

INTERNAL CONTROL POLICY

A primary responsibility of the management of any organisation is to make sure that it has policies and procedures in place (an organisational plan) to:

- Safeguard the assets (including cash) the organisation uses;
- Encourage adherence to organisational policies;
- Promote operational efficiency (achieve the best outcome at the lowest cost); and
- Ensure accurate and reliable accounting records.

Together these policies and procedures are called a **system of internal control**. The emphasis here is on controls of two types:

Administrative controls. These include the organisational plan, and methods and procedures that help managers to be efficient and keep to business policies.

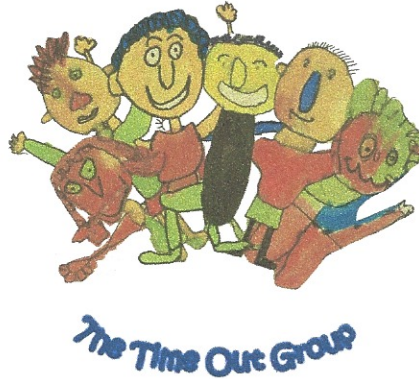
Accounting controls. These include methods and procedures that safeguard assets, authorise transactions and ensure that the financial records are accurate.

GENERAL PRINCIPLES OF INTERNAL CONTROL

These include:

- Appointing competent, reliable and ethical personnel;
- Requiring proper authorisation for financial transactions and for any deviation from standard policy;
- Separating (segregating) duties between personnel for: operations; accounting/record keeping (and within the record keeping system); custody of assets; giving authority for transactions;
- Having pre-numbered business documents that are stored securely; and
- Having adequate insurance.

These principles assume that there are enough people employed (or available as volunteers) to allow some division of duties and responsibilities.

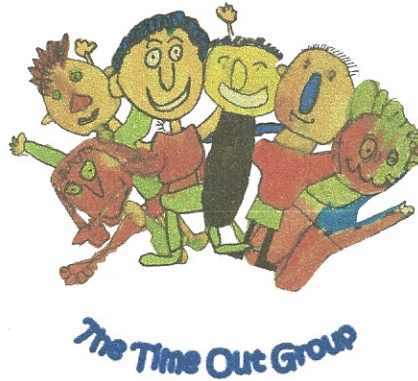


FINANCIAL INSTITUTIONS

- One single current bank account with an institution that provides fee-free banking to charities and community organisations.
- One or more interest-earning accounts that provide a safe and steady growth via interest on investment.
- Funds in the current account should not normally exceed three months operating expense. Any excess funds should be transferred to an interest-earning account.

GENERAL CONTROLS

- Only one deposit book and one cheque book should be in use at any given time, and used books should be retained in storage in accordance with audit and legal requirements.
- Payments or purchase orders up to £100.00 for a single item may be authorised by the Group Leader.
- Any payments or purchase orders over £100.00 must be authorised by any two members of the committee.
- No beneficiary shall be permitted to authorise a payment. Where the beneficiary is the Group Leader, the Treasurer (or other Trustee if the Treasurer is not available) shall authorise the payment.
- Cash floats (e.g. petty cash) shall be operated on the 'imprest system' and reconciled fortnightly.
- Bank reconciliations shall be done monthly by the Treasurer and checked by the Chair or Group Leader.
- All formal contracts for the purchase of assets or services in excess of £100 shall be jointly signed by the Group Leader and Treasurer (or other Officer of the Committee if the Treasurer is not available).
- Applications for grants, subsidy, sponsorship, or any other form of revenue, shall be approved by the Group Leader before initial contact is made with the funding organisation.
- All formal contracts relating to the receipt of grants, subsidies, funds, trusts, sponsorship or other revenue must be approved and signed by the Group Leader except where the contract specifies that an Officer must also sign the contract, in which case the second signatory will be either the Treasurer or the Chairperson.



- That procedures are in place to ensure the privacy of electronic data and databases, and that all pre-numbered receipts, cheques and other documents are properly secured in a locked cupboard or safe.
- All mail shall be opened upon receipt by the Group Leader or other designated employee or Officer, date stamped, and passed to the relevant staff member for action. Only mail that is marked 'private and confidential' shall be passed to the addressee unopened.

SPECIFIC CONTROLS FOR CASH

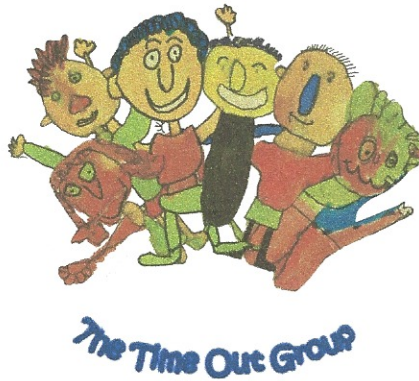
Expenditure within approved budget limits does not need any additional approval. Expenditure in excess of approved budget limits must be authorised by the Treasurer (or other Officer if the Treasurer is not available).

Cash received shall be:

- Receipted (by way of thank you letter to the donor where relevant – with a copy filed by the Treasurer) and the receipts forwarded to payers where practical.
- Banked intact and in total as soon as possible, but not less than weekly.
- Recorded in the cash records at least weekly.

Cash paid shall be:

- By cheques marked as 'not negotiable' or by BACS (or an equivalent online or Fast Payment system).
- Have supporting copies of the relevant documents presented to the Committee Chair, or Treasurer for signature prior to payment being made.
- All payment instruments (cheques or BACS or other online/Fast Payment system) to be signed by the Treasurer or by two authorised persons: authorised persons may be any member of the Committee.
- Claims for refund of expenses shall be supported by receipts or invoices or mileage distances, and be submitted on a standard Expense Claim Form within one month of being incurred. Expense Claim Forms shall be signed



and dated by the person claiming the expense and countersigned and dated by the Group Leader (or in the case of claims by the Group Leader, by the Treasurer)

Cash advances

The Group Leader may be awarded a cash advance of up to £200.00 (or such higher figure as may be determined by the Committee from time to time) with the approval of the Treasurer or the Committee. The cash advance must be signed for by the Group Leader and repaid promptly if for any reason the Group Leader ceases to hold that position, or at any time upon the request of the Committee. The cash advance may be used at the Group Leader's discretion to fund session costs and/or other expenses properly incurred by him/her for the purposes of the Time Out Group or its beneficiaries. In all cases such expenses must be supported by a signed Expenses Claim Form which must then be approved by the Treasurer or another committee member.

This policy was first adopted by the Committee on 12 June 2018 and was last updated on 3 October 2022.

Signed..... *H.H. Bradley* Chair 3/10/22..... Date