



FINANCIAL CONTROLS

REVISED April 2021

Reviewed 2023

Hands on Heritage CIO Reg Charity 1157215

Financial Controls – Approved April 2016, latest revision February 2019

Extract from the CIO's Constitution:

25. Accounting records, accounts, annual reports and returns, register maintenance

(1) The charity trustees must comply with the requirements of the Charities Act 2011 with regard to the keeping of accounting records, to the preparation and scrutiny of statements of accounts, and to the preparation of annual reports and returns. The statements of accounts, reports and returns must be sent to the Commission, regardless of the income of the CIO, within 10 months of the financial year end.

(2) The charity trustees must comply with their obligation to inform the Commission within 28 days of any change in the particulars of the CIO entered on the Central Register of Charities.

These controls have been developed in line with guidance available from the Charity Commission, which may be reviewed at:

<https://www.gov.uk/government/publications/internal-financial-controls-for-charities-cc8/internal-financial-controls-for-charities>

1 Principles

- 1.1 The financial controls procedures should be robust and secure, simple, appropriate to the level of risk and quantity of transactions, and should ensure that all information on the CIO's transactions is openly available to all Trustees and members of the CIO, and compliant with the Constitution and underlying legislation, as noted above.
- 1.2 Regular monitoring of transactions should be carried out by at least two of the Trustees, and this internal scrutiny should be formally signed off by the Chairman (who may be one of the two Trustees) at each Trustees' meeting and at the Annual General Meeting.
- 1.3 Financial controls should ensure that any failure to comply with legislation or with internal policies on (for example) reserves, investments, donations or conflicts of interest is identified in a timely manner and corrected without delay.
- 1.4 Any of the *procedural* tasks described in this policy may be delegated or outsourced to a competent individual or company, provided that:
 - The individual or company has a clearly set out list of responsibilities and has professional indemnity insurance to cover their duties for the CIO;

- The Treasurer, Chairman and Trustees retain the responsibility to the CIO's members for the successful performance of any duties outsourced;
- An annual review of performance of these duties is carried out and reported at the AGM.

2 Procedures

2.1 Trustees' responsibilities

- 2.1.1 The Treasurer is responsible for day to day management of the CIO's income and expenditure; for preparing quarterly and annual reports, preparing budgets and forecasts, and for management of the CIO bank account. The Treasurer is also responsible for preparing a draft Trustees' Annual Report for the Chairman's completion and signature.
- 2.1.2 The Chairman is responsible for reviewing all reports prepared by the Treasurer, and for signing off all formal reports including the Charity Commission Annual Return and accounts.
- 2.1.3 The Treasurer is responsible for day to day expenditure; for invoicing and collecting fees from school visits; for reviewing and signing off grant applications (with the Treasurer where necessary or appropriate); and for liaison with other funding organisations.
- 2.1.4 At each Trustees' meeting and before the AGM, the Treasurer will present the Chairman with a financial report or set of accounts, as appropriate, accompanied by a bank reconciliation and a copy of the current bank statement for the Chairman's signature. The Chairman may delegate his signature to another Trustee except for the AGM and annual accounts.

2.2 Budgets and forecasts

- 2.2.1 The Treasurer will prepare an annual budget of income and expenditure for the year to come, and present this to the Trustees before the Annual General Meeting; a revised version will be presented to the members at the AGM;
- 2.2.2 An updated budget report will be prepared by the Treasurer and presented at each Trustees' meeting during the year.
- 2.2.3 The level of detail of the report and the actions to be taken in the event of significant deviations from budget will be agreed by the Trustees from time to time and in line with Charity commission guidance.

2.3 Undertaking and recording transactions – Income

- 2.3.1 The Treasurer will be responsible for issuing invoices, ensuring that they are accurate and in agreement with contract arrangements. The Treasurer will record the issue of any invoice within one week of its issue in the CIO's purchase and sales record.
- 2.3.2 The Treasurer will be responsible for banking any income received. A full record of any cash or cheque receipt will be kept securely by the Treasurer.

2.4 Undertaking and recording transactions – expenditure

- 2.4.1 The Treasurer and the Chairman are authorised to undertake expenditure or commit the CIO to any expenditure; no other member or Trustee may do so without written authorisation. Authorised Trustees or members may purchase materials or services up to the value of £250 using either petty cash or HoH Paypal, and must report any transactions to the Treasurer supplying receipts where appropriate.

2.4.2 The Treasurer will be responsible for reimbursing expenditure and will record all expenditure within two working days of each transaction in the CIO cashbook.

2.5 Bank account(s) and Cash

2.5.1 The CIO will maintain a bank account, using an appropriate form of account for a community organisation, and three Trustees will be signatories to the account. Any *one* Trustee may authorise transactions on the account. Authorised Trustees or members will be issued with Paypal passwords or petty cash for purchases solely on the CIO's behalf, and will provide receipts and vouchers monthly for the Treasurer to check and record [*] in the CIO's purchase record.

2.5.2 The bank account will be reconciled on a monthly basis, and any discrepancies reviewed and eliminated within two working days of the month end.

2.6 Internal reports - monthly, quarterly and annual

2.6.1 Finance reports (see model attached) will be prepared by the Treasurer on a quarterly basis or *ad hoc* for any Trustees or Members' meeting called in line with the Constitution's provisions.

2.6.2 The Treasurer will prepare an internal monthly bank report not for circulation, but available for any Trustee without notice.

2.6.3 The Chairman will require the Treasurer, other Trustees and members with specific responsibilities to prepare annual reports covering their areas in time for the drafting of the Trustees' Annual report and presentation of an aggregated report to the Members.

2.7 External Reports

2.7.1 The Chairman and Trustees will prepare, present and sign off the Trustees' Annual Report after each AGM and submit this together with the annual accounting records to the Charity Commission within the appropriate timetable.

2.7.2 Any grant-funding body will be supplied with appropriate regular or terminal reports in line with their contracted requirements. The Treasurer will be responsible for preparing these reports and submitting them on time.

2.8 External audit and scrutiny

2.8.1 Charity Commission regulations require external audit only where turnover or other financial limits indicate, and The Treasurer will be responsible for certifying to Trustees whether or not external audit of annual or quarterly financial accounts and reports has become necessary;

2.8.2 There is no provision in the Constitution for Members to require an external audit, but the Trustees will consider carefully any such request, and by default will grant such a request unless the costs of an audit outweigh in the Trustees' opinion any possible benefit to be gained.

3 Documents and record storage

3.1 The **Secretary** will ensure that a signed copy of the current active Constitution is held in the CIO's records together with the following documents *either* in paper *or* in easily accessible digital form:

3.1.1 The Trustees' Annual Reports, as agreed by the Trustees and signed by both the Chairman and the Treasurer, Minutes of the Annual General Meetings, Trustees' Meetings and any correspondence relating to these reports or minutes;

- 3.1.2 Copies of current and signed Policies, together with an up to date list of such policies and any risk assessments or procedures contributing to the policies;
- 3.1.3 Any formal correspondence or correspondence from members.
- 3.2 The **Treasurer** will maintain the following documents in *either* paper form *or* in easily accessible digital form:
 - 3.2.1 A cashbook showing all the CIO's income and expenditure, together with bank statements and a reconciliation between the cashbook and the bank statements;
 - 3.2.2 Quarterly financial reports; a copy of the annual financial report, as agreed by the Trustees and signed by both the Treasurer and the Chairman; any budget statements or forecasts; and any project or programme budgets or estimates;
 - 3.2.3 All vouchers for both income and expenditure, together with up to date lists of income and expenditure items and any provisions against future expenditure or income.
- 3.3 The Secretary or Lead Volunteer will maintain records of:
 - 3.3.1 A site accident/incident book, and all records of health and safety procedures on site, to be maintained as paper records;
 - 3.3.1 The Secretary will maintain: Records of grant applications, programme budgets and planned expenditure; training income, expenditure and training carried out; induction programmes carried out, and any correspondence with sponsors, employers or the site owners, all these records to be maintained either on paper or in easily accessible digital form.
- 3.4 'Easily accessible digital form' is self-explanatory, but for the avoidance of doubt any records held digitally in MS Word or Excel, PDF format or similar text-based forms would comply with this definition. Digital photographs or scans of documents or receipts would comply where no editing of the record has been carried out or needs to be carried out.

4 Exceptions

- 4.1 These financial controls are designed to be as straightforward and as simple to carry out as possible, and no *general* exceptions are envisaged or allowed. In circumstances where an exception is requested by one of the Trustees to whom a task or tasks is assigned in these controls, Chairman's action to apply an exception *must* be (a) notified by email to all the Trustees within 24 hours and (b) signed off at the next Trustees' meeting, with a full explanation accepted by Trustees and so minuted.

Hands on Heritage

Registered Charity 1157215

Running Balance:

Financial Report

June 12th to date

5/9/2016



16,849.05

| 1 Bank Account | | | | | | |
|------------------------|----------|----------|---------------------|-------------------------------|--|------------------|
| Opening Balance | | | | | | |
| Date | Paid Out | Received | Detail | Analysis | | |
| | | | | | | 12,795.26 |
| 29/06 | 53.75 | | | Correction to opening balance | | |
| 29/06 | | 1,237.50 | Schools - CC & Sax | School Visit | | |
| 30/06 | | 743.00 | Springfield | School Visit | | |
| 18/07 | | 4,000.00 | Suffolk Archaeology | Training grant | | |
| 18/07 | | 72.54 | Suffolk Archaeology | Site visit costs | | |
| 20/07 | 306.90 | | Coracles etc | Project costs | | |
| 21/07 | | 855.00 | Coldfair Green | School Visit | | |
| 26/07 | 2,514.35 | | Duncan Allan | School visits, coracles | | |
| 28/07 | 121.50 | | J Cruz | Volunteer travel | | |
| 03/08 | 139.50 | | N Croxford | Volunteer travel | | |
| 08/08 | | 315.50 | Kingstleet | School Visit | | |
| 31/08 | 33.75 | | J T Pegg | Materials | | |
| Closing Balance | | | | | | |
| | | | | | | 16,849.05 |

| 2 Income & Expenditure | Management & Materials | | | | | | Other |
|------------------------|------------------------|-----------------|-------------------|-----------------|----------|----------------------|-----------------|
| | Tunstall | Hasketon | Projects | Training | Capital | | |
| (a) Cash | | | | | | | |
| Travel expenses | (153.00) | | (108.00) | | | | |
| Training | | | | (53.75) | | | |
| Training income | | | | 4,000.00 | | | |
| School Visit Income | 3,151.00 | | | | | | |
| Site & Visit costs | (1,008.61) | | (1,223.23) | | (209.97) | | |
| Project costs | (340.65) | | | | | | |
| (b) Provision | | | | | | | |
| Volunteer travel | (50.00) | | | | | | |
| Equipment etc | (50.00) | (50.00) | (50.00) | | | | |
| Suffolk Archaeology | (500.00) | (500.00) | | | | | |
| Visit & Training tees | 0.00 | | | 210.00 | | | |
| Site & Visit costs | (500.00) | | | | | | |
| | | | | | | Cash Movement | 4,053.79 |
| (c) Total | | | | | | Net Movement: | 2,881.76 |
| | 548.74 | (550.00) | (1,273.23) | 4,156.25 | | | |

Hands on Heritage

Registered Charity 1157215

Financial Report

April to June

5/9/2016

Running Balance:

16,849.05

Notes to Financial Report

1 Overall Situation We have received £7,223 and spent £3,169 over the past three months, and have a balance of £16,849.05 in the bank at the moment. Cash in hand is therefore still very positive, and we have received fees from all school visits to date. Net movement over the three months to September 5th is an increase in the overall balance of over £4,000, but this includes the £4k training grant which is ringfenced for training expenses. A short verbal report on the coracle and roman villa expenditure will be made at the September Trustees' Meeting

2 Planned Expenditure We have not yet been invoiced for staffing cost recharges by Suffolk Archaeology, and it now seems likely that this may be written off. We will retain a provision until the year end. Otherwise expenditure is well under control at present.

3 Anticipated Income We anticipate spending more time over the winter looking for grant opportunities, and Trustees and members will be debating guidelines for appropriate grant funding and funding initiatives at the AGM. There are one or two strong potential areas for investigation and action.

4 Issues I have set up a simple accounting spreadsheet as part of the finance controls we agreed were now needed, and have reviewed the Charity Commission requirements. A budget forecast for the year end will be presented to the September Trustees' meeting for discussion. We will also complete the review of financial controls at the September meeting.