

Appendix 4 – Administration Expenditure Structure

This document explains the general structure supporting Budget Holders and the Finance Team in the exercise of their delegated powers and duties.

Policies and Procurement

The Administration Expenditure Strategy is approved by Trustees and subject to periodic review and revision. This will include the limitations on virement and budget management. The Procurement Policy and Procedures have been approved by the Audit Committee and will be reviewed periodically. A number of supporting policies are also approved by the Audit Committee (eg Fixed Assets, Travel and Subsistence, Credit Cards).

The Audit Committee has Terms of Reference agreed by the main Board of Trustees.

Procurement of goods and services is managed by a Procurement Manager who facilitates tendering exercises, value for money reviews and contract management reviews. The Procurement Manager provides reports to the Chief Executive and the Audit Committee on each exercise, and provides an annual report on contract management.

Budget Holders Guidance

The Finance Manager maintains a Budget Holders Guide which provides the day to day guidance for placing orders, receipt of goods, authorisation and payment of invoices. The Guide includes reference to administration policies and other relevant documents (eg Propriety & Regularity, Hospitality).

The Finance Director arranges Budget Holder update and information sessions throughout the year in order to give general guidance on budget management. Directors are responsible for budget setting and line management of budget holders, and will offer guidance as requested from time to time.

A document is held in the Finance shared folder summarising budget holders, expenditure limits and payment authorisation arrangements. This document is reviewed annually by Directors and the Chief Executive after the administration expenditure budget has been agreed by Trustees.

Expenditure reviews and control checks

The Chief Executive and Directors review overall expenditure each month. The Finance Director requests quarterly reviews of expenditure and forward estimates to provide an Administration Expenditure report to Trustees.

Control checks are in place covering all administration expenditure, and the Checker is required to report on both monetary accuracy and compliance with policies, procedures, authorisation limits and promptness of payments.

DWP Sponsor Team and Finance Team receive monthly reports in support of funding requests as stipulated in the Conditions of Grant Agreement, and this provides the opportunity for the Department to oversee expenditure and check forecasts on a regular basis.

Finance Team procedures

Finance procedures are documented in the Finance shared folder and these are maintained by the Finance Manager. The Procurement Manager reviews the Finance Manager's work as senior line manager.

Monthly reconciliation processes are in place to ensure financial records are complete and accurate, and Control Checks cover key Finance risks.

External and Internal Audit

The Accounts and supporting financial records are audited by National Audit Office each year. The External Audit Strategy normally incorporates planning meetings (Oct-Jan) , interim audit visit (Jan-Feb) and final accounts audit visit (May). Reports are provided to the Audit Committee during the audit process and the final accounts and NAO governance report are provided to the Audit Committee in time for review and approval before the Accounts are put to the full Trustees Board for signature (July).

From time to time, internal audit assignments may be carried out on financial systems and controls as agreed in the annual internal audit plan approved by the Audit Committee and the Chief Executive.