

**FINANCIAL CONTROLS POLICY**

**1 Introduction** Our Financial Controls Policy is designed to establish guidelines and procedures for maintaining effective financial controls within Friends of Portland Works. The purpose of this policy is to ensure the accuracy, integrity, and security of financial transactions and records, as well as to prevent fraud, misappropriation, or other financial irregularities. All trustees and volunteers members are expected to comply with this policy.

**2 Segregation of Duties** To minimize the risk of fraud or error, a clear segregation of duties is maintained. No individual has sole control over all aspects of a financial transaction or record. The following segregation of duties is established:

Authorization of outgoing payments: This is a two-part process in which one individual, usually the Chair or Treasurer, is responsible for authorizing payments. A second person is required to confirm a payment. For on line payments our Bank requires the two part process. For cheque payments two of four signatories are require to sign a cheque.

Recording of bank and cash transactions: Bank transactions are regularly analysed and recorded to explain the purpose of each outgoing payment and the origin of each incoming payment. Cash payments are entered into a cash book and independently verified by regularly reconciling the cash book with the cash in the cash box.

**3 Banking arrangements:** Friends maintains a bank account with CAFBank. It is an online current account and can only be accessed by authorised trustees. The Bank mandate is approved by trustees. The Chair and Treasurer are authorised by the bank to submit and approve payments. Other trustees can be authorised to have a look up facility. Up to date bank statements can be downloaded on demand and are shared periodically with trustees to verify the financial reports submitted to each meeting of trustees. The Charity does not use any other bank or financial institution. Any change to the banking arrangements will be fully discussed and authorised by trustees.

**4 Financial Reporting** Timely and accurate financial reporting is crucial for maintaining transparency and accountability. The following procedures are in place:

Financial Statements: Financial statements are prepared and presented to each trustee meeting for review. They consist of a Bank transaction analysis covering expenditure, income and the balance remaining; and a year to date account of cash income, expenditure and balance held. All payments are supported by invoices or receipts.

Budget Monitoring: A record is kept of forward financial commitments which are recorded separately from unallocated funds. This enables trustees to make informed judgements about expenditure proposals and applications for grant funding from Portland Works or other eligible organisations.

External Reporting: Friends of Portland Works is responsible for submitting an annual report and Financial statements to the Charities Commission in the required format. It is required to submit these returns within 10 months of the year end, and throughout its existence has met these requirements.

**5 Cash Handling and Management** Proper cash handling procedures are in place to prevent theft, loss, or misappropriation. Our policy is to keep under £100.00 in cash. When funds exceed this figure a cash deposit is made into the Bank account. The following guidelines are followed:

Cash Receipts: All cash received is recorded and acknowledged. A signed receipt is kept for all outgoing cash reimbursements or payments to third parties.

Reimbursements: On occasion a trustee may be invoiced for a service provided to Friends of Portland Works eg subscriptions to our website, charges for upgrades etc. Where this is the case the trustee must apply for reimbursement and provide an invoice or receipt.

Expenses: Trustees give their services for free and do not claim for expenses incurred in representing the charity. Should any trustee wish to claim for expenses the trustees would consider the claim on it’s merits.

**6 Internal Audit:** With support from the Treasurer, trustees periodically assess compliance with financial policies and procedures, identify control weaknesses, and recommend improvements.

**7 Fraud Prevention:** Friends of Portland Works openly shares its financial affairs with its supporters and its main beneficiary, Portland Works Little Sheffield Ltd. Anyone with concerns about possible fraudulent activity is free to report these concerns to the Charity Commission.

**8 Training and Awareness**: All trustees have been involved in and are aware of the Financial Controls Policy operated by Friends of Portland Works.

**9 Policy Review** This Financial Controls Policy is reviewed annually to ensure its effectiveness and alignment with the changing needs and circumstances of the organization.

By adhering to this Financial Controls Policy, Friends of Portland Works can demonstrate strong financial governance, protect its assets, and maintain the trust and confidence of its donors, stakeholders, and the wider community.

Approved by: Trustee meeting 24 May 2023

Signed off by Paul Iseard

Chair

24 May 2023