



## Financial Standing Orders

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### 1. Responsibilities of the Board and Staff

- 1.1 The Board is ultimately responsible for the financial control of the company and for financial reporting to Companies House. These standing orders set out the terms under which it delegates to its staff certain functions for which it is responsible.
- 1.2 All staff and Board Members required to declare interests which might influence their judgement, or which could be perceived to do so.
- 1.3 All staff and Board Members have a responsibility to safeguard the resources of the Humberside Group of Local Medical Committees and to use them in an economical and effective way to serve its GP constituents.
- 1.4 Staff have a responsibility to raise with the Board any concerns they have about the financial administration of the Company.
- 1.5 Staff have a responsibility to confirm that for any new payees with payments over £1,000, and for any new standing orders or direct debit payments, that the banking details of the organisation/s are legitimate by checking from two independent information sources and that this is recorded in our files.

### 2. Updating of Review of These Standing Orders and Financial Procedures

- 2.1 The standing orders will be reviewed by the Board as and when changes are required or every 2 years, whichever is earlier. Staff or Board members may also request changes at other times.

Implementation Date: July 2016  
Review Cycle: Every 2 years  
Last Review Date: November 2023  
Next Review Date: November 2025 (unless updating required before this date)

- 2.2 A set of detailed financial procedures will be produced which are to be followed by staff in day-to-day financial matters. Changes to the financial procedures may be made by the CEO MD, subject to approval by the Chair of the Board.

### **3. Maintenance of Records and Financial Control**

- 3.1 The CEO MD will be responsible for maintaining proper financial records.
- 3.2 The CEO MD will ensure that there are internal controls appropriate to the size and nature of the financial transactions being made by the company.
- 3.3 The CEO MD will ensure that where funders (e.g. GPDF) have placed restrictions on the use of any funds, appropriate records are kept to comply with these restrictions.

### **4. Security of Financial Information**

- 4.1 The CEO MD will be responsible for ensuring that all financial information is kept under an appropriate level of security.
- 4.2 Records held on paper must be appropriately filed and retained undamaged for the statutory time periods.
- 4.3 All records held on computer must be saved onto the S-drive so that they are secure and regularly backed up. Under no circumstances will financial records be saved onto the individual hard drive of a laptop or PC.
- 4.4 At present, the company uses an accounting software package. This system is secure, password protected and hosted by a cloud based and recognised accountancy system provider.
- 4.4 The staff, in conjunction with the Board, will ensure that the LMC complies with the General Data Protection Regulation 2018.

### **5. Annual Accounts**

- 5.1 The CEO MD and the Operations Managers will provide the financial information for the preparation of the annual accounts in a format suitable for the accountant.

### **6. Budgetary Control**

- 6.1 The CEO MD, in consultation with the Senior Management Team and the accountant, will prepare an annual budget.
- 6.2 The budget will be submitted to the Board for approval before 1st April each year.
- 6.3 Approval by the Board of the budget gives the staff authority to incur any expenditure contained within it, subject to any prior approvals that may be needed (see Section 11 on Authorisation of Expenditure).
- 6.4 The CEO MD is responsible for monitoring actual income and expenditure in comparison with the budget and for ensuring that appropriate action is taken where actual performance is not as forecast.
- 6.5 The CEO MD will ensure that a financial report is prepared at the end of each financial quarter. The report will compare actual against budgeted performance and will also explain variances greater than £200 over budget. The financial report will be submitted to the earliest possible Board meeting.

## 7. Maintenance of Bank Accounts

- 7.1 The Company's bankers are Handelsbanken, Hessle Branch, and Lloyds Bank
- 7.2 The Company will maintain the following bank accounts:
- Required Levy Account (current account) - Handelsbanken
  - Voluntary Levy Account (current account) - Handelsbanken
  - Deposit Account - Handelsbanken
  - Deposit Account - Lloyds
- 7.3 The opening and/or closure of any new bank accounts must be approved by the Board of Management.
- 7.4 The bank accounts will be regularly reconciled on QuickBooks by the Operations Managers.
- 7.5 The staff will be responsible for the safe custody of cheques.
- 7.6 All cheques will be paid into the current bank account to which they relate. This will normally be the Required Levy Account.
- 7.7 Cheque signatories will be determined by the Board. Current signatories and their levels of authority are provided in Appendix 1.
- 7.8 Cheque signatories will also be transaction authorisers for internet banking purposes.
- 7.9 One authorised signatory may sign all cheques and transactions up to a maximum of £20,000 provided that expenditure is within approved budgets. Prior to signing/online authorisation, the documentary evidence must be checked by another member of staff. Transactions in excess of £20,000 will require two signatures.
- 7.10 Cheques/online transactions must not be processed solely by the person to whom they are made payable.
- 7.11 Blank cheques must not be signed under any circumstances.
- 7.12 Any instructions to the bank to make payments by direct debit, standing order or BACS/bank transfer must be signed in accordance with the rules governing cheque signatories.
- 7.13 The Chief Executive and designated Operations Manager will have a Business Debit Card on the Required Levy Current Account which may be used for day-to-day financial transactions such as online purchases (e.g. train tickets) and office sundries. Any additional cardholders must be approved by the Board. Another member of the management team must be sighted on all debit card purchases.
- 7.14 Business Debit Cards will have a maximum transaction limit of £3000. There will be no cash withdrawal facility.

## 8. Salaries

- 8.1 Salaries will be calculated by the payroll department at Jackson Robson Licence. They will provide the Operations Managers with details of the monthly salary amount to be paid to each employee.

- 8.2 The Operations Managers and the CEO MD will ensure that salary payments are exactly as specified in the information provided by Jackson Robson Licence.
- 8.3 Any permanent change to staff working hours/salary must be agreed in advance by the Board of Management.
- 8.4 Any temporary change to staff working hours/salary e.g. overtime to cover staff holidays must be agreed in advance by the CEO MD.
- 8.5 Appropriate email records must be maintained of all instructions to Jackson Robson Licence to advise them of monthly salary adjustments.
- 8.6 The Directors of the Company are remunerated via the Company payroll. The Chair receives a regular monthly payment. The amount they receive will be reviewed from time to time by the Board. All other Directors will receive an hourly payment.
- 8.7 The Chairs of each LMC are also remunerated. The amount received will be reviewed from time to time by the Board. Where the same person is currently serving as Chair of an LMC and Chair of the Board, they receive both payments.
- 8.8 It will be the responsibility of the Operations Managers to advise Jackson Robson Licence of the frequency and amount of the payments to Directors. As in 8.5 above, appropriate records must be maintained of all instructions to Jackson Robson Licence to advise them of payments to Company Directors.
- 8.9 The Board must approve the establishment (and deletion) and grade of all staff posts.

## **9. Petty Cash**

- 9.1 A petty cash system is maintained with receipted transactions for small purchases less than £10.00. No more than £100.00 will be held in cash in a secure cashbox at any time.

## **10. Expenses**

- 10.1 The LMC has a written policy regarding the payment of expenses to employees, Board members and LMC members undertaking business on behalf of the organisation.

- 10.2 Payment of expenses will only be made in line with the written policy.

- 10.1 All payments of personal expenses must be:

- Supported by receipts or other appropriate documentation
- Checked to ensure compliance with the Company's policies
- Checked for accuracy
- Authorised by a signatory other than the person making the claim i.e. staff/Board members may not authorise their own expense claims

## **11. Authorisation of Expenditure**

- 11.1 Written orders will be issued for any work, goods or services to be supplied to the Company costing £1000 or more except for supplies of public utility services, for periodical payments such as rent or rates or such other exceptions as the Board approves. The term 'written

orders' includes but is not limited to signed contracts for venues and emailed instructions to suppliers.

- 11.2 When placing orders, staff will seek to obtain the best possible value for the LMC. This will involve obtaining quotations from a number of suppliers for substantial purchases. Where a supplier is used regularly, their prices should periodically be tested against those of other suppliers.
- 11.3 Orders will be agreed by an authorised person as set out below:

**Approval of capital expenditure<sup>i</sup> within budget:**

Value of order	Authorised by	Reported to
All orders regardless of value	CEO MD	-

**Approval of capital expenditure exceeding budget:**

Value of order	Authorised by	Reported to
Up to £1000 over budget	CEO MD	Board
In excess of £1000 over budget	Chair of the Board (or Vice-Chair in his/her absence)	Board

**Approval of revenue expenditure<sup>ii</sup> within budget:**

Type/Value of order	Authorised by	Reported to
Stationery orders up to £100	Team Administrator	Operations Managers
Stationery orders up to £1000	Operations Managers	CEO MD
Catering orders up to £1000	Operations Managers	CEO MD
Catering orders above £1000	CEO MD	
Venue bookings up to £1000	Operations Managers	CEO MD
Venue bookings above £1000	CEO MD	
All other orders of any value	CEO MD	
Authorisation of staff expenses up to £1000	Operations Managers	CEO MD
Authorisation of payment templates	Operations Managers	CEO MD

**Approval of revenue expenditure exceeding budget:**

Value of order	Authorised by	Reported to
Up to £1000 over budget	CEO MD	Board
In excess of £1000 over budget	Chair of the Board (or Vice-Chair in his/her absence)	Board

- 11.4 In the absence of the CEO MD, authorisation for urgent orders/purchases may be given instead by the Chair/Vice-Chair of the Board. The CEO MD must be informed of the expenditure to ensure that budgets and cashflow are effectively managed.
- 11.5 Any member of staff authorising stationery, catering or venue purchases/bookings is responsible for:

- Checking the terms and conditions of the purchase
- Committing the organisation to adhering to the terms and conditions, including any cancellation charges
- Signing any booking forms/paperwork

If there is any doubt about the LMC's ability to meet the conditions required or any concern about incurring cancellation fees, authorisation should be sought from the CEO MD before proceeding.

11.6 All payments will be evidenced by an invoice or another appropriate document. In exceptional circumstances, (e.g. where a document has been lost), payment may be made for small sums of less than £5 that are missing the appropriate supporting documentation.

## **12. Insurances**

12.1 The CEO MD will be responsible for ensuring that the LMC maintains adequate insurance cover for all the organisation's activities including:

- Employer's liability
- Public liability
- Office contents insurance including cover for any rented items if required by the rental agreement
- Professional & legal liability
- Directors/Trustees liability

12.2 The appropriateness, scope and level of insurances and excesses will be reviewed at least annually by the CEO MD and more frequently in response to a change in circumstances likely to impact on the level of insurance required. An annual report will be made to the Board specifying the types and levels of insurance in place.

12.3 A schedule of insurance policies and cover should be kept and updated each time a new agreement is put in place.

12.4 If any specific procedures are required to ensure compliance with an insurance policy, these will be documented as appropriate, circulated to all staff affected and updated as frequently as required.

## **13. Fixed Assets, Premises, Security and Safety**

13.1 The CEO MD will be responsible for the maintenance of an asset register. This will record the details of each significant asset e.g. computers.

13.2 The staff will ensure that all equipment is adequately maintained and safeguarded.

13.3 The staff will be responsible for security in any premises operated by the LMC.

13.4 The responsibilities of staff with respect to the safety of premises and equipment will be a set part of the induction process for new staff members.

## **14. Risk Management**

- 14.1 The CEO MD is responsible for maintaining a risk register. This will record the major risks (financial and otherwise) faced by the LMC and each will be scored according to probability of occurrence and severity of impact. The control measures taken in respect of each risk will also be recorded.
- 14.2 The Board will review the risk register quarterly.

## Appendix 1

The information below was last updated on **27 March 2023**

### Account Signatories

Name	Account Signatory	Internet Banking User	Company Debit Card
Zoe Norris	Yes	Yes	Yes
Manish Khandelwal	Yes	Yes	No

This includes the authority to complete and sign Authorised Internet Banking User Application Forms and Application Forms for Business Debit Cards.

### Internet Banking Users

Name	View Transactions	Submit Transactions	Authorise Transactions
Manish Khandelwal	Yes	Yes	Yes
Zoe Norris	Yes	Yes	Yes
Rolan Schreiber	Yes	Yes	Yes
Madeleine Clifford-Roper	Yes	Yes	Yes
Alison Evans	Yes	Yes	Yes
Jayne Marris	Yes	Yes	No
Diane Fawcett-Ward	Yes	Yes	No
Claire Fratson	Yes	Yes	No

### Authorised Administrators for Managing the Corporate Internet Banking Service

- Manish Khandelwal
- Zoe Norris
- Rolan Schreiber
- Madeleine Clifford-Roper
- Alison Evans

### Authorised Holders of Company Business Debit Cards

- Zoe Norris

- Madeleine Clifford-Roper

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<sup>i</sup> Capital expenditure - the payment with either cash or credit to purchase long-term physical or fixed assets used in a business's operations i.e. something that will be recorded by the accountants and will depreciate in value.

<sup>ii</sup> Revenue expenditure - any money spent by a business that covers short-term expenses. This means the money is used for expenses that are used within one year.