

Policy name: Finance and Financial Regulation Policy

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A. GENERAL PROVISIONS

1. Background

- 1.1 The Royal Irish Academy of Music ('RIAM' or the 'Academy') is an independent music conservatoire operating under the aegis of the Department of Education and Skills (the 'DoES'). Established in 1848, RIAM was constituted in 1889 under the Educational Endowments Ireland (Act), 1885 and the Charities Act, 1961. The Board of Governors (the Board) is the Governing Body of the Academy with the power to perform the functions of the Academy. The Board Members (including the Chair) have collective responsibility to establish the strategic direction of the Academy, within the framework laid down by its constitution and the resources allocated to it. The Board ensures that RIAM complies with all statutory and administrative requirements for the use of public funds and oversees its system of internal financial control, operations compliance and risk management.
- 1.2 RIAM is also a registered charity under the Charities Act 2009, and is accountable to the Charities Regulatory Authority. It receives an element of public funding to support its activities, and is regulated by the DoES in accordance with the terms of a Memorandum of understanding and accountability, introduced in 2016. The Board is responsible for ensuring that conditions of grant specified in the Memorandum are met. As part of this process, the Academy must adhere to the RIAM Code of Governance, which substantially incorporates the provisions of the Code of Practice for the Governance of State Bodies 2016. The Code of Governance requires RIAM to have sound systems of financial and management control. The financial regulations of RIAM form part of this overall system of accountability.

2. Status of Financial Regulations

- 2.1 This document sets out RIAM's financial regulations. It translates into practical guidance RIAM's broad policies relating to financial control.
- 2.2 The purpose of these financial regulations is to provide control over the totality of RIAM's resources and provide management with assurances that the resources are being properly applied for the achievement of RIAM's Strategic Plan and business objectives:
- financial viability;
 - achieving value for money;
 - fulfilling its responsibility for the provision of effective financial controls over the use of public funds;
 - ensuring that RIAM complies with all relevant legislation;
 - safeguarding the assets of the Academy.

- 2.3 Compliance with the financial regulations is required of all staff of the Academy. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under RIAM's Staff Disciplinary Policy. The Board will be notified of any such breach through the Audit & Risk Committee. It is the responsibility of Heads of Faculty and Departments to ensure that their staff are made aware of the existence and content of RIAM's financial regulations.
- 2.4 The Finance Committee is responsible for maintaining a continuous review of the financial regulations, through the Secretary and Finance Officer, and for advising the Board of any additions or changes necessary.
- 2.5 In exceptional circumstances, this Committee may authorise a departure from the detailed provisions herein, such departure to be reported to the Board at the earliest opportunity.

B. CORPORATE GOVERNANCE

3. The Board of Governors (the 'Board')

- 3.1 The Board carries the ultimate responsibility for the Academy's overall strategic direction and for the management of its finances, property and affairs generally, including the employment arrangements for all staff. It is also a specific role of the Board to satisfy itself that work being undertaken on its behalf, whether by committee or by officers, is consistent with corporate objectives and is within the bounds of accepted good practice. In particular, its financial and related responsibilities are:
- to be the principal financial and business authority of RIAM, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for RIAM's assets, property and estate and their use;
 - to ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment and management, so as to maintain the solvency of RIAM, safeguard its assets and prevent and detect fraud;
 - to ensure the economic, effective and efficient use of resources;
 - to ensure that systems are in place for meeting RIAM's legal obligations, including those arising from contracts and other legal commitments made in RIAM's name, and for meeting the conditions of grant imposed by public funding bodies supplying funds to it;
 - to appoint RIAM's internal and external auditors.

4. Chief Executive and Designated Accounting Officer

- 4.1 The Director is the chief executive officer of RIAM, and is responsible for the organisation, direction and management of RIAM, and for the leadership of its staff. The Director is also RIAM's designated accounting officer, responsible for the financial administration of its affairs. In this capacity, the Director must advise the Board if, at any time, any action or policy under consideration by them appears to be incompatible with the RIAM Constitution or Code of Governance. The Director must ensure that annual estimates of income and expenditure are

prepared for consideration by the Board and is responsible for the management of budgets and resources within the estimates approved by the Board.

- 4.2 As the designated accounting officer the Director may be required to give evidence to the Public Accounts Committee of Dáil Eireann on any matter relating to RIAM's finances.
- 4.3 The Director is responsible for the determination of pay grades and conditions of service of staff other than the holders of senior posts, within the framework set by the Board.

5. Committee Structure

- 5.1 The Board has ultimate responsibility for RIAM's finances, but it operates through the delegation of specific powers and processes to the committees detailed below, and by taking advice from them. These committees are accountable to the Board.
- 5.2 The **Finance Committee** oversees all matters relating to the finances and business concerns of RIAM and receives reports relating to finance, the financial implications of matters relating to the RIAM estate, property maintenance and development, and to the financial implications of partnerships and collaborations with outside bodies. The Committee recommends to the Board RIAM's annual revenue budgets for approval, monitors performance in relation to approved budgets and recommends to the Board the annual financial statements for approval, having confirmed compliance with relevant statutory and regulatory provisions.
- 5.3 The Finance Committee also undertakes consideration of RIAM's medium-term and strategic plans. It is responsible for ensuring that all the financial implications of such plans are taken into account before their approval by the Board. In addition, it is responsible for considering RIAM's capital programme before it can be recommended to the Board for approval.
- 5.4 RIAM is required by its constitution and Code of Practice to appoint an **Audit & Risk Committee**. The Committee comprises a Chair, who is an independent member of the Board, two other independent members of the Board and co-opted external members with relevant experience as appropriate.
- 5.5 The Audit & Risk Committee receives *inter alia* reports from the internal and external auditors of RIAM, and reviews their work. It also receives the auditors' opinion on the adequacy of RIAM's systems of internal control and considers recommendations for the improvement of those systems. Thus, the Committee has a particularly important function in expressing opinions and giving assurances to the Board relating to its review of the effectiveness of RIAM's arrangements for risk management, control and governance, including the management and quality assurance arrangements for data submitted to DoES or other funding bodies. It will also, whenever appropriate, provide explicit confirmation to the Board that necessary actions have been, or are being, taken to remedy any significant failings or weaknesses identified from the review of the effectiveness of internal controls. The Committee also oversees RIAM's value for money strategy. It reviews the external auditor's report to management on RIAM's annual financial statements, together with the accounting policies.

6. Other Senior Managers with Financial Responsibility

- 6.1 The **Finance Officer**, who is responsible to the Director, controls day-to-day financial administration, including:
 - preparing annual budgets and financial plans;

- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
- preparing RIAM's annual accounts and other financial statements and accounts which RIAM is required to submit to other authorities;
- ensuring that RIAM maintains satisfactory financial systems;
- providing professional advice on all matters relating to financial policies and procedures;
- day-to-day liaison with internal and external auditors in order to achieve efficient processes.

6.2 **Heads of Faculty** are responsible to the Director for financial management for the areas or activities they control. They are advised by the Finance Officer in executing their financial duties. The Finance Officer will also supervise and approve the financial systems operating within their departments, including the form in which accounts and financial records are kept. Heads of Faculty are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters. Where resources are devolved to budget holders, they are accountable to their line manager for their own budget. Heads of Faculty shall provide the Finance Officer with such information as may be required to enable:

- compilation of RIAM's financial statements;
- implementation of financial planning;
- implementation of audit and financial reviews, projects and value for money studies.

6.3 **Budget holders**, whether Heads of Faculty or otherwise, are responsible for managing their budget within the resources allocated, for monitoring actual activity against the budget and for reporting any anticipated variance to the Finance Officer at the earliest opportunity.

6.4 **All members of staff** should be aware of and have a general responsibility for the security of RIAM's property, for avoiding loss and for due economy in the use of resources. They should ensure that they are aware of RIAM's financial authority limits and the values of purchases for which quotations and tenders are required. They shall make available any relevant records or information to the Finance Officer or his or her authorised representative in connection with the implementation of RIAM's financial policies, these financial regulations and the system of financial control. They shall provide the Finance Officer with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the Board. They shall immediately notify the Finance Officer whenever any matter arises which involves, or is thought to involve, irregularities concerning *inter alia* cash or property of RIAM. The Finance Officer shall take such steps as he or she considers necessary by way of investigation and report.

7. Risk Management

7.1 RIAM 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. Detailed guidance on the level of risk considered to be acceptable/unacceptable by RIAM will be set out in a separate risk management strategy.

- 7.2 The Board has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout RIAM through the development, implementation and embedment within the organisation of a formal, structured risk management process.
- 7.3 RIAM's arrangements for risk assessment and management are embedded in the working practices of RIAM. The Risk Register, incorporating both operation and strategic risk, is presented to each meeting of the Audit & Risk Committee.
- 7.4 Heads of Faculty must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which RIAM may be exposed, and that the advice of the Finance Officer is sought to ensure that this is the case.

8. Protected Disclosures (Whistleblowing)

8.1 Whistleblowing, in the context of the Protected Disclosures Act 2014, is the disclosure by an employee (or other party) about malpractice in the workplace. This procedure is intended to assist individual employees who believe they are aware of, or have discovered malpractice within RIAM, and covers concerns that are in the public interest, and that may (at least initially) be investigated separately, but might then lead to other established procedures being invoked, or other forms of appropriate action being taken. Such concerns may include:

- Financial malpractice, impropriety or fraud.
- Academic or professional malpractice.
- Failure to comply with legal obligations or statutes.
- Serious failure to comply with RIAM Rules and Regulations.
- Dangers to health and safety or the environment.
- Criminal activity.
- Miscarriages of justice.
- Improper conduct or unethical behaviour.
- Attempts to conceal any of these.

The procedure is not intended to supplant or provide alternatives to remedies or procedures that already exist and that are appropriate to the circumstances.

- 8.2 No employee will suffer any kind of detriment should they disclose concerns provided the disclosure is made in good faith and in the reasonable belief of the employee making the disclosure that *prima facie* it shows malpractice. With this proviso, no action will be taken against any employee who makes a disclosure, which is, after investigation not subsequently substantiated. If, however it is considered that an employee has made a malicious or vexatious allegation, then disciplinary action may be considered against that person.
- 8.3 Initially the disclosure should be made in writing to the Secretary. In cases where the disclosure directly concerns the post of Secretary, the disclosure should be made to the

Director. If the subject of the disclosure concerns the Secretary and/or the Director then the disclosure should be made to the Chair of the Audit & Risk Committee.

- 8.4 The full procedure for whistleblowing is set out in RIAM's Protected Disclosure (Whistleblowing) Policy, which is available on the RIAM website.

9. Code of Conduct

- 9.1 RIAM is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life, which members of staff at all levels are expected to observe.
- 9.2 Additionally, members of the Board, senior management or those involved in procurement are required to disclose interests in RIAM's register of interests maintained by the Secretary, who will also be responsible for ensuring that entries in the register are kept up to date regularly and promptly.
- 9.3 In particular, no person shall be a signatory to a RIAM contract where he or she also has an interest in the activities of the other party.
- 9.4 In relation to receiving gifts or hospitality, it is prohibited for members of staff to accept corruptly 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 of any conflict between their official duty and their private interest;
 - the action of individuals acting in an official capacity should not give the impression to any member of the public, to any organisation with whom they deal, or to their colleagues, that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

Thus, members of staff should not accept gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to be in a situation whereby they might be, or might be deemed by others to have been, influenced in making a business or academic decision as a consequence of accepting any such gift, reward or hospitality. In other circumstances, receipt of gifts should not be allowed to become habitual or frequent and the frequency and scale of hospitality accepted should not be significantly greater than the RIAM would be likely to provide in return.

When it may be difficult to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the relevant Head of Faculty or the Finance Officer.

- 9.5 RIAM is committed to the values of probity and accountability and requires all staff, at all times, to act honestly and with integrity and to safeguard the resources for which they are responsible. RIAM will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which it operates.

Thus, it is not acceptable for an individual (or someone on his or her behalf) to:

- give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a commercial advantage will be received, or to reward a commercial advantage already given;
- give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- accept payment from a third party where it is known or suspected that the payment is offered with the expectation that it will obtain a commercial advantage for the third party;
- accept a gift or hospitality from a third party where it is known or suspected that it is offered or provided with an expectation that a commercial advantage will be provided by RIAM in return;
- threaten or harass another worker who has refused to commit a bribery offence or who has raised concerns under this Policy; or
- engage in any activity that might lead to a breach of RIAM's anti-bribery rules.

RIAM does not make, and will not accept, facilitation payments of any kind. [Note: Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the Ireland, but are common in some other jurisdictions.]

C. FINANCIAL MANAGEMENT AND CONTROL

10. Financial Planning

- 10.1 **General:** The Finance Officer is responsible for preparing an annual budget for approval by the Board on the recommendation of the Finance Committee and for preparing financial projections throughout the year. Financial plans should be consistent with the RIAM strategic plan and its supporting strategies.
- 10.2 **Budget preparation:** Each year the Finance Officer is responsible for preparing an annual revenue budget and capital programme for consideration by the Finance Committee before submission to the Board. The budget should also include a cash flow forecast for the year and a projected year-end balance sheet. The Finance Officer must ensure that detailed budgets are communicated to appropriate staff as soon as possible following their approval by the Board.
- 10.3 **Capital programmes:** The capital programme includes all expenditure on buildings, equipment, furniture and associated costs whether or not they are funded from capital grants or capitalised for inclusion in RIAM's financial statements. Expenditure of this type can only be considered as part of the capital programme approved by the Board.

The Finance Officer will establish protocols for the inclusion of capital projects in the capital programme for approval by the Board. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet. The Finance Officer will also establish procedures for the approval of variations.

Following completion of a capital project, a post-project evaluation or final report should be submitted to the Finance Committee including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project.

- 10.4 **Other major developments:** Any new aspect of business, or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time of more than £50,000 should be presented for approval to the Finance Committee.

11. Financial Control

- 11.1 **Budgetary control:** 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 their Head of Faculty or department for the income and expenditure appropriate to their budget.

Significant departures from agreed budgetary targets must be reported immediately to the Finance Officer by the Head of Faculty concerned and, if necessary, corrective action taken.

The Finance Officer is responsible for supplying budgetary reports on all aspects of RIAM's finances to the Finance Committee.

- 11.2 **Changes to the approved budget:** Changes proposed to the approved budget will be recommended by the Director to the Finance Committee, which may approve the change subject to the limits set by the Board.
- 11.3 **Treatment of year-end balances:** At the year-end, budget holders will not normally have the authority to carry forward a balance on their budget to the following year unless the Finance Committee has approved a specific scheme for carrying forward all or part of unspent amounts. Specific departmental consumables and equipment account balances may be carried forward with the approval of the Finance Committee.

12. Accounting Arrangements

- 12.1 **Financial year:** RIAM's financial year will run from 1 January until 31 December.
- 12.2 **Basis of accounting:** The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.
- 12.3 **Format of the financial statements:** The financial statements are prepared in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102 – Financial Reporting Standard applicable in the UK and Republic of Ireland.
- 12.4 **Capitalisation and depreciation:** Land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Land will not be depreciated.

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. Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item is £1,000 or more. Grouped items (e.g. a

suite of computers) may be capitalised. Capitalised assets other than land and buildings will be depreciated over a period of 3 to 25 years, depending on the expected life, commencing in the year of acquisition.

- 12.5 **Accounting records:** The Finance Officer is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities. RIAM is required by law to retain prime documents for six years. The Finance Officer will make appropriate arrangements for the retention of electronic records.

The Finance Officer is responsible for consolidating and despatching all financial returns and other periodic financial reports to the DoES. The Finance Officer is also responsible for ensuring that all grants notified by the DoES and other bodies are received.

- 12.6 **Taxation:** The Finance Officer is responsible for advising Heads of Faculty and departments, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to RIAM. Therefore, the Finance Officer will issue instructions to departments on compliance with statutory requirements, including those concerning VAT, PAYE, national insurance, corporation tax and import duty.

The Finance Officer is responsible for maintaining the RIAM's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

13. Audit Requirements

- 13.1 **General:** External auditors and internal auditors shall have authority to:

- access RIAM premises at reasonable times;
- access all assets, records, documents and correspondence relating to any financial and other transactions of RIAM;
- require and receive such explanations as are necessary concerning any matter under examination;
- require any employee of RIAM to account for cash, stores or any other RIAM property under his or her control;
- access records belonging to third parties, such as contractors, when required.

The Finance Officer is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

The draft financial statements will be reviewed by the Audit & Risk Committee and by the Finance Committee. On the recommendation of both Committees, they will be submitted to the Board for approval.

- 13.2 **External audit:** The Comptroller and Auditor General (C&AG) is responsible for carrying out the external audit of RIAM. The primary role of external audit is to report on RIAM's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.

- 13.3 **Internal audit:** The internal auditor is appointed by the Board on the recommendation of the Audit & Risk Committee.

RIAM's Code of Governance requires that it has an effective internal audit function and that its duties and responsibilities must be in accordance with advice set out in the Code. The main responsibility of internal audit is to provide the Board, the Director and senior management with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation but has direct access to the Board, Director and Chair of the Audit & Risk Committee.

- 13.4 **Fraud and corruption:** It is the duty of all members of staff, management and the Board to notify the Finance Officer immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

The Finance Officer shall immediately invoke the following fraud response plan:

- he or she will notify the Director and the Chair of the Audit & Risk Committee of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report;
- the Finance Officer shall inform the police if a criminal offence is suspected of having been committed;
- any significant cases of fraud or irregularity shall be reported to the DoES in accordance with their requirements as set out in the audit code of practice;
- the Audit & Risk Committee shall commission such investigation as may be necessary of the suspected irregularity, to be undertaken by the internal audit service or others, as appropriate;
- the internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the Audit & Risk Committee on the suspected irregularity. Such report shall include advice on preventative measures.

If the suspected fraud is thought to involve the Finance Officer and/or the Director, the member of staff shall notify the Chair of the Audit & Risk Committee directly of their concerns regarding irregularities.

- 13.5 **Value for money:** It is a requirement of the Memorandum of Understanding with the DoES that the Board is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the DoES, the Public Accounts Committee or other relevant bodies.
- 13.6 **Appointment of bankers and other professional advisers:** The Board is responsible for the appointment of RIAM's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Finance Committee.
- 13.7 **Banking arrangements:** The Finance Officer is responsible, on behalf of the Finance Committee, for liaising with RIAM's bankers in relation to RIAM's bank accounts and the issue

of cheques. All cheques shall be ordered on the authority of the Finance Officer, who shall make proper arrangements for their safe custody.

The Director and the Finance Officer, acting together may open or close a bank account for dealing with RIAM's funds. All bank accounts shall be in the name of RIAM.

All cheques drawn on behalf of RIAM must be signed in the form approved by the Finance Committee. Cheques as specified in RIAM's detailed financial procedures shall require two signatures.

All automated transfers on behalf of RIAM, such as SEPA or BACS, must be authorised in the appropriate manner and on the basis approved by the Finance Committee.

An authorised person will be a member of senior management and approved as a signatory by the Finance Committee.

The Finance Officer is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

14. Income

- 14.1 **General:** The Finance Officer is responsible for ensuring that appropriate procedures are in operation to enable RIAM to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the Finance Officer.

Levels of charges for services rendered, goods supplied and rents and lettings if applicable are determined by procedures approved by the Finance Committee, on behalf of the Board.

The Finance Officer is responsible for the prompt collection, security and banking of all income received.

The Finance Officer is responsible for ensuring that all grants notified by the DoES and other bodies are received and appropriately recorded in the RIAM's accounts.

- 14.2 **Maximisation of income:** It is the responsibility of all staff to ensure that revenue to RIAM is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to the Finance Officer of sums due so that collection can be initiated.

- 14.3 **Receipt of cash, cheques and other negotiable instruments:** All monies received within departments from whatever source must be recorded by the department on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments.

All monies received must be secured promptly, and in accordance with the cash handling procedures. The custody and transit of all monies received must comply with the requirements of RIAM's insurers.

All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous departmental expenses or be paid into a departmental petty cash float. Personal or other cheques must not be cashed out of money received on behalf of RIAM.

RIAM may only receive payments by debit or credit card using procedures approved by the Finance Officer.

- 14.4 **Collection of debts:** all staff are responsible for notifying the Finance Officer of income that is due to RIAM arising from activities that they have initiated or administered. The process for income collection will follow the Income Collection Procedures.

The Finance Officer should ensure that:

- debtors invoices are raised promptly on official invoices, in respect of all income due to RIAM;
- invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account;
- any credits granted are valid, properly authorised and completely recorded;
- VAT is correctly charged where appropriate, and accounted for;
- monies received are posted to the correct debtors account;
- swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the financial procedures;
- outstanding debts are monitored and reports prepared for management.

The Finance Officer is responsible for the implementation of credit arrangements and the periods of credit granted, within guidelines established by Finance Committee.

Requests to write off debts in excess of £500 must be referred in writing to the Finance Officer. Debts below this level may be written off on the approval of the Finance Officer.

- 14.5 **Student fees:** The assessment and collection of tuition fees is the responsibility of the Finance Officer or his/her representative. He or she is responsible for ensuring that all student fees due to the RIAM are received.

Any student who has not paid an account for fees or any other item owing to RIAM shall not receive the certificate for any degree, diploma or other qualification awarded by RIAM until all outstanding debts have been cleared. Such students shall be prevented from re-enrolling at RIAM and from using any of RIAM's facilities, unless appropriate arrangements have been made.

- 14.6 **Student loans and bursaries:** The administration of student loans, bursaries, prizes and scholarships is the responsibility of the Finance Officer, whatever the source of funding. Appropriate records will be maintained to support all transactions.

- 14.7 **Emergency/hardship loans:** RIAM's scheme for emergency/hardship loans must be approved by the Board. This will include the maximum assistance that can be given in any individual case. Under no circumstances should payments be made other than in accordance with the approved scheme. The Finance Officer is responsible for ensuring the adequacy of the systems in place for:

- approving loans in accordance with the scheme;

- paying loans that have been approved;
- recovering loans that have been paid.

15. Other Income-Generating Activity

15.1 **Private consultancies and other paid work:** Unless otherwise stated in a full time member of staff's contract, outside consultancies or other paid work may only be accepted with prior approval from their line manager.

15.2 **Events, such as concerts, festivals and short courses:** The Finance Officer maintains all financial records relating to concerts, festivals and other events and authorises all claims for reimbursement from sponsoring bodies by the due date.

Events are managed by the designated artistic director and may be assigned a specific budget centre. The budget for the direct income and expenditure for the event is prepared by the manager, and approved by the relevant member of Executive and by the Finance Officer. The manager must also present such information to the Finance Officer to enable him/her to calculate the full economic cost of the event, including use of RIAM staffing and resources, before the event is approved to proceed.

Control of pay and non-pay expenditure will be contained within a project code, and the event manager will be responsible for the control of costs for that project. It is also the responsibility of the event manager to ensure that conditions of and external sources of funding are met, and to initiate claims for reimbursement, including invoices to delegates and other customers.

15.3 **Profitability and recovery of overheads:** All other income-generating activities must be self-financing or surplus-generating unless it is intended that a new course is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the Director and the Finance Officer.

Other income-generating activities organised by members of staff must be costed and agreed with the Finance Officer before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with RIAM's costing and pricing policy, in particular for the recovery of overheads.

15.4 **Additional payments to staff:** Any proposal that involves additional payments to full time members of staff should be supported by a schedule of names and values and must be approved by the Director.

16. Expenditure

16.1 **General:** The Finance Officer is responsible for making payments to suppliers of goods and services to RIAM.

16.2 **Scheme of delegation/financial authorities:** The Head of Faculty / Department head is responsible for purchases within his or her department. Purchasing authority may be delegated to named individuals within the department.

Under procedures agreed by the Finance Officer, central control shall be exercised over the creation of requisitioners and authorisers and their respective financial limits (for electronic systems).

The Finance Officer must be notified immediately of any changes to the authorities to commit expenditure.

Heads of Faculty/Service Areas and budget holders are not authorised to commit RIAM to expenditure without first reserving sufficient funds to meet the purchase cost.

- 16.3 **Purchase orders:** The ordering of goods and services shall only be made by the Head of Faculty/Department head or those given the delegated authority.

A purchase order or notification to the Finance office must be raised for all purchases and RIAM procurement rules applied.

It is the responsibility of the Finance Officer to ensure that all purchase orders refer to RIAM's conditions of contract.

- 16.4 **Tenders and quotations:** Heads of Faculty/Department heads and delegated budget holders must comply with RIAM's tender guidelines, which are applicable as follows:

- Purchases up to €5,000 (exclusive of VAT) may be purchased on the basis of verbal quotes from one or more competitive suppliers (best practice is to seek three quotes confirmed by e-mail).
- Purchases over €5,000 and less than €25,000 shall require three written invitations to provide a quotation.
- Contracts for goods and services with an estimated value between €5,000 and €25,000 (exclusive of VAT) can be awarded on the basis of responses to written specifications (e.g. sent by email) to at least three suppliers or service providers.
- Contracts for goods and or services, with an estimated value of €25,000 (exclusive of VAT) and up to the value of the EU thresholds should normally be advertised as part of a formal tendering process on eTenders using the Open Procedure. Where only one supplier exists under the mandatory arrangements set out by the Office of Government Procurement, the necessity to tender will not apply.
- Should an annual aggregate value of a contract reach these limits then the same procedure applies.
- A review of contracts in place should be undertaken on an annual basis to ensure value for money (vfm) is being achieved.
- Awarding of tenders shall be the responsibility of the Director or Finance Officer, who shall award them within guidelines identified by the Board or its sub-committees.
- Only partnership arrangements for the supply of goods or services specifically approved by the Finance Committee or the Board will fall outside these arrangements for tenders and quotations.
- In addition, all purchases for which quotations are required should be discussed with the Finance Office in order to identify any OGP frameworks, contracts or agreements, which are in place. Where this is the case, quotations should be sought from suppliers who are on the agreed list where possible.

- Under the current EU Public Procurement Law, post tender negotiations on any EU tendered contract (as detailed in section 19.8) are illegal.
- Major proposals (that is, schemes in excess of €50k) shall be presented in the form of costings or investment appraisals prepared in conjunction with the Finance Officer as appropriate for Finance Committee consideration.
- The achievement of value for money will be an objective in the letting of all contracts.

16.5 **Receipt of goods:** All goods shall be received at designated receipt and distribution points. They shall be checked for quantity and/or weight and inspected for quality and specification by the department which is receiving the goods and certifying the invoice. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods.

All goods received shall be entered onto an appropriate goods received document. If the goods are deemed to be unsatisfactory, the record shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified.

All persons receiving goods on behalf of RIAM must be independent of those who negotiated prices and terms and placed the official order.

16.6 **Payment of invoices:** The procedures for making all payments shall be in a form specified by the Finance Officer.

The Finance Officer is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to Eurozone suppliers will normally be made by SEPA transfer. Payments outside the Eurozone will normally be made by SWIFT transfer.

Heads of Faculty/Department heads are responsible for ensuring that expenditure within their departments does not exceed funds available.

Suppliers should be instructed by the budget holder to submit invoices for goods or services to the Finance Office. Invoices directly received in the departments must be passed to the finance department as soon as they have been certified. Any worksheets and supporting documentation must be attached to the invoices.

Care must be taken by the budget holder to ensure that discounts receivable are obtained.

Payments will only be made by the Finance Officer against invoices that have been certified for payment by the appropriate Head of Faculty/Department head or budget holder.

Certification of an invoice or receipting of an electronic order will ensure that:

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;
- where appropriate, it is matched to the order;
- invoice details (quantity, price discount) are correct;

- the invoice is arithmetically correct;
- the invoice has not previously been passed for payment;
- where appropriate, an entry has been made on a stores record or departmental inventory.

16.7 **Staff reimbursement:** RIAM's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement (see 17.5).

17. Payroll

17.1 **Remuneration policy:** All RIAM staff will be appointed to the salary scales approved by the Board and in accordance with appropriate conditions of service. All staff will receive letters of appointment/contracts.

17.2 **Appointment of staff:** All contracts of service shall be concluded in accordance with RIAM's approved HR practices and procedures and all offers of employment with RIAM shall be made in writing by the Finance Office.

17.3 **Salaries and wages:** The Finance Officer is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Finance Officer.

Heads of Faculty/Department heads will be responsible for keeping the Finance Officer informed of all matters relating to human resources for payroll purposes. In particular, these include:

- appointments, resignations, dismissals, supervisions, secondments and transfers;
- absences from duty for sickness or other reason, apart from approved leave;
- information necessary to maintain records of service for superannuation, income tax and national insurance.

The Finance Officer is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.

The Finance Officer shall be responsible for keeping all records relating to payroll including those of a statutory nature.

All payments must be made in accordance with RIAM's detailed payroll financial procedures and comply with statutory regulations.

17.4 **Superannuation scheme:** The Board is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees. The Finance Officer is responsible for day-to-day superannuation matters, including:

- paying contributions to the authorised superannuation scheme;

- preparing the annual return for the superannuation scheme.

17.5 **Travel, subsistence and other allowances:** All claims for payment of subsistence allowances, travelling and incidental expenses must be made in accordance with the Travel and Subsistence Policy, as appended below.

Claims by members of staff must be authorised by their line manager. The certification by the Head of Faculty shall be taken to mean that:

- the journeys were authorised;
- the expenses were properly and necessarily incurred;
- the allowances are properly payable by RIAM;
- consideration has been given to value for money in choosing the mode of transport;

Arrangements for travel by the Director or members of the Board shall be approved by the Board.

17.6 **Overseas travel:** All arrangements for overseas travel must be approved in advance by the Director or Finance Officer. Any approvals required must be obtained in advance of committing RIAM to those arrangements or confirmation of any travel bookings.

17.7 **Severance and other non-recurring payments:** Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the Finance Committee. Professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments shall be authorised by the Director and calculations checked by the Finance Officer. Any proposals to offer pension enhancements require approval by the Finance Committee.

18. Assets

18.1 **Buildings, fixed plant and machinery:** The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority from the Board and with reference to DoES requirements where exchequer-funded assets or exchequer funds are involved.

18.2 **Fixed asset register:** The Finance Officer is responsible for maintaining RIAM's register of land, buildings, fixed plant, machinery and capital equipment (e.g. furniture, computers, musical instruments) held by departments with a value greater than €1000 in order to maintain the balance sheet and arrange insurance. This will be updated annually to reflect additions for the year and to calculate depreciation charges. Where appropriate the fixed asset register will be reconciled to departments own asset/equipment registers.

Annual impairment reviews will be undertaken to ensure asset valuations are not overstated in the annual accounts.

A separate musical instrument schedule is also maintained and updated regularly to meet insurance requirements.

18.3 **Safeguarding assets:** All staff are responsible for the care, custody and security of the buildings, equipment, musical instruments, stock, stores, furniture, cash, etc under their

control. They will consult the Finance Officer promptly 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 RIAM shall, so far as is practical, be effectively marked to identify them as RIAM property.

- 18.4 **Personal use:** Assets owned or leased by RIAM shall not be subject to personal use without proper authorisation.
- 18.5 **Asset disposal:** Disposal of capital items, musical instruments, equipment and furniture must be approved by the Finance Officer, after consultation with appropriate managers. All staff proposing a disposal shall do so using an Asset Disposal Form.

Disposal of land and buildings must only take place with the authorisation of the Board. DoES consent may also be required if exchequer funds were involved in the acquisition of the asset.

19. Funds Held on Trust

- 19.1 **Gifts, benefactions and donations:** The Finance Officer is responsible for maintaining financial records in respect of gifts, benefactions and donations made to RIAM and initiating claims for recovery of tax where appropriate.
- 19.2 **Student welfare and access funds:** The Finance Officer is responsible for making all payments from the Trust Funds, including prizes, bursaries, scholarships and hardship payments, in accordance with the policies of the Finance Committee and the decisions of the relevant adjudicating panels.

20. Other

- 20.1 **Liability and risk:** Heads of Faculty must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which RIAM may be exposed. The Finance Officer's advice should be sought to ensure that this is the case. Heads of Faculty must give prompt notification to the Finance Officer of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. Heads of Faculty must advise the Finance Officer immediately of any event that may give rise to an insurance claim. The Finance Officer will notify the RIAM's insurers and, if appropriate, prepare a claim in conjunction with the Head of Faculty for transmission to the insurers.
- 20.2 **Insurance:** The Finance Officer is responsible for RIAM's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy (see sections 7.1 to 7.4), all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets.

The Finance Officer is responsible for effecting insurance cover as determined by the Finance Committee. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The Finance Officer will keep a register of all insurances effected by RIAM and the property and risks covered. He or she will also deal with RIAM's insurers and advisers about specific insurance problems.

All staff using their own vehicles on behalf of RIAM shall maintain appropriate insurance cover for business use.

- 20.3 **Security:** Keys to safes or other similar containers are to be carried on the person of those responsible at all times. The loss of such keys must be reported to the Finance Officer immediately.

The Data Protection Officer shall be responsible for maintaining proper security and privacy of information held on RIAM's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act 2018 and the General Data Protection Regulation (GDPR). The Data Protection Officer shall be nominated to ensure compliance with the Act and the safety of documents.

The Finance Officer is responsible for the safekeeping of official and legal documents relating to RIAM. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Finance Officer. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

- 20.4 **Students' Union:** The Students' Union is a separate legal entity from RIAM but is recognised to fulfil a valuable role in relation to the RIAM's students.

Subject to any constraints imposed by the DoES, the Secretary shall determine the level of grant to be paid annually to the Students' Union.

The Students' Union is responsible for maintaining its own bank account and financial records and preparing its own annual financial statements, if appropriate.

21. Document Control

Approved 5th October 2018.

Revision 3 approved by Trinity Academic Council 13th May 2020.

Next review: Academic year 2020/21.

Appendix - Travel and Subsistence Policy

Normal Place of Work

The Normal Place of Work is the place where an employee normally performs the duties of his or her employment. The Normal Place of Work for the purposes of this policy will be the Royal Irish Academy of Music (RIAM) premises on 36 Westland Row, Dublin 2.

Even where an employee has to do some work at home or to keep some equipment at home, the place where her or she resides is a matter of personal choice and it would not be regarded as a place of work.

Business Journeys

A Business Journey is one in which an employee travels from one place of work to another place of work in the performance of the duties of his or her employment and will generally involve a temporary absence from the normal place of work.

Travel

Expenditure on foreign travel and subsistence will be appraised and monitored by the Finance Officer. It will be the duty of the Finance Officer and Management and Finance Committee to ensure that only essential travel is undertaken and that the number of employees travelling on official business is kept to a minimum consistent with the business needs of RIAM.

Air Travel

The following principles should apply in relation to the class used:

It is expected that employees will use economy class for travel including internet low cost carrier fares for flights.

Cheaper restricted fares should be used where the travel abroad is regular and predictable and changes to travel are unlikely to occur. The RIAM will be responsible for any additional charges which may be incurred by an internet/economy class ticket holder as a result of having to change flight times etc for official business reasons, but the value should be assessed against the (usually low) risk of having to change the flight.

There are a range of fully flexible economy fares, but these should be used only where it can be shown that the flexibility provided and the extra cost of the ticket are warranted compared to the potential cancellation cost of a restricted internet/economy ticket.

Premium economy class travel may be used (where available) for long-haul flights where the additional flexibility afforded is considered necessary for the effective discharge of official business. Business class travel should be confined to limited situations where the Finance Officer is satisfied that the additional cost can be justified in relation to the length of the flight and the official business to be conducted.

As a general rule, first class travel should not be used. If it is considered that there are very exceptional circumstances where the use of first class travel is justified for business reasons, the written permission of the Finance Officer should be obtained beforehand and the reasons justifying it should be recorded.

All travel is booked through the Finance Officer/Secretary's office, or by the Public Relations Officer, with the Finance Officer/Secretary's prior approval.

All travel in respect of the Director is charged to his or her official credit card.

Subsistence

The subsistence allowance rate appropriate to any period of twenty-four hours is the overnight rate appropriate to the place where the night is spent or in the rare case where the employee is travelling overland at night, the 'elsewhere' rate for the country in which the employee is at midnight.

Employees are not entitled to claim subsistence where the cost was not incurred or where the accommodation and/or meals are provided free of charge.

Where the conference rate applies (or where an overnight limit is not specified) the employee should ensure that the standard of hotel used is not extravagant, unless they are required to stay in a particular hotel for business reasons. In general, three or four star hotels should be used.

Flat Rate Allowances and Vouched Expenses

Where an employee performs duties of employment while away from their normal place or work, subsistence expenses will be reimbursed as a flat rate allowance as per the current Civil Service rates.

In some circumstances, with prior approval from the Finance Officer/Secretary, subsistence will be reimbursed based on actual costs (with accompanying receipts) once these costs do not exceed the amount which would be payable in respect of the Civil Service Rates.

Summary of Rates:

Domestic overnight subsistence rates (from 1 April 2017):

Normal Rate	€133.73
Reduced Rate	€120.36
Detention Rate	€66.87

*Overnight allowance is for an absence of more than 24 hours at least 100km from employee's home or normal place of work.

Domestic day subsistence rates (from 1 April 2017):

Ten hours or more	€33.61
Between five and ten hours	€14.01

Domestic Travel

Maximum use is to be made of public transportation options for official travel; the use of taxi services to be kept to a minimum and only permitted with prior approval from the Finance Officer/Secretary.

Where staff use their own vehicles, official civil service mileage rates as set out in the Department of Finance Motor Travel and Subsistence Rates circular will apply.

Motor travel rates - from 1 April 2017

Band	Distance	Engine capacity up to 1200cc	Engine capacity 1201cc - 1500cc	Engine capacity 1501cc and over
Band 1	0 - 1,500 km	37.95 cent	39.86 cent	44.79 cent
Band 2	1,501 - 5,500 km	70.00 cent	73.21 cent	83.53 cent
Band 3	5,501 - 25,000 km	27.55 cent	29.03 cent	32.21 cent
Band 4	25,001 km and over	21.36 cent	22.23 cent	25.85 cent

Accommodation

Domestic Accommodation

All employees receive the domestic subsistence rate set out in the Department of Finance Motor Travel and Subsistence Rates circular. A copy of this circular can be obtained from the Secretariat Office.

Foreign Accommodation

All staff receive the standard subsistence rates applicable as set out in the Department of Finance subsistence rates foreign travel circular. A copy of this circular can be obtained from the Secretariat Office.