

Finance Policies and Procedures 2019

The General Dental Council Financial Policies 2019

Contents

Overview	2
Delegated authorities policy	2
Stewardship	3
Financial Reporting	3
Financial Planning	3
Accounting	4
Procurement	4
Council Members & Associates Expenses	5
Staff Expenses	5
Staff Relocation Expenses	5
Corporate Credit Cards	5
Income Collection	5
Investments	5
Borrowing and Lending	6
Assets and Property	6
<i>Purchase of Assets</i>	<i>6</i>
<i>Recording of Assets</i>	<i>6</i>
<i>Disposal of Assets</i>	<i>6</i>
External Audit	7
Internal Audit	7
Anti-Fraud and Anti-Bribery policies	7
Insurance	8
Salaries and Staff Benefits	8
Taxation	8
Companies and Commercial Activities	8
Disclosure of Interest	8
Hospitality	8
Extent and Review of Procedures	9

Overview

1. Responsibility for the day-to-day stewardship and management of the Council's finances is delegated to the Chief Executive & Registrar, as set out in 'Matters reserved to the Council' and 'Matters Delegated to the Chief Executive'¹. In accordance with these procedures, the Chief Executive may delegate financial management functions to a member of staff, currently the Executive Director, Registration and Corporate Resources. The Executive Director, Registration and Corporate Resources shall compile written policies and procedures, for the approval of the Chief Executive and Finance & Performance Committee, in accordance with the framework established by these procedures.
2. Any of the Chief Executive's direct reports may exercise the financial management function on behalf of the Chief Executive or Executive Director, Registration and Corporate Resources, but only on receipt of a specific written delegation from the Chief Executive. This authority may not be further delegated by the holder. In this case, the Executive Directors must consult with and consider the advice of the Head of Finance and Procurement before taking action.
3. The Chief Executive may, in exceptional circumstances, waive the procedural requirements specified in these procedures. If the Chief Executive makes use of this power, they must report the exercise of the power, and the exceptional circumstances, in writing to the Chairs of the Finance & Performance Committee and Audit & Risk Committee.

Delegated Authorities Policy

4. In order to effectively and efficiently carry out the business of the Council, the Chief Executive delegates authority to incur expenditure to the Executive Directors, via a formal delegation letter. These directors can then allocate responsibility to members of their teams who have been established as budget holders.
5. It is important to note that allocation of responsibility is **not** delegation of authority and in allocating responsibility to budget holders, directors are still accountable and must ensure that all expenditure within their areas is in line with all relevant policies and procedures in place.
6. In exercising their delegations, all staff will be subject to the Council's procurement and financial policies. No member of staff is permitted to both undertake expenditure, by raising an order, and approve payment in the same transaction.
7. Budget holders are only authorised to incur expenditure in line with their approved cost centre budget.
8. The policy sets out the following:
 - The process of budgetary control
 - Securing approval to purchase goods and services
 - Purchase order management
 - Banking arrangements
9. A copy of the full policy can be found on the intranet.

¹Matters reserved to the Council and Matters Delegated to the Chief Executive: <http://www.gdc-uk.org/Aboutus/Thecouncil/manual/Matters%20reserved%20to%20the%20Council%20and%20Matters%20delegated%20to%20the%20Chief%20Executive.pdf>

Stewardship

10. All members of staff are responsible for the stewardship of Council assets both cash and assets (whether owned, leased or otherwise temporarily in the care of the Council).

Financial Reporting

11. The Chief Executive and the Executive Director, Registration and Corporate Resources will receive and monitor monthly management information and will receive and consider the Annual Report and Accounts within the time limits agreed by the Audit & Risk Committee.
12. The Audit & Risk Committee will receive and consider the Annual Report & Accounts, the timescale for which will be agreed by the Chief Executive and Chair of the Audit & Risk Committee.
13. Following agreement by the Audit & Risk Committee, the Annual Report & Accounts will be presented to Council for approval and signature by the Chair and Chief Executive (section C3 of the Policy, "Matters reserved to Council").
14. The Finance Department will report any breaches in delegation limits identified to the Chief Executive and Registrar. The Dynamics NAV purchase management system prevents the majority of breaches and will report any exceptions to delegations identified.
15. The key purpose of the Finance & Performance Committee, as set out in its terms of reference, is to challenge the Executive on financial performance. To facilitate this, the Committee will receive monthly management accounts, a quarterly performance report, quarterly full year reforecasts and a year-end review following the end of the financial year. In addition, in 2015 the Executive developed an 18 months forecasting process in 2015 covering Fitness to Practise cost and ARF income, for review by the Committee. While the Committee's duties do not empower or require it to directly exercise financial control, in reviewing the management accounts and other performance reports it is in a position to hold the Executive to account for its financial and operational performance, and subsequently advise the Council. Similarly, the Committee is able to bring issues to the attention of the other standing Committees that relate to the performance of operational areas within their respective remits.
16. The Council will receive financial performance information against budget on a quarterly basis, in line with their responsibility to oversee management (section C14 of the Policy, "Matters reserved to Council").

Financial Planning

17. Following its completion by EMT, the Finance & Performance Committee shall review and recommend for approval annually a Business Plan and financial budget. The Council will approve the business plan and budget following recommendations from the Finance & Performance Committee (section C4 of the Policy, "Matters reserved to Council").
18. The Chief Executive shall review and update the Business Plan periodically in the light of decisions taken by the Council. When an amendment to the Business Plan is required, the Chief Executive shall ensure that the financial budget or full year financial forecast is amended if necessary in the light of the resource implications of the proposed amendment. Any significant changes will be approved by Council on the recommendation of the Finance & Performance Committee.

Accounting

19. The Executive Director, Registration and Corporate Resources is responsible to the Chief Executive for all accounting procedures and records.
20. The Executive Director, Registration and Corporate Resources shall compile all necessary accounts and accounting records within the time required by law.
21. The Annual Report & Accounts of the Council shall be compiled in accordance with accounting policies approved by the Audit & Risk Committee. In reviewing the accounting policies, the Audit & Risk Committee shall have regard to recommended best accounting practice as defined by legislation, applicable accounting standards and external auditors; ensure that such practice is applied so that the accounts provide a true and fair view of the Council's financial position.
22. The Executive Director, Registration and Corporate Resources shall ensure that the functions of providing information regarding sums due to or from the Council and calculating, checking and recording these sums shall be carried out as separately as is reasonably practicable from the functions of collecting and disbursing such sums. The Executive Director, Registration and Corporate Resources shall ensure that staff charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of those transactions.

Procurement

23. All staff have a responsibility to ensure that the GDC's resources are used to the maximum benefit of the GDC in the provision of its services. This means that the purchasing mechanisms must be effective and efficient so as not to waste valuable staff time unnecessarily, whilst achieving best value.
24. In order to ensure value for money, it is essential that our procurement procedures are followed. They set out the fundamental rules and standards applicable to procurement activity across the GDC. A summary of the key responsibilities of staff are as follows:
 - All commitments made to suppliers and service providers MUST be made using an approved Official Purchase Order issued at the time of making the commitment. Failure to do so causes unnecessary delays in payment and may impact on the pricing and/or level of service provided by a supplier. Continued failure will be reported to Audit Committee.
 - Purchase orders via Dynamics NAV shall only be placed by employees who have been given appropriate delegated authority by their budget holder.
 - The quotation process must be used for low value and low risk purchases to obtain written offers from suppliers for the supply of goods and services. For higher value purchases which require greater accountability, formal tendering procedures must be used in consultation with the Procurement Manager.
25. A copy of the full policy can be found on the intranet. This policy should be read in conjunction with the delegated authorities policy referred to earlier.

Council Members & Associates Expenses

26. The General Dental Council will reimburse any reasonable costs that have been incurred wholly, exclusively and necessarily on General Dental Council business.
27. The rates for expenses reimbursement are as recommended by the Remuneration Committee and approved by the Council.
28. A copy of the full policy can be found on the intranet.

Staff Expenses

29. The Council will reimburse reasonable costs that have been incurred wholly, exclusively and necessarily on Council business. The rates for expenses reimbursement are the same as those specified in the Council Members & Associates Expenses policy.
30. A copy of the full policy can be found on the intranet.

Staff Relocation Expenses

31. This applies only to Staff of the General Dental Council (GDC) who are relocating their jobs from GDC London offices to GDC Birmingham offices. The Council will reimburse any reasonable relocation costs that have been incurred wholly, exclusively and necessarily for GDC business.
32. A copy of the full policy can be found on the intranet.

Corporate Credit Cards

33. The Council wants its staff to be able to procure the services they need to do their work. For some low value items, internet purchases and for hotel and travel arrangements, payment may need to be made using a credit card. To save staff using their own resources for GDC business purchases, in appropriate circumstances, the GDC will authorise its bankers to issue a card to individual members of staff subject to this policy.
34. A copy of the full policy can be found on the intranet.

Income Collection

35. The Executive Director, Registration and Corporate Resources is responsible for ensuring that appropriate procedures are in operation to facilitate the prompt collection and banking of all monies due to the Council.

Investments

36. Funds invested shall be controlled and the performance of investments monitored by the Executive Director, Registration and Corporate Resources. Funds may only be invested in the name of the Council or the name(s) of any nominee(s) approved by the Finance & Performance Committee.
37. An investment policy was approved by the Council in May 2012 and confirmed again by the Council in December 2016.

Borrowing and Lending

38. The Council will set the treasury policy of the GDC following the recommendation of the Finance & Performance Committee.
39. In the event that the Council requires to borrow funds, the Finance & Performance Committee must receive details of the name and credit rating of the proposed lender, the sums involved, security provided, interest charges and all borrowing costs and repayment terms. All borrowing must be approved by the Finance & Performance Committee. This includes finance leases, any agreement to which must be signed in accordance with the bank mandate.
40. The Council may not lend funds, save for the staff season ticket loan scheme, or a salary advance in the case of a staff emergency with prior approval of the Executive Director, Registration and Corporate Resources on advice from the Head of HR. The Council may only deposit funds with its own bank or a bank/building society approved by the Finance & Performance Committee.

Assets and Property

Purchase of Assets

41. The purchase of assets is subject to a separate procedure and to the authorities and approvals as set out in the Delegated Authorities Policy.

Recording of Assets

42. The Head of Finance and Procurement shall ensure that a record of all fixed assets of the Council are kept and shall ensure safe custody of title deeds. Assets above the capitalisation limit must be held on the Council's Fixed Asset register.
43. The Head of Finance and Procurement shall keep appropriate records of all assets over a de-minimis limit of £1,000.00.
44. The Heads of IT and Facilities will keep inventories of all assets for which they are responsible and report these inventories to Finance on a periodical basis
45. All assets will be tagged by the Heads of IT and Facilities who will be responsible for tagging new equipment purchased for their areas of responsibility
46. Annually the registers will be issued to budget holders who will confirm that the assets shown for their departments remain in use.

Disposal of Assets

47. On disposal a form (a copy of which can be found on the intranet) needs to be completed and copies sent to Finance and the appropriate department to remove the asset from the register.

External Audit

48. The statutory auditors of the Annual Report & Accounts of the Council shall be appointed by Council following a recommendation of the Audit & Risk Committee. Auditors shall audit the Council's Annual Report and Accounts and report their opinion to the Council.
49. Each year the Annual Report and Accounts will be prepared in accordance with the Accounts Direction from the Privy Council and will be presented to Council. On acceptance the Accounts will be signed by the Chair of the Council and the Chief Executive. Under current legislation the Annual Report & Accounts are to be laid before the House of Commons and in the Scottish Parliament together with copies for the other devolved assemblies. The Annual Report and Accounts will not be published until after they have been laid, as required.
50. In addition, as part of the Government's requirement for Annual Report & Accounts that are laid before Parliament, will require a review and report signed by the NAO.

Internal Audit

51. The Council will employ an Internal Audit function to review that controls are in place in the organisation and the efficiency and effectiveness of its processes. The Internal Auditors will be appointed following approval by the Audit & Risk Committee.
52. The Internal Audit function will be independent of the operational functions of the Council and will agree its work programme with, and report to, the Audit & Risk Committee on its reviews of the effectiveness and efficiency of the Council's processes.

Anti-Fraud and Anti-Bribery policy

53. This policy applies to all Council members and Associates. The term Associates applies, but is not limited to, Statutory Committee members, Appointments Committee members, Non-Council members of the Non-Statutory Committees or working groups, Quality Assurance Inspectors, Dental Complaints Service Panellists, Dental Care Professionals Assessment Panellists, members of the Overseas Registration Examination (ORE) Advisory Group and ORE External Examiners.
54. The GDC is committed to preventing fraud and corruption from occurring and to developing an anti-fraud culture. To achieve this, the GDC will:
 - develop and maintain effective controls to prevent fraud;
 - ensure that if fraud occurs a vigorous and prompt investigation takes place;
 - take appropriate disciplinary and legal action;
 - review systems and procedures to prevent similar frauds;
 - investigate whether there has been a failure in supervision and take appropriate disciplinary action where supervisory failures occurred; and
 - record and report all discovered cases of fraud.
55. The full procedure is available from the Governance team:

Insurance

56. The Executive Director, Registration and Corporate Resources shall ensure adequate insurance cover is carried by the Council, in consultation with the Chief Executive. The Finance and Performance Committee will have oversight of the insurance arrangements.
57. The Executive Director, Registration and Corporate Resources should be notified of any circumstances that may give rise to an insurance claim.
58. A copy of the guidelines to follow in the event of a claim can be found on the intranet.

Salaries and Staff Benefits

59. All members of staff of the Council shall be paid in accordance with approved salary scales. Approval from the Executive Directors is required for any changes in salary scales. The Chief Executive's approval is required for any changes in salary levels (within an approved scale).

Taxation

60. Each financial year the Head of Finance and Procurement shall ensure that appropriate tax returns are prepared and submitted to HMRC.
61. The GDC is not registered for VAT.

Companies and Commercial Activities

62. No organisation or commercial enterprise of any kind intended to exploit any activity carried on by the Council, or on the Council's premises, or to exploit any rights belonging to the Council, may be established by any member of staff without the prior written approval of Council.

Disclosure of Interest

63. The General Dental Council has two Managing Interest policies; one which applies to Council members and Associates and another for staff. The staff policy is available on the intranet. The equivalent policy for Council members and Associates can be found in the Governance Manual on the GDC website.

Hospitality

64. Gifts and hospitality accepted by staff must be justifiable as being in the direct interest of the GDC and be proportionate to that interest. All gifts must be declared regardless of whether they are accepted or declined. Gifts estimated at £10 or over must be declared, declared and returned. The following gifts should never be accepted:
 - Cash or cash equivalents
 - Where acceptance would break laws, regulations or GDC policies
 - Alcohol or gifts which contain alcohol

- Gifts which a third party may reasonably perceive to be excessive or extravagant
65. All hospitality must be declared, whether it is accepted or declined. The following hospitality must not be accepted under any circumstances, regardless of the estimated value:
- Invitations from suppliers or potential suppliers to sporting, cultural or music events;
 - Invitations to events where alcohol is the central theme;
 - Where acceptance would break laws, regulations or GDC policies;
 - Where hospitality is so lavish and/or extravagant or could be perceived to be so;
 - From organisations where there is a direct (or perceived) involvement or connection with a GDC related bid, tender contract renewal, ongoing negotiations or decision; or
 - Where a fellow regulator, stakeholder or reasonable member of the public would consider the hospitality to not be reasonable, appropriate and/or proportionate
66. The Policy on Gifts and Hospitality for staff is available on the intranet. The equivalent policy for Council members and Associates can be found in the Governance Manual on the GDC website.

Extent and Review of Procedures

67. If these procedures do not cover a particular situation, or there is uncertainty as to their application, the advice of the Executive Director, Registration and Corporate Resources, or the Chief Executive, or other appropriate member of staff should be sought.
68. These procedures shall be reviewed annually and any recommendations for change shall be reported to the Finance & Performance Committee and sent to Council for Approval.
69. Council members and Associates are also governed by the 'Code of Conduct for Members and Associates'.