Internal Financial Controls Policy and Procedures

Highfield After School Club, Southampton

Approved by the trustees: 21 May 2025

To be reviewed annually

1. Introduction

This policy outlines the internal financial controls in place at the Highfield After School Club to ensure proper stewardship of charity funds, compliance with legal requirements, and transparency in financial matters. These controls help prevent loss or misuse of the charity's assets and ensure trustees meet their legal duties as outlined in the Charity Commission guidance CC8.

2. Roles and Responsibilities

Trustees have ultimate responsibility for the charity's finances, ensuring funds are used for charitable purposes and properly accounted for. A Treasurer is appointed to oversee day-to-day financial matters, with support from deputy treasurer and any relevant staff or volunteers. Trustees retain collective oversight of the charity's finances and must regularly review financial reports.

3. Banking Arrangements

The charity maintains a bank account in its own name. The account name is: Highfield After School Club. All bank accounts are operated in accordance with this policy and are reviewed annually. At least two unrelated trustees are authorised signatories.

4. Income Controls

All income (including fees, donations, grants, and fundraising proceeds) is recorded promptly and accurately. Cash income is counted and recorded by two people where possible and banked promptly. Most of the ad-hoc sessions are paid using online method

directly to the bank account. Donations are recorded in the accounting system and, where appropriate, donor details are kept for audit and Gift Aid claims.

5. Expenditure Controls

All expenditure is properly authorised and documented. Invoices are checked for accuracy and relevance before payment. No one may authorise a payment to themselves. Payments above £500 must be approved by the board of trustees, with the exception of salaries which are approved annually by the board of trustees.

6. Petty Cash

Petty cash is used for small incidental expenses only. A petty cash log is maintained with receipts and signatures. A set float is kept and reconciled monthly by someone independent of those handling the cash.

7. Expense Claims

Trustees and staff can claim reasonable and necessary expenses. Claims must be supported by receipts and approved by another trustee. Claims are paid via bank transfer and not in cash where possible.

8. Accounting Records and Financial Reporting

Financial records are maintained in accordance with the Charities Act and accounting standards appropriate to the size of the charity. Records are retained for at least six years. The Treasurer prepares termly and annual financial reports for trustee meetings. Annual accounts are independently examined or audited where required and submitted to the Charity Commission.

9. Budgeting and Planning

An annual budget is prepared and approved by trustees. Actual income and expenditure are reviewed against the budget at least quarterly. Any significant variances are investigated and reported to the trustees.

10. Asset Controls

A register of assets is maintained and reviewed annually. Equipment and resources purchased by the charity remain the property of the charity. Any disposal of assets must be authorised by trustees and properly recorded.

11. Conflicts of Interest

Trustees must declare any financial interests and avoid situations where personal interests conflict with the charity's objectives. Related party transactions are documented and approved by the board, with conflicted individuals excluded from decisions.

12. Fraud and Financial Irregularity

The charity adopts a zero-tolerance policy to fraud. Suspected fraud or financial misconduct must be reported to the trustees immediately. The charity will take appropriate disciplinary and legal action if required and notify the Charity Commission where necessary.

13. Review and Monitoring

This policy is reviewed annually by the trustees or sooner if there are significant changes in financial operations or regulations. Trustees confirm compliance with financial procedures at each meeting and take corrective action if needed.

Approved by the Trustees of Highfield After School Club

Signed:

Name: Christina Vanderwel [Chair of Trustees]

Date: 21 May 2025