healthwatch Cambridgeshire

Healthwatch Cambridgeshire Financial Controls Policy

1. Introduction

This is a statement of the Finance Policy of Healthwatch Cambridgeshire. The organisation will follow good practice in all financial matters and this statement is designed to clarify certain areas and set areas of responsibility.

The overall financial control of Healthwatch Cambridgeshire rests with the Board of Directors, but in practice, this is devolved to the Chief Executive Officer.

Financial Records will be kept so that the organisation can:

(a) Meet its legal and other obligations; The Companies Act 2006, The Community Interest Company Regulations 2005, HM Revenue and Customs and common law
(b) Enable the Board of Directors to be in proper financial control of the organisation
(c) Enable the organisation to meet the contractual obligations and requirements of funders

Proper books of accounts will be kept using Quickbooks software which will enable separate funds to be identified, together with the relevant expenditure.

The financial year will end on the 31st March each year.

Accounts will be drawn up after each financial year within three months of the end of the year and presented to the next Annual General Meeting. They will be independently examined or audited in accordance with the requirements of a Community Interest Company.

Prior to the start of each financial year, the Board of Directors will approve a budgeted income and expenditure account for the following year.

A report comparing actual income and expenditure with the budget will be presented to the Board of Directors at each HWC Board meeting.

At the AGM the Board of Directors will appoint an appropriately qualified auditor/examiner to audit/examine the accounts for presentation to the next AGM.

2. Banking

The organisation will bank with a suitable bank, currently Charities Aid Foundation. Accounts will be held in the name of Healthwatch Cambridgeshire. Any funds not immediately required will be deposited with a suitable interest bearing account, also currently Charities Aid Foundation. The interest rates on these accounts will be reviewed regularly.

Bank mandates will always be approved by the Chief Executive as will any changes.

The organisation will require the bank to provide statements monthly, these will be reconciled with the cash book every month. The Chief Executive will spot check that this reconciliation has been done at least twice a year, signing the reconciliation statement accordingly.

The organisation will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the Board of Directors.

3. Petty Cash

Petty cash will be held by the Office Manager as authorised by the Chief Executive. A voucher will be completed for each payment out and accompanied by a receipt. Payments of cash will only be made out of the petty cash system.

Petty cash limits will be set by the Chief Executive.

Petty cash will be reconciled and checked by the Office Manager once a month.

4. Payment by Cheque

Payments may only be made in respect of expenses incurred on behalf of Healthwatch Cambridgeshire.

The Office Manager is responsible for holding the cheque book (unused and partly used cheque books) and the debit card, these will be kept under lock and key.

Each cheque will be signed by at least two of the authorised signatories. A cheque must not be signed by the person to whom it is payable.

Blank cheques will **NEVER** be signed.

The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.

No cheques should be signed without original documentation.

5. Company Debit Card

The company debit card will be kept under lock and key and be the responsibility of the Office Manager.

All debit card payments will be recorded in the same way as other payments with all supporting documentation attached.

All transactions paid for by debit card will be recorded in Quickbooks and reconciled against the bank statement on a monthly basis.

6. Payment Documentation

Every payment out of the organisation's bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand). That original invoice will be retained and filed. Each payment will have been authorised by a manager.

The cheque signatory should ensure that it is referenced with:

- Cheque number
- Date cheque drawn
- Amount of cheque

The only exceptions to payments not being supported by an original invoice would be for such items as advanced booking fees for a future course, deposit for a venue, VAT, etc. Here a cheque requisition form will be used and a photocopy of the cheque kept, together with a copy of the originating documentation.

7. Receipts

With regard to receipt of monies the following practice will be observed:

- All monies received will be recorded promptly and banked without delay.
- Sales receipts will be reconciled to the amounts deposited in the bank by the Office Manager.
- Records will be maintained to show the source of all income, whether in the form of invoices, receipts or other documentation. Records must show whether the income is restricted and if so its purpose, or unrestricted.

8. Salaries

There will be a clear trail to show the authority and reason for EVERY such payment and all payments will be made via internet banking where possible. Salaries will not be paid in cash. All employees will be paid within the PAYE and National Insurance regulations.

The Chief Executive will authorise all salary payments.

All staff appointments/departures will be authorised by the Chief Executive and reported to the Board of Directors. Similarly all changes in hours, salary and variable payments such as overtime, etc. will be authorised by the Chief Executive.

A Stakeholder pension is available through The Pensions Trust. 8% of salary is contributed by the organisation and up to 20% by the employee.

9. Expenses

Expenses incurred wholly and necessarily by staff, volunteers and The Board of Directors in the course of their duties will be reimbursed on completion of the relevant claim form. Payments must be made by cheque or internet bank transfer.

Receipts must be presented for all items apart from mileage. Vehicle mileage is paid in accordance with HMR&C exempt rates.

10. Other undertakings

Healthwatch Cambridgeshire does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, prima facie, likely to exceed in total £3,000 must be authorised and minuted by the Board of Directors. In exceptional circumstances such undertakings can be made with the Chair's approval who will then provide full details to the next meeting of the Board.

The Chief Executive will ensure that three quotes are obtained (where possible) before a service is purchased or renewed.

All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of Healthwatch Cambridgeshire with the knowledge of the Chief Executive.

11. Procurement

When it is deemed necessary to work to tender, the following procurement process will be followed:

- Draft specification
- Advertise opportunity with closing date
- Shortlist submissions (the panel will consist of a minimum of three Non-Executive Directors)
- Interview candidates (the panel will consist of a minimum of three Non-Executive Directors)
- Contract let

Template documents attached:

- Project quotation form
- Submissions evaluation form
- Interview evaluation form
- Letter of Agreement

12. Assets

A register of assets will be maintained by the Office Manager and updated whenever assets are acquired or disposed of. Assets must be disposed of at fair market value and the proceeds paid into Healthwatch Cambridgeshire's bank account.

Approved by Healthwatch Cambridgeshire Board of Directors
Date: 15th May 2014

Reviewed
Date: January 2017

Next Review
Date: January 2018

Responsible Officer
Chief Executive Officer of Healthwatch Cambridgeshire

Appendix 1

Healthwatch Cambridgeshire: quotation format

Title

1. Sole applicant or partnership?

Please say if you are applying as a sole organisation or as partnership/consortium. If the latter, name the partners involved and state the lead partner. The lead partner should complete the application.

……
……

2. About your organisation

Name of organisation (Company Number if applicable)

Address

3. Main contact for this application

Name & surname	
Position	
Email	
Phone	

4. Given the overall scope (section 1) and specification (section 13), how will the work be undertaken?

For each component below please address these questions	What experience and track record you would bring to this task? How do you plan to complete this task effectively within the given timescale? What are the main risks and mitigations?
Task I:	
Task II:	
Task III:	
Task IV:	
Anything else you wish the Panel to take account of?	

5. Costs

How much is your work going to cost Healthwatch? Please add extra rows or columns as needed and any relevant narrative.

Task	**£ Total**
Task I	
Task II	
Task III	
Task IV	
Total	

Notes: ……
……

Signature:
Date:

Submissions to: Project support – xxx, xxx.xxx@Healthwatchcambridgeshire.co.uk 01480 420628 by Date/Time

Appendix 2

Healthwatch Cambridgeshire - Evaluation of quote submissions

Project title:

1.

Submission	Total Quality Score	Total Price Score

2. Decision

PASS	Information provided as required and sufficient to indicate that there would be no risk or an acceptable level of risk if Healthwatch were to award a contract
FAIL	Information not provided or demonstrates that the level of risk associated with awarding a contract is unacceptably high

Panel Recommendation

Signed: …….…. Name: Date:

Signed: ……. Name: Date:

Evaluation Grids:

Name of bidder -						
Task	**Score**	**(Weighted quality score at 70%) - score x .7**	**Score for price - see below**	**Weighted score for price at 30% (price x .3)**	**Total weighted score**	**Notes of explanation on score**
Task 1:						
Task 2:						
Task 3:						
Task 4:						
Other comments						
Total scores						

Notes on Scoring for Quality

The scoring system below will be used by the evaluation panel to assess the potential quality element of quotes:

Score	Performance	Judgement
5	Meets the requirement exactly as specified (there is a strong track record, the proposed approach looks effective and the task will be completed in time)	Excellent
4	Meets the requirement well, but not exactly (in respect of track record/ the proposed approach and/ or the task being completed in time)	Good
3	Meets the requirement in most aspects, fails in some (in respect of track record/ the proposed approach and/ or the task being completed in time)	Satisfactory
2	Fails requirement in most aspects, meets in some (in respect of track record/ the proposed approach and/ or the task being completed in time)	Doubtful
1	Significantly fails to meet the requirement	Poor
0	Completely fails to meet the requirement	Unacceptable

Notes on Scoring for Price

Cheapest submission on price	Scores 5
Second cheapest submission on price	Scores 4
Third cheapest submission on price	Scores 3
Fourth cheapest submission on price	Scores 2
Fifth cheapest or below on price	Scores 1

Assessment of submissions will have the following weighting:

Quality – 70%
Price - 30%

Appendix 3

Interview Evaluation

Project Title

Date/venue:

Panel:

Contractor					Total Score

Decision

It was agreed by the Panel that the *Title of Project* be awarded to xxxx.

Signed on behalf of the Panel …… Date: …….

xxx, Healthwatch Cambridgeshire Chair

Appendix 4

healthwatch Cambridgeshire

Date

Letter of Agreement

Introduction

This agreement sets out the activities and deliverables to be provided by xxxx.

Background

Proposed activities

Outcomes

Milestones

Commencement

Date

Payment Terms

The total cost of the research project is £xxx. The total amount will be paid on completion of the Agreement and presentation of an invoice from xxxx to Healthwatch Cambridgeshire.

Healthwatch Cambridgeshire is a Registered Community Interest Company No. 08516179

Healthwatch Cambridgeshire is not responsible for any national insurance or tax implications applicable to the partnership. Healthwatch require that the partnership has secured appropriate level of indemnity insurance prior to commencement of the project.

Financial Penalty Clause

Should there be any slip from the timescale without prior arrangement, Healthwatch Cambridgeshire has the option to consider invoking a financial penalty of 3% deducted from the balance.

Intellectual property

The intellectual property rights of the interim and final report are considered to be assigned to Healthwatch Cambridgeshire. In addition, Healthwatch Cambridgeshire will require all the paper information in the event that it is challenged on any of the findings for independent revalidation.

Confidentiality

Work to be carried out in accordance with the confidentiality standards as set out in the Healthwatch Cambridgeshire Confidentiality Policy, attached.

Signed: Date:
Name: *Contractor*

Signed:
Name: xxx Chair Healthwatch Cambridgeshire
On behalf of: Healthwatch Cambridgeshire, The Maple Centre, 6 Oak Drive, HUNTINGDON, PE29 7HN