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## 1. Introduction

- 1.1 The Standing Financial Instructions (SFI) are designed to provide approved procedures and parameters to the management of the income and expenditure of the College of Paramedics (the College).
- 1.2 Trustees and employees of the College, with delegation to approve expenditure, must work within the delegations, budgetary allocations, and requirements which are set out in these SFIs.
- 1.3 Persons within the College, with delegation to expend funds, must only do so within the allocations to their cost centres which are set in each financial year. Requests to exceed budgetary allocation must be formally made to the Chief Executive who will consider if there is sufficient reason to exceed budget and refer on to the Trustee Officials Committee (TOC) where a final decision will be made and recorded.

## 2. Purpose

- 2.1 As an organisation whose responsibility it is to represent the professional interests of its membership, the College should have an established policy and relevant procedures for the management of finances and resources.

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- 2.2 The College Board of Trustees (the Board) has established financial responsibilities, policies, and procedures to ensure that all transactions are carried out to achieve probity, accuracy, efficiency, and effectiveness in the deployment of the College’s resources.
- 2.3 Authorities and levels of delegation for the approval of expenditure have been determined by the Board and are set out in these SFIs.
- 2.4 The financial responsibilities that are set out in the SFIs apply to all persons who have any level of delegation to approve expenditure.
- 2.5 The SFIs will be reviewed every two years but may be varied at any time following recommendation by the TOC and approval by Board.
- 2.6 A reasonable amount of funds will be allocated each year for professional financial advice to ensure that the College’s SFIs represent adequate controls over the management of its financial resources.

### 3. Guiding principles

- 3.1 It is a requirement of all persons with approved delegations that they seek clarification from the Treasurer should uncertainty exist in the interpretation of the FSIs.
- 3.2 The Board will determine and approve an annual budget based on a business plan presented by the TOC. The budget represents the financial resources needed to support the annual business plan.
- 3.3 The business plan will be developed on the basis of planned activity within the limitations of income projections, will only exceed projected annual income by exception and explicit approval, and will make provisions for adequate reserves to be retained.
- 3.5 Allocations to specific cost centres will be made from the annual budget. Budget-holders are required to manage their allocated resources within the limitations set and report variations immediately or in any case as soon as reasonably practicable, to the Chief Executive. Expenditure that is not included in the budget allocations can only be approved by the Chief Executive and Chair in keeping with the delegations in Section 11 of this policy.

### 4. Responsibilities

- 4.1 The Board will approve annual expenditure limits based on activity set out in the business plan and projected income.
  - 4.1.1 The Board will delegate responsibility for the day to day financial performance of the organisation to the Chief Executive and Treasurer who shall act with reference to the Finance Risk and Assurance Committee (FRAC).
- 4.2 The TOC will formulate annual business plans for approval by the Board. These will be based on planned activity aligned to strategic objectives which will only exceed projected income under exceptional circumstances and will take account of identified risks. The TOC may refer the business plan to the FRAC for review of the level and sensitivity of the risks either explicit or implicit.

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- 4.2.1 The Treasurer and the FRAC shall be responsible for establishing audit regulations that will provide an independent and objective view of internal control by:
- Overseeing internal and external audit services
  - Reviewing financial systems
  - Ensuring compliance with SFIs
  - Reviewing schedules of losses and compensations and making recommendations to the Board.
- 4.2.2 Where the FRAC considers that there is evidence of ultra vires transactions, or of improper acts, or if there are other important matters that it wishes to raise, the Chair of the FRAC should raise the matter at the TOC who will refer it to a meeting of the Board. There may be instances, however, where steps need to be taken by TOC members to limit the knowledge of an alleged incident until an investigation is completed.
- 4.3 The Chief Executive will have overall executive responsibility for College activities.
- 4.3.1 The Chief Executive will, as far as appropriate, delegate detailed responsibilities but will remain accountable for financial control.
- 4.3.2 It is a duty of the Chief Executive to ensure that all senior managers and employees and all new appointees are notified of and understand their responsibilities within these instructions.
- 4.4 The Chair, after consideration with one vice-chair, may approve submissions for expenditure on items not allocated in the approved business plan and budget allocations; on condition that adjustments are made within the overall budget to ensure that expenditure does not exceed projected income. NB all mentions of vice-chairs within policy is inclusive of the Deputy Chair.
- 4.5 The Chief Executive and Treasurer will coordinate and prepare the business plan for consideration by the TOC and subsequently the Trustees. Thereafter the Chief Executive or the Treasurer will advise budget holders of their respective annual allocations; will monitor income and expenditure and provide monthly reports to the FRAC and reports to the Board; will undertake a half-yearly review of planned expenditure against projected income; and, will implement systems to ensure that accurate and current records are maintained for all income and expenditure.
- 4.5.1 The Treasurer will, as far as appropriate, delegate detailed responsibilities but will remain accountable for the duties detailed in Section 4.4.
- 4.5.2 The Treasurer will provide financial advice to the Chief Executive and to the Board.
- 4.6 Budget-holders will not exceed expenditure beyond the limits set in their annual allocations; will immediately report over-expenditure to the Chief Executive, or in the case of the Chief Executive to the Chair; and, will submit requests for expenditure on items not included in their respective allocations to the Chair for consideration.
- 4.6 All employees and members of the College are may only incur expenses for those activities which have received prior approval by the relevant budget-holder and submit receipts for all expenses incurred in compliance with the College Expenses Policy

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4.6.1 For all employees who carry out a financial function, the form in which financial records are kept and the manner in which employees discharge their duties must follow the procedures laid out in these SFIs and other policies relating to income, expenditure, and expenses

## 5. Accountabilities

- 5.1 The Board is accountable to the members of the College for the management of the College’s finances and resources.
- 5.2 The FRAC is accountable to the Board for the review and opinion of the business planning, risk management and audit processes of the College
- 5.3 The Chief Executive is accountable to the Board for ensuring that the College performs its functions within the available financial resources.
- 5.4 The Treasurer is accountable to the Board for the provision of information relating to projected and actual income and expenditure

## 6. Business and financial planning

- 6.1 The business plan represents the considered view of the Trustees as to the most likely projected outcome for the College based on assumptions made with reference to the reasonably foreseeable economic factors and appropriate intrinsic and extrinsic factors and risks at the time
- 6.2 The business plan will seek to take into account an assessment of risks and will include key responsibilities, milestones, and deliverables.
- 6.3 The business planning process will begin in October of each year. The Treasurer will ask for submissions from each of the designated budget-holders for the following financial year, which should be aligned to strategic objectives

## 7. Budget allocations and procedures

- 7.1 Following approval of the annual business plan by the Board, the Treasurer will write to all budget-holders advising them of their respective allocations.
- 7.2 Over-expenditure must not be incurred against allocations without approval of the Chief Executive and the Chair in keeping with the delegations detailed in Section 11 of this policy. Over-expenditure will only be approved by the Chair following consultation with the Treasurer and other budget-holders to ensure that the appropriate adjustments are made elsewhere in the overall budgetary allocation to ensure expenditure remains within projected income.
- 7.3 The Treasurer will arrange a half-year review of progress against projected budget which will include the provision of relevant information to the FRAC. The FRAC will make recommendations to the Board where tighter controls over expenditure considered to be required, where funds in excess of projections should be

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allocated, and where adjustments should be made. This process should begin on 1st June and be completed by 31st July in each year.

## 8. Management of reserves

8.1 Consistent with clause 2.13 of the Articles of Association, the Board has formally approved a written policy for the management of reserves which outlines the amount of income to be set aside as a reserve against future expenditure and conditions for expenditure and recovery of reserves.

## 9. Audit and risk management

- 9.1 The Treasurer will implement a system of random audit throughout the cost-centres to ensure that expenditure is aligned to intended objectives and that records for all income and expenditure are accurate and up to date. There should be at least three random audits undertaken in each financial year
- 9.2 The Treasurer will liaise with the external auditors, ensuring the provision from the College of all records and reports required by the auditors and will ensure they provide a cost-effective service.
- 9.3 The Executive Officer - Policy Development (EO-Policy) will maintain a risk register for which all budget-holders will be expected to follow the requirements of the risk management policy. The EO-Policy will provide summaries of all risks identified on a monthly basis to the FRAC, from which action plans will be developed and monitored to protect the College's resources.

## 10. Management of income and expenditure

- 10.1 In addition to the budgetary controls previously noted, the Chief Executive and Treasurer will organise processes necessary to ensure the effective management of transactions undertaken by the College. These will include:
- The development of an appropriate division of duties to reduce the risk of fraud or falsification
  - Banking arrangements and authorised signatories
  - Schedule of payable orders with two designated officers as signatories
  - The timely payment of accounts including verification checks and arithmetic correctness
  - A system for the proper recording, invoicing, and collection of all monies owed to the College
  - Systems for the security of cash, cheques, and credit cards which are the property of the College
  - The maintenance of an assets register to include additions and disposal of assets over a fixed period
  - A system to manage claims for expenses which should have prescribed limits set for each type of expenditure (travel, hotels, subsistence), always have the authorisation of the relevant budget-holder and be accompanied by receipts. There should also be a twice-yearly random audit undertaken of expenses claims

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- Procedures to ensure the appropriate management of monies from sponsorship and other external sources.

## 11. Delegations

- 11.1 Expenditure can only be authorised by delegated budget-holders as approved by the Board and only within the limitations of their respective budgets.
- 11.2 Amounts up to £10,000 can be approved by the Chief Executive, taking into account overall income and expenditure.
- 11.3 All expenditure above £10,000 must be approved by the Chair and a vice-chair. This approval must then be signed by the Chair, a vice-chair and by the Treasurer, or, if the Treasurer is not available, by two other Trustee Officials (see Appendix 1).
- 11.4 Budget-holders are authorised to approve expenditure up to £5,000 provided it is from funds that have been allocated to their cost centre lines as part of the annual budget allocations.
- 11.5 Chairs and vice-chairs of Board Committees can approve expenditure of amounts up to £1,000 within allocated budget.
- 11.6 Requests to *exceed* budgetary allocation must be formally made to the Trustee Officials Committee (TOC) where such decisions will be made, in keeping with the delegations detailed in this section, and recorded.

## 12. Reporting

- 12.1 The Treasurer will be responsible for ensuring that accurate and timely reports are prepared to include:
- Monthly reports to the FRAC on income and expenditure with detailed breakdowns of cost-centres and activity streams with projections of shortfall or surplus
  - Summary reports to the Board on income and expenditure to include actions recommended to address identified shortfalls or surplus
  - Quarterly reports to the FRAC on internal auditing into budget-holder compliance with SFIs and expenses claims compliance
  - Preparation and submission of the annual accounts in accordance with the requirements of Charity and Company Law.

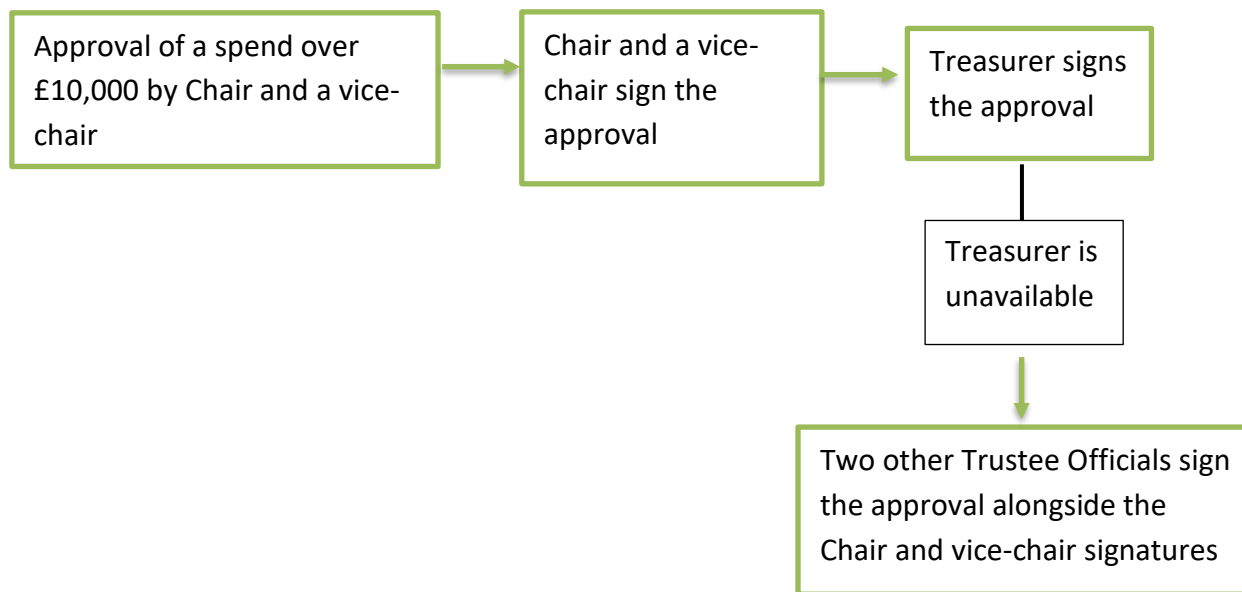
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Policy approved by the Board of Trustees, via meeting, 27<sup>th</sup> September 2018

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## Appendix 1

### Approval of over £10,000 spend



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