

## **Woodland Corner**

### **Internal financial controls policy**

Financial records will be kept so that Woodland Corner:

- (a) Protect the charity's assets, including its money and property
- (b) Make informed decisions about the charity's financial position
- (c) Meet its legal and other obligations.
- (d) Prevent fraud and financial mismanagement.

### **Responsibilities**

1. The Treasurer and the Business Manager are primarily responsible for the day-to-day financial management of Woodland Corner. However, the committee as a whole remains responsible for all decisions concerning the financial management of Woodland Corner.

In addition to the specific responsibilities set out in this policy, the following individuals shall be responsible as follows:

2. The Business Manager shall:
  - a. Keep a proper accounting system
  - b. Prepare accounts / liaise with the accountants
  - c. Prepare a budget
  - d. Claim gift aid
3. The Treasurer shall
  - a. Report to the Committee on the charity's financial position at each committee meeting. Send copy of the accounts to the trustees before each meeting, together with his/her report
  - b. Prepare a report for the trustees annual report.
4. The Chair shall:
  - a. Review financial position for each committee meeting
  - b. Review accounts for the year end
  - c. Review income/expenses against the reserves policy
5. The Committee shall:
  - a. Review the accounts before or at each committee meeting; raise questions as needed

### **Financial controls**

6. All trustees, staff and volunteers should be trained in Woodland Corner's financial controls. As a minimum, they are expected to understand the procedures to identify and report known or suspected financial crime or abuse, and how to raise concerns about the conduct of trustees, managers or other staff.

7. Financial controls should be monitored regularly to ensure that they remain effective. At least annually at the AGM.

#### **Financial controls for banking**

8. The opening or closing of a bank or building society account should be authorised by the Committee.
9. The Business Manager shall:
  - a. Keep a list of all charity accounts
  - b. Gain approval from Committee and close accounts which are no longer used
  - c. Regularly review accounts to check that charges and interest rates are competitive
  - d. Regularly review the bank mandate and assess whether to implement dual authorisation.
  - e. Compare accounting records and bank statements each month to make sure they reconcile. The treasurer reviews this before each committee meeting.
10. Those with access to Woodland Corner's bank account(s) must not share their security details with any other person. All passwords and PINS must be kept securely.
11. For online transactions, the authorised person(s) must consider whether the recipient is known and trustworthy. Those with access to the online accounts should undertake relevant training on using online banking safely.
12. Cash and cheques must be banked promptly by the Business Manager. Any cash or cheques on site must be stored securely.

#### **Donations from public collections and fundraising**

13. For fundraising events, at least two people should handle and record any cash being used for floats and cash received. Cash should be banked as soon as possible. Records should be kept for each fundraising event, detailing the amount collected and the costs incurred.
14. Card readers must be kept securely. The Business Manager must carry out regular reconciliations to match the transaction history with the income in the charity's bank account.

#### **Expenditure on goods and services**

15. Expenditure on items over £1,00 must be approved in writing by the Committee.
16. The Business Manager shall check invoices against orders and the receipt of the goods or services ordered.
17. Only the Manager, Treasurer and the Business Manager are authorised to use debit or credit cards for the Charity. Woodland Corner does not permit the use of mobile payment systems such as Google Pay and Apple Pay.
18. Only the Chair, Treasurer, Business Manager and Payroll Clerk are authorised to make a payment using BACS from Woodland Corner's online bank.

### **Paying wages and salaries**

19. The Payroll Clerk is responsible for paying wages and salaries and for meeting the relevant legal requirements, including HMRC's requirements for PAYE and payroll. The manager or the business manager checks the total salaries paid are as expected for budgeting purposes and promptly notifies the payroll clerk of starters and leavers, changes to pay hours, overtime, sickness etc.

### **Paying or reimbursing expenses**

20. Staff members or trustees may occasionally incur expenses on behalf of Woodland Corner. An expense is a payment which an individual has had to meet personally to carry out their duties for the charity.
21. An expenses sheet is completed and receipts for purchases provided, this is authorised by either the Manager or Business Manager and staff/trustees are reimbursed via a BACS payment.
22. Payments should not be made to a person or organisation connected to a member of staff or a trustee without authority from the Committee. Full disclosure to the Committee of any relevant connections must be made by the member of staff or trustee concerned.

### **Assets and investments**

23. The Business Manager shall keep a register of Woodland Corner's assets over £2,000.
24. Insurance cover must be regularly reviewed to ensure that it is still adequate.

### **Record keeping**

25. The Business Manager shall retain records of all online banking and petty cash transactions.

### **Data protection**

26. See Data Protection Policies to ensure compliance GDPR.

### **Action to take if any misuse of charity funds**

- Take immediate action
- Record and report – fraud: Action Fraud; tax fraud to HMRC; data breaches: ICO; serious incidents to Charity Commission.