFORMATION**

82. Other than the College’s published Annual Report and Accounts, all financial information and records are confidential and must not be disclosed to third parties without the consent of the Chief Financial Officer. Except as provided hereunder (see paragraph 90 on Audit), and by statutory enactment, access to the College's financial records will be accorded only on a "need to know" basis to persons approved by or under the authority of the Chief Financial Officer.

83. Heads of Department and Budget Holders must ensure that financial records are held securely and that access to such information via computer terminals is controlled in accordance with procedures issued by the Chief Financial Officer and ICT.

84. The Freedom of Information Act 2000 imposes a number of obligations on public authorities, which for these purposes only include the College. The College is committed to complying fully with the Freedom of Information Act. Information will only be withheld in accordance with the exemptions laid down in the Act.

**AUDIT**

85. The Council shall appoint, on the recommendation of the Audit Committee, the College External Auditor.

86. The College's External Auditor audits the Financial Statements of the College in accordance with auditing standards, having regard to relevant auditing guidelines and auditing standards issued by the Auditing Standards Board. The External Auditor is responsible for providing the Audit Committee an opinion on whether the financial statements give a true and fair view of the state of the financial affairs of the College at the balance sheet date, and of their income and expenditure for the year then ended. (See also Paragraph 63 above concerning Subsidiary Companies.) The External Auditor's Report should also provide an opinion on whether, in all material respects recurrent and specific grants from HEFCE and other funding bodies and from restricted funds have been properly applied for the purposes provided.

87. The Internal Auditor is appointed by the Council on the advice of the Audit Committee. The prime responsibility of the Internal Auditor is to provide the Council and the President with an annual opinion on the adequacy and effectiveness of the College's arrangements for risk management, control and governance and for economy, efficiency and effectiveness (value for money) and the extent to which the Council can rely on these. In order to do so, the Internal Auditor will carry out an independent and objective appraisal in accordance with relevant regulatory and ethical standards of all of the College's internal control systems covering all of its
activities, financial and otherwise. The Internal Auditor also provides a service to all levels of management by evaluating and reporting on the effectiveness of the College’s control systems.

88. The internal audit service has no executive role within the College. For day-to-day administrative purposes only, the Internal Auditor reports to the Clerk to the Court and Council. However, to ensure his or her independence from the College’s management structures, the Internal Auditor has at all times the right of direct access to the President, Chairman of the Audit Committee, and/or the Chairman of the Court and Council.

90. The College may be audited by the HEFCE Audit Service and may be visited by the National Audit Office.

91. The External and Internal Auditors, HEFCE and the National Audit Office all have unrestricted right of access to all premises, assets, minutes, books of account, vouchers, documents, computer data, and any other relevant information. They have the right to verify assets and to have direct access to any employee or person responsible for the administration or management of College funds with whom it is felt necessary to raise and discuss such matters.

92. The College’s audit arrangements are required to comply with the HEFCE Audit Code of Practice.

**FINANCIAL ETHICS AND CONFLICT OF INTEREST**

93. College employees and others with responsibility for the administration or management of College funds should never use their authority or office for personal gain and should always seek to uphold and enhance the standing of the College.

94. No one may authorise any payment or other form of benefit (goods or services) from College funds (including re-imbursement of out-of-pocket expenses) to himself or to a member of his family, or to any person with whom they have a similarly close personal relationship (a “Connected Person”) without prior written ratification by a higher authority.

95. Anyone having a personal interest in any transaction between the College or any Subsidiary Company and third parties (including partnerships and companies in which he or a Connected Person has a material stake) shall immediately disclose the nature and extent of their interest in writing to all College personnel involved in conducting the negotiation, and thereafter must not take any part in determining the price or conditions associated with it. This duty of disclosure applies equally to any renewal or extension of such contract.

96. No person employed by a third-party organisation may, when acting on the College’s behalf under power delegated in accordance with paragraph 18(c) hereof, participate in any contractual negotiations undertaken between the College and their main employer.

**FRAUDULENT IRREGULARITIES, BRIBERY AND CORRUPTION AND WHISTLEBLOWING**
97. Anyone who has reason to believe that a fraudulent or other irregularity with financial implications for any part of the College has or is about to take place (including those involving cash, stores, equipment, facilities, information, staff time, physical or intellectual property, non-disclosure of any personal, financial or beneficial interest as required under the College's Registers of Interests policy, etc.) is required to inform his Head of Department immediately, who must in turn notify the College Secretary or Chief Financial Officer. Matters concerning members of the Court or of the Council should in the first instance be referred to the College Secretary.

98. The College has a zero-tolerance approach to bribery. All staff are expected to comply with the College's bribery guidelines and with related internal controls and procedures. Anyone who has reason to believe that a member of the College has either directly or through a third party offered, promised or given a bribe; requested, agreed to receive, or accepted a bribe; or offered, promised or given a bribe to a foreign public official in order to obtain, or retain, business, or an advantage in the conduct of business is required to inform his Head of Department immediately, who must in turn notify the College Secretary or Chief Financial Officer.

98. Ordinance C2 sets out the College's Policy and Response Plan for the Treatment of Fraud, Corruption and Irregularities, and Ordinance D18 Investigation of Public Interest Disclosures (whistle-blowing).

Approved by the Council: 13 February 2009
Revisions approved by the Council: 7 February 2014
Annex A

STATUTORY AND CONTEXTUAL MATERIAL

1. This annex contains material derived from other sources which have a direct bearing on the Financial Ordinance C1. Its text will be amended without formality whenever any of the underlying material is revised.

INCORPORATION, LEGAL NAME AND ADDRESS, USE OF THE COLLEGE'S NAME, CREST, LOGO AND TRADE MARKS

2. The College is an independent corporation whose legal status derives from a Royal Charter, originally granted under Letters Patent in 1907. A Supplementary Charter was granted in 2007. The Imperial College Acts 1997 and 1999 also provide primary legislative material. The full text of the College's Charter and Statutes may be viewed on the College web-site or obtained from the Clerk to the Council and Court.

3. The College's legal name is "the Imperial College of Science, Technology and Medicine." The constituent colleges, faculties, academic departments, centres and units have no independent existence as legal entities, though it is acceptable to use their names on letter headings etc., providing that the College's full legal name appears somewhere on any document which seeks to establish a contractual relationship with an outside party.

4. The words "Imperial College", "Imperial College of Science, Technology and Medicine" and "Imperial College London" are registered trade marks. The College's preferred brand identity is "Imperial College London".

5. The College crest is granted by the College of Heralds and is also a registered trade mark.

6. The trade marks may be used only with the College's prior written consent. The name and logo may be used routinely and without formality in connection with the academic work of College Departments. Use of the crest is restricted to instances where a historical association is appropriate. Advice should be sought from the Director of Communications & Public Affairs.

7. The College's prior written consent to the use of the words must be obtained whenever it is proposed to use the words "Imperial College", "Imperial College London", or "the Imperial College of Science, Technology and Medicine" (either alone or as part of a longer name), and/or the crest and/or the logo, for any commercial purpose where the income does not accrue to the College, or for any social purpose. Applications should be addressed to the College Secretary.

8. By virtue of Section 10 of the Imperial College Act 1997, and Section 10 of the Imperial College Act 1999, the following names may not be used without the College's prior written consent:

   a. National Heart and Lung Institute.
OFFICIAL ADDRESSES

9. The College has no registered office as such. The address for the delivery of legal documents is:

   The Faculty Building
   Imperial College London
   Exhibition Road
   South Kensington
   London SW7 2AZ

10. Such documents should be marked for the attention of the College Secretary or the Chief Financial Officer.

11. All Subsidiary Companies shall have the Faculty Building as their registered office, except where otherwise agreed by the College Audit Committee.

12. Neither the College's official address, nor that of any of its constituent faculties, divisions, departments, etc., may be used for the conduct of private business or as an office for social organisations, except with the College's written consent. It must not be used as the Registered Office for limited companies, or as the registration address for VAT or income tax matters, without the written consent of the Chief Financial Officer.

CHARITABLE STATUS

13. The College is an exempt charity (not a registered charity) by virtue of the Exempt Charities Order 1962, and the Schedule 3 of the Charities Act 2011. This means that the College enjoys all the privileges of charitable status (including exemption from income and corporation tax on its activities to the extent that they are in support of its primary purposes) without the obligation to register with, or submit accounts and annual returns to, the Charity Commissioners. Although the College is an exempt charity it must still comply with the principles of charity law. Under the Charities Act 2006, the Higher Education Funding Council (HEFCE) is responsible for ensuring compliance.

14. As an Exempt Charity, the College has no charity registration number.
15. Under the Charities Act 2006, the Imperial College Union, as a students’ union with an income in excess of £10,000 *per annum*, is required to be separately registered with the Charity Commissioners as an unincorporated educational charity. Notwithstanding this separate registration, in accordance with the College’s Statutes, the Imperial College Union “shall for all purposes be treated solely as an integral part of the College”.

**COMPANY REGISTRATION**

16. As a Chartered Corporation, the College is not required to register under the companies acts, or to file returns to Companies House. For information purposes only, however, it has been provided with the following reference number for company house searches, etc.: RC000231.

**DELEGATION OF POWERS OF THE COUNCIL**

17. Statute 3(6) provides that:

The Council may delegate any of its functions, powers and duties (other than its power to make Ordinances) to committees appointed by it, its officers, other entities (comprising its own officers or members or otherwise) or individuals, and such committees, individuals or entities may further delegate unless the Council has provided to the contrary.

18. The Council has determined that the following financial matters may **not** be delegated to committees or officers:

a. Final approval of the College’s Strategic Plan.
b. Final approval of the College’s Annual Budget.
c. Final approval of the College’s audited Annual Financial Statements.
d. Final approval of purchases or disposals of assets, land or buildings exceeding £5M in value other than Non-Core Assets held within the Endowment.
e. Final approval of any borrowing facility exceeding £5M.

[Ordinance A4]

**COMMITTEES OF THE COUNCIL**

Audit Committee

19. The Audit Committee is appointed by the Council from amongst its non-executive members with the following terms of reference:
a. To keep under review the effectiveness of internal control systems, and in particular to review the external auditors' management letter, the internal auditors' annual report, and management responses.

b. To consider the Annual Financial Statements in the presence of the external auditor, including the auditor's formal opinion, the statement of members' responsibilities and any corporate governance statement.

c. To monitor the implementation of agreed recommendations arising from internal and external audit reports.

d. To advise the Council on the appointment of the external auditors, the audit fee, the provision of any non-audit services by the external auditors and any questions of resignation or dismissal of the external auditors.

e. To review the internal auditors' audit needs assessment and the audit plan; to consider major findings of internal audit investigations and management's response; and promote co-ordination between the internal and external auditors. The Committee will ensure that the resources made available for internal audit are sufficient to meet the College's needs.

f. To satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

g. To monitor the effectiveness of the College's risk management policy and procedures, and in this regard, to receive annual reports from the President on Risk Management and the management of Health and Safety within the College.

h. To receive any relevant reports from the National Audit Office, the HEFCE and other organisations.

i. To monitor annually the performance and effectiveness of external and internal auditors.

j. To report to the Council at least annually on its activity for the year and to give its opinion on the extent to which the Council may rely on the internal control system and the arrangements for securing economy, efficiency and effectiveness.

20. The Committee has authority to call for any information from College officers, external and internal auditors and others which it considers necessary to discharge its responsibilities effectively.

[Ordinance A9]

Remuneration Committee

21. The terms of reference of The Remuneration Committee are set out in Ordinance A9. It agrees the salaries of the President, Provost, and senior College staff and reviews the College's
overall remuneration and reward strategy. Its membership comprises the Chairman and three external governors. The Director of HR is the Secretary. The President and Provost are in attendance, except when their own remuneration is being considered.

Nominations Committee

22. The terms of reference of The Nominations Committee are set out in Ordinance A9. It keeps under review and recommends appointments to the Council and the Court and to other bodies for which the Council is the appointing authority. Its membership comprises the Chairman, three external governors, and three senior staff and/or ex-officio members of the Council, not including the elected member of the staff or the Imperial College Union President, appointed by the Council. The Clerk to the Council is the Secretary.

THE STUDENTS' UNION

23. The Imperial College Union is created pursuant to Paragraph 17 of the Charter, which states that “in so far as it shall further the educational purposes of the College, there shall be a Students' Union of the College (hereinafter referred to as "the Imperial College Union") for the benefit of the students of the College and in their interests as students”. In accordance with Statute 10, the Imperial College Union “shall for all purposes be treated solely as an integral part of the College”.

24. Section 22 of the Education Act 1994 requires the governing body of every College to take such steps as are reasonably practicable to ensure that its students' union operates in a fair and democratic manner and is accountable for its finances and to ensure that the other requirements of the Act are observed by its students' union.

25. In accordance with these requirements, the Imperial College Union conducts its financial activities in accordance with Regulations and Procedures, which are designed to ensure the proper conduct of the Union's financial affairs and which have been approved by the Council. Amendments to the Union’s Financial Regulations are subject to the approval of the Council, as advised by the Audit Committee.

26. Ordinance C1 shall apply to the financial affairs of the Imperial College Union. In addition, the Imperial College Union shall adopt its own internal Financial Regulations, approved in accordance with its Constitution.

27. The College provides an annual grant to the Union for it to continue and develop its activities and which takes account of ICU’s responsibilities and related costs, and its trading activities and earnings capability. The Union's budget is scrutinised by the College on an annual basis, by the College Council.

28. The Union's Trustee Board is responsible for monitoring the Union's expenditure against its annual budget and for reporting any fraudulent or irregular procedures in the management of public funds and those resulting from the Union’s trading activities to the College's Internal Auditors.
29. The Union's annual accounts and a report on its handling of public and other funds are presented annually to its Trustee Board, to the Audit Committee and to the Council. The ICU's annual financial report is to include a list of the external organisations to which the ICU has made donations in the period covered by the report and the details of any such donations. The Union's annual accounts are consolidated into the College's annual Financial Statements.

30. The College's Internal Audit Service shall have the same rights of access to the Union as it has to other parts of the College for the purposes of fulfilling its remit.

**COLLEGE ACTING AS AN AGENT**

31. Any work undertaken by the College acting as agent on behalf of others is also subject to Ordinance C1. Where an outside body wishes to impose requirements which would lead to a contravention of this Ordinance the approval of the Chief Financial Officer must be obtained before any contract is signed or undertaking given. The Chief Financial Officer may, if he judges it necessary, require the proposal to be reported to the Audit Committee or to the Council before it is put into effect.