

From: Bell Rob Mr (FIN)
Sent: 31 March 2010 16:57
To: Eyton, David G P
Cc: 'muir.russell'
Subject: RE: Confidential - Exceptions
Importance: High
Sensitivity: Confidential

Dear David,

As I feared when we met on Friday, nearly all records from that period have now been destroyed, in keeping with the UEA's policy of only keeping records for 7 years. We do keep records longer than this if statutorily required, but unfortunately none of the documents which may have aided us meet this definition.

From that which we do hold, I have been able to establish that the research project mentioned by name (ADVANCE) was an EU funded project, with the UEA project reference of 4823. In keeping with the above, near nothing remains of this project, as would be expected of a project which concluded that long ago. Indeed the only data which remains is transactional data from the ledger from 01/08/1998 onward, of which only one transaction appears to be of note.

This is a payment with a ledger date of 25/11/1998 of £3,045.07 to 'W S L & F N P MOSIMANN'. Using the Bank of England spot rate data series, the Sterling to US Dollar rate on that date was \$1.6618, which would convert this payment to \$5,060.30. Allowing for exchange rate fluctuations and margin, this would appear to be the \$5,000 referred to in the email of 18th November 1998. It seems entirely likely the 'WSL' reference is the Swiss Federal Institute for Forest, Snow and Landscape Research (<http://www.wsl.ch>), which would fit with the other information. The second half of the reference however eludes me.

As coordinator of this project, the standard model would be that funds would be paid to UEA, and then distributed directly onward to each individual partner. The emails imply that some payments may have been made to partners via other partners. There are circumstances where this does occur, and these are the following:

- Partners sub-contract a portion of their work onwards to another institution. The partner would hence reasonably receive funds before paying onward.
- A partner is suffering cash-flow issues. In this instance, it has been known for payments to be made, with full agreement from all parties, from another partners funds to another party. Funds would then be recovered by holding back the relevant amount of further stage payments to the indebted partner. This would usually be from the coordinating partner to another partner, but there is no contractual reason why this could not occur, to my knowledge, between two other partners.

Either of these circumstances could feasibly have occurred, but given the paucity of information, I cannot say what the circumstances were in this case, so am unable to comment on the specific points detailed in the various emails.

Again, I can find no documented procedures on cash advances in relation to the period referred to in the emails, other than the general reference to payments referred to in the Financial Regulations noted below. I am informed by other staff who were at UEA during this period that they were much as they are today, and as such I attach a current copy of 'Financial Procedures - FP005 Cash Payment'. I can however confirm that the Financial Regulations in place at that time included the following:

"Except where specifically authorised, in writing, by the Director of Finance, all payments made by the University for goods and services, other than wages and salaries or other emoluments of

University office or employment shall be made through the Accounts Payable Module of the University's official Financial Management system."

This would mean that such payments, if made, would have had to have been authorised at quite senior level.

I can confirm that at no point did CRU have it's own bank account, and all transactions would have been carried out via the main UEA bank accounts .

Regards
Rob

Rob Bell
Tax & Research Accountant
Room 1.11
Finance Division
University of East Anglia

From: Eyton, David G P
Sent: Saturday, March 27, 2010 8:11 AM
To: Bell Rob Mr (FIN)
Cc: muir.russell
Subject: {Spam?} Confidential - Exceptions
Importance: High
Sensitivity: Confidential

Dear Rob,

Many thanks for spending time with us yesterday. Per our conversation there is a series of e-mails amongst those leaked from CRU which might suggest that financial controls were not as tight back in the mid '90s as they are today. I have quoted from the e-mails below in case the specific dates and CRU member are of assistance.

An e-mail from a Russian correspondent to Keith Briffa in on 7th March 1996 states:-
it is important for us if you can transfer the ADVANCE money on the personal accounts which we gave you earlier and the sum for one occasion transfer (for example, during one day)will not be more than 10,000 USD. Only in this case we can avoid big taxes and use money for our work as much as possible.

An e-mail from Keith Briffa on 17th June 1996 to the same correspondent states:-
You will need money only for your travel and hotel expenses until you get to Cambridge. I will refund this and give you additional funds when I arrive on Saturday evening.

On 5th May 1997, the same correspondent wrote:-
we ask you to transfer each of us 7-8.000 USD until the end of June from the ADVANCE project, if it is possible. Last summer, when I was in England, you promised to help us with money to organise field works this year.

On 5th June 1997, the same correspondent wrote:-
I am understanding your difficulties with transferring money and I think the best way for us if you will bring money to Krasnoyarsk and I give you a receipt.

On 5th December 1997 Keith Briffa wrote to the same correspondent:-
I can only say sorry about the problems of money transfer

On 2nd October 1998 Keith Briffa wrote to the same correspondent:-

I have looked at the remaining money and I think I can give you each a final payment of between 4000 and 4500 US dollars.

On 18th November 1998, Keith Briffa wrote to the other main Russian correspondent:-

I am told that the money transfer (5000 u.s. dollars) should have gone to the bank account you stated. Please let me know if this is received by you. I am also sending xxxx's 5000 dollars to Switzerland now to be carried back by his colleague.

On 21st December 1998 the original Russian correspondent wrote:-

Thank you for the money transfer via xxxx. I received 5000 USD.

What we would like to know is, were any exceptional cash advances or payments made to individuals, as implied by this e-mail exchange, what processes were in place at the time to handle such payments, and were they followed? More generally do you have any observations or comments to make on the implications of these e-mail exchange? Lastly please can you confirm whether during the period 1996 to 1998 the CRU had or controlled its own bank account. We realise that some or all of the above questions may be difficult or impossible to establish from the records which still exist, and can only thank you in advance for your efforts.

Best wishes

David Eyton
Independent Panel Member, CCER

FINANCIAL PROCEDURES – FP005

CASH PAYMENTS PROCEDURE

Under Financial Regulation 3.28 all payments made by the University for goods and services, other than wages and salaries or other emoluments of University office or employment, shall be made through the Accounts Payable Module (ACP) of the University's official Financial Management system or, where appropriate, by means of an authorised Purchase Card.

Under Financial Regulation 3.29 all payments of wages, salaries or other emoluments of University office or employment shall be made through the University's official payroll system.

As both regulations include the proviso 'except where specifically authorised, in writing, by the Director of Finance' this procedure is intended to cover the circumstances in which payments may be made in cash and the procedures that must be followed.

1) Payments from Petty Cash

2) Payments to Staff

- a) for work done
- b) for expenses

3) Payments to Students

- a) for work done
- b) for expenses

4) Payments to Others

- a) for work done
- b) for expenses

5) Cash Payment Request Form (UEA20)

6) Advances

- a) Reason for Advances
- b) Payment of Advances
- c) Accounting for Advances
- d) Reconciliation of Advances Suspense Accounts

7) Forms

1) Payments from Petty Cash

Small incidental disbursements may be made from your unit's official Petty Cash Imprest, so long as they follow the rules regarding what is and is not allowable as set out in Financial Procedure No FP003 'Petty Cash'. Please note that payments for work done must never be made through Petty Cash.

Individual Petty Cash transaction values should never exceed £25 or such lower limit as may be set by an individual Spending Unit, in its own internal procedures. Payments to be made in cash which are greater than this limit should be made from the Finance Division Cashiers Office.

2) Payments to Staff

a) for work done

As all payments are to be made through the University's official payroll system no payments for work done will be paid in cash without the Director of Finance's specific approval.

b) for expenses

Disbursements made from personal resources are to be reclaimed using a Staff Expenses Claim form (Form UEA 7).

For all properly completed and authorised forms received in the Finance Division by 4.00 p.m. on Thursday of each week the reimbursement will be sent directly to individuals' bank accounts to arrive by Wednesday of the following week unless there are intervening public or UEA specific holidays, when it will take slightly longer.

No expenses will therefore be paid in cash without the Director of Finance's specific approval.

3) Payments to Students

Please note that other than for allocations from Hardship Funds no payments either by bank credit or cash will be made to any student who has University debts outstanding. In such cases any sums due will be applied in reduction of that debt in accordance with General Regulations for Students 4(4).

a) for work done

Payments to students for work done for the University, should normally be made through the payroll using form UEA4/UEA5, "Occasional Work/Self Employed Work". This form, appropriately completed and authorised, should be sent to the Finance Division Payroll Office, who will process monthly payroll payments to students in accordance with the deadline timetable set out in the Payroll Calendar. If the forms are submitted beyond the deadline date for a current month, payments will not be made until the following month. Payments for work done must never be made through Petty Cash, nor included on Expense Claim forms.

If the work is a genuine one-off, i.e. it is the only payment to be made in the tax year (April to March), it is all to be completed within a one week period, and the payment does not exceed £25, the payment may be made through the Finance Division Cashiers Office. In these cases you must, before initiating the payment, obtain a signed declaration from the student using form UEA 1A, "Cash Payment to Student or Casual Worker".

Where such a cash payment is required, as well as completing form UEA 1A it will be necessary to complete the relevant section of "Instruction to Pay Student or Casual Worker by Cash for Expenses or Work Done" form (Form UEA 11). The student should take both forms to the Finance Division Cashiers Office, who will not make a payment unless both forms appropriately completed are received together. The student will be required to produce their campus card as proof of ID before payment can be made.

When dealing with a survey/focus group/ market research questionnaire involving many students where the expectation is that monies will be handed over on completion of the session the above criteria for payment still applies. Form UEA 1A needs to be completed and Form UEA 1B signed as a receipt. Monies to make these payments will have been collected by using Form UEA 20. For payments within this category countersignature of Form UEA 20 by a member of Finance Division staff with delegated authority from the Director of Finance is required. The completed Forms UEA 1A and UEA 1B must be returned to the Finance Division Cashiers Office within 21 days of payment being made.

Apart from these exceptions no payments for work done will be paid in cash without the Director of Finance's specific approval.

b) for expenses

Disbursements made from personal resources are to be reclaimed using a Student Expenses Claim form (UEA 8).

For all properly completed and authorised forms received in the Finance Division by 4.00 p.m. on Thursday of each week the reimbursement will be sent directly to individuals' bank accounts to arrive by Wednesday of the following week unless there are intervening public or UEA specific holidays, when it will take slightly longer.

Exceptionally, where a student does not have a bank account, an expenses payment can be made in cash to the individual student in person at the Finance Division Cashiers Office. This will only be made against the "Instruction to Pay Student or Casual Worker by Cash for Expenses or Work Done" form (UEA 11), completed for the relevant sections, from the Unit concerned. The student will be required to produce their campus card as proof of ID before payment can be made.

Payments from Hardship Funds may be made in cash on production of the appropriate authorised form from the Dean of Students Office. The student will be required to produce their campus card as proof of ID before payment can be made.

Apart from these exceptions no expenses will be paid in cash without the Director of Finance's specific approval.

4) Payments to Others

a) for work done

Payments to others for work done for the University, should normally be made through the payroll using form UEA4/UEA5, "Occasional Work/Self Employed Work". This form, appropriately completed and authorised, should be sent to the Finance Division Payroll Office, who will process monthly payroll payments in accordance with the deadline timetable set out in the Payroll Calendar. If the forms are submitted beyond the deadline date for a current month, payments will not be made until the following month. Payments for work done must never be made through Petty Cash, nor, included on Expense Claim forms.

If the work is a genuine one-off, i.e. it is the only payment to be made in the tax year (April to March), it is all to be completed within a one week period, and the payment does not exceed £25, the payment may be made through the Finance Division Cashiers Office. In these cases you must, before initiating the payment, obtain a signed declaration from the individual using form UEA 1A, "Cash Payment to Student or Casual Worker".

Where such a cash payment is required, as well as completing form UEA 1A it will be necessary to complete the relevant section of "Instruction to Pay Student or Casual Worker by Cash for Expenses or Work Done" form (Form UEA 11). The individual should take both forms to the Finance Division Cashiers Office, who will not make a payment unless both forms appropriately completed are received together. The individual will be required to produce acceptable proof of ID before payment can be made (acceptable proof consists of a new style licence, including photograph, or a passport).

When dealing with a survey/focus group/ market research questionnaire involving many individuals, where the expectation is that monies will be handed over on completion of the session, Form UEA 1C needs to be completed and signed as a receipt - this is an Inland Revenue requirement.

Monies to make these payments will have been collected by using Form UEA 20. For payments within this category countersignature of Form UEA 20 by a member of Finance Division staff with delegated authority from the Director of Finance is required. The completed Form UEA 1C must be returned to the Finance Division Cashiers Office within 21 days of payment being made.

Apart from these exceptions no payments for work done will be paid in cash without the Director of Finance's specific approval

b) for expenses

Disbursements made from personal resources are to be reclaimed using a Non-Staff Expenses Claim form (UEA 6).

The only exception to the above is where there is a combined pay and expenses payment (e.g .for external examiners or visiting speakers).In these circumstances the UEA4/5 form should be used for both pay and expenses.

For all properly completed and authorised forms received in the Finance Division by 5.00 p.m. on Wednesday of each week the reimbursement will normally be sent by cheque to individuals' addresses by the Friday of the same week unless there are intervening public or UEA specific holidays, when it will take slightly longer.

There may be a small number of other instances where cash payments to persons other than staff or students might be justified. These include payments to short-term visitors from overseas who do not have UK bank accounts. In these circumstances a "Cash Payment Request" form (UEA20) is to be used.

5) Cash Payment Request Form (UEA 20)

This form is the only form (other than the specific ones introduced elsewhere in this procedure) accepted by the Finance Division Cashiers Office as appropriate authorisation for payment. Any other form of request submitted will be rejected.

It should be noted that the "Cash Payment Request" form (UEA20) must be the one used to action cash payments not allowed from Petty Cash or where the Spending Unit (including those in the Registry) do not have a Petty Cash Float.

The Finance Division Cashiers Office will not make payment unless there is sufficient detail shown to explain the transaction(s) and where appropriate the form is accompanied by receipts etc., supporting the transaction(s).

The Finance Division Cashiers Office will not make payment unless the person collecting the monies suitably identifies themselves by Campus Card, Passport, or a full new style UK Driving Licence, and signs for receipt.

Generally the recipient for the payment is named on the form and the Finance Division Cashiers Office will pay only to this person. Where the form specifies that a person other than the named recipient will pick up the cash, payment will be made to that person once they have provided suitable identification and signed for receipt.

It should be noted that both the individual collecting the cash and the intended recipient must be someone other than the individual authorising the payment, or payment will be refused.

Where someone other than the recipient collects the cash they must obtain a receipt from the final recipient for the monies and such receipt should be passed to the Finance Division Cashiers Office within 21 days for retention with the Cash Payment Request Form.

Payments of £300 or greater require countersignature by a member of Finance Division staff with delegated authority from the Director of Finance.

6) Advances

a) Reason for Advances

An Advance is a payment required ahead of expenditure being made, probably with only an approximate consideration value being known, and often with no or limited supporting documentation to support the occurrence and value of the transaction(s) to come.

The reason for an advance being made must be that the individual or group who will be incurring the future expenditure either cannot in the short-term meet the expenditure from their own personal resources at all, or to do so would cause them financial difficulty.

Advances made other than in cash (e.g. paid by cheque, bank credit, foreign currency or travellers cheques) must be accounted for in accordance with the same procedure as for cash outlined at c) below.

b) Payment of Advances

Where a Cash Advance is deemed necessary it will be paid out from the Finance Division Cashiers Office against a properly certified "Cash Advance List" form (UEA22).

Generally the Finance Division Cashiers Office will make payment only to the intended recipient(s) named on that form. However, if the form specifies that a person other than the named recipient will pick up the advance then the Finance Division Cashiers Office will make payment to that person but only when they have proved their identity and signed for the monies.

It should be noted that both the individual collecting the cash and the intended recipient must be someone other than the individual authorising the advance, or payment will be refused.

Immediately after making the advance the Finance Division Cashiers Office will E-mail the individual authorising the advance confirming that it has been actioned. Such cash advances will be coded initially to a separate 'Advances Suspense Account', one for each Spending Unit (QLF Level 4/5 Code X0.9464). Advances made by any other payment method will also be coded initially in this same way.

The suspense account should be cleared on a regular basis as set out in c) and d) below, "Accounting for Advances" and "Reconciliation of Advance Suspense Accounts".

c) Accounting for Advances

Actual expenditure incurred will be accounted for by individuals completing the relevant Expenses Claim Forms allocating the gross actual expenditure to the relevant QLF financial codes.

In order to account for the Advance they must also enter in brackets on the Expenses Claim Form against the QLF code for Advances Suspense Account either the original value of any Advance received (where the expenditure equals or exceeds the Advance), or, where monies have been repaid, the balance of the Advance outstanding.

i) Overspend of Advance

Where actual total expenditure is equal to or exceeds the amount advanced the Expenses Claim Form should be processed in accordance with the relevant procedure at 2b), 3b) or 4b) above.

ii) Underspend of Advance

Where actual total expenditure is less than the amount advanced the difference must be repaid to the Finance Division Cashiers Office. This must be done by completing a “Cashier Remittance” form (UEA 21). This should be taken to the Finance Division Cashiers Office along with the amount to be repaid.

The form should be coded to the QLF Advances Suspense Account code against which the Advance was originally charged and the narrative on the form should clearly state that it is the partial repayment of an Advance, also giving enough details to identify the Advance to which the payment relates.

The Finance Division Cashiers Office will issue a receipt as proof of the repayment. This receipt must be attached to the Expenses Claim form along with other receipts, invoices etc. supporting the expenditure and whoever authorises the form must ensure that the Expenses Claim Form balances to zero.

Any unspent balance from an Advance must be returned to the Finance Division Cashiers Office within 21 days of the date of the Advance, or, in the case of trips away from UEA, within 21 days from the date of return from the trip.

Once properly completed and authorised the Expenses Claim Form is to be passed to the Finance Division Payroll Office for processing and retention.

d) Reconciliation of Advances Suspense Accounts

At the end of each month the School AR (or in the case of non-academic units, the nominated finance manager) should check the Advances Suspense code and satisfy themselves that all Advances made during the month were for legitimate purposes and have been properly accounted for by the recipient in a reasonable period of time having regard to the purpose of the Advance. The reconciliation must be evidenced as having been done each month by producing a detailed list in support of the balance, showing the individuals with uncleared balances, the amounts outstanding and the dates of the Advances. Any Advances outstanding for an unreasonable period of time without good reason will be drawn to the attention of the Dean/Head of Spending Unit by the School AR or nominated finance manager each month.

7) Forms

All forms referred to in this procedure are available in their latest versions from the Finance Division Web pages. Paper copies will also be available from stock held in the Registry Services General Office.

[Form UEA 1A](#) - Cash Payment to Student or Casual Worker

[Form UEA 1B](#) - Survey/Focus Group/ Questionnaire Receipt (Students)

[Form UEA 1C](#) - Survey/Focus Group/ Questionnaire Receipt (Others)

[Form UEA 4/UEA 5](#) - Occasional Work/Self Employed Work

[Form UEA6](#) - Non-Staff Expenses Claim Form

[Form UEA 7](#) - Staff Expenses Claim Form

[Staff Expenses Guidance](#)

[Form UEA 8](#)Form UEA 8 - Student Expenses Claim Form

[Form UEA 11](#) - Instruction to Pay Student or Casual Worker by Cash for Expenses or Work Done

[Form UEA 20](#) - Cash Payment Request

[Form UEA 21](#) - Cashier Remittance Form

[Form UEA 22](#) - Cash Advance List