



FINANCIAL CONTROLS POLICY (+ Treasurer's role and Independent Audit appendix)

Financial records will be kept so the organisation can:

- Meet its legal and statutory obligations
- Enable its Management Committee to be in proper financial control of the organisation.
- Meet its contractual obligations and requirements of funders.

The organisation will keep proper books of accounts which will include a cashbook analysing all the transactions in the organisation's bank account.

The organisation's financial year will end on 31 March. Year-end accounts will be drawn up by 31 July and presented to the next annual general meeting for adoption. The annual general meeting will appoint an appropriately qualified and/or experienced Independent Examiner to examine the year-end accounts prior to presentation at the next annual general meeting.

Prior to the start of each financial year, the management committee will approve a budgeted income and expenditure account for the following financial year. A financial report comparing actual income and expenditure with the budget will be presented to the management committee at least every three months.

Banking

The organisation currently banks with the HSBC and has online banking facilities.

The organisation's bank mandate (list of people who are authorised to pay monies on behalf of the organisation) will consist of two levels of authority. There will be two primary users – the Chair and the Treasurer. The primary users need to be approved by the management committee and their authorisation recorded in the minutes of the meeting. Primary users will have access to full on-line facilities.

There will also be up to two secondary users, who will have 'view only' access.

Bank statements will be available monthly online, and each month they will be reconciled with the cash book.

Receipts (income)

Any cheques or cash received will be banked within ten working days of receipt. These and online receipts (via BACS or CHAPS) will be recorded in the cash book monthly.

Payments by cheque

The Treasurer will be responsible for holding the cheque book and issuing cheques. All cheques issued by the organisation must contain both primary user signatures. All

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details must be filled in before a cheque is signed. Blank cheques will never be issued. A cheque will not be signed by the person to whom it is payable.

Payments online

Online payments on behalf of the organisation will be made by one of the two primary users. That user can make payments on behalf of the organisation only if the payment falls within the current year's approved budget. Where the payment is outside the scope of the budget, written confirmation must first be obtained from the other primary user. Any electronic message that can be converted into a hard copy is permissible.

Under exceptional circumstances a primary user may make a payment to themselves when reimbursing expenses, but there must be evidence of the expenditure and payment must be authorised beforehand by email exchange with the other primary user.

Documentation

Every payment made from the organisation's bank account will be evidenced by an original invoice or receipt which will be retained and filed by the Treasurer, noting cheque number and/or date of transfer of funds.

The organisation will reimburse expenditure paid for personally by staff/members in pursuit of the organisation's aims and objectives by using a standard expenses claim form, available from the Treasurer.

Other undertakings

The organisation does not accept responsibility for any financial commitment unless properly authorised. Any orders placed or undertakings given, with financial consequences likely to exceed £3,000, must be authorised and minuted by the Management Committee; or made with the written approval of the Chair. The Chair will then provide full details at the next meeting of the Management Committee.

All fundraising and grant application undertaken on behalf of the organisation will be completed in the name of Waveney & Blyth Arts. This will follow the approval of the Management Committee or, if urgent, with the approval of the Chair. The Chair will then provide full details to the next meeting of the Management Committee.

Should the organisation find itself in possession of assets, it will maintain a fixed asset register stating the date of purchase, cost, serial numbers where appropriate and normal location.

Adopted by Waveney & Blyth Arts on 21st May 2021

Ann Follows
Chair Waveney & Blyth Arts
Next review date: May 2023



Appendix

TREASURER ROLE and Independent Audit

The Treasurer is a member of the organisation and a member of the Management Committee, with full voting rights. They have responsibility for the overall financial management, control and accountability of Waveney & Blyth Arts on behalf of the Management Committee and members, and will report regularly to both, at committee meetings and at the Annual General Meeting. They should be involved in business and project planning, in order to protect and advance the sustainability and financial health of the organisation, and to provide financial advice to the Management Committee.

Specific duties

As well as general oversight the treasurer has three specific areas of duty. Some or all of these roles can be delegated to paid or volunteer staff:

- cashier
- book-keeper
- accounting.

Cashier duties The day-to-day running of the finances: paying bills, invoices and other debts by cheque, bank transfer or other approved method; paying in cheques and cash to the nominated bank account etc.

Book-keeping Recording receipts and payments in the form of a cash book; coding and allocating all entries; carrying out monthly bank reconciliations. Filing and storing all hard-copy documents, as legally required.

Accounting duties Producing periodic management accounts in either *Receipts and payments* or *Income and expenditure* format – if the latter, at least quarterly with a comparison to budget. Ensuring an income and expenditure budget is prepared and presented to the Management Committee for approval each financial year. At the year end, producing a full set of accounts for the year, based on the accruals principle, accompanied by a detailed audit trail.

Independent auditing

One or more people must verify the year-end accounts and examine a cross section of the financial transactions from which the accounts were prepared, to ensure they give a *True and fair* view of the organisation's financial. They will need access to all of the accounting records including bank statements, cash book and receipts.

The job of any independent examiner excludes them from any participation in decision-making or the day-to-day running of the organisation. But their role could include advice as well as examination. And it is possible for an independent examiner to take on the book-keeping and accounting functions so long as they are not involved in any way with cashier duties .

Ann Follows
Chair – Waveney & Blyth Arts
May 21st 2021