

AVP Stoke Internal Financial Controls Policy and Procedure

1. Policy Statement

AVP Stoke is committed to ensuring that all financial dealings are conducted with integrity, transparency, and accountability. This policy outlines the internal financial controls in place to protect the charity's assets, prevent misuse of funds, and ensure compliance with charity law.

2. Purpose

The purpose of this policy is to:

- Ensure proper financial oversight and stewardship.
 - Minimise the risk of financial mismanagement or fraud.
 - Provide clear procedures for handling income, expenditure, banking, and reporting.
 - Comply with the **Charities Act 2011** and guidance from the **Charity Commission**.
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3. Roles and Responsibilities

- **Trustees** have ultimate responsibility for the charity's finances.
 - **Treasurer** oversees the day-to-day financial operations and reporting.
 - **Staff and volunteers** involved in financial tasks must follow procedures set out in this policy.
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4. Income Handling

- All income (including grants, donations, fees) must be recorded and banked promptly.

- Cash donations must be counted by two people where possible and recorded in a log.
 - Receipts or confirmation emails must be issued for all donations over £50 (or on request).
 - Restricted and unrestricted funds must be accounted for separately.
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5. Expenditure Controls

- All payments must be authorised by at least two unrelated individuals: usually a trustee and the treasurer.
 - Payments over £500 require approval from the full trustee board or a designated finance sub-group.
 - Receipts and invoices must be obtained for all expenses.
 - Pre-approval is required for any spending over agreed budgets.
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6. Banking

- AVP Stoke maintains a charity bank account in its name, with at least one authorised signatory (trustee).
 - Online banking is used where secure authorisation is available.
 - Bank reconciliations must be completed monthly and reviewed by the trustees.
 - Debit/credit cards, if used, must have strict usage limits and oversight.
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7. Petty Cash (if applicable)

- Petty cash is only used where absolutely necessary and must be securely stored.
- A petty cash log must be maintained, showing:
 - Date, amount, reason, and recipient
 - Signatures for withdrawals
- Petty cash is reconciled monthly and approved by the treasurer.

8. Financial Records

- Accurate, up-to-date financial records must be kept in accordance with charity law.
- Records include bank statements, invoices, receipts, grant documentation. (where appropriate)
- All records are stored securely and retained for a minimum of 6 years.

9. Financial Reporting

- The treasurer provides a financial report at each trustee meeting.
- An annual budget is prepared and approved by the trustees.
- Annual accounts are prepared in accordance with the **Charity SORP (FRS 102)** and submitted to:
 - The Charity Commission (if income over £25,000)
 - HMRC (if applicable)

10. Conflicts of Interest

- All trustees and staff must declare financial interests.
- No one may authorise a payment to themselves or to a close relative.
- Decisions involving financial interests are minuted and managed in line with AVP Stoke's Conflict of Interest Policy.

11. Fraud and Theft

- Any suspicion of fraud or theft must be reported immediately to the trustees.
- If a serious financial incident occurs, it must be reported to the Charity Commission.

- Disciplinary action will be taken where fraud or dishonesty is confirmed.
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12. Review and Monitoring

- The trustees will review financial controls annually.
- Policies and procedures will be updated in response to changes in law, best practice, or risk.
- Independent scrutiny or audit will be arranged as required by charity law.

Last reviewed: 1st January 2025