



Charity No: 222458

c/o 2 Brookfield Cottages  
The Strand  
Lympstone  
Exmouth EX8 5ES

Email: [promoting.retreats@gmail.com](mailto:promoting.retreats@gmail.com)

Tel: (01395) 272243

## **Association for Promoting Retreats**

### **Internal Financial Controls Policy**

This policy applies to all Trustees, volunteers, employees, contractors, and third-party representatives of the Association for Promoting Retreats (APR). Its requirements should be reflected in other policies and procedures, agreements and contracts, as necessary.

#### **1. Separation of Duties**

No one person may both authorise and pay any payment or transfer, either with an on-line banking payment or cash or credit card transaction.

#### **2. Conflict of Interest**

No individual may:

- Authorise or make changes to his or her own pay or personnel entitlements or records, or
- Make payments or enter into contracts with family members or organisations in which they have an interest, either directly or through a close family member.

#### **3. Contracting**

A robust contracting process is to be implemented with major contracts openly tendered, subject to scrutiny and approval by the APR Board of Trustees, and retendered every 3 to 5 years. Contracts and other agreements should be recorded in a simple contracts register and each reviewed annually to ensure these continue to meet the APR's needs and offer good value for money.

#### **4. Budgeting**

The APR Board of Trustees is to scrutinise and approve an annual budget. The budget should include prudent income forecasts that have been tested to confirm that there is a reasonable expectation of securing the funding planned for.

#### **5. Financial Reporting**

Up to date financial reports should be submitted to the APR Board of Trustees regularly. Reports should use simple clear English that all board members will be able to understand, and:



- Explain the APR's current and likely future financial position
- Focus on the key issues and risks, the action being taken to address these, and the expected outcomes
- Highlight any significant deviations from budget or funding shortfalls.

## 6. Financial Management

Budget holders are to review financial reports, investigate any variances to the budget/forecast, and unusual or unexpected transactions that cannot be adequately explained, and take appropriate action. Any significant issues should be reflected in reports to the Board.

## 7. Cash

- Cash is secured under lock and key
- Access is restricted to those who need access
- A cash limit is set that is within the insurance limit
- Cash is not sent through the post
- Cash and cheques are banked regularly, particularly if significant sums of cash are received
- Cash is banked 'gross' – that is income is not netted off against other expenditure
- All transactions must be recorded.
- Cash is kept separate from personal money and is never used for personal expenditure
- Where significant sums are to be banked, two individuals are to escort the money and it must be transported by car, not on foot. In the event of a robbery, the money is to be handed over without resistance.
- Cash payments are avoided wherever possible.

## 8. Banking

**8.1 Bank Accounts:** Bank, savings and any other form of investment are only to be opened with the written approval of the APR Board of Trustees.

- The account is to be reconciled at least quarterly
- The bank reconciliation, statement, cashbook, chequebook and any other supporting documentation are regularly cross checked.

These checks are to be made by someone other than the person concerned with the original recording of the transactions.

Bank mandates, account signatories and e-banking access are to be kept up-to-date and individuals may only be added with the written approval of the APR Board. The list of people with access and their access levels are to be reviewed annually, as part of the audit preparation process.

**8.2 Cheques:** All cheque stubs should be completed fully. Payments exceeding £1,000 require two signatures, one of whom must be the APR Treasurer.



Cheque books are to be secured under lock and key. Cheques must be used in sequence and only one cheque book for each account is to be held at any time.

**8.3 Non-Standard Payment Requests:** To safeguard against AI deep fakes, any non-standard requests for payment, such as phone or video calls, must involve codewords or confirmations through a different channel.

**8.4 International Transfers:** There are specific risks and regulations, such as the Financial Action Task Force (FATF), relating to transferring currency internationally. There are also specific regulatory requirements in some countries and strict HMRC guidelines on transferring charitable funding overseas that must be complied with. The advice and approval of the APR Treasurer and/or the appointed Accountants is to be sought in all cases.

## 9. Income

Regular checks are to be carried out to ensure that records are being accurately maintained and that there are no discrepancies in the accounting records. Specifically, that:

- Records of cash and cheques received agree with bank paying-in slips
- The paying-in slips equate with the bank statements, both in terms of amount banked and date of credit
- All transfers or other direct payments into the bank can be identified and verified against paperwork.

**9.1 Restricted Funds** – are to be accounted for separately to ensure these are only used in accordance with donors' restrictions.

**9.2 Multi-year funding** – is to be accounted for in a way that ensures future year funding is not inadvertently spent in the current accounting year.

**9.3 Anonymous or suspicious donations** – are to be subject to appropriate due diligence to minimize the risk of fraud.

## 10. Expenditure

### 10.1 Delegation of Authority

Each budget line should have a specific nominated budget holder who has the authority to approve expenditure against that budget. Expenditure may not be authorised beyond the limit of the delegated budget without appropriate approval by line management.

This may be sub-delegated, subject to appropriate approval by the APR Treasurer. However, responsibility for all expenditure remains with the APR Treasurer and, before delegating authority, he or she is to ensure that the individual to whom a delegation is made is issued with any necessary instructions and is competent.



## 10.2 Approval and Payment

The prior approval of the APR Board of Trustees is required for any projects or proposals in excess of £5,000 that are not included in the business plan and funded in the budget, and for any that will result in a budget being overspent. All expenditure must be properly authorised, represent good value for money and be on appropriate items or services. Delegations and any subsequent changes are to be issued in writing and clearly specify budget lines and limits.

Authorising officers (usually the APR Treasurer, Administrator or appointed Accountants) are to check invoices received against orders and confirm that the goods or services have been received, are correctly priced, with any discounts or credit notes taken into account and sales tax (eg VAT) excluded if appropriate, before authorising payment.

The APR Treasurer or Administrator is to check each invoice before payment. Any that have not been appropriately authorised should be rejected and remain the personal responsibility of the individual who incurred the expenditure.

## 10.3 Electronic Payments

Anyone able to make payments is to be made aware of basic cyber security steps, including the risk of online scams, including AI voice scams. These can very convincingly imitate a member of your charity but using text and video. The following may indicate that a call is scam:

- Voice message scam calls are not live so you might notice that they use generic language
- Where the call is live, you may be able to spot a slight delay in response as the fraudster types their reply into the software; you may even hear the tap of the keyboard
- Be suspicious of any call or voice message out of the blue, particularly if it is from an unknown number.

Use the following to verify any caller where you are being asked to divulge sensitive information of make a funding transfer. Follow the cyber security methods outlined above, plus these may be helpful:

- Verify who the caller is by asking a question that only the real person would know the answer to, for example, something discussed at a recent Trustee meeting.
- If you are not sure, hang up and call the person back on the number you have stored for them

## 10.4 Pay and Remuneration

Pay is the single biggest cost and, therefore, particular safeguards need to be put in place.

- Any proposals to increase staffing are to be discussed and approved by the full APR Board of Trustees
- If used, time sheets should be properly completed and submitted to the APR Chair and Treasurer quarterly



- Time sheets should be checked and signed quarterly by the APR Chair or Treasurer
- Pay and personnel records should be kept separate.

## 10.5 Payment Procedures

Payments systems, such as cheque books, credit cards and on-line systems and passwords should be adequately safeguarded. Physical items, such as e-banking encryption devices and cheque books should be kept under lock and key when not in use. Passwords should not be written down or shared and should be changed regularly and if compromised. Accounting IT systems should be routinely backed up and back-ups stored off site in case of fire.

Cheques should always be crossed, blank cheques never signed, and mandates restricted to only those who need to sign cheques. Credit card limits should be kept as low as possible.

## 10.6 Travel Expenses

Claims should be countersigned by the APR Treasurer to confirm that the journey was valid, undertaken and the amounts claimed were reasonable in the circumstances. Expenses claims are to be checked by the APR Treasurer or Administrator to ensure that the expenses policy has been complied with.

## 10.7 Novel and Contentious Expenditure

This is defined as follows:

- **Novel** - does not meet the letter of our regulations, ie, using a budget for a purpose for which it was not intended.
- **Contentious** - meets the letter of the relevant policy, but where the need for it or the cost involved may be questioned. For example, where subsistence has been approved within agreed limits, but alcohol or other inappropriate expenditure is claimed for.

Payment of any expenditure which may be novel or contentious requires the prior approval of the APR Chair and/or APR Treasurer.

## 11. Assets

### 11.1 Fixed Assets and Equipment

Purchases of assets that have a life expectancy of, and will provide benefit for, more than one financial year may be treated as capital items and their value written down over the lifetime of the asset.

In general, the minimum value for an item to be treated as a capital asset is £500.

- A fixed asset register is maintained and reviewed annually
- Items are allocated inventory codes and marked accordingly
- Subsequent to the annual review, insurance cover is reviewed to prevent being under or over insured
- Staff do not remove assets or items of equipment without prior approval



## 11.2 Cryptoassets

In deciding whether the APR will accept and hold donations of cryptoassets, or not, the APR Board of Trustees will assess the opportunities, benefits, risks and limitations. In doing so, they will ensure that they either have, or source, relevant expertise. If they decide to accept cryptoassets, the APR Trustees will implement appropriate financial and other controls, and manage the risk on an ongoing basis.

## 12. Other Issues

**12.1 Fraud/Bribery:** If fraud is suspected, it is to be brought to the attention of the APR Chair and Treasurer; for significant or recurring fraud, the whole APR Board of Trustees need to be notified.

**12.2 Hospitality:** Trustees may be offered hospitality in the form of being taken out to drinks or events, or gifts by suppliers or others. It is essential that this is entirely above board and can be demonstrated to be so. Trustees may only accept hospitality or gifts, which are worth less than the value of £500.

**12.3 Losses:** Any losses are to be investigated. The amount and circumstances of the loss are to be determined and, in particular, whether the loss arose from weaknesses in procedures and/or a failure to apply procedures correctly. Appropriate action is to be taken to ensure no further losses occur, arising from similar circumstances. The value of any item is to be at realisable value. Any loss must be approved for write off in line with the delegations from the Board of Trustees. The loss is to be written off on the accounting system and the record of investigation and approval for write-off filed for audit purposes.

## 12.4 Records

- Records are to be retained in accordance with the documents policy. In particular, cashbooks and other prime books of account are retained for 7 years, and supporting vouchers for 18 months
- A secure archive is identified, and records kept under lock and key
- The archive is organised to enable records to be easily identified and retrieved.

## 12.5 Staff/Trustee Experience and Training

- On appointment, appropriate work references must be taken up and qualification certificates checked
- Staff and Trustees must be competent and properly trained to carry out their duties in relation to finance
- Staff and Trustees must be made aware of relevant financial policies on their appointment, and those with financial responsibilities must be briefed by the APR Treasurer as part of their induction process
- That this and other guidance is readily available to staff, Trustees and any other volunteers, and brought to their attention.



### 13. IT and Online Security

The APR Board of Trustees (in particular, the APR Treasurer and/or APR Administrator) will ensure that:

- Security software, such as anti-virus and firewalls, must be kept up-to-date, preferably by automatic renewal
- There are effective controls for authorising and managing access
- Software updates are installed promptly
- Passwords are strong, not shared and changed regularly
- Data is remotely backed-up on a regular basis
- There are disaster recovery procedures that would restore data quickly and fully enough; these have been tested
- No sensitive financial information is to be entered into Large Language Model AI systems, such as ChatGPT or Gemini
- Financial information, including back-ups, stored on shared drives is accessible only to those who need to have access to it
- Adequate security procedures are in place for online purchasing
- Staff and volunteers are aware of what they need to do (and not do) to maintain online security

On leaving the organisation, an individual's accounts will be disabled.

### 14. Regulatory Guidance

Charity Commission (England and Wales)

- [Charities, fraud and financial crime](#)
- [CC: 8 - Internal Financial Controls](#)
- [Financial Controls Checklist](#)
- [Compliance toolkit](#)

### 15. Useful Links

- [Charity Governance Code: 4 Decisions, Risk, Control](#)
- [CFDG: Banking for charities](#)
- [BZ: Retention of accounting and other records](#)
- [Charity Digital: Free anti-fraud resources for your charity \(Jan 24\)](#)
- [NCSC: Password Guidance](#)
- [Password strength checker](#)

APR Trustees  
July 2025

