

FINANCIAL PROCEDURES POLICY

1. General

- 1.1. The Trustee Board of Cyngor ar Bopeth Gwynedd & De Ynys Môn Citizens Advice (CAB Gwynedd) is responsible for ensuring that the bureau is adequately resourced (i.e. the bureau has all or most of the human and material resources it needs to achieve its objectives) and that proper financial controls are in place. The Trustee Board delegates control to the Treasurer, the Executive and the Chief Executive but it cannot delegate ultimate responsibility.
- 1.2. The Treasurer has delegated authority from the CAB Gwynedd Trustee Board to ensure that the finance function is carried out efficiently within the policies of the bureau.
- 1.3. The CAB Gwynedd Trustee Board delegates to the Chief Executive the responsibility for overseeing and directing the day-to-day financial affairs of the bureau.
- 1.4. The Office Manager is responsible for performing the tasks which constitute the finance function within the bureau and for keeping the Chief Executive and the Executive informed of the bureau's financial position. It is the responsibility of the Chief Executive to ensure the monitoring of the finance function and to keep the CAB Gwynedd Trustee Board informed of all financial matters.
- 1.5. The CAB Gwynedd Trustee Board shall not consider taking on any new activity or making changes to an existing one unless they have already received full details of the financial implications via the Treasurer and / or the Executive.
- 1.6. Ultimately the CAB Gwynedd Trustee Board is responsible for ensuring that these financial procedures are followed in all aspects of name of bureau's work.
- 1.7. Changes to these procedures can only be made with the approval of the Executive which must report such changes for ratification to the CAB Gwynedd Trustee Board. The procedures and guidance on the Bureau Management Information System (BMIS) shall be followed. Where there are specific reasons for a different procedure, this shall be made explicit in seeking agreement.

2. Accounting

- 2.1. The Treasurer is responsible for overseeing the accounting records. The devising and developing of appropriate systems is delegated to the Office Manager.
- 2.2. In the allocation of accounting duties, the following functions shall be separated as completely as possible:
 - Calculating, checking and recording money due to or owed by the bureau
 - Collecting and paying in these sums and making payments.
- 2.3. The Office Manager is delegated to account for and process all financial transactions in the bureau. Some duties may be delegated to other staff in particular where 2.2 above requires separate roles. This will normally be the Performance Officer.

- 2.4. The Office Manager is responsible for setting the day-to-day priorities of finance work within the bureau. These are performed within the framework of the annual work plan which is authorised by the CAB Gwynedd Trustee Board.
- 2.5. Accounting records must be sufficient to show and explain all the bureau's transactions and disclose at any time, with reasonable accuracy, the bureau's financial position. The records will contain entries for all receipts and payments on a day-to-day basis together with a suitable analysis of all such transactions. A record of all assets and liabilities will also be kept.
- 2.6. The Chief Executive shall ensure that all the accounts and accounting records of the bureau are properly balanced and submitted for audit each year within the timescale laid down by the CAB Gwynedd Trustee Board and in accordance with existing statutory regulations.
- 2.7. The bureau will produce annual accounts which have had an audit / independent examination and send them to the Charity Commission, Citizens Advice and Companies House (if appropriate) within the following deadlines:
 - Charity Commission: 31 January.
 - Citizens Advice: 31 December.
 - Companies House: 31 December.

The Citizens Advice copy will be sent to networkadmin@citizensadvice.org.uk and copied (CC) to Financial Support financialsupport@citizensadvice.org.uk.

- 2.8. All accounting records must be retained for a minimum of six years (i.e. the current year's records plus the previous six). No voucher or other document shall be destroyed before this time. The records should be stored on site.
- 2.9. The Treasurer is responsible for taking any steps that may be necessary to protect the financial interests of the bureau pending receipt of instructions from the CAB Gwynedd Trustee Board.

3. Banking

- 3.1. CAB Gwynedd is in the process of moving from Barclays to NatWest having attempted on numerous occasions over the past year to resolve a range of issues including dual authorisation for online banking to no avail.
- 3.2. The new account mandate will require that all actions (whether online banking, signing cheques or changes to the mandate require authorisation by one person in Group A and one person in Group B:

Group A	Group B
Chief Executive	Office Manager
Treasurer	Performance Officer
Chair	

- 3.3. It is the responsibility of those authorising the transaction to make a check for arithmetical accuracy and to ensure that the payment is supported by adequate documentation. Blank cheques will never be signed.

- 3.4. No person may authorise a payment to themselves, to their partner or to a relative except in the case of monthly salaries, subject to Section 10.
- 3.5. All bank accounts must be in the name of the bureau. No account must ever be opened in the name of an individual. New accounts may only be opened with the written agreement of the CAB Gwynedd Trustee Board.
- 3.6. Bank accounts will be reconciled monthly with QuickBooks.
- 3.7. The Office Manager has delegated authority from the CAB Gwynedd Trustee Board to liaise with the bank on all matters related to the financial affairs of the bureau.

4. Budget setting and budgetary control

- 4.1. The budget setting process starts in December / January for the following financial year ending 31 March. The budget is set as far as possible to allow the bureau to carry out the objectives set for the year by the CAB Gwynedd Trustee Board. The budget must be agreed by the CAB Gwynedd Trustee Board and be in place by April 1st.
- 4.2. The budget is drawn up according to the following principles:
 - consideration of the new items which should be included in the budget in order to achieve the objectives decided on for the year ahead
 - consideration of income levels, including grant income
 - the need to achieve the level of surplus indicated by the CAB Gwynedd Trustee Board
 - a calculation for general inflation and for the level of NJC settlement.
- 4.3. The Chief Executive and Office Manager are responsible for preparing and presenting a workable budget to the Executive for discussion and recommendation for agreement by the CAB Gwynedd Trustee Board.
- 4.4. Once a budget has been set, the Chief Executive is authorised by the bureau trustee board to spend up to the level of that budget.
- 4.5. The Chief Executive shall ensure that management accounts are produced for the periods ended 30 June, 30 September, 31 December and 31 March. Copies of the management accounts shall be given to the Treasurer. They form part of the agenda for meetings of the Executive and the CAB Gwynedd Trustee Board. The management accounts provide financial information which compares actual income and expenditure for the period against budgeted income and expenditure by project / activity (restricted and unrestricted), and a forecast of the position at the end of the year. They are accompanied by a short written report which explains significant variances.
- 4.6. The Chief Executive and Office Manager will monitor expenditure monthly and report to the CAB Gwynedd Trustee Board at least quarterly. The Chief Executive is responsible for monitoring all budgets and for ensuring that any overspends and under-achievements of income are investigated and that remedial action is taken.
- 4.7. Budgets will be reviewed regularly (at least quarterly) and amended if necessary in the light of current information to produce an up-to-date full year forecast.

5. Income

- 5.1. The Chief Executive will be responsible for the submission of all grant and other funding applications. All agreements for the receipt of funding shall be obtained in writing stating the amount and any conditions and shall be approved by the Chair and Treasurer and the CAB Gwynedd Trustee Board informed.
- 5.2. Sufficient records will be kept to identify all sources of income and the use to which it may be put.
- 5.3. All monies received will be banked within five working days. Cash received must be banked intact and should not be used to make payments.
- 5.4. Any chargeable services will be invoiced upon completion. The Chief Executive will make appropriate arrangements to pursue non-payment. No amounts owing to the bureau may be written off without the authorisation of the Treasurer.

6. Authorisation

- 6.1. All orders for goods and services must be authorised by the Chief Executive. The Chief Executive may delegate this authority to individual staff members by allocating them a financial limit of authority. Any item which is not provided for in the bureau's budget must be referred to the CAB Gwynedd Trustee Board.
- 6.2. All orders must be made (or confirmed) in writing and a copy kept. Orders may only be signed by the Chief Executive or other person authorised as above. It is the responsibility of the person placing the order to ensure that it represents value for money by conducting appropriate research with a range of suppliers.
- 6.3. Before placing orders or entering into contracts for more than £1,000 three quotes shall be obtained or reasons given as to why this is not possible. The Executive shall also be consulted and the written consent of the Chair and Treasurer obtained.
- 6.4. For orders or contracts with a total value of more than £5,000 all members of the Trustee Board shall be consulted and an opportunity given to ask for further information. If any members of the Board continue to have objections or concerned the approval of the Board at a formal meeting will be required.
- 6.5. No staff member may authorise payment to themselves, their partner or relatives, except in the case of monthly salaries, subject to Section 10.

7. Payments

- 7.1. All incoming invoices shall be kept safely in a pending file. The unpaid invoices file should be examined once a week to ensure that all bills are paid by their due date.
- 7.2. Invoices should be matched and checked against orders before payment is made. The person receiving the goods should also confirm that they have received what was ordered.
- 7.3. The Chief Executive shall approve the authorisation of payment of an item of expenditure on the cheque requisition form or on a rubber stamped grid on the invoice or a cheque requisition form.
- 7.4. The normal method of payment of money due by the bureau is by bank transfer. The payments will be prepared by the Office Manager or Performance Officer and authorised by the Chief Executive. The Chief Executive shall also initialise the paperwork

or otherwise confirm that the paperwork has been seen. The Chief Executive has authority to pay all amounts to which the bureau is legally committed once such payment has been authorised. In the absence of the Chief Executive or for payments involving the Chief Executive the payments shall be authorised by the Treasurer on the same basis.

7.5. Those preparing or authorising payments are responsible for satisfying themselves that all relevant procedures have been followed.

7.6. Once payment has been made, the invoice (or form, voucher or grid) should be clearly marked "Paid", together with the cheque number or payment type and date. All payments must be entered into QuickBooks within seven working days.

8. Expenses

8.1. Claims for business travel and other expenses should normally be made on a monthly basis on the standard expenses form.

8.2. Expenses claimed should be reasonable, only incurred in the furtherance of normal duties and wholly, necessarily and exclusively expended on behalf of the bureau. Only standard fares should be claimed for travel costs, and other expenses within the Inland Revenue agreed limits.

8.3. The form must be authorised by the Chief Executive. By so authorising, the Chief Executive certifies that he / she is satisfied that the expense has been properly incurred. Expenses for volunteers should be approved by the relevant supervisor prior to submission to the Chief Executive. Receipts for travel, subsistence and other expenses should be attached to the claim form.

8.4. Expense claims are paid by bank transfer to the individual making the claim only.

9. Salaries

9.1. Pay rates are based on local authority pay scales. Permanent changes to rates of pay can only be authorised by the CAB Gwynedd Trustee Board.

9.2. All salary payments must comply with the terms and conditions of the employee's contract of employment and HMRC rules subject to the fact that no member of staff will be paid for more than 48 hours of work in a week.

9.3. The Chief Executive will ensure that all statutory requirements regarding tax and National Insurance are complied with.

9.4. The payment of all salaries and other earnings is made by the Office Manager. Salaries are paid monthly for the calendar month in which the payment occurs.

9.5. It is the responsibility of the Chief Executive to ensure that the Office Manager is informed of:

- new employees, employees leaving and any change in the status of employees
- absences from work for sickness or other reasons, apart from approved leave
- changes in remuneration including incremental increases.

9.6. In the case of sickness, maternity and parental leave, the Chief Executive must ensure that payment is made in accordance with the bureau's policies and procedures.

9.7. The Office Manager acts on the information and prepares the salaries. Payment is made by bank transfer by the fourth Thursday of each month.

10. Insurance and fixed assets

10.1. The CAB Gwynedd Trustee Board delegates to the Chief Executive the responsibility for ensuring that the bureau is protected as necessary by insurance policies. This includes the protection of the bureau's fixed assets and insurance in CAB Gwynedd's role as an employer.

10.2. The Chief Executive is responsible for making any necessary claims against insurance policies.

10.3. A fixed assets register of all fixed assets of the bureau (those capital items with a purchase price of more than £500 and with an estimated life of more than 12 months) is kept and updated by the Chief Executive who is responsible for adding any new assets to the insurance policy.

10.4. The loss or theft of any fixed assets must be notified by the employee making the discovery of the loss to the Chief Executive who will ensure that the matter is fully investigated and the police notified, if this is appropriate. In the case of any item disappearing from CAB Gwynedd's offices, the police will always be notified.

10.5. The bureau's property cannot be removed from its premises without the agreement of the Chief Executive. Property removed from the bureau's premises should be recorded in the fixed assets register or some other register stating:

- reasons for the removal
- the person in custody
- date returned.

10.6. Assets owned by the bureau are, as far as possible, marked as bureau property.

11. Audit

11.1. The CAB Gwynedd Trustee Board is responsible for recommending the appointment of an auditor at the annual general meeting. The purpose of the annual audit is to provide an external scrutiny of the bureau's finances in accordance with charity law.

11.2. The auditor reports to the CAB Gwynedd Trustee Board on:

- the suitability and reliability of financial information.
- whether the accounts comply with charity and company law.

11.3. The auditor has access to all the bureau's financial and other records.

11.4. Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash or other property of the bureau or any suspected serious irregularity in the exercise of the bureau's procedures, the Chief Executive must be notified immediately.

11.5. Where the irregularity may involve the Chief Executive, the employee making the discovery should report the matter to the Treasurer or Chair or any board member who in turn should bring the matter to the attention of the board as a whole.

11.6. The Chief Executive (or Treasurer or Chair) will take whatever steps are necessary to investigate the matter, and immediate remedial action to prevent continuation of, and / or remedy to, the situation and to ensure that CAB Gwynedd's assets are safeguarded, including the reporting of the matter to the CAB Gwynedd Trustee Board.

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