

Budget Virement Policy

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Equality Impact Assessment	Screening Completed
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Target Audience:	All employees, members, committee and sub-committee members of the group and members of the governing body and its committees.
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The intranet version is the only version that is maintained. Any printed copies should, therefore, be viewed as ‘uncontrolled’ and as such may not necessarily contain the latest updates and amendments.

POLICY AMENDMENTS

Amendments to the Policy will be issued from time to time. A new amendment history will be issued with each change.

New Version Number	Issued by	Nature of Amendment	Approved by & Date	Date on Intranet

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1 INTRODUCTION

The purpose of this procedure note is to detail the responsibilities and procedures for the management of the petty cash float held at NHS North Lincolnshire CCG.

The CCG's constitution, which specifically includes:

- Standing Orders (SO's)
- Standing Financial Instructions (SFIs)
- Scheme of Delegation (SD)
- Prime Financial Policies (PFPS)

Also requires the CCG to develop more detailed policies to ensure that it operates with sound financial controls and good corporate governance.

2 IMPACT ANALYSES

2.1 Equality

As a result of performing the screening analysis, the policy does not appear to have any adverse effects on people who share Protected Characteristics and no further actions are recommended at this stage.

2.2 Sustainability

A Sustainability Impact Assessment has been undertaken. No positive or negative impacts were identified against the twelve sustainability themes.

2.3 Bribery Act

This Policy is designed to contribute to the CCG's obligation to ensure adequate measures are in place to prevent acts of bribery within the meaning of the Bribery Act 2010.

3 SCOPE

This policy applies to:

- All CCG employees, including all full and part-time staff, staff on sessional or short term contracts, Lay members, students and trainees (including apprentices), agency staff, seconded staff
- Members of the CCG's Board, Committees, Sub Committees and Sub Groups, including co-opted members, appointed deputies and members of committees/groups from other organisations
- Members of the CCG (Council of members) – defined as GP partners (or where the practice is a company, each director) and any individual directly involved with the business or decision making of the CCG e.g. representatives at the Council of Members, GP portfolio leads

4 POLICY PURPOSE AND AIMS

The purpose of this policy is to assist budget holder in the fulfilment of their budgetary responsibilities by setting out the rules under which resources can be transferred within a single budget or between budgets. These rules are referred to as budget virement procedures.

More specifically, the reason for having a virement procedure include:

1) To Keep Appropriate Control Over Changes Between Different Health Care Contracts or Budgets

The purpose of the virement procedure is to put in place a formal system of approval for such changes.

2) To Assist in Advising The True Position.

If budgets are to be effectively managed it is essential that throughout the year the Budget Holder and the CCG Finance Officer have a shared understanding of the true position.

3) To Support Compliance with the Standing Orders (SO's), Standing Financial Instructions (SFIs) And Tender & Contracting (T&C) Procedures

5 KEY DEFINITIONS

An **Annual Budget** is a sum of money identified for a defined purpose for the financial year within which expenditure has to be managed.

An **Expense Type Code** is a single line within a budget which identifies the resources available for a specific type of expenditure (e.g. the NLAG contract baseline or a particular line for staff costs etc.)

A **Budget Holder** is the CCG Director/CCG Chief Officer responsible for managing the budget. In some cases element of budget management may be delegated. However, the presence of any such delegated budget management arrangements does not absolve the Budget Holder from overall responsibility for their budget. For virement purposes, only Budget Holders(s) can sign off virements in accordance with the specific approval limits.

A **Budget Manager** is a person who exercise some element of budget management (e.g. agreeing the payment of expected invoices which are within the associated budget limit up to the value of their respective delegated approval limit).

Earmarked Budgets are where money has been identified for a specified purpose and must be spent for that purpose.

Some earmarked budget have been centrally funded and if in any one year the funding is not spent then it may have to be returned or carried forward and reinstated for the specific purpose in future years. Virements of this type of funding would contravene the original purpose of the funding and would in most circumstances be unacceptable.

6 ROLES, RESPONSIBILITIES AND DUTIES

The rules and process that apply in the approval of budget virements are:

- 1) Virement is not normally permitted:
 - From non-pay to pay
 - From non recurrent to recurrent expenditure
 - Where it would be in breach of the rules on earmarked funding
 - Where it would increase CCG running costs (unless agreed in writing by the Chief Officer or Chief Finance Officer)
 - Where the transfer would commit the CCG to additional recurrent funding in excess of commitments agreed within the CCG financial plan.
- 2) All virements need approving, via email, before the virements takes place.
- 3) The Budget Holder/Manager will make the Finance Lead aware of a virement. The finance lead will fill in the necessary form and send it back to the Budget Holder/Manager for approval.

7 BREACHES OF THE POLICY

Breaches of this policy may be investigated and may result in matter being treated as a disciplinary offence under the CCGs disciplinary procedure.