



The Friends of Mount Edgcumbe Country Park

Registered Charity No. 295261

Patron: The Earl of Mount Edgcumbe



Friends of Mount Edgcumbe Policy Document

FINANCE POLICY

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THE FRIENDS OF MOUNT EDGCUMBE COUNTRY PARK

(FoMECP)

FINANCE POLICY

1. INTRODUCTION

- 1.1 This policy document has been produced in line with the guidance provided in the Charity Commission document “Internal financial controls for charities, CC8 (July 2012)” and the accompanying “checklist” to enable the charity to achieve its aims by ensuring that assets are properly used, that its funds are spent effectively and its financial affairs are well managed.
- 1.2 The guidance specifies actions that “must” or “must not” be complied with, those that “should” or “should not” be complied with and other “recommendations”. The Charity Commission accepts that not all controls will be appropriate to all charities. The controls should be proportionate to the risks involved and will not be relevant where they are not appropriate.
- 1.3 This document outlines the Finance Policy of FoMECP and applies to all Trustees, members and volunteers.
- 1.4 The complete Policy and its divergences from the guidance will be reviewed annually by the Trustees to ensure that the internal controls on finance are effective and that they remain relevant to, and appropriate for, the charity and are not too onerous or disproportionate. The review will take account of changes to the charity’s structure, activities and are of operation and the result of the review will be reported for approval by the membership at the following AGM.

2. ACCOUNTING

- 2.1 Financial records will be kept so that FoMECP can:
 - a) Meet its legal and other statutory obligations such as Charity Acts, HMRC and common law.
 - b) Enable the Trustees to be in proper financial control of FoMECP.
 - c) Enable FoMECP to meet contractual obligations and requirements of funders.
- 2.2 These records will be held for a minimum of 7 years.
- 2.3 FoMECP will keep proper books of accounts, which will include:
 - a) An electronic cashbook analysing all the transactions in FoMECP’s bank accounts.
 - b) An electronic cash book if cash payments are being made.

c) Relevant HMRC taxation records in accordance with current legislation and reporting requirements.

d) A register of fixed assets held stating the date of purchase, cost, serial numbers and normal location, disposal or scrapping.

e) A record of property held (if appropriate).

2.4 The Financial Year will end on the 31st December each year.

2.5 Accounts will be drawn up after each financial year within three months of the end of the year and presented to the next AGM for approval following approval by the Executive Committee. Such accounts will require approval at the AGM.

2.6 The AGM will appoint (or provide delegated authority to the Trustees to subsequently appoint) an appropriately qualified person to independently examine or audit the accounts, in accordance with the provisions of the Constitution, for the following year for presentation to the next AGM.

2.7 The Treasurer will supply to members of the public on demand copies of the most recent Annual Report and Accounts.

2.8 Annual reports, accounts and annual return will be filed with the Charity Commission on time.

2.9 Gift Aid records will be kept and submitted regularly by the Treasurer to HMRC and checks will be made to ensure that the amount received corresponds with that expected.

2.10 Prior to the start of each financial year, the trustees will approve any submitted expenditure account for the following year.

2.11 A report comparing actual income and expenditure of the bank accounts and Petty Cash fund will be presented to the trustees every month prior to the committee meeting.

2.12 Records will be maintained for each fundraising event, in sufficient detail to identify gross receipts or takings and costs incurred.

2.13 Electronic records will be regularly copied to a designated Trustee for safe storage.

3. BANKING

3.1 FoMECP will bank with a recognised Bank and the CCLA (COIF Charity Fund). The following accounts will be maintained and the Treasurer will have delegated authority to transfer money between these accounts:

a) The Friends of Mt Edgcumbe Country Park (Current Account).

b) The Friends of Mt Edgcumbe Country Park (Deposit Account).

3.2 FoMECP will not use any other bank or financial institution or use overdraft facilities or take out a loan without the agreement of the Trustees.

3.3 The bank mandate (list of people who can sign cheques on the organisation's behalf) will be approved and minuted by the Trustees and regularly reviewed.

3.4 The bank accounts will be reviewed on a regular basis to:

a) Check their costs/benefits/charges/interest and credit rating.

b) Close any dormant accounts.

3.5 The Treasurer of FoMECP will spot check the on line bank statement against the recorded spreadsheet at least once a month.

3.6 FoMECP will not use any other bank or financial institution or use overdraft facilities or take out a loan without the agreement of the Trustees.

3.7 The Treasurer and the Membership Secretary will cross check all electronic transactions at least once a month and report this check to the monthly Trustees' meeting which should be duly minuted.

3.8 FoMECP will not allow third parties to open bank accounts in the Charity's name. Its bank accounts will not be used for any money transfers for the private benefit of individuals or third parties under any circumstances.

3.9 As far as is reasonable and possible all Personal Computers with access to on-line banking facilities will be secure and up to date with anti-virus, spyware and firewall software.

3.10 Passwords and PIN's will be kept secret. Passwords will be changed regularly and following changes to authorised personnel and Trustees.

3.11 Emails received relating to bank accounts will be treated with caution. Security details will not be divulged in response to unsolicited emails or telephone calls.

3.12 Non-traditional banking methods will only be used to collect entry fees for the annual car show, not to make payments or transfer money.

4. RECEIPTS (income)

4.1 All monies received, cash and cheques, will be recorded promptly on the income spreadsheet and banked without delay. FoMECP will maintain electronic files to back this up. Any cheques and cash not banked on the day of receipt will be kept in a locked cash box.

4.2 Cash donations received via collection and donation boxes will be documented on the electronic spreadsheet.

4.3 Donation boxes will be individually numbered or otherwise identified and their issue/return/emptying recorded. Such boxes will be sealed before use and regularly opened and their contents counted.

4.4 Where possible the emptying of collection boxes should be done in the presence of a second person. A written amount will be presented to the Treasurer along with the cash and ideally he/she will recount the amount in the presence of a third party.

4.5 Any discrepancy will be reported as soon as possible and documented.

4.6 Cash collected will be banked as soon as possible without a deduction of expenses.

5. PAYMENTS (all expenditure)

5.1 Each item of expenditure will be approved by the Trustees and minuted alongside a reference to the appropriate Object in the Constitution. Any spending over that approved for the item limit will require the further approval of the Trustees.

5.2 The Treasurer will be responsible for holding the cheque book (unused and partly used) which should be kept securely.

5.3 Blank cheques will never be signed.

5.4 The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed. Supporting documentation (invoice checked against order confirming price and receipts for goods and services) will always be presented to the signatories when a request is made to approve a cheque. Payments will be promptly recorded.

5.5 No cheques should be signed or online transaction approved without original documentation.

5.6 On line payments for approved expenditure and transfers between bank accounts will be made at the discretion of the Treasurer and will be duly recorded and reported to the Trustees at their next meeting.

5.7 FoMECP will not use pre-loaded cards, debit cards, credit cards, or charge cards.

5.8 FoMECP will not set up standing orders or direct debit payments.

5.9 Cash payments will be kept to a minimum and subject to a limit of £50.00.

5.10 Cash payments will be made from the Petty Cash Float and not from incoming cash or direct withdrawal from a bank account. The float will be subject to spot checks by a Trustee other than the Treasurer.

5.11 The supporting documents for the cash payment will be authorised by a Trustee other than the Treasurer.

5.12 The balance and the records of the Petty Cash Float will be kept securely by the Treasurer and reported to the Trustees at their monthly meeting.

6 PAYMENTS (grants to Mount Edgcombe Country Park)

6.1 Payments of grants to Mount Edgcombe Country Park (MECP) will be subject to the policies contained in 5.1 – 5.6 of this document.

6.2 The Trustees will set priorities for activities or projects to be funded.

6.3 Where the Trustees are requested to fund external partners making grant applications it is assumed that MECP will make the appropriate checks on the integrity of the organisation or partners.

6.4 The Trustees will monitor to ensure that grants have been used for agreed purposes.

7 PAYMENT DOCUMENTATION

7.1 Every payment from FoMECP's bank accounts will be evidenced by an original invoice and confirmation that the goods and services have been or will be received. That original invoice will be retained by FoMECP by the Treasurer and filed. The cheque signatory should ensure that it is referenced with:

- a) Cheque number.
- b) Date cheque drawn.
- c) Amount of cheque.
- d) Payee.

7.2 A petty Cash Account will always be maintained on the system whereby the Treasurer is entrusted with a float as agreed by the Trustees and set at £50.00 (an exception may apply prior to an event requiring a float such as the annual Car Show). The current state of cash held by the Treasurer will be part of the monthly report to the Trustees.

7.3 All petty cash transactions will be registered on the spreadsheet kept by the Treasurer.

7.4 Monthly remote checks will be made by the Membership Secretary on the Current Account as maintained by the Treasurer.

8 EXPENSES

8.1 The FoMECP will, if asked, reimburse expenditure paid for personally by a Trustee (or any other member providing prior agreement has been obtained) provided it is evidenced by original receipts which will be filed and maintained by the Treasurer. Expenses will normally be refunded by cheque or electronic transfer and the maximum sum refunded will be set at £50.00. Any claim exceeding this will require approval by the Trustees prior to the expense being incurred. A mileage allowance will be set by the Trustees prior to any claim, such mileage rate to be at or below HMRC rates.

8.2 The claimant will complete an expenses claim form (Appendix 1) and sign the form to attest accuracy.

8.3 Someone other than the claimant will check for accuracy and authorise the payment.

9 CHEQUE SIGNATURES

9.1 Each cheque will be signed by at least two people. (There will be three signatories for the bank account: normally the Chairman; Secretary; and the Treasurer. There will be two signatories to the COIF account: Chairman and Treasurer).

9.2 The Treasurer will be authorised to undertake BACS transfers.

9.3 A cheque must not be signed by the person to whom it is payable.

10 RESERVES POLICY

10.1 FoMECP will regularly review and submit a Reserves Policy to the AGM for approval.

10.2 The Trustees will not commit expenditure beyond the financial resources available.

11 ASSETS

11.1 The state of all assets held should be regularly checked to ensure they exist, remain in good repair and are being put to appropriate use. The results of these checks are to be reported to the members at the AGM. Disposal or scrapping of assets will require the approval of the Trustees.

11.2 The adequacy of insurance cover for assets will be reviewed at regular intervals.

12 OTHER UNDERTAKINGS

12.1 FoMECP will not accept liability for any financial commitment unless properly authorised in accordance with the procedures outlined in Section 5. Any orders placed or undertakings given, the financial consequences of which are, *prima facie*, likely to exceed in total £100.00, must be authorised and minuted by the Trustees. In exceptional circumstances such undertakings can be made with the Chairman's approval who will then provide full details to the next meeting of the Trustees.

12.2 All fundraising and grant application undertaken on behalf of the organisation will be done in the name of FoMECP with the prior approval of the Trustees or in urgent situations the approval of the Chairman who will provide full details to the next Trustees' meeting.

13 DONATIONS/LEGACIES

13.1 Records and correspondence files will be maintained of all legacies notified to the charity and the progress of receipts monitored to ensure that the full entitlement is received. The Treasurer will be aware of the rules of, and the organisation's responsibilities towards tax legislation on tainted property.

13.2 Where donations or legacies are received for a specific purpose the value thereof will be expended on that purpose provided that it accords with an Object in the Constitution.

13.3 The Trustees will refuse a donation which is not in the interests of the charity, for instance:

- a) When the terms of the donation are unduly restrictive or intended to exercise undue influence over the Trustees.
- b) Where acceptance of the donation would be detrimental to the reputation of the charity.

13.4 Approval will be required from the Charity Commission for permission to make a 'moral' payment which either:

- a) the charity has no legal obligation to make.
- b) the charity's Constitution does not allow it to make.
- c) the Trustees cannot justify it as being in the charity's best interests.

13.5 Any chattels and property received through a legacy will be held securely, valued and sold or realised.

14 TRADING

14.1 The charity will undertake 'non-primary purpose trading', i.e. trading to raise funds for the charity and regularly check that trading activities remain within tax exemptions.

14.2 The trustees will ensure through review that items will be traded at a profit to the charity and that levels of stock held are appropriate to the levels of demand/sales.

14.3 Expenditure and income on goods traded will be appropriately recorded and checks will be made to ensure that cash received balances outstanding invoices.

14.4 Levels of stock held will be checked against records of sales.

14.5 Outstanding debts and recovery procedures will be regularly reviewed.

15 OTHER RULES

15.1 Acceptance of hospitality will be reported to the Trustees as soon as practical and will not exceed £50.00. A register of hospitality will be maintained by the Treasurer.

15.2 Any Trustee suspecting an individual of misusing the charity for their own purposes or misappropriating the charity's funds should immediately report to the Chairman, Secretary, or Treasurer. An investigation will be undertaken by these committee members unless one or more is implicated in the impropriety, in which case substitute Trustees will take part.

15.3 All incidences of financial crime and/or abuse will be reported immediately to the police and Charity Commission.

Appendix 1

FRIENDS OF MT EDGCUMBE

EXPENSES CLAIM FORM

Date	Claimant	Details (include receipts)	Approved by

Hon Treasurer

Form received and agreed

Date:

Expenses paid

Date:

Appendix 2

Annual report on the review of divergence of the FoMECP Finance Policy from the guidance provided in the Charity Commission document CC8.

The guidance specifies actions that “must” or “must not” be complied with, those that “should” or “should not” be complied with and other “recommendations”. The Charity Commission accepts that not all controls will be appropriate to all charities. The controls should be proportionate to the risks involved and will not be relevant where they are not appropriate.

The review has been undertaken to ensure that the internal controls on finance are effective and that they remain relevant to, and appropriate for, the charity and are not too onerous or disproportionate. The review has taken into account changes to the charity’s structure.

A total of 33 “must” actions and 20 “must recommendations” (not including those that appear in a title and are repeated in the following text) have been identified in CC8. Compliance is achieved with 15 and 8 of these respectively within the Finance Policy and/or the General Policy. Of the remaining 30, 23 are considered by the Trustees to be ‘not applicable’ to FoMECP on the following grounds:

- (a) 14 relate to the employment of staff [FoMECP is not an employer]
- (b) 5 relate to endowments [FoMECP is in receipts of legacies but not endowments]
- (c) 3 relate to public (on-street) collections [FoMECP does not undertake public collections]
- (d) 1 relates to the engagement of external fundraisers [FoMECP does not engage them]

The remaining 7 must recommendations are considered by the Trustees to be ‘too onerous’ on the following grounds:

- (e) 6 relate to ticketed events [FoMECP ticketed events are restricted to low numbers and are considered too onerous]
- (f) 1 relates to there being at least two people being involved in handling and recording money received and this is considered too onerous for all events

A total of 134 “should” and 38 “should recommendations” (not including those that appear in a title and are repeated in the following text) have been identified in CC8. Compliance is achieved with 98 and 22 of these respectively within the Finance, General and Data Protection Policies. Of the remaining 52, 38 are considered to be ‘not applicable’ to FoMECP on the following grounds:

- (a) 8 relate to the use of pre-loaded or other payment cards [FoMECP will not use these cards]
- (b) 7 relate to the taking out of loans [FoMECP will not take out loans]
- ~~(c) 6 relate to trading activities [FoMECP will not undertake trading activities]~~
- (d) 5 relate to non-traditional banking methods [FoMECP will not make payments by non-traditional methods]
- (e) 2 relate to direct debits or standing orders [FoMECP will not set up direct debits or standing orders]

- (f) 2 relate to employment of staff [FoMECP is not an employer]
- (g) 2 relate to land ownership [FoMECP does not own land]
- (h) 2 relate to larger charities [FoMECP is a small charity]
- (i) 1 relates to international work [FoMECP does not work internationally]
- (j) 1 relates to a widespread network of fundraising events [FoMECP does not take part in such event]
- (k) 1 relates to capitalisation of expenditure on fixed assets [FoMECP has no such assets]
- (l) 1 relates to being an intermediary in transferring funds on behalf of another charity [FoMECP does not facilitate this]

The remaining 20 are considered by the Trustees to be 'not relevant' or 'too onerous' to FoMECP due to the relatively small size of the charity and its associated budget.

- (m) 8 relate to controls on BACS transactions [frequent checks will be made on BACS payments and the steps required to arrange dual authority are not considered necessary. Also the charity will not enter into recurring payments]
- (n) 4 relate to a formal internal audit provision [considered too onerous for the size of budget]
- (o) 2 relate to the number of persons present when post is opened [this may be relevant in an office situation but not relevant to the FoMECP volunteer situation]
- (p) 1 relates to the agreement of an annual budget [not considered appropriate as payments are made 'reactively as well as in a planned manner and income from events is very weather dependent. A policy is in place that prevents expenditure over and above the assets held in reserve and previously committed]
- (q) 1 relates to the monitoring of over or under performance in income/expenditure plans [since no such formal plans exist monitoring is not appropriate]
- (r) 1 relates to the formation of finance sub-committees [not considered appropriate for the size of the annual budget]
- (s) 1 relates to insurance cover for cash in hand or in transit [the policy restricts the amount of petty cash held at any one time and the cost of insurance is considered to outweigh its value]
- (t) 1 relates to authority limits on signatories [this clearly relates to larger charities and is not relevant to FoMECP]
- (u) 1 relates to approval for movements between bank accounts [considered too onerous, the Treasurer will report such movements to the following meeting of the Committee]

A total of 4 "should nots' have been identified in CC8. The Finance Policy complies with all of these.

Appendix 3 Compliance cross-check spreadsheet

CC8 Financial Controls Review (must's)
Review dated 6 November 2018

black indicates compliance

green indicates not applicable to FoMECP

purple indicates FoMECP unlikely to comply

No	page	excerpt/interpretation	policy no.	comments
M1	3	invest expendable endowment funds to produce income	N/A	the charity does not hold expendable endowment funds
M2	4	hold permanent endowment property indefinitely	N/A	the charity does not hold permanent endowment property
M3	8	safeguard the charities assets		Finance Policy
M4	8	keep accounting records for at least six years	2.2	
M5a	8	keep 'sufficient' accounting records to explain all transactions and show the charity's financial provision	SECT 2	
M5b	8	prepare an annual report and statutory accounts	2.5, 2.7	
M5c	8	consider the need for a reserves policy, managing the level of reserves and disclosing the policy in the Annual Report	10.1	
M5d	8	formally approve the Annual Report and accounts	2.5	
M5e	8	ensure that the accounts are subjected to any external scrutiny required by law or the Constitution	2.6	
M5f	8	ensure that the Annual report, accounts and annual return are filed on time with the CC where filing is required by law	2.7	
M5g	8	meet requests from the public for copies of the charity's most recent Annual Report and accounts	2.8	
M5h	8	safeguard the charities assets and ensure proper application of resources		Covered in Finance Policy
M5i	8	take steps for the prevention and detection of bribery, fraud, financial abuse and other irregularities		Covered in Finance Policy
R1	8	give all Trustees a copy of the latest accounts on appointment together with other essential documents		Included in General Policy Document
M6	10	be aware of and assess the risks from financial crime and take proper steps to manage the risks		Covered in Finance Policy
M7	12	comply with the legal requirements on public collections and working with external fundraisers		The charity does not undertake public collections or work with external fundraisers

M8	12	ensure that licensing arrangements for public collections are made in advance with the appropriate local authorities		The charity does not undertake public collections or work with external fundraisers
M9	12	operate within the legislative framework when raising funds from the public		Inclusion of charity registration number included on all documents and website (included in General Policy Document). Reference in Data Protection Policy Document. Not applicable to event fundraising
R2	12	ensure that at least 2 people are involved in handling and recording money received	4.4	Not considered to always be practical where only small sums of money involved
R3	12	collection boxes are individually numbered and their issue and return is recorded	4.3	
R4	12	ensure that all collection boxes are sealed before use so it is apparent if they have been opened before they are returned	4.3	
R5	12	ensure that all collection boxes are regularly opened and the contents counted	4.3	
R6	12	ensure that general public collections are counted in the presence of the collectors and a numbered receipt given to them		General public collections are not made
R7	12	bank cash collected by the charity as soon as possible without a deduction of expenses	4.6	
R8	13	maintain records for each fundraising event, in sufficient detail to identify gross receipts or takings and costs incurred	2.12	
R9	13	For all events for which there is ticket income or gate money:		Ticketed events are restricted to a maximum of approx 60 persons and organised by one person who controls ticket sales and income/expenditure
R9a	13	pre-number all tickets		Ticketed events are restricted to a maximum of approx 60 persons and organised by one person who controls ticket sales and income/expenditure
R9b	13	keep a record of all persons who have been issued with tickets to sell, and the ticket numbers have been allocated to each person		Ticketed events are restricted to a maximum of approx 60 persons and organised by one person who controls ticket sales and income/expenditure

R9c	13	keep a record of which tickets have been sold		Ticketed events are restricted to a maximum of approx 60 persons and organised by one person who controls ticket sales and income/expenditure
R9d	13	collect all money from tickets and any unsold tickets		Ticketed events are restricted to a maximum of approx 60 persons and organised by one person who controls ticket sales and income/expenditure
R9e	13	make a reconciliation of receipts against tickets sold		Ticketed events are restricted to a maximum of approx 60 persons and organised by one person who controls ticket sales and income/expenditure
M10	13	comply with the requirements of Part II of the Charities Act 1992		The charity does not engage external fundraisers
M11	13	maintain records to ensure the charity receives tax recovery from HMRC promptly and with confidence	2.9	
R10	13	check to ensure that amounts expected from Committed donors have been received	13.1	
R11	13	check to ensure tax repayments due have been received	2.9	
M12	14	be aware of the rules of, and their responsibilities towards, tax legislation on tainted property	13.1	
M13a	19	(relates to employment of staff)		The charity is not an employer
M13b	19	(relates to employment of staff)		The charity is not an employer
M13c	19	(relates to employment of staff)		The charity is not an employer
M13d	19	(relates to employment of staff)		The charity is not an employer
M13e	19	(relates to employment of staff)		The charity is not an employer
M13f	19	(relates to employment of staff)		The charity is not an employer
M13g	19	(relates to employment of staff)		The charity is not an employer
M14	20	(relates to employment of staff)		The charity is not an employer
M15	20	(relates to employment of staff)		The charity is not an employer
M16	20	(relates to employment of staff)		The charity is not an employer
R12	20	(relates to employment of staff)		The charity is not an employer
R13	20	(relates to employment of staff)		The charity is not an employer
R14	20	(relates to employment of staff)		The charity is not an employer
R15	20	(relates to employment of staff)		The charity is not an employer
M17	27	(relates to endowment funds)		the charity is not in receipt of endowment funds
M18	27	(relates to endowment funds)		the charity is not in receipt of endowment funds

M19	27	(relates to endowment funds)	the charity is not in receipt of endowment funds
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CC8 Financial Controls Review (should's)
Review dated 6 November 2018

black indicates compliance
green is not applicable to FoMECP
purple indicates FoMECP unlikely to comply

No	Page	Excerpt/interpretation	policy no.	Compliance/non-compliance
S1	2	have financial controls proportionate to the risks involved	1.2	
S2	2	refer to the commissions guidance on Charities working internationally		the charity does not work internationally
S3	3	make a collective decision on the financial controls required	1.4	
S4	3	read the commission checklist	1.1	
S5	5	(the wider framework of the charity's overall control framework) should cover all of the systems and activities		covered by Finance Policy document
S6	5	lead by example in adhering to the Charity's internal financial controls and good practice		covered by Finance Policy document
S7	5	at least annually ensure a review is conducted of the effectiveness of the charity's internal financial controls	1.4	
S8	5	ensure that the above review includes and assessment of whether the controls are relevant to, and appropriate for, the charity and not too onerous or disproportionate	1.4	
S9	6	agree the overall budget before the start of the financial year to which it relates		FoMECP does not set an overall budget since demands on its finances appear in an ad-hoc basis.
S10	6	should share monthly or periodic financial information with budget holders, operational managers and trustees	2.11	
S11	6	have monitoring procedures which identify and seek explanations for significant over or underperformance of both income and expenditure plans		The use of income/expenditure plans is not appropriate to the organisation.

S12	6	(the internal audit) should identify and assess risks to the charity		Formal internal audit procedures not considered appropriate for the size of the organisation. Informal audit procedures contained within the Finance Policy suffice.
S13	6	(the internal audit) should advise on how the charity should manage and monitor risk, and on the completeness of the risk register		Formal internal audit procedures not considered appropriate for the size of the organisation. Informal audit procedures contained within the Finance Policy suffice.
S14	7	consider any identified weaknesses in internal control		Formal internal audit procedures not considered appropriate for the size of the organisation. Informal audit procedures contained within the Finance Policy suffice.
S15	7	(an audit committee) should have appropriate terms of reference		Formal internal audit procedures not considered appropriate for the size of the organisation. Informal audit procedures contained within the Finance Policy suffice.
S16	7	use meetings to communicate information concerning finances and financial management	2.11	
S17	7	normally take decisions collectively with significant decisions and action points noted in writing		Covered in General Policy Document
S18	7	communicate information in a way that enables trustees to carry out their responsibilities	2.11	
S19	7	always provide financial information that is understandable, accurate and timely	2.11	
S20	7	include details of the charity's financial position and performance at each trustee meeting	2.11	
S21	7	send financial information to each trustee before each meeting	2.11	
S22	7	set aside a specific time at the Trustee meeting within the agenda for discussion of financial matters and allow trustees to raise issues of concern		Covered in General Policy Document
S23	7	make significant decisions in the context of the full trustee body		Covered in General Policy Document

S24	7	have agreed terms of reference in place for any finance sub-committee and ensure that the outcome of the sub-committee's work is reported to the full board		The size of the organisation and committee does not warrant a finance sub-committee.
S25	10	establish a policy on the acceptance of hospitality by trustees and staff along with a register of hospitality to record incidences of hospitality	15.1	
S26	10	maintain a register of interests		Covered in General Policy Document
S27	10	have a policy on donations which identifies when accepting of donations may not be in the interests of the charity	13.3	
S28	11	(all of those who work in the charity) understand the role of internal control in managing identified risk from criminal financial abuse		Covered in General Policy Document
S29	11	consider what is appropriate to the charity in the way of internal controls		Covered by Finance Policy document
S30	11	report to the CC and police any incidents of financial crime and abuse	15.3	
S31	11	take account of changes in the charity's structure, activities and area of operation that could affect the risks to the charity	1.4	
S32	11	consider how the charity will react to different types of financial crime should they occur	15.2, 15.3	
S33	11	have procedures for reporting known or suspected crime or abuse and clarity about how reports of concerns will be investigated	15.2	
S34	11	provide training to staff and volunteers to ensure that they are familiar with the charity's financial controls and know what actions to take if they suspect criminal financial abuse		Covered in General Policy Document
S35	11	tell volunteers how to report either concerns within the organisation		Covered in General Policy Document
S36	11	take immediate and appropriate action to resolve the issue if a trustee knows or suspects an individual is misusing the charity for their own purposes or misappropriating funds	15.2	
S37	11	have in place appropriate policies governing access, use and storage of electronic information ensuring compliance with Data Protection legislation		Covered by Data Protection Policy Document

S38	11	include procedures covering the use of computers, hard drives, USB and data storage devices		Covered by Data Protection Policy Document
S39	11	consider protecting its computer systems with anti-spyware, anti-virus, firewalls and similar computer programmes	3.90	
S40	11	always report immediately, under the serious incident reporting regime, to the CC and police any incidents of financial crime and abuse	15.3	
S41	12	have controls that provide assurance that income received in the post is kept secure, is accurately recorded in the accounting records and is banked as quickly as possible	4.1	
S42	12	the post should be held securely from the time it is received until it is opened	4.1	
S43	12	open the post without undue delay	4.1	
S44	12	open the post where practical in the presence of two unrelated individuals		considered inappropriate to the size of the organisation
S45	12	(where S39 is not possible) consider the need to implement other controls		amounts likely to be received by post considered too small to require other controls
S46	12	ensure that there is as much control over what could be a widespread network of fundraising events		The charity does not have a widespread network of fundraising events
S47	13	direct internal financial controls at ensuring that all legacy income to which the charity is entitled is actually received and properly recorded in the accounting records	13.1	
S48	13	maintain records of all legacies notified to the charity	13.1	
S49a	14	ensure that legacies to which the charity is entitled are recorded in accounting records	13.1	
S49b	14	ensure that adequate correspondence files relating to legacies are maintained	13.1	
S49c	14	ensure regular reviews of progress on collection of outstanding legacies	13.1	
S49d	14	ensure that chattels and property received are held securely, valued and sold or realised	13.5	
S50	14	design controls to ensure that all income due to the charity is received and recorded	13.1	
S51a	14	have controls to include regular reviews of trading activities to ensure that they fall within tax exemptions	14.1	

S51b	14	have controls to establish a pricing policy for goods and services supplied including regular reviews of pricing structures to ensure appropriate cost recoveries	14.2	
S51c	14	have controls on invoicing procedures for all goods and services provided	14.3	
S51d	14	have controls to review outstanding debts and debt collection	14.5	
S51e	14	have stock control procedures	14.4	
S51f	14	have procedures to reconcile amounts invoiced and cash received to outstanding invoices	14.3	
S52	15	ensure that cheques and cash received are kept securely, banked promptly and recorded in the accounting records	4.1	
S53	15	ensure a basic level of protection for the charity's funds	4.1	
S54	15	record cheque and cash receipts promptly in the accounting records	4.1	
S55	15	bank cheques and cash promptly	4.1	
S56	15	place cheques and cash not banked on the day of receipt in a safe or locked cash box	4.1	
S57	15	normally bank funds gross without deduction for costs or expenses	4.6	
S58	15	consider insurance cover for cash in hand and in transit		Not considered required for the sums involved.
SR1	15	regularly check that records of cash and cheques received agree with bank paying-in slips or counter foils	3.7	
SR2	15	regularly check that counterfoils or paying-in slips agree with bank statements, both in terms of amount banked and date of credit	3.7	
SR3	15	regularly check that transfers or other direct payments into the bank are identified and verified against supporting paperwork	3.7	
S59	15	ensure that someone other than the person originally recording transactions should regularly make the checks in SR1, SR2 and SR3	3.7, 3.8	
S60a	16	have controls over purchases that establish authority levels for placing orders and approving payments which are clear and preferably documented	SECT 5	

S60b	16	have controls over purchases that ensure that orders placed are within an agreed spending plan or budget	5.1	
S61	16	authorise additional spending outside agreed budgets	5.1	
S60c	16	have controls which ensure that invoices received are checked against orders confirming the price paid and the receipt of the goods and services	5.4	
S62	16	ensure that any grant payments made to individuals or organisations further their charitable purposes and that the funding is used appropriately by recipients	6.4	
S63	16	have controls that focus on ensuring that grant payments further the purposes of the charity and that funding is used by the recipients for the purposes for which it was given	6.4	
S64a	16	develop grant making policies setting out the conditions and any restrictions applying to grants awarded	6.2	
S64b	16	have procedures for the review and approval of grant applications	6.2	
S65	16	have checks on the integrity of organisations or individuals to be funded	6.3	
S64c	16	establish monitoring procedures to ensure grants have been used for the agreed purpose	6.4	
S66	17	have two signature on bank mandates	9.1	
S67	17	(larger charities) apply clear authority limits on signatories		The charity is too small for this to be appropriate
S68a	17	ensure that cheque books are kept in a secure place	5.2	
S68b	17	regularly review bank mandates and authority limits		The charity is too small for this to be appropriate
S68c	17	prohibit signing blank cheques	5.3	
S68d	17	promptly record payments in cash books including details of the cheque number, nature of payment and the payee	5.4	
S68e	17	obtain documentation to support the validity of the payment, including relevant invoices and confirmation that the goods and services have been received	7.1	
SR4	17	set a clear policy for the use of payment cards, the criteria for their issue, spending limits and their security	5.7	The charity will not use payment cards

SR5	17	consider the need to place restrictions on, for instance, the types of retailers where the cards may be used, eg blocking their use in restaurants, food retailers or on certain websites	5.7	The charity will not use payment cards
SR6	18	communicate the policy for the use of payment cards clearly in writing to all trustees and staff using them	5.7	The charity will not use payment cards
SR7	18	ensure payments cards are cancelled and destroyed, if the individual ceases to work for the charity or if the authorisation of the card's use is withdrawn	5.7	The charity will not use payment cards
SR8	18	ensure that debit card expenditure is supported by a voucher and/or invoice and recorded and analysed in accounting records	5.7	The charity will not use payment cards
SR9	18	send copies of all credit or charge card statements directly to the charity's finance team and not the individual card holder	5.7	The charity will not use payment cards
SR10	18	periodically review card use to ensure consistency with set policies	5.7	The charity will not use payment cards
S69	18	have controls that provide assurance that direct payments by direct debit, standing order and BACS direct credit are only made for expenditure properly authorised and incurred by the charity		The charity will not set up direct debits or standing orders.
S70	18	have controls that ensure that payments are only made when authorised and that payments are accurately recorded in the accounting records	3.7	
S71	18	have controls set up over BACS payments		BACS payments checked after the event
S72	18	ask their bank for details of dual-authority options on BACS transactions		Not considered appropriate for the size of the organisation.
S73	18	ensure that only specified individuals are able to set up arrangements to make payments by direct debit, standing order or BACS	5.6, 9.2	
S74	18	limit the number of authorised individuals with a list drawn up and retained	9.2	
S75	18	retain the documents setting up the direct payments as part of the charity's accounting records		The charity will not set up recurring direct payments
S76	18	monitor the direct payments to ensure that they can be cancelled when the charity stops using the goods or services being supplied		No regular re-occurring payment arrangements will be set up
S77	19	keep payments in cash to a minimum	5.9	

SR11	19	cash payments are for small amounts only	5.9	
S78	19	pay cash out of a petty cash float kept specifically for that purpose and not from incoming cash or by way of direct withdrawal from the bank account	5.10	
S79	19	enter cash payments in a petty cash book	7.3	
S80	19	have authorisation of the supporting documents for the cash payment by someone other than the person who maintains the petty cash float or the person making the payment	5.11	
S81	19	keep securely the balance of the petty cash float and the records	5.12	
S82	19	carry out regular spot checks of the petty cash float by an authorised person independent of the person who maintains the petty cash	5.11	
S83	19	arrange for a review of cash withdrawals using a preloaded card by someone other than the person who withdrew the cash	5.7	Pre-loaded cards will not be used
S84	19	ensure that financial aspects of employment law is complied with		The charity will not be an employer.
S85	20	be aware of changes to pension regulations		The charity will not be an employer.
S86	20	have a written policy covering expense payments	SECT 8	
S87	20	have a written policy which sets out the requirement to complete expenses claims and to provide receipts.	8.2	
S88	20	clarify any fixed expense payments and any cap on total payments	8.1	
S89	20	have an expenses policy that applies to all trustees and volunteers	8.1	
S90	20	clearly communicate the expenses policy within the charity and within induction training		Covered in General Policy Document
S91	21	ensure that someone other than the claimant authorises and checks on the accuracy of expense claims	8.3	
S92	21	have a self-declaration on expense claim forms that the claim is accurate and incurred in connection with the business	8.2, App 1	
S93	21	make reimbursements by cheque or BACS transfer	8.1	
S94	21	pay mileage rates at HMRC rates	8.1	

S95	21	ensure that the charity is able to meet the repayments of any loan		The charity will not take out loans
SR12	21	document all loans		The charity will not take out loans
SR13	21	record all loans		The charity will not take out loans
SR14	21	manage and note conflicts of interest in a loan advanced by a trustee		The charity will not take out loans
S96	21	ensure that a rate above BoE base rate in SR14 is justifiable		The charity will not take out loans
SR15	21	log details of a loan on the register of assets		The charity will not take out loans
SR16	21	have a plan in place to repay loans		The charity will not take out loans
SR17	22	check periodically records of payments against cheque stubs, credit card statements or bank statements	7.4	
SR18	22	periodically check to ensure payments are supported by invoices which have been properly authorised	7.4	
SR19	22	regularly review standing orders and direct debit payments to ensure they remain in accordance with valid instructions given to the bank or building society	5.8	The charity will not set up direct debits or standing orders.
SR20	22	check expenditure from restricted funds is in line with the restriction	13.2	
S97	22	ensure (SR17-20 checks) are made by someone other than the person concerned with the original recording of the transaction	7.4	
S98	23	set a financial threshold for the capitalisation of expenditure on fixed assets within the accounting records		The charity does not hold fixed assets of significant value or envisage the sale of such
S99	23	maintain a list or register of all assets.	2.3	
S100	23	show the cost (or value) of assets and identify their location in the register	2.3	
S101	23	regularly inspect fixed assets to ensure they exist, remain in good repair and are being put to appropriate use	2.3	
SR21	23	authorise and record in accounting records and fixed asset register the disposal or scrapping of fixed assets	2.3, 11.1	
SR22	23	review the adequacy of insurance cover at regular intervals	11.2	

SR23	23	ensure that boundaries of any land or buildings owned are secure and recorded with the Land Registry		The charity does not own any land or buildings
S102	23	ensure the title deeds to land are held securely		The charity does not own any land or buildings
SR24	24	prepare bank reconciliations at least monthly for all accounts, reviewed by a second person and any discrepancies resolved	3.7	
SR25	24	check direct debits, standing orders and other transfers monthly	3.7	
SR26	24	operate bank accounts in accordance with the agreement with the issuing bank and not for private benefit	3.8	
SR27	24	be satisfied that if acting as an intermediary to transfer funds on behalf of another charity money laundering is not taking place.		The charity will not transfer funds in this circumstance
SR28	24	maintain and review a list of all bank accounts	3.4	
S103	24	close dormant bank accounts	3.4	
S104	25	authorise the opening or closing of accounts by the whole trustee body	3.2	
SR29	25	regularly review the costs and benefits of the current and deposit accounts to ensure charges and or rate of interest are competitive and that the credit rating is acceptable	3.4	
S105	25	ensure control procedures are in place to maintain security of bank accounts operated by electronic banking		Level of security in place commensurate with the size of the organisation and the ease of use of electronic banking
S106	25	have the same internal financial controls for electronic banking as for traditional banking		Level of financial controls in place commensurate with the size of the organisation and the ease of use of electronic banking
S107	25	continue to have clear segregation of duties to prevent any single person from being able to control substantial resources or obtaining unauthorised access to account information via electronic banking		Level of financial controls in place commensurate with the size of the organisation and the ease of use of electronic banking

S108	25	ensure proper approval for movements between and payments from bank accounts		Payments from bank accounts will have prior approval. Transfers between bank accounts will be processed by the Treasurer and reported to the next meeting of the Committee.
SR30	25	use a dual authorisation system for electronic banking		Dual authorisation system too cumbersome for the size of the organisation.
S109	25	ask their own banking services provider for details of dual-authorisation systems		Dual authorisation system too cumbersome for the size of the organisation.
S110	26	take and store a print out following each electronic transaction	5.6	
SR31	26	retain print outs as part of the accounting records	5.6	
SR32	26	keep all PC's with access to the on-line banking facilities secure	3.9	
SR33	26	ensure all PC's are up to date with anti-virus, spyware and firewall software	3.90	
SR34	26	keep all the password(s) and PINs secret	3.10	
SR35	26	change passwords regularly and following changes in authorised staff and trustees	3.10	
SR36	26	provide adequate training for those using the charity's computer systems		Covered in General Policy Document
SR37	26	treat emails received relating to bank accounts with caution	3.11	
S111a	26	when using non-traditional banking methods carry out adequate due diligence checks on the person to which it is sending money		Non-traditional banking methods will not be used apart from the third part collection of car show entry fees
S111b	27	only use non-traditional banking methods to transfer funds when traditional methods are not available		Non-traditional banking methods will not be used apart from the third part collection of car show entry fees
S111c	27	avoid making subsequent transfers by non-traditional banking methods until receipt of the previous transfer has been obtained		Non-traditional banking methods will not be used apart from the third part collection of car show entry fees
S112	27	document the policy and circumstances when non-traditional banking methods may be used	3.12	Non-traditional banking methods will not be used apart from the third part collection of car show entry fees

S113	27	apply the same authorisation procedures to non-traditional banking expenditure as for traditional bank payments		Non-traditional banking methods will not be used apart from the third part collection of car show entry fees
S114	27	should keep an audit trail for each transaction including payment vouchers etc		Non-traditional banking methods will not be used apart from the third part collection of car show entry fees
S115	28	read the guidance in CC8 in conjunction with the accompanying internal financial controls checklist	1.1	
SR38	28	read The code of Good Governance on the NCVO website		Covered in General Policy Document
S116	28	read "Internal Control: Guidance for Directors on the Combined Code(The Turnbull Guidance)		Applicable to large organisations
S117	29	avoid any situation where there is an expectation of a gift or payment in return for an advantage of any kind		Covered in General Policy Document

CC8 Financial Controls Review (should not's)
Review of November 2018

black indicates compliance
green indicates not applicable to FoMECP

No	page	excerpt/interpretation		
SN1	5	see making internal financial controls work as the responsibility of one or two trustees	1.3	Finance Policy
SN2	7	have a financial governance structure that is too complex	1.4	
SN3	25	allow third parties to open bank accounts in the charity's name or use the bank account to receive or transfer money	3.8	
SN4	26	respond to emails or telephone calls asking for personal security details	3.11	

Appendix 4. Review procedure

