

WWBC CIO Financial Control Policy

Key Duties

The Charity Commission sets out 6 key duties, all are relevant but 3 are particularly so when considering the financial policy and the checklist below.

- Act in the interest of the charity and its beneficiaries
- Protect and safeguard the assets of the charity
- Act with reasonable care and skill

Separation of Duties

No one person may both authorise and pay any payment or transfer. For example, by signing a cheque, or authorising an on-line banking payment or credit card transaction.

Response:- WWBC has moved to a process whereby two authorised members (currently Trustees / Members of the Management committee) have to agree any payment. The club's previous debit card held by the Treasurer has been cancelled.

Conflict of Interest

No individual may:

- Authorise or make changes to his or her own pay or personnel entitlements or records, or;
- Make payments or enter into contracts with family members or companies in which they have an interest, either directly or through a family member or close friend.

Response:- This clause is specified in the CIO constitution which the Trustees are aware of.

Contracting

A robust contracting process is to be implemented with all major contracts openly tendered.

Response:- For significant works - typically greater than £2,000 quotes are sought from local companies which may include members' companies. Tenders are agreed by the Trustees or the Management Committee subject to authority levels of expenditure.

For minor works the CIO where necessary will make payments to members for non-playing services (e.g. Building work, Painting and decorating) on a self-employed basis and within local commercial rates. Such work to be approved ahead of time with the Treasurer.

Financial Management

Individuals who hold key roles within the CIO and all committees and sub committees are made aware annually of their monthly approval spending limits related to their respective primary areas of responsibility. For committees there are weekly limits set.

Additionally prior to purchasing or arranging expenditure that is likely to exceed monthly limits officers must seek the approval of the management committee / board of trustees.

The treasurer will bring to the attention of each and all trustees (via email) of any significant exceptional item of spend and agree such spend.

Banking

Bank Accounts. Bank, savings and any other form of investment is only to be opened with the written approval of the Board. **Response:-** Agreed

- The account is to be reconciled at least monthly. **Response:-** Normally daily.
- The bank reconciliation, statement, cashbook, chequebook and any other supporting documentation are cross checked. **Response:-** This is performed annually by the independent examiner. Additionally the management committee and board of trustees receives a monthly update regarding financials. Various officers are able to view on-line the organisation's bank account balances to verify reporting figures are correct.

These checks are to be made by someone other than the person concerned with the original recording of the transactions. **Response:-** They are

Bank mandates, account signatories and e-banking access are to be kept up-to-date and individuals may only be added with the written approval of the Board. The list of people with access and their access levels are to be reviewed annually, as part of the audit preparation process. **Response:-** This procedure is adopted

Cheques. Response:- No outgoing payment by cheques are made - all payments are made via on-line banking transfer.

Cash

- Cash is secured under lock and key.
 - **Response** - It is examples are Bar Float, Tea monies, Ladies sub committee and Social committee.
- Access is restricted to those who need access.
 - **Response** - It is examples are members of the bar rota, social organisers and bowling committee officers.
- A cash limit is set that is within the insurance limit.
 - **Response** - The insurance limit for theft is £5,000 from within the building or in transit with £100 excess. The limit advised where petty cash is involved is £100.
- Cash is not sent through the post.
 - **Response** - It is not, there is no need.
- Cash and cheques are banked regularly, particularly if significant sums of cash are received.
 - **Response** - All cash and some membership cheques are routed to the club's cashier (not the Treasurer). The cashier regularly (ordinarily weekly) pays the cash collected and cheques received in the club's primary bank account and informs the Treasurer of funds paid in and what they're for. The Treasurer can see payments in through on-line banking.
 - **Response:-** Cash relating to bar income is reconciled on every occasion the bar is open and recorded in the "bar book" along with the balance of the bar float. On a weekly basis or more frequently through summer weeks twice weekly the bar cash is given to the cashier for banking. For each banking occurrence the cashier informs the Treasurer of total banked and the income amounts related to each day of bar operation.
- Cash is banked 'gross' – that is income is not netted off against other expenditure. All transactions must be recorded.
 - **Response:-** For the most part cash is banked on a "gross" basis (certainly for bar and member income). For social events money is received ahead of time (pre payment for buffets and meals) by the organisers. These pre payment funds are used by the organisers to pay for food provisions and where an outside caterer is used to provide meals to pay them on a per head cost. The organisers of such events give the net receipts to the cashier for banking. The organisers inform the Treasurer of the net income for each event (excluding bar takings).
- Cash is kept separate from personal money and is never used for personal expenditure.
 - **Response:-** It is.
- Where significant sums are to be banked, two individuals escort the money and it is transported by car, not on foot. In the event of a robbery, the money is to be handed over without resistance.
 - **Response:-** The distance between the club house and the local bank branch is a 5 minute walk - it is not practical to drive between the two locations.
- Cash payments are avoided wherever possible. **Response:-** They are.

International Transfers.

Response:- Not applicable.

Income

Donations are to be checked for compliance with the gifting policy before being accepted. Where any doubt exists, the advice of the External Examiner is to be sought.

Regular checks are to be carried out to ensure that records are being accurately maintained and that there are no discrepancies in the accounting records. Specifically, that:

- Records of cash and cheques received agree with bank paying-in slips;
- The paying-in slips equate with the bank statements, both in terms of amount banked and date of credit; and
- All transfers or other direct payments into the bank can be identified and verified against paperwork.

Care needs also to be taken to administer restricted funds separately to ensure these are only used in accordance with donors' restrictions.

Expenditure

Delegation of Authority.

Response:- There are not budget holders but key individuals that are responsible for specific areas of expenditure (e.g. Green Keeper). They each have defined limits of authority for monthly expenditure.

Each budget line should have a specific nominated budget holder who has the authority to approve expenditure against that budget. Expenditure may not be authorised beyond the limit of the delegated budget without appropriate approval by line management.

This may be sub delegated, subject to appropriate approval by line management. However, responsibility for all expenditure remains with the budget holder and, before delegating authority, he or she is to ensure that the individual to whom a delegation is made is issued with any necessary instructions and is competent.

Approval and Payment.

Response:- The prior approval in the first instance of the Treasurer and thereafter the Main Committee or Board of Trustees is required for any projects or proposals in excess of annually agreed authority limits that are not included in the business plan and funded in the budget and for any that will result in a budget being overspent. All expenditure must be properly authorised, represent good value for money and be on appropriate items or services. Delegations and any subsequent changes are to be issued in writing and clearly specify budget lines and limits.

Authorising officers are to check invoices received against orders and confirm that the goods or services have been received, are correctly priced, with any discounts or credit notes taken into account and sales tax (eg VAT) excluded if appropriate, before authorising payment.

Response:- Agreed

Pay and Remuneration. Response - Not Applicable.

Pay is the single biggest cost and, therefore, particular safeguards need to be put in place.

Payment Procedures. Response - Agreed

Payments systems, such as cheque books, credit cards and on-line systems and passwords should be adequately safeguarded. Physical items, such as e banking encryption devices and cheque books should be kept under lock and key when not in use. Passwords should not be written down or shared, and should be changed regularly and if compromised. Accounting IT systems should be routinely backed up and back-ups stored off site in case of fire.

Cheques should always be crossed, blank cheques never signed and mandates restricted to only those who need to sign cheques. Credit card limits should be kept as low as possible. Specific guidance is contained in the credit card policy.

Travel Expenses. Response - Not applicable

Claims should be countersigned by the line manager to confirm that the journey was valid, undertaken and the amounts claimed were reasonable in the circumstances. Expenses claims are to be checked by Finance to ensure that the expenses policy has been complied with.

Novel and Contentious Expenditure. Response - Not applicable

- **Novel** - does not meet the letter of our regulations. That is, using a budget for a purpose for which it was not intended. For example, payment of a bonus to an individual, when there is no such provision in the pay policy. Or exceeding permissible limits. For example, payment of subsistence rates or class of hotel accommodation that exceed the limits in the expenses policy.
- **Contentious** - meets the letter of the relevant policy, but where the need for it or the cost involved may be questioned. For example, where subsistence has been approved within agreed limits, but alcohol or other inappropriate expenditure is claimed for.

Payment of any expenditure which may be novel or contentious requires the prior approval of the Board of Trustees

Assets

Fixed Assets and Equipment. Response - Agreed.

Purchases of assets that have a life expectancy of, and will provide benefit for, more than one financial year may be treated as capital items.

In general, the minimum value for an item to be treated as a capital asset is £80.

The Treasurer with input from officers responsible for related areas is to ensure that:

- A capital replacement register of significant key assets is maintained and reviewed annually.
- Items are individually reviewed for “current” price for replacement and likely shelf life to calculate likely date of renewal
- Subsequent to the annual review, insurance cover is reviewed to prevent being under or over insured.
- Members do not remove assets or items of equipment without prior approval.

Other Issues

Fraud/Bribery. Response:- Agreed

If fraud is suspected it is to be brought to the attention of the General Secretary or Chair of the Board of Trustees

Hospitality. Response - Not Applicable

Losses. Response - Agreed

Any losses are to be investigated. The amount and circumstances of the loss are to be determined and, in particular, whether the loss arose from weaknesses in procedures and/or a failure to apply procedures correctly. Appropriate action is to be taken to ensure no further losses occur, arising from similar circumstances.

Records. The Board of Trustees is to ensure that:

- Records are to be retained in accordance with the documents policy. In particular, spreadsheet payments and receipts and other prime records of account are retained for 7 years (GASP).
- A secure archive is identified and records kept under lock and key.
- The archive is organised to enable records to be easily identified and retrieved.

Experience and Training. Response:- Agreed

The General Secretary is to ensure that:

- The Treasurer is competent to carry out their duties in relation to finance.
- Trustees and members of the Management committee are made aware of relevant financial policies on appointment and those with financial responsibilities are briefed by the Treasurer as part of their induction process.
- Relevant financial policy requirements are included in the “House Rules and Processes” document.
- That this and other guidance is readily available to members and brought to their attention.

IT and Online Security. Response - Agreed

- Security software is to be kept up-to-date, preferably by automatic renewal.
- There are effective controls for authorising and managing access.
- Software updates are kept up-to-date.
- Passwords are strong, not shared and changed regularly.
- Data is remotely backed-up on a regular basis.
- There are disaster recovery procedures that would restore data quickly and fully enough; these have been tested.
- Key officers and members are aware of what they need to do (and not do) to help counter the risk

On leaving the organisation, an individual’s accounts are to be disabled.

Useful Links:

[Charity Governance Code: 4 Decisions, Risk, Control](#)

[CC: 8 - Internal Financial Controls](#)

[CC: Financial Controls Checklist](#)

[CFDG: Banking for charities](#)

[CC: Compliance toolkit](#)

[BZ: Retention of accounting and other records](#)

[CC: Charities, fraud and financial crime](#)

[TT: Charity online security measures](#)

[NCSC: Password Guidance](#)

[Password strength checker](#)