



**NCER**<sup>CIC</sup>

National Consortium for Examination Results

*Community Interest Company*

**FINANCIAL REGULATIONS  
PROCEDURE RULES  
March 2020**

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## **1.0 DELEGATION AND OVERALL CONTROL OF THE BUDGET**

- 1.1 Comprehensive financial management consists of two main functions, financial planning and financial control, in order to achieve the overall financial objectives of NCER and the NCER Board.
- 1.2 The NCER Board :
- has established proper financial management arrangements and accounting procedures and maintains a sound system of internal controls, including safeguards against fraud and error
  - needs to approve the Annual Accounts and this should be minuted
  - ensures the budget is used for the purposes intended
  - ensures that the external financial returns are completed and submitted as required from being a Community Interest Company
  - has established a clearly defined organisational structure with identified lines of reporting for all operations
  - considers it to be appropriate to delegate the majority of its operational financial responsibility to a nominated Director. However, in order to maintain transparency and accountability, a scheme of delegation (Appendix 1) has been established and agreed and which outlines the key financial responsibilities and approved delegated responsibilities of key individuals with NCER
- 1.3 The Managing Director has the responsibility for:
- the management of the NCER's financial position at a strategic and operational level
  - the management of effective systems of internal control
  - the management of other financial issues
- 1.4 The Managing Director is the person with overall responsibility to the NCER Board for the financial management of the organisation. The Managing Director ensures that the Board is provided with financial advice, that proper and adequate financial systems and controls are in place and that accounts are prepared and maintained as required by law and/or best practice.
- 1.5 The Board have a responsibility to avoid any potential conflict between their own business and personal interests, and the affairs and interests of NCER. To assist with this a register of pecuniary interests will be maintained by the Managing Director (Appendix 2). This will be freely available for inspection by stakeholders and auditors, if required.
- 1.6 All NCER Directors will treat hospitality and gifts with extreme caution. The offer or receipt of all such items above the amount of £10 must be declared in a register of gifts and hospitality maintained by the Managing Director (Appendix 3).

## **2.0 FINANCIAL CONTROL AND MONITORING**

- 2.1 Once the budget has been approved by the Board the Managing Director is responsible for the maintenance of all transactions within it.
- 2.2 The Board will be provided with a financial statement at least on a quarterly basis and more frequently if appropriate. This statement will include an up-to-date reconciled account of expenditure, commitments and income. It must also contain a narrative to explain any variations. The NCER Steering Group will also be provided with a financial report at its meetings.
- 2.3 The spending of all NCER money will be accounted for through the designated financial software module as used the External Accountant appointed to act on behalf of the company by the Board.

## **3.0 ORDERING / RECEIPT OF GOODS AND CERTIFICATION OF INVOICES**

- 3.1 The Scheme of Delegation identifies those Directors with delegated authority to raise orders and certify invoices for payment. This is maintained by the Managing Director. This also specifies the limit of the value which a Director may certify up to. A copy of the Scheme of Delegation must also be provided to the company's Auditors when the annual audit is undertaken. In practice, the Managing Director approves orders and invoices and the External Accountant will process both documents.
- 3.2 To demonstrate that value for money has been obtained three written quotations where possible will be sought in respect of any single purchase or contract being placed in excess of £1,000 and up to £25,000. Successful and unsuccessful quotations will be retained for six years. (Verbal quotations will be recorded and dated by hand).
- 3.3 If a quotation other than the lowest is accepted, the reasons for this should be documented and be reported and discussed at the next available NCER Board meeting.
- 3.4 Any single item of expenditure in excess of £1,000 and up to £25,000 must be agreed in advance by an approved Director as set out in the Scheme of Delegation.
- 3.5 Orders for purchases or works valued in excess of £25,000 and up to £150,000 must be subject to a formal contract. Approval by the Managing Director and the Chair.
- 3.6 All contracts are to be for a period of 1 years unless otherwise agreed by the NCER Board.

- 3.7 No leasing arrangement will be entered into except through the Managing Director and with the agreement of the NCER Board. Similarly the disposal of leased items can only be approved by the Managing Director on behalf of the Board.
- 3.8 The NCER Board is responsible for ensuring that all leasing agreements are entered into through the Managing Director and the purchase represents value for money to NCER.
- 3.9 Every order will be completed by the External Accountant – Halton Finance and will have a unique order number allocated to it. This will then be quoted on all correspondence for that order.
- 3.10 Telephone orders will only be used in exceptional circumstances. In all cases this must then be followed up with an official order on the same or next available working day.
- 3.11 All deliveries will be checked on receipt, against the copy order and delivery note for quality and quantity. The delivery / dispatch note must then be signed and dated by someone other than that has signed the order or will be signing the invoice. This person does not have to be an authorised signatory. This ensures segregation of duties. The delivery / dispatch note will then be filed with any relevant quotations, the copy order and copy of subsequent invoice.
- 3.12 When the Managing Director certifies an invoice he is assuring that he has checked that:
- price details have been checked and are correct
  - the invoice has not previously been passed for payment
  - the invoice has been arithmetically been checked
  - goods or services have been satisfactorily delivered and confirmed
  - for copy invoices that the invoice has not previously been passed for payment
  - expenditure is coded to the correct account code and within approved budget provision
- 3.13 All accounts shall be paid in accordance with procedures laid down in these procedures.
- 3.14 Once an invoice has been authorised it is passed to the External Accountant – Halton Finance for the next weekly payment run.
- 3.15 All invoices, expense claims and honorarium payments approved for payment will be paid through the NCER bank account by the External Accountant – Halton Finance.
- 3.16 As part of the quarterly reconciliation of income and expenditure a check of all invoices approved and paid will be undertaken by the External Accountant. Accountant – Halton Finance
- 3.18 Payments to NCER Directors must be paid in accordance with the above procedures.

- 3.19 Under no circumstances will any private purchases be made through the NCER account.
- 3.20 The External Accountant – Halton Finance will undertake all statutory digital returns and claims to HMRC in respect of Corporation Tax and VAT.

#### **4.0 INCOME**

- 4.1 The annual purchase order number process is undertaken by the Managing Director in partnership with the External Accountant – Halton Finance and all invoices to all participating Councils will be issued by the External Accountant – Halton Finance.
- 4.2 The External Accountant – Halton Finance will confirm the invoice details and the amounts ascertaining to each Council.
- 4.3 Invoices will be distributed as quickly as possible and by electronic means unless otherwise specified.
- 4.4 All records will be maintained by the External Accountant – Halton Finance for audit purposes (including remittance advices).
- 4.5 Local Authority non-payment of membership charges will be reported to the Board by the Managing Director.
- 4.6 The Scheme of Delegation establishes a delegated authority to the Managing Director to write off debts up to a cumulative level of £1,000 in any financial year. All debt write offs must be minuted by the Board, the minutes are to include the name of the debtor, the amount and the reason the debt is being written off. In the case of larger debts to be written off over £1,000, the Managing Director must consult with the Chair and both must approve. These write offs must also be reported to the Board.
- 4.7 NCER will seek to claim relief from VAT on bad debts written off. This will be undertaken with adherence to HMRC's requirements set out in VAT Notice 700/18

#### **5.0 BANKING AND REPORTING**

- 5.1 The NCER main banking facilities, authorised by the NCER Board and approved by the Managing Director, are held with *NatWest Bank*.

<b><u>Account Nos</u></b>	<b><u>Title</u></b>
xxxx0992	Business Current
xxxx5428	Business Reserve

5.2 Account reconciliations arrangements are :

<b><u>Account</u></b>	<b><u>Frequency</u></b>	<b><u>Performed by</u></b>	<b><u>Reviewed by</u></b>
Both	Quarterly	<i>Halton BC External Accountant</i>	<i>Managing Director</i>

## **6.0 SECURITY AND ASSET CONTROL**

6.1 An inventory will be kept of all assets valued at more than £750.

As at 10<sup>th</sup> March 2020 there are no NCER assets held by individual Directors valued at more than £750.00

6.2 The inventory holder shall maintain a record of the location, make, model and serial number as appropriate should the value exceed £750.

6.3 No item shall be sold to a third party without the approval of the Managing Director and this will only be done in accordance with best practice. VAT must be recovered where applicable. Records will be kept to demonstrate that any sale proceeds represent the best possible price having been obtained.

6.4 No leased item will be disposed of without the express permission of the leasing company (via the Managing Director)

6.5 Depreciation will be applied to NCER owned assets in line with current accounting norms as advised by the External Accountant – Halton Finance.

As at 10<sup>th</sup> March 2020 NCER has no leased items.

## **7.0 DEALING WITH A SUSPECTED FINANCIAL IRREGULARITY**

7.1 Any Director of NCER who suspects, with good reason, that a financial irregularity (irregularities include theft or receiving benefits, failure to comply with either Financial Regulations) has occurred shall inform the Managing Director and the Chair immediately. An investigation will be conducted in conjunction with the NCER Auditors.

7.2 Where the theft is of money, stores or property belonging to NCER, the Police. The police will only be involved where a fraud or theft has been determined beyond reasonable doubt.

7.3 Details of all such reported irregularities MUST remain confidential.

## **8.0 INSURANCE ARRANGEMENTS**

- 8.1 The Managing Director and Chair will review the adequacy of the insurance cover on an annual basis.
- 8.2 The amount of insurance cover insured shall be determined by cost of cover and an evaluation of the risks that NCER are prepared to accept. This is known as the risk appetite of NCER and links into the risk management arrangements of NCER.

This policy was approved by the NCER Management Board on 17th March 2020

This policy will be reviewed annually together with an annual review of the compliance and effectiveness of the policy.

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