



APPROVED FINANCIAL REGULATIONS

LASU
LAGOS STATE UNIVERSITY

OCTOBER 2014



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1.0 PREAMBLE

This financial guideline and procedure is put together primarily for the consumption of all members of staff and Department/Unit Heads, to serve as path finder for them on financial matters. Every organization has a set of rules and regulations that governs its internal operation for the smooth running of the organization. The financial guidelines and procedure given below are a combination of extracts from the General Rules and Regulations approved by Council now in operation, and financial practices already in operation within the system.

All these are compressed here for effective focus and understanding. This presentation is therefore not an Accounting manual, as this is dealt with elsewhere

This Financial Regulation shall be binding on all segments of Lagos State University irrespective of Schools, Faculties or Colleges.

CHAPTER ONE

FINANCIAL AUTHORITIES

The financial authorities of the Lagos State University shall comprise:

1.1 UNIVERSITY GOVERNING COUNCIL

The University's Council is responsible for the preparation and fair presentation of the University's Statements in accordance with the Statements of Accounting Standards applicable in Nigeria/International Financial Reporting Standards and in the manner required by the University Statute No 1. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

1.2 VICE CHANCELLOR

The Vice Chancellor is the Chief Academic and Chief Accounting Officer of the University and is answerable to the University Council for the financial administration of the University's affairs. In his capacity as the Chief Accounting Officer, the Vice Chancellor must advise the Council if, at any time, any action or policy under consideration by them appears to the Vice Chancellor to be incompatible with the financial regulations of the University. If the Council decides nevertheless to proceed; the Vice Chancellor must immediately inform the visitor to the University in writing. As the, accountable officer, the Vice Chancellor may be required to justify any of the University's financial matters to its proprietor.

There are limits to the expenditures that the Vice Chancellor may incur without reference to either a Tenders Board or the Governing council. The Vice-Chancellor would therefore do well to familiarize himself with the prevailing figures. In real emergencies, the Pro-Chancellor and

Chairman of Council can be approached to give approval on behalf of Council for expenditures beyond the powers of the Vice Chancellor. It is important that all expenditures are in conformity with the budget and when extra-budgetary spending is unavoidable the Vice Chancellor will seek proper authority from the Council, if necessary through the Pro-Chancellor.

With the assistance of the Bursar, the Vice Chancellor is expected to find other sources of revenue for the University and to invest wisely any funds so raised.

1.3 UNIVERSITY BURSAR

Bursar is the Chief Financial Officer of the University and shall be responsible to the Vice Chancellor for the day to day financial administration of the University. He is expected therefore to keep the Vice Chancellor constantly informed of the financial situation of the University and help him to ensure that all expenditures are in accordance with the operative budget and in conformity with the financial regulations of the University.

1.3.1 Duties of the University Bursar

The direct and primary responsibilities of the Bursar are as follows:

- I. To advise the Vice Chancellor and through him the Council, the Committees, Provosts and Deans on finance related matters.
- II. To co-ordinate the development and upgrading of the University strategic plans and to ensure that the University rolling plans are prepared based on the strategic plan.
- III. To co-ordinate the development and update the University financial management plans.
- IV. To co-ordinate the preparation of periodic income and expenditure, balance sheet and cash flow estimates and consolidation where necessary.
- V. To ensure that accurate records are maintained of all local and foreign assets and liabilities held by the University.
- VI. To monitor monthly income and expenditure and balance sheet variance against the budgets and to ensure that they are rectified.

- VII. To monitor the accurate and timely preparation of University financial statements and management accounts and present them to the University Council and relevant committees.
- VIII. To ensure that all assets of the University are properly safeguarded from theft, natural disasters, deterioration and obsolescence.
- IX. To monitor fixed assets and working capital (inventory, receivables, and payable) and to ensure that they are being efficiently and effectively managed.
- X. To monitor treasury activities including cash flow projections and forecasts for prudence and variances.
- XI. To negotiate with financial and government institutions with regard to financial matters.
- XII. To monitor the funds received from donor agencies and other agencies and to ensure that they are used for specified projects and that general funds are used for projects which provide the highest benefits.
- XIII. To manage the University investment portfolio.
- XIV. To monitor expenditure on capital projects and to ensure their budgetary control.
- XV. To ensure that all sectors of the University make returns to the relevant authorities and comply with local financial requirements.
- XVI. To co-ordinate the preparation of consolidated financial statements.
- XVII. To evaluate and develop computerized and manual accounting and financial management systems and procedures and develop and implement control systems.
- XVIII. To monitor the annual audits and other management assignments and to ensure efficient, effective and economical completion of the same.
- XIX. To monitor the activities of the university's business venture which have not been incorporated.

1.4 DIRECTOR OF DIRECTORATE OF INTERNAL AUDIT

1.4.1 Duties of the Director

1. Directs the manner in which the University accounts are to be audited.
2. Participates in Committee; especially Executive and Council Committees dealing with Finance and Resource Control
3. Collaborates in issues affecting design of systems of accounts, Internal Control, Manpower, Staff Remuneration/Wages, Personnel and Investment Portfolios
4. Examines/reviews from time-to-time, the University Procedures for Write-offs, Purchasing, Valuation of Stock and Inventory Pricing.
5. Conducts special Audit, or Additional Audit where he finds it necessary or when normal audit reveals gross irregularities or mismanagement.
6. Prepares reports for Management on Annual, Quarterly, Monthly basis, etc and other formal reports from the Unit.
7. Such other duties as may become necessary or as directed by the Vice Chancellor, the Governing Council and the University Management.

1.5.0 EXTERNAL AUDITORS' RESPONSIBILITIES

It is the responsibilities of the External Auditors to express an opinion on the financial statements based on their audit, and which must be conducted in accordance with Nigerian Standards of Auditing. Those standards require that they comply with ethical requirements, plan and perform the audit in order to obtain reasonable assurance whether the University financial statements are free from material mis-statement.

The Audit involves performing procedures to obtain audit evidence, about the amounts disclosed in the financial statements. The procedures to be selected will depend on the auditors' judgement, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error. In making those

risk assessments, the auditors will consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. The audit should also include evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council as well as evaluating the overall presentation of the financial statements.

The Auditor must state whether in their opinion that audit evidence obtained is sufficient and appropriate to provide a basis for their opinion.

1.6.0 PROVOST, COLLEGE OF MEDICINE

The Provost, College of Medicine shall be the Accounting Officer of the College and shall exercise financial power as delegated to him by the Vice-Chancellor.

1.7.0 OTHER BUDGET HOLDERS

Registrar, University Librarian, Deans, Directors, Head of Departments are responsible to the Vice Chancellor for financial controls and management in their areas of responsibility. They are advised by the Bursar in executing their financial duties, and must ensure the proper use of funds in accordance with these financial regulations and any procedural notes issued to budget holder.

1.8.0 ALL MEMBERS OF STAFF

All members of staff should be aware of and have a general responsibility for the security of the University's property, for economy in the use of University resources in the most efficient and effective manner. They must ensure that they are aware of the University's financial authority limits and the values of purchases for which quotations and tenders are required.

They must make available any relevant record or information to the Bursar and the Director of Internal or their authorised representatives, in connection with the implementation of the University's financial policies, these financial regulations and the system of financial controls. They shall provide the Bursar and the Director of Directorate of Internal Audit with such financial and other information as they may deem necessary, from time to time, to carry out the requirements of the Council and of the law.

1.9.0 FUNCTIONS OF FINANCE/BURSARY LIAISON OFFICERS FOR FACULTIES AND CENTRES

- a) Act as Bursary representative in all faculty/centre financial matters
- b) Processing approved request for payment by raising payment vouchers after the financial commitment centrally
- c) Attending to all inquiries relating to faculty/centre finances
- d) Actively participating in the preparation of the annual budget of the faculty/centre
- e) Liaising with the data processing unit in the Bursary Department for updating student financial records on the system.
- f) Issuing financial clearance to students based on student financial statements.
- g) Processing imprest for the faculty and disbursing same to the respective holders.
- h) Maintaining petty cashbook for the faculty imprest.
- i) Mailing of documents in and out of the faculty/centre.
- j) Attending to all enquiries relating to school fees, bursary awards, and bursary numbers on students.
- k) Performing any other duties assigned by the Bursar.
- l) Maintaining of Register for all Fixed Assets in the Faculty/centre.

CHAPTER TWO

2.0 AUDITING REQUIREMENTS

2.1 General

External Auditors and Internal Auditors all have authority to:

- I. Access University premises to reasonable times.
- II. Unrestricted access to all assets, records, documents and correspondence relating to any financial and other transactions of the University.
- III. Require and receive such explanations as necessary concerning any matter under examination.
- IV. Require any employee of the University to account for cash, stores or any other University property under his or her control.
- V. Access records belonging to third parties, such as contractors, when required.

2.2 External Audit

On the recommendations of the Bursar and the Director of Directorate of Internal Audit, the Council shall approve External Auditors every five years, at the expiration of which another Auditor must be appointed. This will be done through competitive tenders involving at least five short-listed firms of Chartered Accountants from among applicants.

The primary role of External Auditor is to report on the University's financial statements and to carry out such examination of the statements and underlying records and control system as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.

2.3 Internal Audit

Internal Audit is service to management. Its functions include examining and evaluating internal controls and providing assurance V to the Management. It is a part of the organization's system of Internal Controls. Audits scope includes ALL aspects of Internal Control, not just financial control. The scope of Internal Audit is much wider than Statutory/External Audit. It should ideally cover all the organization's activities.

2.4 Organizational Independence and Objectivity

The Internal Audit activity should be independent of the activities it audits. It should normally be free from interference in determining the scope of its work, in performing its duties and in communicating the results. To maintain its independence, it has "solid-line" reporting relationship to the Governing Council with a "dotted-line", functionally or administratively report to the Vice Chancellor. The Directorate is responsible for giving assurance to the Governing Council and the Vice Chancellor on all the University's activities financial and otherwise.

The Governing Council will safeguard the Internal Audit independence by regularly reviewing the Internal Audit's responsibilities. The reporting line for it, is to the University Governing Council through the Vice Chancellor. This reinforces the organizational status of Internal Audit and support its unrestricted access to staff and information

CHAPTER THREE

3.0 SIGNIFICANT ACCOUNTING POLICIES OF THE UNIVERSITY

3.1 Financial Accounting Year

The University's Financial Year will run from 1st January until 31st December of every year.

3.2 Basis of Accounting

The consolidated financial statements are to be prepared under the historical cost convention/basis of accounting and in accordance with applicable accounting standards.

3.3 Fixed Assets

Fixed assets are to be stated at cost less accumulated depreciation.

3.4 Depreciation

Depreciation of fixed assets are to be charged on a straight line basis at the following annual rates calculated to write off the cost over their estimated useful lives:

Plant and machinery

Land and buildings

Motor vehicles

Laboratory equipment

Furniture and equipment

Academic gowns

Library books

Monumental antiquities

No depreciation is charged on buildings under construction until they are completed and brought into use.

3.5 Stocks

Stocks are to be valued at cost.

3.6 Staff Pension

The University is to operate its pension based on the Pension Reform Act, 2004. Employees' monthly contribution is 7.5% of emoluments (basic, housing and transport), while that of the Employer i.e. the University monthly contribution 7.5% is to be charged to the income and expenditure accounts of the University as it is to be included in staff salaries expenditure.

3.7 Foreign Currencies

Transactions in foreign currencies are to be translated into Naira at the rates of exchange ruling on the dates of transactions. Assets and liabilities in foreign currencies are to be converted into Naira at the rates of exchange ruling at the balance sheet date. All points and losses arising on conversion are to be included in income and expenditure account.

3.8 Retention of Accounting Records

The Bursar is responsible for the retention of financial and related documents. These should be kept in a form that is acceptable to the relevant authorities.

The university is required to retain prime documents for ten years. These include:

- ◆ LPO's Booklets.
- ◆ Payment Vouchers.
- ◆ Bank Statement.
- ◆ Cheques Stubs.
- ◆ Payroll records of all staff.
- ◆ Receipts.
- ◆ Banking Records.
- ◆ Accounting Books.

CHAPTER FOUR

OFFICIAL RECEIPT OF THE UNIVERSITY

4.1 All payments shall be made to the Lagos State University. University shall issue official receipts for all payments made to it. The Official Receipts of the University shall be printed only on the authority of the Bursar. They shall be serially numbered in a given sequence.

4.2 Under no circumstances shall a temporary receipt be issued by the University officials in respect of transactions involving the University and any other parties.

4.3 Where a receipt is cancelled and a fresh one issued, the original and other copies shall be retrieved and filed up appropriately.

4.4 If any officer comes in possession of University monies in the course of official duties, he shall lodge them without delay with the Bursar who will issue an official receipt against such monies.

CHAPTER FIVE

5.1 UNIVERSITY REVENUE AND ITS SOURCES

Since the Lagos state University is a non-commercial organization, its revenue sources are as follows:

- (a) Subvention from Lagos State Government
- (b) Receipts from students
- (c) Receipts from staff
- (d) Sundry Receipts
- (e) Gifts, Donations and Special Grants
- (f) Income from Investments
- (g) Revenue from Income Generating Units outfits/units.
- (h) National Universities Commission (NUC) Foreign/Domiciliary Accounts.

5.2 SUBVENTION FROM LAGOS STATE GOVERNMENT AND OTHER AGENCIES

The greater part of revenue of the University comes from this source. The subvention and grants includes the following:

- Recurrent Grant
- Library Development Fund
- Research Grant
- Main Capital Grant
- Special Capital (Rehabilitation) Grant
- Special Capital (Refurbishing) Grant
- Teaching & Research Equipment Grant

5.3 RECEIPTS FROM STUDENTS

Fees payable by all categories of students shall be paid to designated banks intact. The following fee fall into this category:

- a. Sale of Admission Form,
- b. Sales of Students Manuals.
- c. Students' registration and other fees.
- d. Rent of Gowns, Rent of Shops.
- e. Transcripts receipts.
- f. Sales of I.D. Cards.
- g. Cautions Fees.
- h. And any other fee that may be approved by the Authorities from time to time.

5.4 RECEIPTS FROM STAFF

The following are some of the receipts from staff of the University:

- a. Hire of Staff bus
- b. Hire of University properties
- c. Interest on staff loans
- d. Rent paid by staff on quarters
- e. Electricity charge/recovery.

5.5 SUNDY RECEIPTS

These are revenue from

- a. Sale of Admission forms
- b. Electricity charges paid by consumers of University Properties
- c. Contractors' Registration Fees
- d. Rent from University Properties
- e. Tender Application Fees.
- f. Contractors' Registration Fees.

5.6 GIFTS, DONATIONS AND SPECIAL GRANT

a. Gifts and Donations:

This type of revenue is recognized in the budget by the University only when it is received. The University puts the revenue received in a separate account different from the Recurrent Account.

b. Special Grants:

These are funds/revenue received from governmental and non-governmental organizations. The funds are dedicated to specific projects.

This fund includes the followings:

- I. Donations and Endowments.
- II. State Government Special Grants.
- III. Intervention Funds from TETFUND.

5.7 INCOME FROM INVESTMENTS

This type of income is made up of interest received from Deposit Accounts, Treasury Bills etc. and any other related investments.

5.8 REVENUE FROM INCOME GENERATING VENTURES

The following sources are generating funds for the University:

- a) Conference Centre
- b) Human Resources Development Board
- c) LASU Bookshop
- d) University Multimedia Centre
- e) International School
- f) LASU Consult
- g) Staff School
- h) Consultancy Services.
- i) Parking Charges.
- j) Ground Rents/Land Charges.

CHAPTER SIX

6.1 BANKING OPERATIONS

6.1.1 Overview

No bank account which in any way purports to be, or appears to be, shall be opened, or maintained without prior authorization of the associated with the Lagos State University, or holds University funds, Governing Council. This authorization limit extend to bank accounts affecting any of the University Funds.

Faculty and staff organization are prohibited from establishing or maintaining bank accounts using the name "Lagos State University" in the account title, except on the express approval of the Vice- Chancellor. This policy is designed to maintain internal controls and provide hedge against misleading the Public.

As a major control, the Council will appoint authorized signatories to the bank accounts in two groups namely: A and B

6.1.2 Bank Signatories

The following shall be signature mandate for the University accounts:

GROUP A	GROUP B
Vice-Chancellor	Bursar
Deputy Vice-Chancellors	Deputy Bursar (To be nominated)
Registrar	Deputy Bursar (To be nominated)

Anytime a new account is to be opened, the Bursar shall provide the bank with the certified specimen signatures of officers authorized to sign cheques drawn on University Accounts and will advise them of any subsequent changes in Signatories. Anytime an officer's mandate is to be cancelled, prompt notification shall be given to the affected bank.

In order for cheques drawn by the University to be legitimate or authentic, they **MUST** be signed conjointly by two signatories; one each from Groups A and B.

6.2 INTER-BANK TRANSFERS

For any form of inter- bank transfers to be arranged with the University bankers, the arrangement must be brought to the attention of the Vice-Chancellor for his approval. Upon approval of the Vice- Chancellor, the Director of Internal Audit must be informed.

CHAPTER SEVEN

7.0 STORES MANAGEMENT

7.1 Authority of Requisition Store

- I. All Stores Requisition/Stores Issue Voucher must be authorized by the Budget Holder (the respective Head of Departments) or in his absence, the officer authorized to do so during the period of such absence. In order to ensure that requisitions received at the Central Stores have been properly authorized, the Head of Department should inform the Bursary, with a copy to the Store Keeper, the name, designation, specimen signature and period the signature is valid for the officer so appointed to act during his absence.
- II. It is also necessary for the Head of Department to have his own name and specimen signature sent to the Bursary with a copy to the Head of the Stores.

Any alteration or additions to requisitions must be duly authorized.

7.2 Preparation of Stores Requisition/Stores Issues Vouchers

The requisitioning Department will perfect a Store Requisition/Stores Issue Voucher in quadruplicate giving the following information.

- I. Date.
- II. Department.
- III. Description of items.
- IV. Purpose (where applicable).
- V. Quantity required.
- VI. Signature of the officer requisitioning.

7.3 Goods Received Procedure

All goods will be received and documented in the Central Stores. In the case of catering goods, they will be directly taken into the catering stores. While teaching equipment, chemicals and drugs will be

delivered to relevant stores in the presence of central store-keeper. The goods received voucher and stores requisition/store issue voucher will be raised simultaneously.

Goods will be received at source by the Store Keeper in the presence of representative from the Department who is familiar with the description and quality of the goods so ordered and the Internal Audit for confirmation of the delivery.

All the concerned officers shall verify that the goods:

- i. Are of the correct strength.
- ii. Are of the correct quality.
- iii. Are the correct model.
- iv. Are accurate in the case of instruments.

If goods delivered are in accordance with the specifications in other words that the user Department and Audit representatives are satisfied to that effect, Delivery note will be signed by the representatives of the Department and Internal Audit. Stores receipt voucher will then be prepared by the store keeper.

Copies of the Stores Receipt Voucher will be sent to the following departments.

- i. With LPO and Invoice to the payment section of the Bursary.
- ii. Ledger section of the Bursary.
- iii. Requisitioning Department.
- iv. Central Stores/Chief Stores Officer

7.4 Stock Taking

The Bursar shall arrange for a physical stock taking quarterly. The Internal Auditor shall be present when stock taking is being carried out while, the External Auditor shall be invited to witness the final annual stock taking exercise.

The store will be closed while the stock taking is being conducted and no issue will be entertained. At the end of every stock taking, the stores officer and the Internal Auditor shall sign the stock sheets.

7.5 Obsolete/Stores, Plants, etc

Unserviceable stores, plants and equipment may be written off and disposed of under the personal authority of the Vice Chancellor provided:

- i. The stores, plants and equipment have been surveyed and condemned by University Board of Survey.
- ii. They are expendable tools which become unserviceable through wear and tear as confirmed by the Director of works.
- iii. Used parts of plant and vehicles that become unserviceable by wear and tear also confirmed by the Director of Works.

It is the duty of the Store Officer directly in charge of a store to segregate unserviceable articles and to report to the Head of Stores on the circumstances leading to the stores being rendered unserviceable. There must be no delay however in the application for a Board of Survey for articles which have a residual value and which are liable to deteriorate rapidly.

7.6 Loss of Stores and Unserviceable Stores

A loss of stores, plant, equipment, etc may be written off under the personal authority of the Vice Chancellor, provided that:

- i. There is no apparent weakness in the system of control.
- ii. There is no evidence of fraud or theft.
- iii. Where negligence is involved, necessary disciplinary action against the officer(s) found negligent must be taken.

In the event of any loss of stores, the officer in charge of the store in which the loss occurs will:

- i. Report immediately of the Head of Store by the fastest means possible if the loss occurs away from main campus.
- ii. Report to the security unit and the Internal Audit if there is possibility of fraud or theft.

- iii. Ensure that if a weakness in the security is revealed, immediate measures are taken to prevent a recurrence of the loss

On receiving the information, the head of stores will:

- I. Forward immediately, in writing brief details of the loss to the Bursar.
- II. Recommend the invitation of the Internal Audit representative to check the store as to detect the extent of loss.
- III. Where negligence is involved, necessary disciplinary action will be taken against the officer(s) found negligent.

CHAPTER EIGHT

8.0 EXPENDITURE APPROVAL/CONTROL LIMIT

University business is transacted through the Departments in the University. Such transactions are mostly on credit. The following are the expenditure approval/control limit of the University community:

Officers	Limit
Heads of Departments/Units	#20,000
Deans/Directors	#50,000
Principal Officers	#100,000
Deputy Vice-Chancellors/Provost	#250,000
Vice Chancellor	#3,000,000
Governing Council	Above #3,000,000

In order to maintain adequate records and maintain effective control of our expenditure, all expenses/spending are expected to be cleared with the Bursary (i.e. committed or charged to relevant votes head) before a department commits the University to the expenditure or costs. Failure to do this may result in non-payment of the bill incurred by the Bursary. Payments may be delayed occasionally due to cash flow, but any expense already cleared with the Bursary will be paid. For smooth operation of the Departments/Units therefore, Heads of Departments are advised to be familiar with the following procedures:

8.1 BUDGET ADMINISTRATION

- i. During the first week in May of every year, the Bursar or his delegate shall call for budget inputs from all the Faculties and Departments of the University on prescribed formats as circulated.
- ii. The Departmental inputs shall include its requirements during the coming year in respect of recurrent, special and capital expenditure.
- iii. The Bursar or his delegate shall collate the Departmental budgets and circulate the consolidated budget proposals to all Heads of Department and invite them to a budget session

- iv. Vice Chancellor, Registrar, Bursar, University Librarian, Director Academic Planning, Director of Works and Services, Director of Internal Audit and Budget Officer shall constitute the University Budget Committee for the discussion of the budget proposals. The Budget Committee shall be presided over by the Vice Chancellor or his nominee.
- v. The Budget Committee shall agree on the Budget Proposal after necessary defence consideration and amendments. This proposal shall at this stage be passed for the ratification of the University Council via the F & GPC.
- vi. The University Approved Budget Proposal shall then be forwarded to appropriate Department of Lagos State Government.
- vii. On the receipt of the Government approved budget allocation to the University, the Bursar, on the direction of the Vice Chancellor, shall again call a meeting of the University Budget Committee to discuss the appropriation and sharing of the approved Government allocation among the competing expenditure votes.
- viii. A working budget shall then be complied by the Bursar or his delegate for ratification of the Vice Chancellor and the Governing Council.
- ix. The working or operating budget shall be subject to revision if the need arises during the year and such revision shall be approved by the vice Chancellor.

8.2 Periodic Statement of Account

One of the functions of the Budgetary And Budgetary Control Section of the Bursary where records of financial commitments are kept, is to compile statement of balances on departmental votes periodically and send same to all the Departments. With the periodic statements, Deans/Heads of Department will be kept abreast of the running of their budget and hence be able to compare the balances appearing in the statements with the departmental records and if there is any discrepancy, necessary reconciliation should be effected.

8.2.1 Virement

This is an arrangement whereby funds are transferred from one vote to another in order to fund an expended/depleted vote head.

Virement may be undertaken:

- i. From one vote to another within the Recurrent Expenditure
- ii. Head
- iii. From one vote to another within Capital Expenditure head No virement is permissible from Capital (to Recurrent Expenditure Head and vice-versa)
- iv. Virement of amounts above N100,000.00 should be approved by the Vice-Chancellor and eventually brought to the notice of the Budget Committee for ratification;
- v. The Bursar has authority to approve of amount not exceeding N100,000.00

8.3 Estimates of Income and Expenditure

1. The estimates of Income and Expenditure for a financial year shall be presented by the Vice-Chancellor to the Council and shall be approved by the Council before the beginning of the financial year; Provided that the Vice-Chancellor shall during the financial year make additional proposals and the Council shall approve the supplementary estimates of income and Expenditures accordingly.
2. The Annual and Supplementary Estimates shall be prepared in the form approved by the State Government and shall contain such information as the Council shall direct.
3. Such estimates of income and expenditure for a financial year mentioned in section (1) of this Section shall be submitted to Lagos State Government through the Ministry of Education for the approval of the Lagos State House of Assembly.

CHAPTER NINE

PURCHASING/SUPPLIES AND THEIR PAYMENT PROCEDURES

9.1 Procedure for Purchasing

- i. Where a local purchase is to be required or to be made, a purchasing request/memo shall be initiated and forwarded to the Procurement Office by the requisitionist
- ii. On receipt of the request, the Purchasing/ Procurement Office shall obtain necessary quotations from amongst the Registered Suppliers for the item(s) requested for. However, it shall obtain the current market prices, if the purchases are to be made directly through cash advance. The Market Prices shall be subjected to further verifications by the Internal Audit.
- iii. The Estimated cost implication through the quotations received or Market Prices shall be forwarded to the Requisitioning Department.
- iv. On the receipt of (iii) by the requisitionist, an approval for the order/purchase shall be conveyed by the appropriate Budget holder (Heads of Department or Deans of Faculties) depending on the amount involved. However, where the amount exceeds the approval limit of any of them, it shall be forwarded to the Vice-Chancellor or the Deputy Vice- Chancellor for consideration and approval.
- v. The Budget holder shall forward the approval to the Bursar.
- vi. The Bursar on receipt of the approval shall pass it to the Budgetary Control Officer to determine if funds are available or not for the expenditure. Where enough fund is available in the appropriate vote head, it shall be committed (i.e. charged) to it.
- vii. The approved request shall be forwarded to the Procurement Unit where Local Purchase Order shall be raised for the approved supplier to supply the goods as approved.
- viii. The Local Purchase Order shall be authorized by the University Officer after all the due procedures have been complied with.

- On delivery of goods, the supplier shall submit its original invoice, original LPO and original Goods Delivery Note to the
- ix. Stores Officer who shall pass them latest within 2 days to the Bursar for Payment Authorization from the Vice Chancellor after certification of the goods supplied by the Internal Audit and user Department.
 - x. The Bursar or his delegate before making payment shall ascertain, that the relevant documents authorizing the expenditure such as Purchase Requisition memo/ request, LPO, goods Received Note, Way Bills, supplier's Original Invoice are attached to the payment voucher Photocopy or duplicate documents shall not be acceptable for payment purposes.
 - xi. In addition to the above procedure, all foreign purchases shall comply with the Federal Government Law and Regulations on foreign transactions and with foreign exchange regulations. All capital purchases shall be initiated by the Department who requires the item on a special expenditure purchase requisition

9.2 CASH ADVANCES TO STAFF FOR PURCHASES

- 1. Cash Advance may be given to staff for projects/jobs, services,
- 2. purchases where cash expenditure may be unavoidable, Cash advance commitment form must be raised by the requisitionist in triplicate, and must be approved by the appropriate Budget holder in line with his/her approval limit.
- 3. When the amount involved exceeds the approval limit of the budget holder (i.e. the individual given authority and responsibility for managing a budget within the University), it shall be approved by the Vice Chancellor or Deputy Vice Chancellor as the case may be.
- 4. Receipts or paid invoices must be retained for all sums expended in this way.
- 5. Within one month (i.e. 30 days) from the date of collection of the cash, a retirement must be prepared to demonstrate or

prove how the advance was disbursed and any unspent balance repaid back to the University coffers.

6. The receipts or paid invoices must be certified by the End user of the project/jobs/service/products purchased and confirmed by an Auditor.
7. The receipts shall be forwarded to the Internal Audit to confirm retirement.
8. Where, the Internal Audit is of the opinion or satisfied that the retirement has been properly done, the relevant documents shall be forwarded to the Bursary that will cause the ledger of the staff debtor to be credited, while the appropriate expense(s) code is debited.
9. If the retirement is not okay, necessary query shall be issued on it by the Audit.
10. It is imperative to note that, where a staff debtor refuses to account for the advance within 30 days after collection, the amount advanced shall be deducted/recovered from the staff members' salary instalmentally until the whole amount is recovered.
11. Note that cash advance can ONLY be released to a responsible officer (in other words, a Senior Member of Staff) and staff member whose appointment has been confirmed.
12. Under no circumstances will a second/subsequent advance be approved in the name of a member of staff when the final accounting for an earlier advance is outstanding.

9.3 ADVANCES MADE TO SUPPLIERS/CONTRACTORS

In order to safeguard the money paid to a supplier/seller in advance for goods and services yet to be enjoyed by the University, the followings must be adhere to:

- a. A performance Bond from a reputable Insurance Company or a Banker's guarantee must be presented before an advance payment or down payment is made and/or

- b. The payment/money shall be treated as an advance against a particular member of staff who shall be made responsible to account for the amount paid as an advance.

9.4 Price Monitoring

The Internal Audit shall be saddled with the responsibility of price monitoring in order to:

- i. Ascertain current prices and keep records of such in the University.
- ii. Ascertain possible sources where items/ purchases could be made.

9.5 PAYMENT PROCEDURES

To effect payments for bills, the following procedures must be adhere before such payments can be made by the University:

- i. The expenditure/request must have been approved by the appropriate Budget holder (i.e. Heads of Departments, Directors Deans of Faculties, Deputy Vice-Chancellor, Vice-Chancellor or the Pro-Chancellor/Chairman of the University Governing Council) depending on the amount involved.
- ii. The expenditure must have been committed or charged to the appropriate vote head(s) in the Budget.
- iii. The payment must have been authorized by the appropriate University Officer in line with his/her approval limits
- iv. A payment voucher must be raised for all payments and must be supported with the following documents when supplies are made:
 - a. Goods Received Note (GRN), if delivered into the Stores.
 - b. Delivery Note/Way bill confirming that the goods have been inspected and approved as been in good conditions and in agreement with the local Purchase order/Letter of Awards. The confirmation must be done by the representatives of the end user and the Internal Audit.

- c. The bill, invoice or pro-forma invoice (when payment is to be made in advance)
- v. The payment voucher raised must be checked and authorized by the appropriate/designated officer of the Bursary Department and must be verified and passed for payment by the Internal Audit before settlement.
- vi. However, where a payment voucher is queried by the Internal Audit, the query must be answered before eventual certification for payment and properly acknowledged on the payment voucher as being answered. Where payment is made with Audit query unanswered or cleared, the officer in charge of payment shall be put on enquiry and held liable for any loss arising thereof.
- vii. All payments vouchers must be supported by relevant substantive documents especially the approval/authority for the payment. Hence on no account shall payment be made without a payment voucher
- viii. All payment vouchers must be properly filed for records purposes/future references, hence on no account should a payment voucher be found missing, otherwise the appropriate officer-in-charge shall be investigated or made answerable.

CHAPTER TEN

10.0

PETTY CASH/IMPREST POLICY AND PROCEDURES OF THE UNIVERSITY

10.1 Policy

- Imprest/petty cash float is approved by the Governing Council on the recommendation of the Vice Chancellor, and on the advice of the Bursar.
- The University operates a centralized imprest allocation system where imprests are allocated to the Faculties/ Departments/Offices rather than Units or Sub-Units.
- In the Faculties, imprests are to be received and retired through the office of the Dean. While, the Dean could designate an officer to manage the imprest for him, (specifically the Faculty Finance Officer) he remains the Chief Accounting Officer for the Faculty.
- Imprest is an advance in petty cash, and hence MUST be retired before its replenishment. It is to be spent ONLY on minor recurrent expenditures such as procurement of postages, fueling of official vehicles, office entertainment, purchase of office stationery, journals, newspapers, photocopy, local transportations, etc. Its non-retirement asand when due means it is yet to be fully spent and as a result its replenishment will be effected at the time of its retirement. Imprest payment is not made in arrears.
- To harmonize the cut-off date for retirement, ALL imprest retirements must get to the Internal Audit latest by the 2nd Working day of a new month. In effect, any retirement not received by the Internal Audit as stipulated will not be processed for replenishment in the new month and hence shall be deemed as uncompletely spent or exhausted.

10.2 Procedure

- At the beginning of the year i.e. January of every year, the Bursary will raise an Imprest Float as approved and in line

with those operators/departments who have retired their last imprests received at the last month of the preceding year i.e. December. This imprest serves as their maiden for the year.

- Subsequent imprest replenishment will be made through the submission of approved imprest analysis sheet to the Internal Audit with relevant documents (e.g. receipts, cash invoice, etc) endorsed by the Head of Department/Dean(Budget Holder). The total figures of the documents must agree with the total amount on the analysis sheet.
- The Internal Audit after checking and passing of the imprest replenishment claims shall forward same to the Bursary.
- On receipt of the claim at Bursary - Budget and Budgetary Control Unit; the expenditure shall be committed into the relevant expenditure vote/heads, subsequent to which a petty cash voucher shall be raised by the Final Account, Ledger and Advances Unit of the Bursary.
- The petty cash voucher shall be forwarded to the Treasury Unit of Bursary, whose duty is to collate the various retirements in order to seek approval of the Vice-Chancellor for their replenishment for the current month.
- Payments of the imprest shall be made to the various Imprest holders by the Treasury Unit of the Bursary in line with the approval of the Vice-Chancellor.

10.3 Restriction on the Use of the Imprest

Imprest cannot be used for the following expenses:

1. Purchase of motor vehicle tyres and tubes.
2. General servicing of motor vehicles
3. Purchase and/or maintenance of air-conditional conditioner, office equipment, plants and machinery.
4. Payment of wages of casual employers.
5. Payment of medical expenses.
6. Claim and allowance such as travelling allowance, substance allowance and hotel bookings.
7. Acquisitions of other office tools such as calculators and other equipment of low value.

10.4 Cash Survey

To avoid fraud or early detection of possible fraud on petty cash, periodic cash survey shall be carried out by the Internal Audit which shall involve the following:

- i. Checking of the cash book with payment vouchers.
- ii. The cash in hand must be verified by the Internal Auditor who must initial the petty cash book after such check. The petty cash book balance must agree with the physical cash in the hand of the cashier.
- iii. Besides the regular survey, the Internal Auditor shall carry out at irregular but frequent intervals spot checks of the cash.
- iv. Ensure cash count exercise at the end of the Financial Year by the Internal Audit who will issue the Certificate to be produced by the Head of the Unit when required.

10.5 Handing Over Certificate

Whenever one cashier hands over to another, they shall both check the physical cash in the safe against petty cash book balance and where these do not agree, the attention of the Bursar and the Director, Internal Audit must be called. When there is agreement, a handing-over certificate shall be completed and the original retained by the outgoing cashier.

CHAPTER ELEVEN

11.0 MEETINGS

11.1 Servicing of meetings and hospitality to guests/visitors of the University

Refreshments/Lunch for meetings should be provided by the Catering Unit of the University as a service provider arm of the University. Also staff entertaining guest/visitors from outside bodies/agencies should normally use the University's Catering Facilities. Where this is not the case, reasons must be stated when submitting a claim for reimbursement or retirement of cash advance

11.2 Sitting Allowance for University Committees

There shall be paid to the members of the Council and the Finance and General Purpose Committee and to any other Committee set up by the Council on special assignment, sitting allowances approved by the Council.

In addition, sitting allowances may be paid to members of any of the University Central Committee/ Panels subject to approval of Management. However, statutory Meetings such as Senate, Faculty/Department would not be paid sitting allowances for meetings of their Committees.

However save for the Committee of the Council, Payable Allowances to other Committees members shall be determined/reviewed by the University Management from time to time. The following are the subsisting allowances payable to members of the University Committees as approved by the University Governing Council:

	Chairman	Member/Secretary
Regular Meetings	#5,000	#3,000
Interview Panels	#10,000	#5,000

NOTE:The above rate does not affect the committees of the Council.

CHAPTER TWELVE

12.0 STAFF CLAIMS AND INSURANCE

12.1 Wages and Salaries

'Wages' or 'Salaries' are remunerations or earnings (however designated or calculated) capable of being expressed in terms of money and fixed by mutual agreement or by law which are payable by virtue of a contract by an employer to a worker for work done or to be done or for services rendered or to be rendered.

12.2 Payroll Procedure

- i. It shall be the authority of the Registrar or the appropriate Appointments & Promotions Committee to determine the level of remuneration for staff. Notification for payment of salary to a staff member emanates from the Registrar or his delegate in the form of letter of offer and acceptance of appointment. Such notification shall contain information regarding time of commencement, the salary grade and point of entry after the ratification by the Governing Council and where applicable will be influenced by the presentation of last pay slip/advance, and duly completed assumption of duty certificate.
- ii. Salary variation resulting from promotion, advancement, acting appointment shall be effected on receipt of notification from the Registrar or his delegate.
- iii. On receipt of the above data by the Bursar, the staff's name shall be recorded in the staff register and individual staff file shall be opened for such staff member.
- iv. Salary Sheet/Personal Records shall be opened for each staff member, containing the following details; Personal File (PF) Number of Staff Member (issued by the Registrar or his delegate), date of assumption of duty, annual salary, department, etc.

- v. The computerized payroll shall produce the payroll and the pay advice simultaneously and also update the individual pay records from time to time
- vi. When the payroll has been completed, it shall be passed to the Internal Audit for check to ensure that calculations and details are correct. The Internal Auditor shall sign the payroll summary and authorize cheques to be issued against each bank advice for the Net amount payable to the staff and all relevant deductions from the salary.
- vii. All staff salaries and wages shall be paid directly to the banks of choice of staff from amongst LASU designated banks. Such bank advice shall be prepared in triplicate and receipted by the various banks.
- viii. In the administration of wages and salaries, it shall be ensured that not one of Bursary staff is allowed to carry out series of operations without same being checked by some other staff. For instance, a staff member charged with the responsibility of payroll preparation shall not be allowed to write salary cheques to the banks or partake in the actual payment of salaries. Nominal roll must be submitted to the Bursary latest by 3rd working day of the month.
- ix. All Heads of Departments shall endorse the Nominal roll of their staff to the Bursar and copy to the Director, of Internal of Audit before pay day. It is the responsibility of the Heads of Departments to delete the name of any staff member in his Department payroll who has resigned, absconded or non-existent, stating the reason for the deletion and duly informing the Registrar and copy the Vice Chancellor.
- x. As a matter of routine the Bursary Department shall prepare monthly variance report on salaries and wages to ascertain the causes of differences in the salaries prepared.
- xi. Cut-off date for salary adjustments shall be the 5th of every month, subject to review as the need arises.

12.3 Casual/Contract Staff Wages

All casual and contract employees must be included on the payroll. The Bursar is responsible for keeping all records relating to payroll including those of a statutory nature and Doctors Sickness Certificates.

All payments must be made in accordance with the University's financial procedures and comply with Inland Revenue regulations. Where the appointment of Contract Staff is approved, placement should be at a Grade Level lower to the Grade Level last enjoyed by the Appointee at retirement. Such Contract Staff should therefore enjoy all the benefits, remunerations and allowances of Grade Level below that of his/her retirement grade level. For Academic Staff, a Professor on Contract (though would still retain his/her title as Professor) should be paid the benefits, remunerations and allowances of an Associate Professor.

12.4 Overtime Claim

1. Overtime is to be approved only to staff that are required to do so and hence not to be on continuous basis. In other words, overtime is to be approved before it is done and it is to be paid based on the approved rate.
2. Payment of overtime shall be made after it had been audited/verified by the Internal Audit in line with the rates approved by the University Governing Council.

12.5 Superannuation/Retirement Benefit

The Governing Council is responsible for undertaking the role of employer, while the Bursar is responsible for day to day superannuation matters including:

- Paying of contributions to various authorized PFA (Pension Funds Administrator) as chosen by employees.
- Administering the University's Pension Fund.
- Preparing the annual return to various PFAS.

12.6 Other Issues on Staff Claims

All claims for payment of subsistence, travelling & incidental or allowances, travelling and incidental expenses incurred by staff shall be completed in a form approved by the University and in accordance with rates approved by the Management/Council.

Claims by members of staff must be certified by their Heads of Department. In the case of Heads of Department or sections, claims must be certified by the Vice Chancellor, Registrar or Bursar. The certification by the Head of Department shall be taken to mean that the journeys were authorized, the expenses properly and necessary incurred and that the allowance are properly payable by the University.

12.7 Mileage

- a. Mileage shall be paid to staff for official assignments outside his normal place of duty on rate decided by the University Management.
- b. Where a worker is required to travel twenty kilometers or more from his normal place of work to another work site he shall be entitled to free transport or an allowance in lieu thereof (NOT APPLICABLE TO THOSE WITH OFFICIAL CARS)

12.8 Financial support for Burial of Deceased member of Staff

The University shall give financial assistance to the family of its deceased member of Staff to support their burial arrangements. The applicable rate shall be as follows:

■ Junior Staff	#100,000
■ Senior Staff	#200,000

12.9 Insurance

The Insurance Officer, through the Bursar is responsible for the University's insurance arrangements, including the provision of advice on the types of cover available.

Provision of indemnities and guarantees for whatever purpose, in the name of the University should attract consultation of the Vice Chancellor, Registrar or Bursar of the University. Legal Officer before any such indemnity is given. Any document or contract committing the University to any indemnities or guarantees can only be signed with the express prior approval of the Vice-Chancellor.

CHAPTER THIRTEEN

13.0 SALARY ADVANCES AND LOANS

13.1 Salary Advance

This is as per provision of General Regulations which is reproduced below:

- a. Members of staff may be granted salary advance. A salary advance is intended to assist a member of staff in meeting emergency/extraordinary personal or household expenses .
- b. An advance on account of a staff member's salary may be approved by the Vice-Chancellor, to an employee on Permanent, Contract or Temporary appointment of not less than one year of such appointment
- c. The salary advance shall be limited to a maximum of one month's basic salary of the employee and shall be refundable in three consecutive monthly installments deductible by the Bursary from the employee's salary. The first of such installment refund shall be made in the month following that in which the advance was granted.
- d. In exceptional circumstances, and with the special approval of the Vice-Chancellor, a salary advance exceeding one month's basic salary may be granted to a member of staff to meet urgent financial problems. Such advance sparingly granted to any member of staff shall be repayable by deduction from his salary in not more than six consecutive monthly instalments beginning in the month following that in which the advance was made.
- e. Application for Salary Advance shall be on the recommendation of the Dean (For Academic Staff) and Head of Department (For Non-Academic Staff) to the approving authorities.
- f. No employer may make to a worker an advance of wages in excess of one month's wages in line with the Labour law.
- g. Where an advance in respect of wages has been paid to a worker, the minimum period of recovery of the advance by the employer shall be three month

- h. No advance in respect of wages shall be paid to worker who is liable to repay any part of such advance paid to him previously, except in cases of necessity as so approved by the employer.

13.2 Other Loans/Advances

Guidelines for application and implementation of other loans will be given as they are approved or resuscitated for implementation by the Staff Welfare Committee.

Applications for loans shall be endorsed by the Head of Department/Dean (as the case may be) and such applications shall be considered by the Welfare Committee prior to the approval of the University Management.

The following loans are available in the University at the rate approved by the University Governing Council from time to time: -

- Car Loan
- Land Acquisition Loan
- Motorcycle Loan
- Motor Vehicle Refurbishing Loan
- Furniture Loan
- Home ownership Loan

13.3 RULES FOR DEDUCTIONS FROM SALARIES AND WAGES OF STAFF

- i. No deductions shall be made from the wages/salaries of staff even when they are eligible members of any trade unions except such member express in writing his/her intentions or otherwise to make subscriptions to a trade union at any point in time.
- ii. Deductions may be made from the wages/salaries of a worker in respect of overpayment of wages/salaries, but only in respect of any such overpayment made during the three months immediately preceding the month in which the overpayment was discovered.

- iii. In line with the Nigerian Labour Act, the total amount of deductions that may be made from the wages of a worker in any one month shall not exceed one-third of the wages of the worker for that month.
 - iv. worker for that month.
- v. In arranging for transactions particularly on loans and credit facilities with their members, who should be members of staff of the University, the various Cooperative societies should NOTE that such transactions must be determined by (iii) above.

CHAPTER FOURTEEN

14.0 CAPITAL GRANTS

14.1 It has been the practice of the Lagos State Government, TETFUND (Formerly ETF)/Local and Foreign agencies/bodies to tie Capital grant to specific projects i.e when allocation of Grants are made to the university for Capital and Rehabilitation Projects. Once such allocation is made, the University is obliged to adhere to it in its financial transactions. The Donors may disallow any expenditure incurred outside their Guidelines. The Bursar should therefore ensure that misapplication of funds does not occur in this regard.

The Grants that fall under these categories are:

- Main Capital Grant
- Teaching & Research Equipment Grant
- Special Capital (Rehabilitation) Grant
- Special Capital (Refurbishing) Grant

Main Capital Grant

The funds are used to undertake major capital projects such as:

- Construction and rehabilitation of Buildings and Roads
- Acquisition and installation of capital equipment for Electricity and Telecommunication, etc.

Special Capital (rehabilitation) Grant

This grant is used for major rehabilitation, renovation or repairs of equipment and facilities already on ground. The fund can also be used for the replacement of minor capital equipment which can neither be funded under the Main Capital Grant nor the Capital (Expenditure) Vote due to size and nature of expenditure.

Teaching and Research Equipment Grant

The grant is for the acquisition of Tools, Chemicals and Equipment for teaching and research purposes. The fund can

only be expended on teaching Department/Units. Items that fall under this category are:

- Computers
- Laboratory and Workshop
- Tools, Chemicals and Equipment
- Overhead Projects
- Audio Visual Equipment Projects
- Internet/E-mail projects

Special Capital (Refurbishing) Grant

This grant is not released to the University annually but only granted as and when the TETFUND deems fit. The purpose of the grant will be spelt out by the Funding Agency and the University will inform the body of the disbursement programme. The fund is expected to be disbursed as approved by the TETFUND. The grant is generally used for upgrading and/improvement of teaching and research facilities.

CHAPTER FIFTEEN

15.0 RESEARCH GRANTS

15.1 Research Grants are of two types. The first relates to the Research grants for which funds is provided by the Central Research Grant Committee of the University on annual basis. The second relates to other external Grants either from within or outside the country.

15.2 The rule is that research fund should be kept separate from any other fund of the University and returns made periodically from it.

15.3 With regards to the External Grants, the University enters into an agreement with the grantor of the grants. Such agreement is usually signed on behalf of the University by the Vice-Chancellor. As a rule, each research grant is to be supported with a budget, which the Bursary will follow in operating the research grant. Should there be any need to vary any items in the budget, it is desirable that the project leader should seek permission of the grantor for such variation. As it is in the case of TETFUND Research Grant, the University maintains separates accounts for external research grant. Statements of Accounts are prepared periodically and forwarded to the Grantor through the Researcher or Project leader. Finally, it should be emphasized that financial operation of research grant must be in line with the conditions laid down in the agreement signed between the Grantor and the University. The following conditions are applicable to all Research Grants if no conditions are stipulated by the external donor.

- a. The research funds are regarded as part of the University fund. They must therefore be accounted for in the same way as other items of expenditure in the University Budget.
- b. All appointments of research staff whether on permanent or temporary basis should be made through the Registry where letters of appointment will be issued.
- c. Where Research or Field Assistants are to be employed outside Lagos, the Registrar should issue letters of appointment and arrangement would be made by the Bursary to pay the Field Assistant direct. It is only in exceptional cases where direct payment is not possible that payment should be made through the officer carrying out the research.

- d. Local purchase Orders should be issued for the purchase of materials and equipment in the same way as any other expenditure in the University. Where Local Purchases Orders are not normally acceptable e.g. for purchase in local markets, an advance may be given to the Researcher who will account for it by way of statement of expenditure supported by receipts, where applicable. Such advances should be accounted for promptly.

15.4 Disbursement of Research grant

The Central Research Grant Committee shall have the responsibility for the disbursement of the Central Research Grant.

CHAPTER SIXTEEN

16.0 ENDOWMENT FUND

Endowment fund consists of:

1. Endowment Chairs
2. Permanent Endowment Fund

16.1 Endowment Fund is a fund in perpetuity. Consequently only the earnings from the fund can be utilized and not the Principal.

- a. The Endowment Fund should not be kept in short-term bank account but should be invested in Government Stocks, treasury bills, and Central Bank of Nigeria Certificates and blue chip instrument/securities.
- b. Endowment Fund should be used solely for what they are meant for and can only be used for other things with the permission of the Council.
- c. Endowment Fund could take the form Designated Cash Gift, Endowment of Chair, funding of specific Research Project and Contribution/Donation for the general development of the University.

16.2 Financing of Endowment Chair takes different forms. In most cases, the fund is provided by the donor and invested outside the University. In some cases, only the interest on the Endowment fund is made available to the University for meeting the expenses of the Endowed Chair. In other cases, the funds are made available to the University to be invested at the discretion of the University. Such funds are directly invested by the University and incomes there from are also received by the University to finance the expenses of the Chair.

Another category is where an Endowment Fund is jointly financed by a group of philanthropists. In such a case, the University may invest the endowment fund or the fund made available to the University to be invested at the Donor's discretion.

On the other hand the permanent Endowment Fund may be contributed by an individual, a group of individuals. These Funds be investment by the University.

16.3 Boards of Trustees are usually appointed to administer the Endowment Fund in accordance with the wishes of the donors. The rights and duties of the Board are usually spelt out in the Trust Deeds. The purpose for which the Endowment fund is established is usually specified.

16.4 Where an Endowment Chair is to be established, the donor would require the University to furnish information on the expenses for maintaining the Chair. These expenses are usually:

- a. Salaries and Allowances of Professor and support staff
- b. Salaries and Allowances of Secretarial Staff
- c. Gratuity and pension (where applicable)
- d. Passage and baggage allowances
- e. House rent
- f. Furniture and fittings for quarters
- g. Local Transport
- h. Provision of car and driver for the Chair
- i. Research materials and stationery
- j. Office furniture and equipment
- k. Other miscellaneous expenses

In administering endowment fund, it is essential that any grant from external sources should be made to the University and not to a particular Department or member of staff even where the purpose may be for research to be conducted by a particular department or member of staff. As such the processing of all requests for the use of the endowed fund should be channeled through the Vice-Chancellor and income from the fund should be spent in accordance with the od specifically spelt in the Trust Deed. Financial Regulations of the University, unless the mode of spending is specifically spelt in the Trust Deed.

CHAPTER SEVENTEEN

17.0 BOARD OF SURVEY

The Board of Survey is responsible for the disposal of used and old University goods and materials e.g. vehicles. The following procedure is to be adopted by the Board of Survey in disposing of boarded items;

The Secretary to the Board of Survey is to issue notices periodically to boarded. all departments calling for the list of unserviceable items to be

Deans/Heads of Department are to notify the Board of items they wish to recommend for boarding. Such notification should contain a comprehensive "technical report of all items to be boarded, starting reasons why they should be boarded and indicating their locations. On receipt of this information, the secretary is to compile the list of the unserviceable items.

On the directive of the Chairman of the Board, the Secretary should summon a meeting of the Board to consider the list of unserviceable items and decide after inspection whether to accept the request of the Heads of Department to board the items. If the report is acceptable, appropriate recommendation will be made by the Board to the Vice- Chancellor to board the item.

The Board shall fix reserve prices for all unserviceable items.

The Secretary will issue notices in the University bulletin informing members of staff of the date, time and venue of sale. He is also to arrange removal from departments and other locations (e.g. mechanic workshop), where applicable and possible, and the assemblage of the goods at a predetermined place.

All sales shall be made open to members of staff only in the first instance and the remnants not purchased by members of staff could be sold to members of the public. Sale of unserviceable motor vehicle

shall be by Tender. Tenders shall subsequently be opened by the Board and offers made to the highest bidders.

In order to curb frivolous tendering or the possibility of members of staff acting as fronts for outsiders, members of staff, who was discovered to have won the Board's Tender on this fraudulent basis, shall have such offers canceled and be further recommended for appropriate disciplinary action by the University.

No department/unit of the University shall undertake sale of unserviceable items on its own. All goods for sale must be referred to the Board.

Payment for all sales shall be made to the Bursary and property receipted for by the Bursary. Where payments are made by certified cheque, such cheque must be cleared before the goods are released.

CHAPTER EIGHTEEN

18.0 GENERAL ISSUES

18.1 Code of Practice on Fraud Malpractice and Irregularity

18.2 Definition

There is a clear distinction between error and fraud. Errors may be those omission or commission.

ERROR

An employee may omit entries from the accounts altogether and fail to carry out part of his duty e.g. the banking of cash. Errors of commission involve the making of incorrect entries in the accounts which may be errors of principle, clerical errors or compensating errors.

FRAUD

Fraud occurs at the point that the employee deliberately makes an incorrect entry in the accounts/records or deliberately make an entry with the intention of depriving the University of its asset, whether permanently or temporarily. Theft occurs when the asset is physically misappropriated.

18.3 Responsibility for Prevention and Irregularities

The responsibility for the prevention and detection of fraud and irregularity rests with Management and to fulfill this responsibility, a system of Internal Control must be in operation, part of which is the Internal Audit.

Part of the Internal Auditor's duty and responsibility is to review, appraise and report upon the extent to which the University's assets and interests are accounted for and safeguarded from losses of all kinds arising from fraud and other offenses

This role is carried out by seeking to reveal any serious defect in the system of Internal Control which might lead to the perpetration of fraud. Where the Internal Auditor suspects that a fraud has been committed, he shall notify the Head of Department concerned and the Vice Chancellor, if necessary or expedient the Registrar and Secretary; and the Bursar.

The External Auditor considers the possibility of fraud when evaluating the Internal Control procedures and in performing substantive tests. If there is a suspicion of fraud, he can discharge his duty by notifying the appropriate responsible officer, the Vice Chancellor (in his capacity as the Accounting Officer) and the Director of Internal Audit.

Where a member of staff has a reason to believe that fraud, malpractice or irregularity has taken place, he/she should immediately report this to the Head of Department, or where this is not appropriate, to the Vice Chancellor. The director of Internal Audit should also be informed.

18.4 Notification and Investigation

Where there is a prima facie evidence to suggest a criminal act may have occurred, the Vice Chancellor shall be notified and appropriate steps shall be taken by him.

When preliminary investigation is conducted internally by officers of the University or by the Internal Audit, the requirements of the conditions of services must be followed.

The Director of Internal Audit may consult and coordinate any investigation activities with the Vice Chancellor and other members of senior management, as appropriate.

In order to avoid damaging the reputation of innocent persons To suspected of wrongful conduct, and to protect the University from

potential civil liability, the results of preliminary investigation by the Director of Audit will not be disclosed or discussed with anyone except the Vice Chancellor/Management or other members of senior to perform their assigned duties and responsibilities.

The subject of these procedures is known or suspected losses resulting from misappropriation or misuse of University assets entrusted to employees as part of their job responsibilities. The terms used throughout these procedures are:

- Assets: Money, negotiable securities, data and physical property of the University, whether owned or leased.
- Conflict of Interest: When University resources, including staff time, funds, University reputation, or other assets are diverted from, or made less effective in their intended purposes by virtue of an individual's activities, association, or interest outside his or her primary University affiliation.
- Defalcation: To appropriate University assets fraudulently to one's own uses; defalcation is synonymous with misappropriation/embezzlement/Defraud. Take money dishonestly or take money in order to use it for an improper or illegal purpose.
- Error: Unintentional mistakes in financial or accounting data.

An error may include:

1. Mathematical or clerical mistakes in the underlying records and accounting data;
2. Oversight or misinterpretation of facts; or
3. Misapplication of accounting policy.

GENERAL NOTE

BREACHES AND VIOLATION OF ANY PART OF THESE FINANCIAL REGULATIONS SHALL BE REGARDED AS MISCONDUCT AND SHALL BE REPORTED BY THE BURSAR AND THE DIRECTOR OF INTERNAL AUDIT WHO ARE, BY THE VIRTUE OF THEIR OFFICE/POSITIONS, ARE EXPECTED TO ENSURE STRICT COMPLIANCE TO THESE REGULATIONS BY ALL MEMBERS OF STAFF OF THE UNIVERSITY. WHISTLE BLOWERS ARE ALSO ENCOURAGED TO REPORT ANY VIOLATIONS IN THIS REGARD.



