

FINANCIAL CONTROLS POLICY – PADDLERS FOR LIFE (WINDERMERE)

Charity Commission Guidance - Internal financial controls for charities

Review of controls - The trustees should, at least annually, ensure a review is conducted of the effectiveness of the charity's internal financial controls. This should include an assessment of whether the controls are relevant to, and appropriate for, the charity and not too onerous or disproportionate.

Financial Records and Accounts

- 1) Financial records must be kept so that:
 - The organisation meets its legal and other statutory obligations, such as Charity Acts, Her Majesty's Revenue & Customs and common law.
 - The Trustees have proper financial control of the organisation.
- 2) The accounts spreadsheets must include a cashbook analysis of all the transactions. This is reflected in the balance sheet produced for the GM and AGM
- 3) Accounts must be drawn up at the end of each financial year and presented and approved at the next Annual General Meeting.
- 4) The Trustees will appoint an appropriately qualified auditor/independent examiner to audit or examine the accounts.

Banking

- 1) The bank mandate (list of people who can setup and authorize online payments on the organisation's behalf) will always be approved and minuted by the Trustees as will any changes to it.
- 2) The charity will require the bank to provide statements every month and these should be reconciled with the cash book monthly.

Income

All income received (Bacs payments, DD/SO, cheques and cash) will be recorded promptly in the cashbook, Cheques can be banked using the bank app without the necessity of visiting a branch so can be banked without delay. Cash to be banked as soon as convenient (Bacs and cheques are the preferred choice of income) The Charity will maintain files of documentation to back this up.

Payments (expenditure)

- 1) The aim is to ensure that all expenditure is on the charity's business and is properly authorised and that this can be demonstrated.
- 2) All payments are made using the online banking system
- 3) An invoice/receipt is required before any payment can be made
- 4) Care needs to be taken when setting up a new payee online
- 5) One signatory sets up the payments and another authorizes, at least one of whom will be a Trustee

Payment documentation

Every payment out of the Charity's bank accounts will be evidenced by an original invoice or receipt. This will be retained by the Charity and filed as a paper copy or electronically. The treasurer should ensure that it is referenced with:

- An invoice number with ref to the accounting year e.g., 01/2023 which is recorded in the cashbook
- Date and amount of Bacs payment

Asset Register

The Charity will adhere to good practice in relation to its finances at all times, e.g., it will set up and maintain a fixed asset register stating the date of purchase, cost, serial numbers, and normal location of assets.

Policy adopted 12.02.23

Policy review date: October 2023