

Finance Policy

October 2021

Healthwatch Cornwall Financial policy

Amendments to the following policy may only be implemented with the authorisation of the Board of the Company.

It is the policy of Healthwatch Cornwall to:

- a) Work to a finance strategy as set out in the Company's annual business plan
- b) Comply with relevant legislation
- c) Manage cash flow to remain in credit at all times
- d) Invest reserves so as to secure a competitive return without incurring any undue risks
- e) Collect all debts within 40 days of invoicing
- f) Secure all income due to the Company including recovery of tax wherever appropriate
- g) Take out adequate insurance to cover liabilities and assets

Financial Planning

- a) Before the 31st of March each year the Company shall prepare a business plan for the following 12 months and the resource requirements for its implementation.
- b) The business plan and the annual budgets shall be circulated to the Board before the commencement of the financial year for their comments and ratified at the Board meeting immediately after the commencement of the financial year.
- c) Board members must be involved in developing the mission, vision and strategies to achieve the Company's objectives. The approval by the Board of the business plan should be after careful consideration of its content.



The Authorisation of Expenditure

The whole of the finances of the Company shall be subject to control by the Board, which shall be responsible for any commitment and expenditure consistent with relevant legislation, and the regulations and requirements governing the stewardship of public funds. Expenditure is regarded as either of a capital or an operational nature.

Capital Expenditure

For the purposes of these regulations, capital expenditure is defined as that upon any assets recorded as fixed assets in the Company balance sheet. This includes any building, installation, item of plant or equipment, fixture, fitting, vehicle, land (whether leasehold or freehold) or any other item which:

- i. Is bought or fabricated at a net of recoverable VAT cost of £1,000 or more (per item or the collective value of a group of items); and
- ii. Has an estimated useful life of more than one year; and
- iii. Can be separately identified throughout its life.

Operational Expenditure

Operational expenditure is that incurred as part of the normal activities of the Company and which shall be charged in full as expenditure during the financial year, in which the transaction occurs save for normal year end pre-payment and accrual arrangements.

- i. Operational expenditure may be incurred if it is in accordance with the business plan and agreed by the Board. Any income and expenditure outside of the scope of the business plan should be referred to the Board prior to any commitment.
- ii. The budget should include forecast cash positions with sensitivities for the forthcoming year, together with the income and expenditure targets for the year.
- iii. The Board shall receive, at least quarterly, a financial report.

Orders for Work, Goods and Services

- i. Official orders shall be in a prescribed form and consecutively numbered, using a Word template stored on the server. No other type of order form shall be used. Orders will be prepared by the Business Support Team.
- ii. The Chief Executive shall be responsible for all orders issued by the Company and for ensuring that the cost is covered within the approved estimates or by specific financial provision. The Chief



- Executive shall restrict the delegation of power to issue orders to officers of reasonable seniority
- iii. Official orders shall be given in respect of all goods and services to be supplied or performed and logged on the Finance Log (with the exception of rent, rates, public utility supplies, petty cash purchases and any other items specifically approved by the Board). Orders may be given verbally at the discretion of the Business Support team who will undertake to follow up with a written order where appropriate
 - iv. Debit card purchases may be made when it is not possible to pay for goods by invoice. All such purchases must be made by the Business Support Team as laid out in the Finance Protocol (see appendix 1)
 - v. Levels of financial authority for the placing of orders (excluding VAT) are as follows :
 - i. Orders under £500 may be signed by a budget holder
 - ii. Orders between £500 and £1000 must be signed by one authorised signatory.
 - iii. Orders between £1000 and £5,000 must be approved by two authorised signatories.
 - iv. Orders over £5,000 must be approved by the Board.

Tenders

- i. Quotations or tenders in writing shall be invited for contracts for all goods and services (excluding rates, public utility supplies, etc.) as follows :
 - a. Where the estimated value is less than £750 Healthwatch Cornwall shall ensure a competitive price by obtaining at least one quotation.
 - b. Where the estimated value is between £750 and £5,000 Healthwatch Cornwall shall ensure a competitive price by obtaining at least two written quotations.
 - c. Where the estimated value exceeds £5,000 it shall be subject to the tendering procedure set out below (nb. an email address "tenders@healthwatchcornwall.co.uk will be set up for this purpose). All emails to prospective tenderers shall indicate the last day for return of the tender.
- ii. All emails inviting tenders shall inform prospective tenderers their responses should be returned to the Tender email address with a subject line "Tender" followed by the subject to which it relates and the date/time by which it is to be returned. Only tenders received in this email box shall be valid.



- iii. All late tenders shall be disregarded as shall tenders which the tenderer wishes to amend after the closing date.
- iv. All tenders shall be opened on the day following the last day for return by a Board member in the presence of the Chief Executive.
- v. A record shall be kept by the Company of all such tenders.
- vi. Generally, the lowest tender or quotation shall be accepted, unless it is considered unsuitable and in such a case the Chief Executive shall provide to the Board an explanation of the circumstances that apply. It is important for the Board to consider the overall value for money provided. Where possible HC will seek to award tenders to local suppliers.
- vii. Any Board Director with any connection to or any interest in a firm providing a tender shall declare their interest before the item is considered.

Authorised Signatories

- i. The Chief Executive
- ii. The Chair
- iii. Two further Directors to be determined by the Board

Payment of Accounts

- i. The Chief Executive or similar nominated post and such persons as may be nominated by him/her for this purpose shall be responsible for the examination and verification of invoices relating to the Company prior to payment. All invoices for payment must be verified, and checked against the purchase order to ensure that the goods or services have been supplied, that the invoice total is correct and that it has not been previously passed for payment.
- ii. The Chief Executive shall examine verified accounts passed to him/her for payment and shall be entitled to receive such information and explanations as he/she may require.
- iii. The Chief Executive or similar nominated post shall certify and pass for payment all accounts which he/she is satisfied are in order.
- iv. All BACS payments shall bear two signatures from the list of signatories approved by the Board and notified to the Company's bankers as follows:
 - v. For BACS payments up to and including £3,000, any two signatures;
 - vi. For BACS payments over £3,000, two signatures of Board members.
- vii. At the time BACS payments are signed the signatories must review the supporting documentation.



- viii. Where payments are in favour of the Chief Executive (e.g. travel and subsistence reimbursements), the Chair (or in his/her absence a Board member) shall certify them.

Imprest Accounts

- i. The Chief Executive or his/her nominated person may draw by imprest up to £300 at any one time for petty cash expenditure on behalf of the Company.
- ii. The Chief Executive shall make such advances as he/she considers necessary to meet petty cash payments and for use as change floats subject to limits approved by the Board.
- iii. Payments from petty cash imprests shall be limited to £100 and only for exceptional incidental expenditure where the full ordering procedure is not feasible. Receipts / notes of payment are required in all cases, with records maintained by the relevant nominated person.
- iv. All cash shall be kept locked up at all times and access should be restricted to individuals nominated by the Chief Executive.

Income

- i. All accounts for income due to the Company shall be rendered by the Chief Executive or his/her nominated deputy.
- ii. Any money received on behalf of the Company shall be paid intact into the Company's bank account at the earliest opportunity and shall not be used to defray expenditure.
- iii. No bad debts may be written off without the approval of the Board.
- iv. The Chief Executive should ensure that all input and output VAT is accounted for.

Insurance

- i. The Chief Executive shall arrange for insurance cover in respect of all statutory insurance and for all assets under the control of the Company. The assets should be insured against fire, theft and such other perils as might be appropriate.
- ii. Any other appropriate insurance shall be effected.
- iii. The Chief Executive must ensure that any insurance is agreed by the Board and reported annually to the Board.



Inventory

The Chief Executive shall maintain an Asset Register of furniture, plant, equipment and any such similar items.

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Appendix 1: Invoice processing and payment procedure

Purchases

- Before placing any orders for goods or services, make sure you complete a '[Purchase order request](#)' form and gain approval from your manager – request a PO number from the Admin team.
- If the supplier is unable to invoice and requires payment by Debit Card, complete a '[Debit card request](#)' form instead and ask your manager for approval – request a DC number from the Admin team.
- Send your completed Purchase order/Debit card request form to admin@healthwatchcornwall.co.uk
- Give the PO number to the supplier when placing the order and ask that they quote it on their invoice.
- All invoices should be emailed to admin@healthwatchcornwall.co.uk
- The Admin team record all purchase/debit card requests, invoices and regular monthly/annual subscriptions etc., on the '[Finance log](#)'.

Invoices and payment

- Once received, invoices are filed and collated into a 'batch' and submitted for approval.
- All invoices require approval by the Business Support Manager (up to £500) or the Chief Executive (£500 and above) before they can be paid.
- Once approved, the weekly batch of invoices is processed for payment.
- All invoices, with the exception of those that are prepaid by Debit Card, are paid by direct bank transfer (BACS).
- All approved invoices are entered on Xero and a separate batch for bank transfer (BACS) payments is created online with Lloyds Bank. Where there are only a couple of invoices requiring payment, these may be held over until the following week. Conversely, where an invoice requires urgent payment this be processed separately.
- This is then forwarded to the Chief Executive and Chair for approval.
- The Chief Executive and Chair log into the Lloyds online banking system and approve the payment/s.
- Payment cannot be made until approval has been given by both approvers.
- If approval is not given within 48 hours of submission Business Admin will send a reminder or will revert to an alternative authoriser – for



this reason it is essential that the Admin team are kept informed of the Chief Executive and Chair's holiday dates etc.

- Once approved remittances are then issued, and the invoices paid.
- Invoices received by 5p.m. on a Wednesday will be processed by the end of that week and payment made on the next bank payment/BACS run, usually by the end of the following week, or in accordance with the supplier's payment terms.

Any invoices received after 5p.m. on a Wednesday will not be processed until the following week.



Appendix 2: Other information

Department and Nominal codes

Departments

Each area of the business has its own budget, and these are designated by 'Department codes'.

Dept Code	Department
1	Healthwatch Cornwall Core
5	Partnership Boards
10	Virtual Panel
15	Maternity Voices Partnership
20	Safeguarding
25	KCCG Mental Health Engagement
30	EPIC
35	Planned Parenthood

Nominal codes

Budgets are further apportioned to a series of 'Nominal codes' as detailed below:

Nominal code	Header	Detail	HC Budget holder
	Finance		
7130	Finance Support	CRCC	CEO
7132	Bank Charges	Lloyds Bank	BSM
	HR		



7150	External HR support	Mentor plus Health Assured	BSM
	IT		
7171	IT Support	NCi Technologies	CEO
	Equipment		
7160	Computer Equipment	Physical IT equipment	BSM
7161	Office Equipment	Chairs, tables, etc	BSM
	Legal		
7240	Legal	One-off unexpected legal costs	CEO
	Staff costs		
7220	Salaries		
2210	Employers NIC PAYE		
7222	External HR support		
7224	Recharge to Admin Support		
	Training		
7153	Training & Personal Development	Cost of training and room hire for training	BSM
	Accountant and Audit		
7131	Accountant and Audit	RRL	CEO
	HC Ops Costs		
7122	Advertising	Advertisements (radio, magazine, etc)	C&CM
7123	Reports	Cost of reports (graphic design, printing etc)	C&CM
7190	Conference Events	Annual conference, RCS etc	AO/CEO



7191	Meeting Costs	Room hire for meetings (not training) and Zoom subscriptions	BSM
7192	Merchandise	Merchandise for outreach and engagement	E&VM
7193	Outreach & Events	Outreach running costs and Prezi subscription	E&VM
7194	Volunteer Expenses	Volunteer travel and subsistence	E&VM
7195	PPV Daily rate	PPV payments to Chair and Vice Chair of KMPV	PM
7196	Ops - Marketing	Facebook, Canva, Twitter, Adobe, Google, Mailchimp	C&CM
7197	Ops - Recharge to Comms	Only use as recharge from other projects	C&CM
7198	Ops - Research Core	Survey Monkey, fees to consultants (core)	RM
7200	Ops - Research Projects	Survey Monkey, fees to consultants (projects)	PM
	Website		
7124	Website	Circle Interactive	C&CM
	Voluntary Board Expenses		
7251	Board Expense Claims		
7252	Board Meeting Costs		
	Staff travel & subsistence		
7223	Staff travel & subsistence	Coded individually to relevant department	BSM
	Accountant and Audit		



7131	Accountant and Audit		
	Office Running costs		
7100	Rent	Pearce & Co	CEO
7101	Rates	Cornwall Council	BSM
7102	Electricity	EDF Energy	BSM
7103	Water	South West Water	BSM
7104	Service Charge	Pearce & Co	BSM
7110	Maintenance	Painting, putting up shelves, etc	BSM
7111	Repairs	Any repair work	BSM
7112	Cleaning	Suez, Maria Cole	BSM
7152	Staff Wellbeing	Staff wellbeing budget	BSM
7170	General Expenses	Milk, coffee, cleaning products etc	BSM
7172	Photocopies	ITEC	BSM
7173	Copier Lease	ITEC	CEO
7174	Mail Charges	Royal Mail	BSM
7175	Stationery	Notebooks, pens, etc	BSM
7176	Telephony (included in IT support)	NCi Technologies	CEO
7177	Staff Mobiles	Vodafone, EE	BSM
7178	Broadband	Zen	BSM
7179	0800 Number	Daisy	BSM
7230	Insurance	Zurich Insurance - Buildings, Public Liability	CEO



7231	Licences	ICO, Visio, BMJ, NCVO	BSM
7232	Subscriptions & Memberships	BMJ, ICO, NCVO,	BSM
7225	Recharge to Overheads	Coded individually to relevant department	BSM
	Recruitment		
7151	Recruitment Costs	Recruitment adverts, DBS checks etc	BSM

Petty cash

- A petty cash float is currently held in the safe in the office.
- The Chief Executive withdraws a £300 'float' as required, and small purchases for items such as milk, tea/coffee, stamps etc., can be taken from petty cash.
- Complete a petty cash voucher and attach the till/purchase receipt.
- The Admin team keep a record of all purchases and balance the petty cash at the end of every month for reconciliation with the monthly figures.

Miscellaneous expense claims

- Requests for reimbursement of miscellaneous expenses paid out by an individual (not including personal/mileage/subsistence expense claims) e.g. stationery items, are also paid by bank transfer/BACS.
- These expenses are paid in the weekly BACS run and are not processed in the same way as employee expenses/salary which are processed through Pixie Payroll.
- A '[BACS request form](#)' must be completed for each new claim and submitted, along with any till/purchase receipts, to the relevant manager for approval.
- The manager must then forward the claim with their approval via email to admin@healthwatchcornwall.co.uk.
- All miscellaneous expense claims are recorded on the Finance log and included for payment in the weekly finance batch.
- As such these claims must be received by 5p.m. on a Wednesday to be paid by the end of the following week.



Volunteer Expenses

- Volunteer expenses include mileage claims, equipment purchases and also a retainer/allowance for the Kernow MVP Chair.
- These expenses are paid in the weekly BACS run and are not processed in the same way as employee expenses/salary which are processed through Pixie Payroll.
- A 'Volunteer Expense Claim' must be completed for each new claim and submitted, along with any till/purchase receipts, to the relevant manager.
- The manager must then forward the claim with their approval via email to admin@healthwathcornwall.co.uk.
- All volunteer expenses are recorded on the Finance log and included for payment in the weekly finance batch.
- As such these claims must be received by 5p.m. on a Wednesday to be paid by the end of the following week.

