ROYAL ACADEMY OF MUSIC

FINANCIAL REGULATIONS

MAY 2026

Yvonnie Souter, Financial Controller
Karen Di Lorenzo, Director of Finance
V2.2026

The Royal Academy of Music moves music forward by inspiring successive generations of musicians to connect, collaborate and create.
Charity number 310007
Company registration number RC000438

MARYLEBONE ROAD, LONDON NW1 5HT
RAM.AC.UK

UNIVERSITY OF LONDON

Continued overleaf

Title	Financial Regulations
Owner	Director of Finance
Contributors	Director of Finance Financial Controller
Version	2.0 May 2026
Reviewed by	N/A
Approved by	Senior Management Team Finance & General Purposes Committee
Date of Approval	04 June 2026
Last Reviewed	12 March 2026
Next Review	March 2029
Where published	Intranet/Finance

TABLE OF CONTENTS

1. STATEMENT OF PRINCIPLES

1.1 PURPOSE OF THE FINANCIAL REGULATIONS

1.1.1 These Financial Regulations set out the principles of the financial control for the Academy and its subsidiaries. They are supported by financial procedures, procurement policies and, where appropriate, departmental procedures. Together they ensure the proper stewardship and efficient, effective and economic use of resources.

1.2 COMPLIANCE WITH THE FINANCIAL REGULATIONS, FINANCIAL PROCEDURES AND CODE OF CONDUCT

1.2.1 For the purposes of these Financial Regulations, 'staff' includes all employees and workers, members of the Governing Body and other formal committees or boards of the Academy.

1.2.2 Compliance with these Financial Regulations, together with the Academy's Financial Procedures and Staff Handbook, is compulsory for all staff. Each member of staff is responsible for understanding how the Financial Regulations apply to their role and ensuring compliance within their area of work.

1.2.3 Failure to comply with the Financial Regulations may result in disciplinary action under the Academy's Disciplinary and Appeal Policy, up to and including dismissal. Any breaches leading to disciplinary action will be reported to the Audit Committee.

1.2.4 Staff must also comply with any departmental procedures related to financial matters, as authorised by the Head of Department. Departments may establish financial procedures provided that:

i) They do not contradict or undermine the Financial Regulations and Financial Procedures

ii) They have been approved by the Director of Finance.

1.2.5 Guidance and training on these regulations is available from the Finance Department.

1.2.6 The Academy is committed to the highest standards of openness, integrity and accountability, and will conduct its operations, having regard to the principles established by the Committee on Standards in Public Life. Staff at all levels are expected to observe these principles.

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

1.2.7 Staff must also observe the Academy's Code of Conduct and all policies referenced in these regulations.

1.2.8 Members of the Governing Body, Senior Management Team, Heads of Departments and other staff involved in procurement or in a position of influence must disclose any actual or potential conflicts of interest which will be recorded in the Register of Interests. Disclosures must be made on appointment, updated at least annually and whenever circumstances change and recorded in the Register of Interests maintained by the Secretary to the Governing Body.

1.2.9 No person shall be a signatory to, or otherwise approve, any contract between the Academy and another party where they have a disclosure interest in that party's activities.

1.2.10 Under the Bribery Act 2010 it is an offence for any member of staff or any agent acting for the Academy to offer a bribe to someone on the Academy's behalf.

2. GENERAL PROVISIONS

2.1 BACKGROUND

2.1.1 The Royal Academy of Music (the Academy) was established in 1822 and granted a Royal Charter in 1830 (Supplemental Charter granted in 1998). The Academy is a registered charity, number 310007, and a company registered with Companies House, number RC000438. The Academy is registered with the Office for Students as a higher education provider, OfS: 0135532 and is subject to its Terms and conditions of funding for higher education institutions.

2.1.2 The powers, duties and responsibilities of the Governing Body are laid down by the Royal Charter and its Bye-Laws. The Governing Body is also required, where appropriate, to conduct its business in line with the Statutes and Ordinances of the University of London of which the Academy is a member and, in their capacity as trustees, with the Academy's charitable objects.

2.1.3 The Academy has regard to the seven principles identified by the Committee on Standards in Public Life and complies with the guidance provided by the Committee of University of Chairs (CUC) in The Higher Education Code of Governance and the HE Audit Committee Code of Practice. The Governing Body has adopted the CUC Higher Education Senior Staff Remuneration Code.

2.1.4 Under the terms of the Supplemental Charter dated 1998 and its Bye-Laws, the direction of the Academy is the responsibility of the Governing Body, which makes rules, orders and regulations deemed useful and necessary for the regulation and management of the institution. The Financial Regulations form part of the overall system of accountability.

2.1.5 The Finance & General Purposes Committee is responsible for the approval and regular review of the Financial Regulations.

2.1.6 In exceptional circumstance the Finance & General Purposes Committee may authorise a departure from the Financial Regulations any such departure must be reported to the Governing Body at the earliest opportunity.

2.2 STATUS OF FINANCIAL REGULATIONS

2.2.1 The purpose of the Financial Regulations is to provide control over the Academy's financial and other resources and provide the Governing Body with assurance that resources are being applied appropriately. The objectives of the Financial Regulations are to safeguard the Academy's assets, ensure compliance with all relevant legislation, promote value for money, ensure financial viability and ensure that effective controls are established for the use of public and other funds. These Regulations apply to the Academy, its subsidiaries and connected entities.

2.2.2 The Financial Regulations are supported by detailed Financial Procedures which are published and available to all staff on the Academy's intranet.

3. CORPORATE GOVERNANCE

3.1 ROLES AND RESPONSIBILITIES

GOVERNING BODY

3.1.1 The Governing Body is responsible for overseeing and managing the general business, finances and investments of the Academy, safeguarding its assets, setting its general strategic direction and determining its educational character and mission. Its financial responsibilities are to:

- Ensure the short and long-term solvency of the Academy
- Safeguard the Academy's assets
- Ensure efficient and effective use of resources and value for money
- Ensure that funds provided by the Office for Students, other funding bodies and donors are used in accordance with their terms and conditions
- Ensure that effective financial control systems are in place
- Approve the Strategic Plan
- Approve the annual budget and annual financial statements
- Appoint the Academy's internal and external auditors

3.1.2 The Governing Body delegates some of these functions to the Finance & General Purposes Committee, Audit Committee and Remuneration Committee. Terms of reference for these Committees are approved by the Governing Body.

FINANCE & GENERAL PURPOSES COMMITTEE

3.1.3 The Finance & General Purposes Committee is authorised by the Governing Body to oversee and review the effective management and control of the financial operation and general affairs of the Academy, ensure its financial assets are safeguarded, and to make appropriate financial recommendations to the Governing Body.

3.1.4 The Finance & General Purposes responsibilities include approval of the Financial Regulations and Financial Procedures, review of management accounts and monitoring of performance against budget, overseeing capital expenditure, borrowing requirements, the Academy's pension schemes, and the financial implications of acquisitions and disposals and proposals for the development of the Academy's estate.

3.1.5 Where approval by the Finance & General Purposes Committee is required before an action is taken by officers, such approval may be given by the Chair of the Finance & General Purposes Committee as Chair's Action in urgent cases. Where a Chair's Action has been taken, it must be reported to the Committee at the earliest opportunity.

AUDIT COMMITTEE

3.1.6 The role of the Audit Committee is to advise and assist the Governing Body in respect of the entire assurance and control environment of the Academy. It is authorised to obtain all the information it considers necessary to fulfil its responsibilities and consults directly with the internal and external auditors.

3.1.7 The Committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must ensure that sound financial control systems are in place and must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

PRINCIPAL

3.1.8 The Principal, as Accountable Officer, is responsible for the Academy's financial administration and accountable to the OfS and other funding bodies for the application of funds received.

3.1.9 The Principal must ensure that proper accounting records are maintained, that all assets of the Academy are controlled and safeguarded, effective management systems have been put in place, and all relevant financial issues are taken into account in consideration of policies.

DIRECTOR OF FINANCE

3.1.10 The Principal delegates to the Director of Finance responsibility for all financial operations, including:

- Preparing annual budgets and financial planning, in line with the Strategic Plan.
- Preparing accounts, management information, monitoring and control of expenditure against budget.
- Preparing the Academy's annual financial statements and accounts and their submission to the relevant bodies.
- Ensuring that the Academy maintains satisfactory financial systems.
- Providing professional advice on all matters relating to financial strategy, policies and procedures.
- Risk management.
- Day to day liaison with internal and external auditors to achieve efficient processes.
- Supervision of financial processes operating within departments.

OTHER SENIOR MANAGERS WITH FINANCIAL RESPONSIBILITY

3.1.11 Heads of Department are responsible for the budget and financial management of the areas or activities they control in liaison with the Director of Finance and Finance Department. Heads of Department are responsible for establishing and maintaining clear lines of responsibility within their departments for all financial matters.

ALL MEMBERS OF STAFF

3.1.12 All staff share a general responsibility for the security of the Academy's property, for avoiding loss and for ensuring the economical use of its resources. Staff must be aware of the Academy's financial authority limits and the correct procedures to follow for the purchase of goods and services for which quotations and tenders are required. They are responsible for achieving value for money in all their activities.

3.1.13 All members of staff should notify the Director of Finance immediately if any matter arises which involves, or is thought to involve, irregularities concerning the cash or property of the Academy. The Director of Finance will take such action as they consider necessary and report to the Principal and Governing Body as appropriate.

4. RISK MANAGEMENT

4.1 The Academy acknowledges the risks inherent in its business and is committed to mitigating and managing those risks which pose a significant threat to its operation, objectives and financial sustainability.

4.2 The Governing Body has overall responsibility for:

- Risk management strategy.
- Determining risk appetite.
- The establishment of an Academy-wide risk register and criteria for the measurement of risk.
- Contingency plans for all significant risks.
- Regular review of risk management arrangements.

4.3 The Governing Body delegates oversight of risk management arrangements to the Audit Committee.

5. WHISTLEBLOWING

5.1 The Academy is committed to maintaining the highest standards of honesty, openness and accountability. The Public Interest Disclosure Act 1998 (PIDA) gives legal protection to staff (including employment agency supplied workers and those on work experience) against being dismissed or penalised by employers as a result of disclosing information which, in the reasonable belief of that member of staff, is in the public interest and tends to show one or more specified types of malpractice, wrongdoing or dangers. This is known as 'whistleblowing'.

5.2 The Academy's Whistleblowing Policy is available on the intranet and sets out the procedure for raising whistleblowing concerns.

5.3 The Policy makes provision for any member of Academy staff, student, member of the Governing Body and other stakeholders, including those contracted to provide services to the Academy and any members of the public who may have concerns arising from a visit to the Academy, to raise concerns about malpractice, impropriety or wrongdoing within the Academy and to do so with the knowledge that, if in the public interest, their action will be viewed positively. Whistleblowers will be protected from victimisation.

6. GIFTS OR HOSPITALITY

6.1 It is an offence under the Bribery Act 2010 for members of staff to accept any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all members of staff must be:

- The conduct of individuals should not create suspicion or any conflict between their official duties and their private interests.
- The action of individuals in an official capacity should not give the impression to any member of the public, organisation with whom they deal or to their colleagues, that they have been, or may have been, influence by a benefit to show favour or disfavour to any person or organisation.

6.2 If it is not easy to decide or concerns have been raised about what is and is not acceptable in terms of gifts of hospitality, all staff receiving gifts, benefactions and donations (whether in cash, shares or goods) to the Academy or to individuals, are required to follow the Financial Procedures and Fraud Policy (including Gifts and Hospitality). Philanthropy and the Director of Finance will provide guidance on how receipts can be used and recorded by the appropriate department.

7.FINANCIAL MANAGEMENT AND CONTROL

7.1 FINANCIAL PLANNING: BUDGET PREPARATION

7.1.1 The Director of Finance is responsible for preparing an annual revenue budget for consideration by the Finance & General Purposes before submission to the Governing Body for approval. Budgets will be communicated to Heads of Department as soon as possible after their approval. Revised budgets and forecasts will be submitted to the Finance & General Purposes Committee for consideration throughout the year.

7.2 CAPITAL BIDS AND INITIATIVES

7.2.1 Heads of Departments are required to prepare business cases for projects, to be considered by the Senior Management Team. Business cases will be measured against the strategic plan and agreed criteria and subject to budget and other resource availability. Major procurements and projects in excess of £250,000, will be submitted to the Finance & General Purposes Committee for consideration. Items over £1,000,000 require the approval of the Governing Body.

7.2.2 Business cases should be supported by:

- A statement which demonstrates consistency with the Strategic Plan.
- An initial budget for the project with a cost breakdown, including professional fees, VAT and funding sources.
- An investment appraisal, if appropriate, in a format which complies with funding body guidance on option and investment appraisal.
- A demonstration of compliance with normal procurement requirements and funding body regulations.

7.2.3If approved, the budget holder for the project will be the person submitting the original business case and will be responsible to the Director of Finance for controlling the project finances.

7.2.4 Capital expenditure requirements are considered annually by the Planning Group and Senior Management Group and included in the proposed Budget for consideration by the Finance and General Purposes Committee and decision by the Full Governing Body as part of the Budget allocation process.

7.3 OVERSEAS ACTIVITY

7.3.1 In planning and undertaking overseas activity, the Academy must have due regard to any relevant guidance issued by the funding body.

7.4 OTHER MAJOR DEVELOPMENTS

7.4.1 Any new aspect of business, or proposed establishment of a company or joint venture, which will require a significant investment in buildings, resources or staff time should be presented for approval to the Finance & General Purposes Committee and the Governing Body.

8. FINANCIAL CONTROLS

8.1 BUDGETARY CONTROL

8.1.1 The control of income and expenditure, within an agreed budget, is the responsibility of the designated budget holder, who must ensure that day to day monitoring is undertaken effectively. Budget holders are responsible to the Director of Finance for the budgets which they control. Significant departures from agreed budgets must be reported immediately to the Director of Finance by the Head of Department concerned, and if necessary, corrective action taken.

8.1.2 Transfers between budgets require approval from the Director of Finance.

8.2 FINANCIAL INFORMATION

8.2.1 Budget holders will receive management information to enable them to monitor their budgets. The type of management information available, together with the timings at which they can be expected are detailed on the intranet.

9. ACCOUNTING ARRANGEMENTS

9.1 FINANCIAL YEAR

9.1.1 The Academy's financial year runs from 1 August to 31 July the following year.

9.2 BASIS OF ACCOUNTING

9.2.1 The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

9.3 FORMAT OF THE FINANCIAL STATEMENTS

9.3.1 The financial statements are prepared in accordance with the Statement of Recommended Practice (SORP) 'Accounting for Further and Higher Education' applicable to the accounting period, subject to any specific requirements of the funding body.

9.3.2 New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, (or depreciated replacement value for donated assets). Buildings are depreciated in equal instalments over their estimated remaining useful life or the length of the lease of the building, whichever is the shorter. Land will not be depreciated.

9.3.3 Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

9.3.4 Expenditure incurred in the acquisition of assets such as buildings, instruments, computers, is capitalised where the acquisition cost per item is £10,000 or more for an asset and £25,000 or more for refurbishments which add value.

9.4 ACCOUNTING RECORDS

9.4.1 The Director of Finance is responsible for the retention of financial documents and the Academy is required by law to retain prime documents for six years (or longer where required by funders or legislation). These should be kept in a form that is acceptable to the relevant authorities. Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisation. Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder. A detailed retention schedule is available on the Academy's website and intranet.

9.5 PUBLIC ACCESS

9.5.1 Under the terms of the Charities Act 2011 the Governing Body is required to supply any person with a copy of the Academy's most recent financial statements within two months of a request. Copies of the most recent financial statements are published on the Academy's website at Financial statements | Royal Academy of Music.

9.6 TAXATION

9.6.1 The Director of Finance is responsible for maintaining the Academy's tax records, making all tax payments, receiving tax credits and gift aid, and submitting tax returns by their due date as appropriate.

10. AUDIT REQUIREMENTS

10.1 GENERAL

10.1.1 The Academy's external auditors and internal auditors have the authority to:

- Access Academy premises at reasonable times.
- Access all Academy assets, records, documents and correspondence relating to any financial and other transactions.
- Request and receive such explanations as are necessary concerning any matter under examination.
- Require any Academy employee or worker to account for cash, stores or any other property under their control.
- Access records belonging to third parties, such as contractors, when required.

10.2 EXTERNAL AUDITORS

10.2.1 The appointment of external auditors is the responsibility of the Governing Body and delegated to the Audit Committee.

10.3 INTERNAL AUDITORS

10.3.1 The appointment of internal auditors is the responsibility of the Governing Body and delegated to the Audit Committee.

10.4 FRAUD AND CORRUPTION

10.4.1 All staff are responsible for protecting the Academy from financial malpractice which includes but is not limited to fraud, corruption, bribery, money laundering, modern slavery and facilitation of tax evasion.

10.4.2 Staff must follow the Academy's financial policies and procedures, in particular the Financial Procedures and Fraud Policy (including Gifts and Hospitality). They must be alert to potential financial malpractice and report any evidence of or concerns about malpractice to the Director of Finance as a matter of urgency. The Director of Finance must notify the Principal and Chair of Audit Committee immediately about any concerns.

10.4.3 In cases where a member of staff believes that informing the Director of Finance would be inappropriate, concerns may be raised with the Principal, Deputy Principal, or the Chair of Audit Committee, and follow the Academy's Whistleblowing Policy.

10.4.4 Where a criminal offence is suspected, the police will be contacted. Serious incidents will be reported to the Charity Commission and reportable events will be notified to the Office for Students in line with guidance.

10.4.5 Staff may be liable to criminal prosecution and disciplinary action if they do not comply with relevant legislation relating to fraud, corruption, bribery, money laundering, modern slavery and facilitation of tax evasion.

10.5 VALUE FOR MONEY

10.5.1 The Academy will demonstrate value for money and proper use of funds received from public and other funds it receives and keep under review arrangements for managing all its resources in line with good practice in the sector.

10.6 OTHER AUDITORS

10.6.1 The Academy may be subject to audit or investigation by external bodies such as the funding body, National Audit Office and HM Revenue and Customs. Such bodies have the same rights of access as external and internal bodies.

10.7 ACCESS TO RECORDS

10.7.1 All staff must promptly provide access to any records, whether electronic or paper, when requested by the Director of Finance, External Auditor or Internal Auditor

11. TREASURY MANAGEMENT

11.1 MANAGEMENT OF INVESTMENTS

11.1.1 The Investment Committee, which reports to the Finance & General Purposes Committee, is responsible for overseeing management of the Academy's investments and the employment of investment managers in accordance with the Governing Body's agreed investment strategy and the Academy's Sustainable Investment Policy.

11.1.2 The Investment Committee is responsible for recommending an investment strategy to the Finance & General Purposes Committee and Governing Body.

11.2 APPOINTMENT OF BANKERS AND OTHER PROFESSIONAL ADVISERS

11.2.1 The Finance & General Purposes Committee is responsible for the appointment of the Academy's bankers and other professional financial advisers.

11.3 BANKING ARRANGEMENTS

11.3.1 The Director of Finance is responsible for liaising with the Academy's bankers.

11.3.2 Only the Director of Finance together with the Principal may open or close a bank account for dealing with the Academy's funds. All bank accounts shall be in the name of the Royal Academy of Music or one of its trusts or subsidiary companies.

11.3.3 Payments should, where possible be made by BACS or wire transfer, with cheques only used where no other option is available. All cheques and other payments drawn on behalf of the Academy must be approved and/or signed in accordance with the financial procedures. Cheques and other payments up to £5,000 shall require one authorised signature. Cheques and payments of £5,000 or over must be signed by two authorised persons. Details of authorised persons and limits are set out in section 16.4.

11.3.4 All automated transfers on behalf of the Academy, such as BACS or wire transfer, must be authorised in accordance with section 16.4.

12. INCOME

12.1 GENERAL

12.1.1 All monies receivable by the Academy are to be regarded as income of the Academy. All receipts must be paid into an Academy bank account promptly and be property accounted for.

12.1.2 All sales, fees and income claims to funders (including student, library, research grants, projects and consultancy fees etc) should be recorded in the Academy's financial system, be appropriately authorised and subject to acceptable credit risks.

12.1.3 Invoice will only be raised by the Finance Department in accordance with the financial procedures.

12.2 COLLECTION OF DEBTS

12.2.1 The Head of Finance should ensure that:

- Swift and effective action is taken in collecting overdue debts in accordance with the financial procedures.
- Any credits granted are valid, properly authorised and recorded.

12.2.2 The Tuition Fee Debt Policy and Refunds and Compensation Policy will apply to student debtors.

12.2.3 The Director of Finance may write off individual debts up to £5,000 which are deemed to be irrecoverable. For any individual debt over this threshold, the write off must be approved by the Finance & General Purposes Committee.

13. RESEARCH GRANTS AND CONTRACTS

13.1 The term 'research grant' is restricted to research projects funded by the UK research councils, charities and higher education funding bodies. All other externally financed research projects are classified as 'research contracts'.

13.2 The Research Office provides central administrative and managerial support for the Academy's research environment. The Deputy Principal is responsible for authorising formal applications to external bodies for research grants via the Research Office.

13.3 The Research Office shall maintain financial records relating to research grants and contracts and shall ensure that all claims for reimbursement are submitted to sponsoring bodies by the due date.

13.4 The Research Office shall maintain appropriate records to enable compilation of returns to the funding body which meet the requirements of the Transparent Approach to Costing (TRAC).

13.5 Many grant-awarding bodies and contracting organisations stipulate conditions under which their funding is given. It is the responsibility of the named grant holder to ensure that conditions of funding are met, and appropriate reports are prepared and submitted to the grantors.

14. OTHER INCOME GENERATING ACTIVITY

14.1 SHORT COURSES

14.1.1 In this context a short course is any course which does not form part of the award-bearing teaching load of the department. Any staff wishing to run a short course must obtain permission from the Deputy Principal.

14.2 PROFITABILITY AND RECOVERY OF OVERHEADS

14.2.1 Short courses or other income generating activities should be self-financing or capable of generating a surplus. Provision should be made for charging both direct and indirect costs in accordance with the Academy's costing and pricing policy, in particular for the recovery of overheads.

14.3 VENUE HIRE

14.3.1 The Academy offers use of space to external organisations and individuals under the Venue Hire operation. Upon application to hire an Academy venue, the detail and requirements of the event will be assessed to ensure compatibility with preceding/subsequent Academy activity.

14.4 CONSULTANCY

14.1.4 Full time members of staff may undertake consultancy work in a private capacity with the agreement of the Head of Department, providing this does not interfere with their duties to the Academy nor incur any liability or reputation risk to the Academy. Staff accepting such private commitments are responsible for their own insurance and personal tax arrangements. Where Academy materials or resources (including teaching and office space) are consumed in the course of private work, payment at a commercial rate inclusive of VAT should be agreed with the Performance Venues Manager prior to the work commencing.

15. INTELLECTUAL PROPERTY RIGHTS AND PATENTS

15.1 The Deputy Principal is responsible for establishing procedures to deal with any patents arising from staff inventions and discoveries in the course of research.

15.2 In the event of the Academy deciding to become involved in the commercial exploitation of inventions and research, the matter should proceed in accordance with the Academy's Intellectual Property Policy.

16. EXPENDITURE

16.1 COMPLIANCE WITH THE ACADEMY'S PROCUREMENT POLICY

16.1.1 All staff are required to understand and comply with the Academy's procurement policy and any additional requirements imposed by funding bodies.

16.2 AUTHORISATION OF EXPENDITURE

16.2.1 No staff member will commit the Academy to a financial obligation unless they have been given formal authority for that amount of expenditure under a) the Academy's Scheme of Delegation or b) the Academy's financial policy of travel, hospitality and other expenses.

16.3 SCHEME OF DELEGATION AND FINANCIAL AUTHORITIES

16.3.1 All budget holders must ensure that they and their staff understand and comply with the Academy's Procurement Policy as well as any additional requirements imposed by funding bodies.

16.3.2 Budget holders are responsible for purchases within their departments. Purchasing authority may be delegated to named individuals within the department in accordance with the section 16.4 and the Academy's financial procedures.

16.3.3 The Head of Finance shall maintain a register of authorised signatures and budget holders. Any signatory changes must be notified immediately.

16.3.4 No expenditure is to be committed orally or in writing unless relevant internal approvals have been obtained and there is sufficient provision in the approved budget.

16.4 REVENUE AND CAPITAL EXPENDITURE APPROVAL LIMITS

16.4.1 The officers identified below are authorised to commit expenditure, certify orders, authorise invoices for payment and sign contracts within the limits shown, provided sufficient budgetary provision exists for the proposed expenditure and in accordance with the Academy's procurement procedures. Limits relate to the overall value over the life of the contract.

Under £5,000	Budget holders (except for the Head of Estates whose limit is up to £10,000).
£5,000 to £20,000	Financial Controller or Director of Finance
£20,000 to £50,000	Financial Controller plus Director of Finance
£50,000 and over	Director of Finance plus Principal
£250,000	Director of Finance and Principal recommendation and Finance and General Purposes Committee

£1,000,000 and over	Governing Body or authorised by two independent members of the Governing Body and either the Principal or the Director of Finance

Any service or supply costing in excess of £250,000 should be approved by the Finance & General Purposes Committee. Monthly to payments to pension schemes and HMRC are outside the scope of these limits and need to be approved by both the Head of Finance and the Director of Finance.

In the case of the absence of the director of Finance, the Financial Controller may be authorised to approve expenditure up to £250,000 together with the Principal.

16.4.2 Capital Expenditure

Any capital expenditure in excess of £250,000 should be approved by the Finance & General Purposes Committee except in the following circumstances where approval from the Finance and General Purposes Committee should be sought for contracts over £500k, with delegated authority being given to approval by the Principal, Director of Finance and the Director of Capital projects:

- Where a project is being managed as part of a large capital projects programme;
- Where a project's business case has been approved by the Board;
- Where a project has a Steering Group or project Board which reports to the Estates Strategy Group;
  And
- Where the contract is within the budget envelope agreed by its Steering/Project Board and approved by that Board.

Once expenditure has been approved in line with the above delegated authorities, contracts for purchases can be entered into with the approved third parties on behalf of the Academy by the Principal or another Trustee (on behalf of the Board) and the Principal or Director of Finance, (on behalf of the Executive).

Payments for approved expenditure through BACS and other online systems and bank payments over £20,000 must be approved by two of three approved members of the Finance team, to include at least one of the Director of Finance or the Financial Controller.

16.5 REIMBURSEMENT OF EXPENSES

16.5.1 The Academy's purchasing and payments procedures are designed to procure most non-pay supplies through the accounts payable system without staff having to incur any personal expense.

16.5.2 The Academy will reimburse business travel and subsistence where staff are required to travel and work away from the Academy. Where appropriate the Academy may use HMRC benchmark meal scale rates (and overseas scale rates), which are tax / NIC – free when qualifying conditions are met. Expenses include travel, subsistence, accommodation and hospitality, excluding alcohol. Subsistence claims should be in line with HMRC rates and alcohol bill will not be reimbursed. Where possible all expenditure should be agreed in advance by the appropriate budget holder and all overseas travel must be pre-approved by the Deputy Principal, Dean of Students or the Director of Finance.

16.5.3 Staff must seek best value for money in respect of travel arrangements and must provide receipts. All travel should be at public transport standard rates unless agreed by the Director of Finance in advance. First class travel is not permitted for any airline travel. Business class air travel may be agreed for long haul flights, e.g. to the Far East. Further information is available in the Staff Handbook.

16.5.4 All personal reimbursements must be approved by the budget holder and subsequently by the Director of Finance, Financial Controller or Finance Manager.

16.5.5 Expenses claimed by the Director of Finance must be approved by the Principal. The Principal's expenses must be approved by the Chair of the Governing Body.

16.5.6 Travel expenses incurred by members of the Governing Body on Academy business must be approved by the Director of Finance.

16.6 ACADEMY CREDIT CARDS

16.6.1 Where appropriate, the Director of Finance may approve the issuing of an Academy credit card to a named person for the payment of valid business purposes only. Cards are issued in the name of the individual but remain the property of the Academy.

16.6.2 Cardholders are personally responsible for all transactions made with their card and must ensure all spending is, exclusively, and necessary for Academy business. They must maintain proper financial records, including submitting a full monthly reconciliation to the Finance team. Cardholders must safeguard the card and its details, and the card must never be shared, loaned, or used for personal expenditure.

16.6.3 Credit card limits may be temporarily increased for single purchases with prior approval from the Director of Finance. Any approved increase will automatically revert to the individual's standard limit afterwards.

16.6.4 Misuse of the card may result in withdrawal of the card, recovery of funds, and/or disciplinary action in accordance with Academy policies.

16.7 PETTY CASH

16.7.1 The Finance Department aims to operate on a cashless basis; limited exceptions e.g. Library may apply to use a limited amount of cash. Any money collected, including cheques, must be stored securely and banked and reconciled monthly.

16.8 OTHER PAYMENTS

16.8.1 Payments for maintenance and other funds to students on behalf of sponsoring organisations shall be made in accordance with the financial procedures and approved by the Financial Controller.

16.9 GIVING HOSPITALITY

16.9.1 Staff entertaining guests from outside bodies should normally use the Academy's catering facilities. Acceptable levels of expenditure are set out in the Financial procedures.

17. PAY EXPENDITURE

17.1 REMUNERATION AND PAY POLICY

17.1.1 Staff should be appointed in accordance with the Academy's Pay Policy. All letters of appointment must be issued by the Human Resources Department.

17.1.2 Remuneration and other benefits for the Senior Management Team will be determined by the Remuneration Committee.

17.1.3 Monthly payroll is required to be approved before payment by the Director of Finance and the Financial Controller.

17.2 OFF-PAYROLL WORKING

17.2.1 The Academy will identify engagements where services are supplied via an intermediary (e.g., a personal service company) and determine the worker's employment status for tax with reasonable care. The Academy may use HMRC's CEST tool and / or documented assessments as part of reasonable care and will maintain appropriate records.

17.2.2 Where the off-payroll rules apply, the Academy will issue a Status Determination Statement (SDS) to the worker and will operate PAYE/NICs.

17.2.3 Departments should refer proposed engagements to Payroll manager/Financial Controller before commitment to ensure compliance with HMRC's requirements.

17.3 EXTERNAL APPOINTMENTS AND PRIVATE CONSULTANCY WORK

17.3.1 We encourage and support our staff to continue their professional performance careers and to develop links with other institutions and a significant number of our staff work as special external assessors and external examiners at other institutions which benefits the Academy. We do not therefore have a policy on the retention of income generated from external bodies but ask staff to inform us of any potential conflict of interest.

17.3.2 Full time members of staff may undertake consultancy work in a private capacity with the agreement of the Head of Department, providing this does not interfere with their duties to the Academy nor incur any liability or reputation risk to the Academy.

17.3.3 Staff accepting such private commitments are responsible for their own insurance and personal tax arrangements.

17.3.4 Where Academy materials or resources (including teaching and office space) are consumed in the course of private work, payment at a commercial rate inclusive of VAT should be agreed with the Performance Venues Manager prior to the work commencing.

17.4 PENSION SCHEMES

17.4.1 The Governing Body is responsible for undertaking the role of employer in relation to making appropriate pension arrangements for the Academy's employees. The Director of Finance is responsible for the administration of the pension schemes.

17.5 TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES

17.5.1 Staff must seek best value for money and book travel in advance at the lowest reasonable cost. First-class travel is permitted only in exceptional, pre-approved circumstances (see 16.5).

17.5.2 All claims for payment of subsistence and other allowances, travelling and incidental expenses must be submitted in accordance with the financial procedures.

18. ASSETS

18.1 LAND, BUILDINGS, FIXED PLANT AND MACHINERY

18.1 The purchase, sale, lease or rent of land or buildings can only be undertaken with authority from the Governing Body and with reference to funding body requirements where exchequer-funded assets or exchequer funds are involved.

18.2 INVENTORIES

18.2.1 The Director of Finance is responsible for maintaining an asset register for all assets costing £10,000 or more and refurbishments costing £25,000 or more.

18.2.2 In addition to the asset register, Heads of Departments are responsible for maintaining inventories for all instruments and other assets within their departments. The inventory must include items donated or held on trust.

18.2.3 Inventories should be checked at least annually by the Heads of Departments and be maintained as described in the financial procedures.

18.3 SAFEGUARDING ASSETS

18.3.1 Heads of Departments are responsible for the care, custody and security of assets under their control. They should consult the Director of Finance in any case where security is thought to be defective or where it is considered that special security arrangements may be needed. Assets owned by the Academy shall, so far as is practical, be effectively marked to identify them as Academy property.

18.3.2 Assets owned or leased by the Academy shall not be subject to personal use without property authorisation.

18.3.3 Heritage assets owned by the Academy may only be loaned with the Agreement of the Governing Body.

18.4 ASSET DISPOSAL

18.4.1 Disposal of assets must be in accordance with the Academy's financial procedures. Assets which cost £2,000 or less may be disposed of by budget holders. Disposal of assets with a value in excess of £2,000 requires the authorisation of the Director Finance. Disposals in excess of £5,000 require the approval of both the Director of Finance and the Principal.

18.4.2 Disposal of items in the Collections requires authorisation by the Governing Body.

19. FUNDS HELD ON TRUST

19.1 GIFTS AND DONATIONS

19.1.1 The Academy will only accept gifts and donations that fit with its strategic mission and core objectives.

19.1.2 If there is concern over the ethical implications of a donation or potential donation regardless of its value, staff must notify the Director of Philanthropy and the case will be referred to the Gift Acceptance Committee for consideration.

19.1.3 All donations offered to the Academy will be received and administrated through the Philanthropy Office. Individual staff members or volunteers should consult the Philanthropy Office for guidance and support before soliciting a donation on behalf of the Academy.

19.1.4 The Director of Finance and Deputy Principal (Advancement) are responsible for ensuring that records are maintained in respect of gifts, benefactors and donations made to the Academy and initiating claims for recovery of tax where appropriate.

19.2 STUDENT WELFARE AND ACCESS FUNDS

19.2.1 The Director of Finance will prescribe the format for recording the use of student welfare funds. Records of access funds will be maintained according to funding body requirements.

19.3 TRUST FUNDS

19.3.1 The Director of Finance is responsible for maintaining records of the requirements for any trust funds based on information from the Philanthropy Department, and for advising the Finance & General Purposes Committee on the control and investment of fund balances.

19.3.2 The Finance & General Purposes Committee is responsible for ensuring that all the Academy's trust funds are operated within any relevant legislation and the specific requirements for each trust. The Committee will also be responsible for investment of fund balances.

19.4 VOLUNTARY FUNDS

19.4.1 The Director of Finance must be informed of any fund which is not an official fund of the Academy which is controlled wholly or in part by a member of staff in relation to his or her function at the Academy. The accounts of any such fund shall be authorised by an independent external person and shall be submitted with a certificate of audit to the appropriate body. The Director of Finance shall be entitled to verify that this has been done.

20. INSURANCE

20.1 INSURANCE AND RISK MANAGEMENT

20.1.1 The Finance & General Purposes Committee is responsible for overseeing the Academy's insurance arrangements. The Director of Finance is responsible for operational insurance arrangements, including the provision of advice on the types of cover available and shall report on arrangements to the Finance and general Purposes Committee annually

20.1.2 As part of the overall risk management strategy, all risks should be considered and those most effectively dealt with by insurance cover should be identified and sufficient cover obtained to meet any potential risk to assets.

20.1.3 Heads of Departments must notify the Director of Finance promptly of any potential new risks, any additional property and equipment which may require insurance, and any changed risks.

20.1.4 Heads of Departments must ensure that any agreements negotiated with external bodies cover any legal liabilities to which the Academy may be exposed, and seek advice from the Director of Finance. Heads of Departments must notify the Director of Finance of any potential new events of assets, or alternations affecting existing risks.

20.2 COMPANIES AND JOINT VENTURES

20.2.1 In certain circumstances it may be advantageous to establish a company or a joint venture to undertake services on behalf of the Academy. The Governing Body is responsible for approving the establishment of all companies or joint ventures, and the procedures to be followed.

20.2.2 It is the responsibility of the Governing Body to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the Academy.

20.3 SECURITY

20.3.1 Heads of Department are responsible for maintaining proper security at all times and should consult the Director of Finance in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

20.3.2 Keys to safes or other similar containers are to be kept secure at all times. The loss of such keys must be reported to the Director of Finance immediately.

20.3.3 The Head of ICT is responsible for maintaining proper security and privacy of information held on Academy systems. Information relating to individuals held on computer will be subject to the provisions of the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018, the Academy's Data Protection Policy and other relevant legislation.

21. RELATED POLICIES

Links to internal documents:
Financial Procedures
Financial Procedures and Fraud Policy (including Gifts and Hospitality)
Code of Conduct
Criminal Finances Act 2017
Tuition Fee Debt Policy and Refunds and Compensation Policy
Disciplinary and Appeal Policy
Whistleblowing Policy
Gifts Acceptance Policy
Data Retention Policy
Financial statements | Royal Academy of Music
Intellectual Property Policy
Sustainable Investment Policy
Staff Handbook

Links to external documents:
Committee on Standards in Public Life ('Nolan principles')
CUC Higher Education Code of Governance
CUC HE Audit Committee Code of Practice
CUC HE Senior Staff Remuneration Code