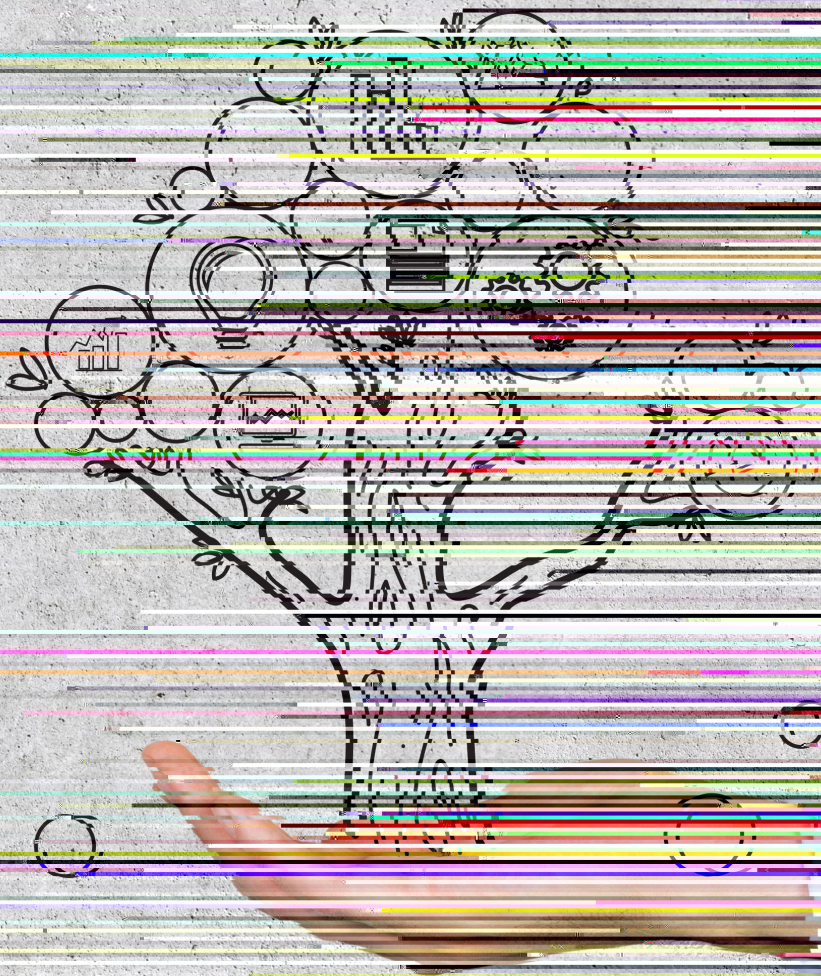


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# Financial Regulations 2018

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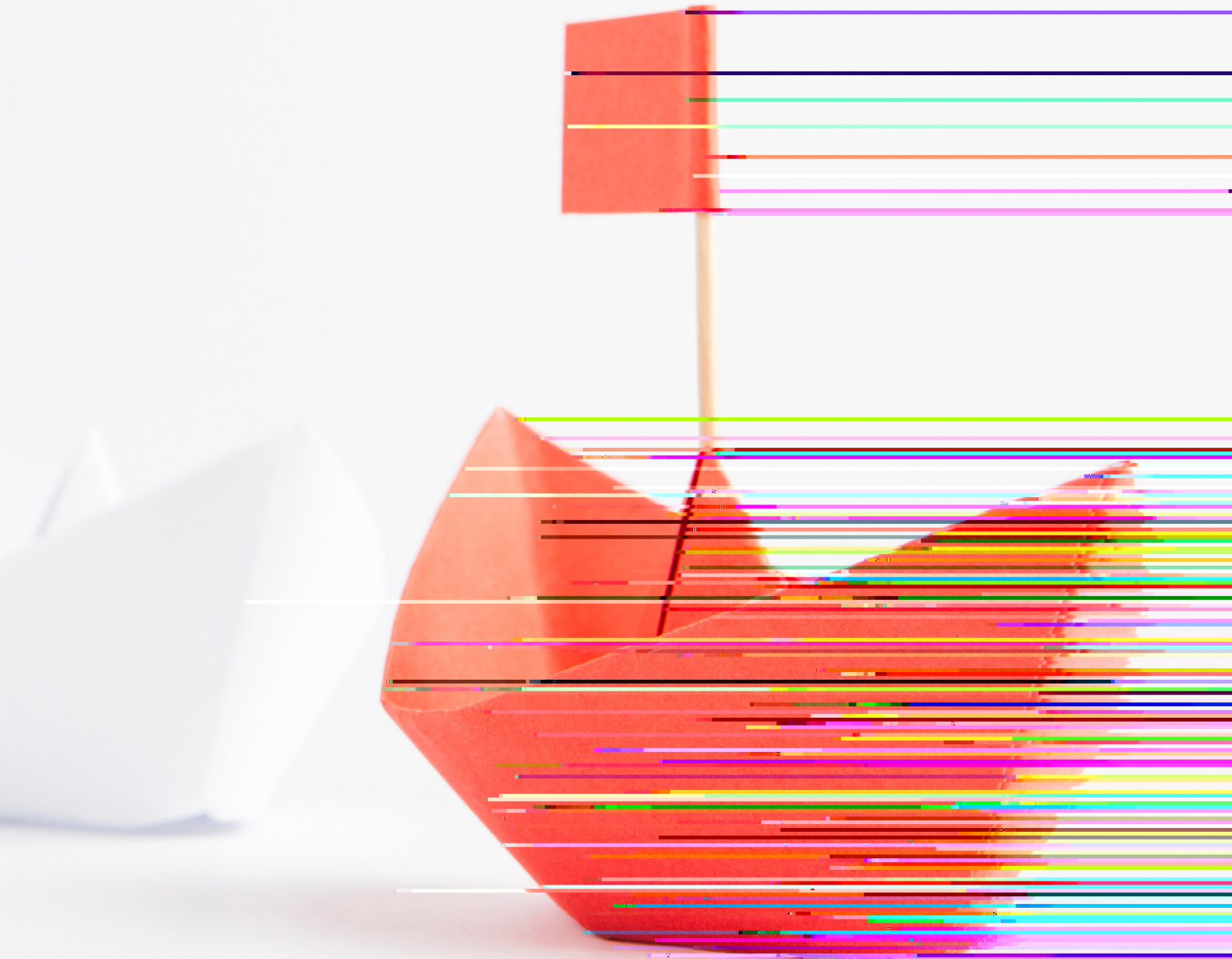
## 1.1 Purpose

1.1.1 These Financial Regulations set out the





# SECTION A



## 2

### 2.1 Governance

#### 2.1.1 RCN Council

- the RCN Council is the governing body for the RCN Group. It is responsible for the overall governance of the RCN Group and ensuring that it meets its statutory purposes. It sets the strategic direction of the Group and has ultimate responsibility for its long term financial sustainability.
- the general powers of the Council, including its financial powers, are set out in the Royal Charter and rules, Standing Orders and Regulations.
- the Council is supported in its role by governance committees who oversee the Group, including
  - | [RCN Council Governance Framework](#)
  - | [RCN Council Governance Framework](#)
  - | [RCN Council Governance Framework](#)

#### Linked Documents

[RCN Council Governance Framework](#) sets out which of those powers Council delegates and which are reserved to itself.

#### 2.1.2 RCNi Board of directors

The RCN Publishing Company Ltd is a wholly owned subsidiary of the RCN. RCNi is the trading name of the RCN Publishing Company Ltd and will be referred to as RCNi in this document. The RCNi Board of Directors is the governing body

### 2.1.4 RCN Foundation Board of Trustees

RCN Foundation is a registered company limited by guarantee and registered charity. RCN is its sole member. RCN Foundation Board of Trustees is the governing body of RCN Foundation and have clear statutory responsibilities set out by the charity commission. Because the RCN Foundation is a registered charity, the RCN as the parent in the RCN Group takes on a quasi-trustee role and has a legal duty to support the RCN Foundation to deliver its charitable objects.

### 2.2.3

## 2.2 Management

### 2.2.1 Chief Executive and General Secretary

The Chief Executive and General Secretary (referred to throughout this document as Chief Executive) is responsible for discharging Council's policies and for the day to day running of the RCN, including all matters delegated to the Executive Team in the Scheme of Delegation.

### 2.2.2 Executive team (collective)

- the Executive Team comprises of the Chief Executive, the Director of Finance and Business Enablement, the Director of Organisational Capability & Change, the Director of Membership Relations, the Director of Nursing Policy & Practice, the Director RCN England, the Director RCN Northern Ireland, the Director RCN Scotland and the Director RCN Wales and acts together to support the Chief Executive in their areas of delegated authority.
- the Executive team is jointly responsible for the day to day operation of the RCN and in particular leading the development of the strategic and annual plans, recommending the annual budget to the Finance and Investment Committee and Council, monitoring performance and delivery against the annual plan, and overseeing risk management and compliance arrangements.

### 2.2.5 Director of Organisation

**Capability & Change** has the following key roles in relation to Financial Regulations.

- maintaining standard conditions of employment (RCN & RCN Group)
- issuing guidelines for any changes to the structure of the RCN (oversight of other group entities)
- issuing guidance on the recruitment and appointment of staff and consultants, re-grading, hiring agency staff and changes in any aspect of remuneration (RCN & RCN Group)
- approving all staff appointments and amendments to payroll (RCN & RCN Group)
- validation of RCN staff budgets
- in addition, the Human Resources department will ensure through induction on appointment that all RCN Group staff are made aware of the need to comply with the Financial Regulations.

### 2.2.6 Managing Director RCNi

Is responsible for the day to day running of RCNi and works with the RCN Group Secretary to ensure the company maintains an appropriate governance and control framework in accordance with these and other relevant regulations including any statutory requirements. The Managing Director reports to the Chair of the RCNi Board and is accountable through the RCNi Board for discharging Council's policies as set out in the Scheme of Delegation.

- where the Finance Departments in Northern Ireland, Scotland and Wales fulfil some or all of the above functions, they are responsible for ensuring that an appropriate financial control environment exists in line with the procedures laid down by the Head of Finance
- where in this document reference is made to either the Finance Department or the Business Accounts Team this is taken to include all

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- in accordance with the RCN Charter any changes to the RCN Group Structure must be approved at a formal meeting of Council and by the membership at an AGM
- any such proposal would need Executive Team consideration and agreement in the first instance
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## 3.3



# SECTION B



# 4

## 4.3 Group Investment Strategy

## Responsibilities

- Council sets the RCN Group and RCN reserves policy based on recommendation from Finance & Investment Committee. The Director of Finance and Business Enablement and Executive Team are responsible for monitoring reserve levels and identifying potential financial risks. The Head of Finance is responsible for providing appropriate information and analysis
- the Boards of individual group entities are responsible for setting, in line with the RCN Group reserves, their reserves policy and reporting to Council through the Finance & Investment Committee, any potential deviation from the policy and actions to be taken to rectify the matter

## 4.5 Regulatory Compliance Framework

### Key principles

- Council should satisfy themselves that all relevant and applicable guidance and legislation are complied with by setting and reviewing a Regulatory and Compliance Management Framework
- framework must ensure all RCN's statutory obligations as a Royal College and Trade Union are fulfilled effectively and in line with regulatory requirements
- framework must also ensure all RCN Group entity's statutory obligations are fulfilled effectively and in line with appropriate regulatory requirements
- Audit Committee review the RCN Group regulatory compliance framework on an annual basis
- details of requirements to comply with all relevant legislation and guidance is documented and owned by an appropriate person

For the current reserves policy contact the Head of Finance on 0207 647 3515.

## 4.6 Whistleblowing and Fraud Policies

- Council is responsible for developing and

## 4.9 Tax & Statutory Returns

### 4.9.1

### 4.9.3 Gift aid

Gift aid may be claimable by a registered charity on specific types of donation. RCN Foundation as a registered charity has applied and is registered with HMRC to make Gift Aid claims. The RCN

# 5

## 5.1 External Audit

### Key principles

- Council appoint external auditors in accordance with statutory accounting guidelines following recommendation from the Audit Committee
- Audit Committee review the audit plan ahead of the external audit
- a full set of statutory annual report and accounts prepared under relevant legislation and regulation must be made available to the auditors on day one of the agreed audit
- as RCN prepares consolidated accounts the audit of all entities within the RCN group must take place at either the same time or earlier than the main RCN audit
- all accounting records must be made available to auditors as and when required

### Responsibilities

- Council approves the annual report and accounts, on recommendation of the Audit Committee. The Director of Finance and Business Enablement oversees the annual accounts process to ensure the accounts are accurate and prepared on time and the Head of Finance is responsible for the day to day management of the process.
- Council on recommendation of the Audit Committee approve the RCN Group's accounting policies as part of the annual accounts process. The Director of Finance and Business Enablement ensures all accounting policies comply with relevant accounting and other statutory regulations and are appropriate to the organisation. The Head of Finance



### 5.3.2 Setting plans and budgets

#### Key principles

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### 5.3.4 Budget transfers

#### Key principles

- budget transfers across directorates / projects / activities within one group entity must be agreed in writing by all relevant ET leads
- budget transfers between group entities must be referred to the Director of Finance & Business Enablement for review with regard to HMRC and other statutory compliance implications and if permitted approved by all relevant directors
- all in year budget transfers between staff costs and non-staff costs must be approved by both Director of Organisational Capability and Change and Director of Finance and Business Enablement
- in year budget transfers above an agreed level, as outlined in the Financial Limits, require approval by the Executive Team
- in year budget transfers must not result in additional expenditure being incurred

- The use of general contingency funds must be approved by the Executive Team and reported to Finance & Investment

#### Responsibilities

The Executive Team is responsible for ensuring all budget transfers comply with agreed procedure and do not result in additional costs. The Director of Finance and Business Enablement is responsible for ensuring appropriate processes are in place to identify and report budget transfers as appropriate. The Head of Finance is responsible for ensuring these processes are maintained effectively.

### 5.3.5 In year budget changes and use of contingencies

#### Key principles

- all changes to the Council agreed budgeted position both at individual entity and Group level must be agreed by Council
- Council will only consider changes to the budgeted position which are accompanied by a clear business reason for the change
- Changes to budgeted income targets will be agreed by Council on recommendation of Finance & investment Committee



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## 5.8 Asset Management

### Key principles

- ensure purchase of assets is in-line with RCN Group strategic objectives, Council priorities and the financial strategy and approved as set out in the Financial Limits
- all freehold and property leases must be authorised and signed in accordance with RCN Standing Orders
- ensure disposal of assets is correctly authorised and in-line with Bd and i20624.39m(e)2(n)-0(s)-133)-1/44.39)3(n)0(a)-2)36-215044 (o)j)-3(e)

# SECTION C



# 6. New Activity

## 6.1 New activities and projects - business cases

### Key principles

- any new aspect of business, service delivery or other strategic initiative must be the subject of a business case, including IT and Estates capital projects
- also applies to initiatives and activities which  
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commercial offer
- business cases for new commercial activity must be reviewed and agreed with the Business director prior to submission
- all new initiatives must be in line with RCN  
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priorities
- all business cases must be submitted by the relevant ET lead and should follow the provisions set out in the Financial limits
- all business cases must include relevant options appraisal and other analysis as appropriate to the nature, value and scale of the proposed activity



## 7.1 General

### Key principles

- new income generation activity must be approved in line with the provisions set out in the Financial limits
- all sales orders and invoices must be authorised in line with the provisions set out in Financial Limits
- all income generation activity is conducted in line with HMRC and other statutory regulations and guidance
- mechanisms are in place and regularly reviewed to ensure income generated is appropriately utilised
- consistent policies and practice in place for similar types of income generation across the RCN Group
- ensure adequate control of income received for services and products provided by the RCN Group
- ensure the correct accounting treatment for all RCN Group income
- ensure income covers all costs of the service or product where relevant, including staff time, and costs have been appropriately allocated to the income stream
- discuss any new potential income stream or change to current income streams with RCN Business Director
- ensure correct approval of new income streams or changes to existing income streams in accordance with appropriate approval routes
- agree appropriate mark-up levels and income targets with the RCN Business Director
- where appropriate identify any income received directly from members (excluding membership subscriptions which is accounted for separately) for example delegate income paid directly by the member
- ensure all income received from pharmaceutical companies is properly recorded on the register held by the RCN

Group Secretary in order to comply with ABPI legislation

### Responsibilities

Senior Managers are responsible for ensuring all income is correctly authorised and coded and finance is fully informed of all income streams and the nature of their source. The Head of Finance is responsible for ensuring the appropriate accounting treatment is applied to all income streams. Senior Managers to ensure RCN Group Secretary is notified of all payments from pharmaceutical companies. RCN Group Secretary to ensure all payments are correctly recorded on Disclosure UK database.

## 7.2 Sponsorship, Grants and other externally funded projects

### Key principles

- sponsorship, grant and other funding agreements must be approved in line with the provisions set out in the Financial limits
- external sponsorship, grants and other funding must be compatible with the RCN Group's ethical policies, image and existing commercial arrangements
- the acceptance of sponsorship arrangements or grant funding must be in line with the RCN Group's strategic plan
- before agreeing a sponsorship or grant agreement Finance should receive eFC (see eFC Obsien 24 22 (n) 3

## Responsibilities

Council is ultimately responsible for all sponsorship and grant funding agreements, however authority is devolved to Finance & Investment Committee and Executive Team for sponsorship and grant funding agreements below agreed limits. The Business Director is responsible for the day to day management of sponsorship and grant funding agreements and ensuring finance is fully informed of all such arrangements. The Head of Finance is responsible for ensuring the correct accounting treatment of any sponsorship, grant or other funding income in-line with HMRC and other statutory regulations.

## Linked information

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## 7.3 Intergroup group income



# 8

## 8.1 Procurement approach

### Key principles

- proposed expenditure should be discussed with the finance department at the earliest opportunity to discuss potential procurement routes and methods suitable for the specific procurement undertaken
- all expenditure must be in-line with the RCN Group's strategic plan and Council priorities
- the procurement process should be fair, transparent, robust and accountable







## 9.1 Member, Volunteers and External advisers expenses

### Key principles

- all expenses claimed must be in line with RCN Group strategic objectives and Council priorities
- staff authorising members, external advisers or volunteers expenses must do so in line with the relevant expenses policy and the authorisation framework. A copy of the authorisation framework can be obtained from the Governance Support Unit.
- any claimant wishing to appeal an expense claim decision must do so under the relevant appeals process, a copy of which is available from the Governance Support Unit
- any volunteer or member with a corporate credit card must comply with the RCN Group's corporate credit card &

## 9.4 Other RCN Groups

### Key principles

- to ensure adequate records are maintained for all RCN Groups
- to ensure all RCN Groups follow the requirements of RCN accounting policy and procedures
- the RCN does not hold money on behalf of third party groups or organisations unless a formal partnership agreement is in place and approved by the Director of Finance and Business Enablement

### Responsibilities





## 10.3 Staff Expenses

### Key principles

- all expenses must be authorised in line with





- Finance & Investment Committee receives a

Decisions related to all Investment holdings of group entities must be agreed by their individual boards before recommendation, where it is appropriate to do so, to Council for approval. RCN Foundation Board of Trustees are responsible for all investments held in the name of the charity in accordance with Charity Commission requirements.

### Linked information

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## 11.4 Loans

The RCN Group currently has no long-term loan arrangements in place. There are no current plans to change this position. However general principles which would apply if this were to change are:-

### Key principles

- to ensure approval is obtained by Council before any loan agreement can be entered into
- Council must agree the limit and repayment terms of any loan entered into
- any loan agreement must be in full compliance with the RCN Group financial strategy

### Responsibilities

The RCN Council is ultimately responsible for any loan agreements made in the name of the RCN Group. Individual Group entities must comply with any terms set out in their memorandum of understanding. The relevant Finance Team is responsible for the day to day management of any loan agreement taken up.

## 11.5 Arrangements with third parties for the collection / payment of monies (including web pages)

### Key principles

- collection of income of any type must be conducted following best practice and dependant on the type of income, statutory process
- setting up web pages selling RCN Group products and services online must be done in conjunction with the finance department, who have final sign-off of relevant pages and potential methods of collection of monies
- only the finance department can set up new, additional, or cancel arrangements with third party companies for collection or payment of monies
- any requests to set up arrangements with third parties for the collection or payment of monies must follow normal approval routes

### Responsibilities

The RCN Head of Finance is responsible for ensuring robust controls are in place for managing collection and payments of monies through third parties. Senior Managers are responsible for ensuring they discuss and obtain agreement from finance regarding potential arrangements for selling products and services online or through a third party before entering into any agreements.

## 11.6 Bank and credit card receipts

### Key principles

- to ensure adequate control is maintained over all income at the point of receipt
- all payments received by card must follow correct procedure and should only be taken by those agreed with Finance to do so
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