

The Leamington Society: Internal Financial Controls Policy

Issue 1 18-09-23

Policy Statement:

This policy outlines the guidelines and procedures for establishing and maintaining effective internal financial controls within The Leamington Society. The policy aims to ensure the integrity, accuracy, and reliability of financial information, safeguard assets, prevent fraud, and promote compliance with financial policies and regulations. The organization is committed to maintaining a strong internal control environment that supports sound financial management and accountability. The detailed work on financial controls will be undertaken by the Treasurer as a trustee of the Society.

Scope:

This policy applies to all financial activities and transactions undertaken by The Leamington Society. It covers areas such as cash management, revenue and expense controls, purchasing, financial reporting, and compliance with applicable laws and regulations. Note. There are no employees - payroll controls do not apply. The Trustees must manage the business of the society within powers detailed in paragraph 7 of the Constitution of The Leamington Society.

1. Segregation of Duties:

- 1.1 The Leamington Society will establish clear segregation of duties with a designated Treasurer and designated signatories to ensure that no single individual has control over multiple aspects of financial transactions or reporting.
- 1.2 Separate responsibilities will be assigned for activities such as authorization, recording, custody, and reconciliation of financial transactions.
- 1.3 The segregation of duties principle will be applied at all levels of the organization, including financial management, accounting, and oversight functions.

2. Authorization and Approval:

- 2.1 The Leamington Society will implement a robust authorization and approval process for financial transactions requiring a second authorization by a designated signatory.
- 2.2 Financial transactions, including expenditures, reimbursements, and budget adjustments, will require appropriate approval based on predetermined authority levels.
- 2.3 The authorization process, will require a second signatory, and will ensure compliance with financial policies and budgetary limits.

3. Financial Records and Documentation:

- 3.1 The Leamington Society will maintain accurate, complete, and reliable financial records and documentation for all transactions.
- 3.2 Documentation will include invoices, receipts, contracts, and other relevant financial documents.
- 3.3. Financial records and documentation, including membership lists and fees paid, and including those agreeing to Gift Aid recovery, will be appropriately organized, securely stored, and retained in accordance with legal and regulatory requirements and will comply with the UK General Data Protection Regulation (GDPR)

4. Cash Management and Banking:

4.1 The Leamington Society will establish procedures for effective cash management, including cash handling, banking, and reconciliation processes.

4.2 Cash receipts and disbursements will be properly recorded and promptly deposited or disbursed in accordance with established procedures.

4.3 Bank accounts will be regularly reconciled, and any discrepancies or irregularities will be investigated and addressed promptly.

5. Financial Reporting and Monitoring:

5.1 The Leamington Society will establish controls to ensure the accuracy and reliability of financial reporting.

5.2 Regular financial reports will be prepared and reviewed to monitor financial performance and ensure compliance with applicable accounting standards and regulations and confirmed by annual audit by a qualified, independent, auditor.

5.3 Financial reports will be communicated to Trustees in a timely manner to support decision-making and accountability.

6. Fraud Prevention and Detection:

6.1 The Leamington Society will implement measures to prevent and detect fraudulent activities within its financial operations primarily through segregation of duties, double authorization and committee oversight.

6.2 Any suspected fraudulent activities will be promptly reported, investigated, and appropriate actions not excluding legal actions will be taken.

7. Compliance with Laws and Regulations:

7.1 The Leamington Society will comply with all applicable financial laws, regulations, and reporting requirements - confirmed by annual audit by a qualified, independent, auditor.

7.2 Financial controls will be designed and implemented to ensure compliance with regulatory requirements, including those related to taxation, gift aid, charitable regulations, and financial reporting standards.

8. Review and Compliance:

8.1 This policy will be regularly reviewed, at least annually, by the Leamington Society Trustees (essentially the Committee of the Leamington Society) to ensure its continued effectiveness and alignment with changing financial practices and regulations.

8.2 The Committee of the Leamington Society will periodically assess, at least annually, the adequacy and effectiveness of its internal financial controls and implement necessary improvements and enhancements.

9. Compliance:

9.1 All Trustees of The Leamington Society are expected to familiarize themselves with this policy, adhere to its guidelines, and actively participate in the implementation and maintenance

Effective Date:

This policy is effective from 18th September 2023 It replaces any previous Internal Financial Controls policies or guidelines and remains in effect until further notice or revision.

The Leamington Society

