

FINANCE REPORT

Board Meeting 28 September 2017

The Board is asked to:

1. Note the attached statements of income and expenditure to the end of August 2017.
2. Agree the proposed amendments to the budget, as marked in bold on the same pages.
3. Agree the revised Financial Responsibilities and Procedures attached. These have the effect of passing responsibility for much of the day-to-day management of HWK finances to the Manager, as intended in the job description.
4. Agree that Stephen Bitti be added to the list of authorised cheque signatories.
5. Appoint Manminder Kaur Viridi FCCA as the Independent Examiner for the 2016/17 accounts at fee of £50. [This is for the Grassroots Project income of just £10,000.]

Nigel Spalding
Treasurer

INCOME 2017/18

	Budget	Income to 31 August 2017
RB Kingston	122,000	50,833.30
Grassroots Project	10,000	10,000.00
Bank Interest		-
TOTAL	132,000.00	60,833.30

EXPENDITURE 2017/18 (Excluding Grassroots Project)

	Agreed Budget 2017/18	Expenditure to 31 Aug 2017	Proposed Revised Budget
START UP COSTS			
3 new PCs and software	2,076	2,075.92	2,076
Telephone and internet connections	786	786.00	786
IT Set-up and Helpdesk	1,200	816.00	1,200
Registration with the Information Commissioner	35	35.00	35
ADMINISTRATION COSTS			
Insurance	1,677	1,676.55	1,677
Photocopier maintenance contract	1,008	537.60	1,400
Independent Examination of Accounts	500	-	50
Rent of Community Venues	1,500	-	1,000
Companies House Annual Return	13	13.00	13
Legal and professional fees	1,000	696.00	1,000
Other Equipment	1,000	254.99	1,000
COMMUNICATION COSTS			
Printing	1,000	-	1,000

STAFF COSTS			
Salaries, including Employer's NI	80,000	17,276.21	80,000
Additional staffing/staffing costs	3,000	2,228.12	3,000
Staff recruitment	1,000	-	1,200
DBS checks for employees	150	-	150
Staff training and attendance at conferences/workshops etc	1,500	-	1,500
Payroll service (including pension payments)	720	139.20	720
EXPENSES			
Staff travel	500	-	500
Volunteer expenses	500	-	500
OVERHEADS			
Office Rental	6,600	2,750.00	6,600
Telephone/Internet	1,500	519.87	1,500
Stationery & Postage	1,500	43.70	1,500
Consumables and cleaning materials	-	83.50	500
TOTAL	108,765	29,848.16	108,907
Unallocated - potential reserve			
From Expenditure out of RBK £122K contract above	13,235		13,093
Plus add Grassroots Project Admin fee	3,300		3,300
TOTAL	16,535		16,393

Financial Responsibilities and Procedures

1. The Board's Responsibilities

The Board is responsible for:

- Approving the budget for each year of operation 1st April to 31st March
- Reviewing income and expenditure in comparison with the budget at least quarterly
- Approving any in-year revisions to the budget and any re-allocation of funds
- Ensuring sufficient funds are secured for the organisation to operate in accordance with the agreed budget
- Approving all funding applications and bids for contracts
- Approving and signing funding contracts and terms & conditions
- Approving and signing staff contracts
- Approving the staff payroll arrangements
- Approving the Reserves Policy
- Ensuring adequate insurance cover
- Determining the banking arrangements
- Approving the list of cheque signatories
- Approving changes in jobs and salaries
- Approving any charges for services provided
- Approving any sale or other disposal of assets
- Approving any waiver of debts
- Approving the annual accounts
- Appointing an independent examiner annually

2. The Treasurer's Responsibilities

The Treasurer is responsible for:

- Developing a budget for each year, with the Manager, for approval by the Board
- Presenting financial reports to the Board at least quarterly
- Reviewing annual accounts, with the Manager, for independent examination
- Presenting the annual accounts, with the Manager, to the Board
- Assisting the Manager to produce an annual risk management report for presentation to the Board
- Investigating on behalf of the Board any financial or administrative matter which may put the charity at risk.
- Reviewing the independent examiner's report and advising the Manager and the Board on any action to be taken
- Authorising petty cash payments to be made to the Manager

3. The Manager's Responsibilities

The Manager is responsible for the following:

- Drafting initial annual budget for each year, with the Treasurer
- Recording all financial transactions
- Liaising with the approved payroll service to ensure all relevant information and payments are made
- Undertaking monthly bank reconciliations
- Preparing a cash flow forecast with the Treasurer, alerting the Board to any concerns arising
- Preparing the annual accounts, for Treasurer to review, for independent examination
- Presenting the annual accounts, with the Treasurer, to the Board
- Holding the cheque book in a safe place
- Checking all invoices and claims
- Providing the cheque book and the relevant invoice/claim to the Board's appointed cheque signatories for payment
- Ensuring cheques are sent or given to the intended beneficiary
- Authorising petty cash payments under £50 to other members of staff and volunteers
- Setting up, maintaining a register and reporting to the Board annually on the physical assets in the office

4. Approval of the Budget

An income and expenditure budget will be approved by the Board before the commencement of each financial year. The approved budget will be used to produce a cash-flow forecast for the year, which will be updated at least quarterly.

Amendments to the budget may be made during the year by the Board.

5. Payment Authorisation

The Manager and two Cheque Signatories must check that all proposed payments are valid and fit within the parameters of the expenditure budget approved by the Board.

Any proposed expenditure in excess of the agreed budget may only be authorised by the Board after consideration of the implications.

6. Purchase Orders

The Manager may issue purchase orders up to the value of £250, providing they fit within the parameters of the agreed expenditure budget and do not result in an excess of expenditure over budget. Purchase orders above £250 up to £1000 must have the prior approval of the Treasurer. Purchase orders above £1000 must have the prior approval of the Board.

7. Banking

The Board will determine the banking arrangements. The current arrangements are for Healthwatch Kingston Ltd to bank at the Metro Bank and to hold a current account with a cheque bank.

8. Cheque Signatories

All cheques must be signed by two signatories, as approved by the Board. Signatories must not sign cheques for which they are the beneficiary.

9. Petty Cash

- A petty cash float of £90 will be maintained
- Petty cash may be used for the purchase of small items (up to £20 without pre-authorisation and up to £50 with the Manager's pre-authorisation).
- Claims in excess of £50 must be paid by cheque
- The petty cash tin must be kept in a locked drawer to which the Manager only has access
- All claimants must complete a claim form, attach receipts and sign the form
- On payment, the claimant will sign that they have received the money and the Manager will add the date paid
- Stamps up the value of £50 may be purchased through the petty cash system and must be kept in the petty cash tin.
- When petty cash is running low, the Manager will ask the cheque signatories to sign a "Cash" cheque for an amount which will restore the amount available to £90

10. Incoming cheques and cash

Any cash received should be counted and verified by two members of staff. A receipt must be provided for any cash received.

Cash and cheques received must be paid into the bank by a member of staff or the Treasurer.