



## **Internal Financial Controls Policy**

### **1. Introduction**

- 1.1 Financial records will be kept so that Hertfordshire Golf Limited “the Company” can:
  - a) Meet its legal and other obligations, e.g. Companies Act 2006, Inland Revenue, Customs & Excise and common law.
  - b) Enable the Board to be in proper financial control of the Company.
  - c) Enable the Company to meet the contractual obligations and requirements of funders.
- 1.2 The Company will keep a detailed record of accounts, which will include:
  - a) Electronic accounting software analysing all the transactions in the Company's bank account(s).
  - b) A separate record of cash receipts and payments being made.
  - c) Statutory payroll records.
- 1.3 The financial year will end on 31<sup>st</sup> October each year.
- 1.4 Accounts will be drawn up after each financial year within six weeks of the end of the financial year and presented to the next Board Meeting.
- 1.5 At the start of each financial year, the Board will approve a budgeted income and expenditure account for the year.
- 1.6 A report comparing actual income and expenditure with the budget will be presented to the Board at least every three months.
- 1.7 The Board will appoint an appropriately qualified auditor/examiner to audit/examine the accounts for presentation to the Board.

### **2. Banking**

- 2.1 Accounts will be held in the name of the Company. The following accounts will be maintained:
  - a) Unity Current Account T2 (1090)
  - b) Unity Instant Access Account (2248)
  - c) Fixed Term Deposits and/or Notice Accounts which come under the protection of the FSCS

- 2.2 The bank mandate (list of people who can sign cheques and authorise internet banking payment transactions on the organisation's behalf) will always be approved by the Board and recorded in the minutes as well all changes to it.
- 2.3 The Company will require the bank to provide statements every month. These will be reconciled with the accounting software and the Finance Director will present updated accounts to the Board at least four times a year.
- 2.4 The Company will not use any overdraft or loan facilities without of the agreement of the Board.

### **3. Receipts (income)**

- 3.1 All monies received will be recorded promptly in the accounting software and banked without delay (note this includes sundry receipts such as donations, payment for telephone calls, photocopying etc.). The Company will maintain files of documentation to back this up.

### **4. Payments (expenditure)**

The aim is to ensure that all expenditure is on company business and is properly authorised and that this can be demonstrated. The latest approved budget provides authorised persons with authority to spend up to the budgeted expenditure, not beyond it. Any new/amended bank details for new/existing payees will be separately verified.

- 4.1 The Secretary will be responsible for holding the cheque books (unused and partly used cheque books) and operating the online banking system in accordance with the principles in this policy.
- 4.2 Blank cheques will NEVER be signed.
- 4.3 The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- 4.4 No cheques should be signed without original documentation (see below).

### **5. Payment documentation**

- 5.1 Every payment out of the Company's bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand). That original invoice will be retained by the Company and filed. If this in an emergency requires the use of a cheque then it should be ensured that it is referenced with:
  - a) Cheque number, date cheque drawn, amount of cheque,
  - b) Who signed the cheque.

- 5.2 The only exceptions to payments not being supported by an original invoice would be for such items as advanced booking fees for a future activity, deposit for a venue, VAT, etc. but suitable supporting documentation should be held until this is received.
- 5.3 Wages and Salaries. There will be a clear trail to show the authority and reason for every such payment; e.g. an Employer's Summary document detailing the payments to employees, the Inland Revenue, Pension Fund, etc. All employees will be paid within the PAYE, National Insurance and other relevant regulations.
- 5.4 All staff appointments/departures will be authorised by the Board. with minutes containing the dates and salary at initial appointment. (see Pay Policy document for further references)
- 5.5 Petty Cash will always be held securely, should not exceed £1,000 and will be operated under an "imprest" basis.

The Secretary is entrusted with control of the Petty Cash. Full records of income and expenditure will be reported to the Finance Director. The Petty Cash will be reconciled with the accounting software records at least once a month.

- 5.6 Expenses/allowances. The Company will, if asked, reimburse expenditure paid for personally by employees and volunteers, providing:
  - a) Fares are evidenced by tickets.
  - b) Other expenditure is evidenced by original receipts.
  - c) Car mileage rates do not exceed Inland Revenue scales.
  - d) No cheque signatory signs for the payment of expenses to themselves.

## **6. Cheque Signatures and Bank Cards**

- 6.1 Each cheque or electronic bank transfer will be signed/authorised in accordance with the mandate.
- 6.2 A cheque must not be signed by the person to whom it is payable.
- 6.3 Debit/Credit cards must only be used for purchases required for the day-to-day operation of the Company.

## **7. Other undertakings**

- 7.1 The Company does not accept liability for any financial commitment unless properly authorised. Any unbudgeted orders placed, or undertakings given, the financial consequences of which are, prima facie, likely to exceed in total £1000, must be authorised by the Finance Director, or if likely to exceed £5000 by the Board, and recorded in the relevant minutes. In exceptional circumstances such undertakings can be made with the approval of the Chair who will then provide full details to the next meeting of the Finance Committee and, if over £5000, to the Board.

7.2 All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of the Company with the prior approval of the Finance Director or the Chair who will provide full details to the next Board meeting.

## **8. Other rules**

8.1 The Company will adhere to good practice in relation to its finances at all times, e.g. it will set up and maintain a Fixed Asset register stating the date of purchase, cost, serial numbers and normal location. Additionally, the Company will maintain a property record of items of significant value, with an appropriate record of their use.

## **Policy review**

The overall responsibility for this policy lies with the Board.

Responsible Director: Frank Clapp, Finance Director

Adopted: January 2022

Review date: May 2025