Agama Charity

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Financial Controls Policy

PROCEDURES FOR ACCOUNTABLE, TRANSPARENT AND RESPONSIBLE MANAGEMENT OF RESOURCES

ACCOUNTABILITY IN ACTION | INTEGRITY ALWAYS | PEOPLE AT THE CENTRE | EVIDENCE AND RECORDS



APPROVED BY:
AGAMA CHARITY BOARD OF DIRECTORS

EFFECTIVE DATE:
11 SEPTEMBER 2011

NEXT REVIEW:
SEPTEMBER 2028

AGAMA Charity

Financial Controls Policy

Procedures for accountable, transparent and responsible management of charitable resources

Policy status: Approved policy, based on the Board approval information supplied by AGAMA Charity. This publication version should be checked against the organisation's Board minutes and actual operating procedures before upload.

Document control

Organisation	AGAMA Charity
Policy owner	Board of Directors / designated finance lead
Approval authority	AGAMA Charity Board of Directors
Approval year	2011 (as supplied by AGAMA Charity)
Effective date	2011 — exact date to be confirmed against Board records
Version	Public website edition 1.0
Next review	Review by the Board at least annually; record the next review date after formal review

1. Purpose

This policy establishes a framework for protecting AGAMA Charity's funds and assets, ensuring that resources are used for authorised charitable purposes, maintaining reliable financial records and supporting accountability to donors, communities, regulators and the Board.

2. Scope

This policy applies to Board members, employees, volunteers, project personnel and any person authorised to receive, handle, approve, record, safeguard or report AGAMA Charity funds or assets. Applicable law, donor agreements and grant conditions must also be followed. Where a donor agreement or applicable requirement is stricter than this policy, the stricter requirement applies.

3. Financial control principles

AGAMA Charity's financial management should be guided by integrity, accountability, transparency, value for money, documentation, appropriate authorisation and protection of charitable resources. Controls should be proportionate to the organisation's size, activities, funding arrangements and risk. No person should approve their own expense or control every stage of a transaction where practical separation is possible.

4. Governance and responsibilities

Board of Directors: Approves budgets and financial policies, oversees financial risk, reviews financial reports, monitors significant variances and ensures that control weaknesses receive appropriate attention.

Management or authorised programme lead: Ensures expenditure supports approved activities, remains within authorised budgets and is supported by appropriate evidence.

Finance officer or designated record keeper: Maintains accurate records, safeguards supporting documents, prepares reconciliations and reports discrepancies. Where staffing is limited, an independent Board member or other appropriate reviewer should provide additional oversight.

All personnel and volunteers: Must use resources only for authorised purposes, provide truthful documentation, protect assets and report suspected misuse or conflicts of interest.

5. Budgets and expenditure approval

Annual and project budgets should be prepared before commitments are made and approved by the Board or a formally delegated authority. Budgets should identify planned programme activities and material operating costs. Restricted donor funds must be tracked so that their use can be reconciled to the relevant funding agreement.

Before expenditure is committed, the responsible person should confirm that the purchase is necessary, budgeted, reasonable in cost and properly authorised. Material changes to a project budget must be approved by the appropriate authority and, where required, agreed with the donor before funds are reallocated.

The Board should maintain a written schedule of approval limits and delegated authorities appropriate to the organisation. Staff must follow the current approved schedule and must not assume that an unapproved transaction is authorised.

6. Procurement and supplier selection

Procurement should be based on documented need, suitability, fair pricing and value for money. Where practicable, competing quotations should be obtained for significant purchases; where competition is impractical, the reason and selection decision should be recorded. Conflicts of interest and related-party transactions must be disclosed and independently reviewed.

Retain purchase requests, quotations, selection rationale, approvals, invoices, delivery notes or service-completion evidence, and payment records. Donor-specific procurement requirements must be followed where applicable.

7. Banking, cash and payments

Charity funds should be held in accounts in AGAMA Charity’s name where legally and practically possible and should not be mixed with personal funds. Bank signatories and online banking access should be approved by the Board and reviewed when roles change. Payment authorisation should be separated from accounting and reconciliation wherever feasible.

Use traceable payment methods where practicable. Payments must have a clear purpose, appropriate authorisation and supporting documentation. Cash should be minimised, stored securely, recorded and reconciled regularly. Cash advances must be authorised, recorded and retired with supporting receipts and a reconciliation within a defined period.

8. Separation of duties and compensating controls

Where staffing permits, different people should initiate, approve, pay and record transactions, and someone independent of payment preparation should review bank reconciliations. If the organisation cannot fully separate duties, the limitation should be acknowledged and compensating controls used, such as periodic independent review of bank statements and supporting documents by a Board member who was not involved in the transaction.

9. Records and reconciliations

All income and expenditure should be recorded accurately and promptly, including date, amount, purpose, programme or funding source, authorisation and supporting evidence. Bank accounts should be reconciled monthly where practicable, with differences investigated and resolved. Cash balances, advances, project funds and material assets should also be checked periodically.

Records must be retained securely for the period required by applicable law, donor agreements and organisational policy. Access should be limited to authorised people, with personal and beneficiary information protected.

10. Donations and restricted funding

Donations should be recorded with sufficient detail to identify the amount, date, source where known and any restrictions or conditions. Restricted funds should be tracked by project or funding agreement. Financial and donor reports must agree with the underlying records. Funds must not be described as received, committed, spent or reserved unless the relevant status is supported by evidence.

11. Payroll, reimbursements and conflicts of interest

Payments to employees, consultants and volunteers must be supported by appropriate authorisations and relevant contracts, attendance records or deliverables. Expense claims should state the business purpose and include receipts or a documented explanation where receipts cannot reasonably be obtained. Claimants must not approve their own claims.

Board members and personnel should disclose actual, potential or perceived conflicts of interest. Decisions involving a conflicted person must be independently considered and documented in line with governance requirements.

12. Assets and inventory

Material assets purchased with charity or donor funds should be recorded in an asset register with descriptions, dates, costs, locations, custodians and condition where appropriate. Periodic checks should confirm that assets exist and are used for authorised purposes. Disposal, transfer or write-off of material assets must be approved and documented, including compliance with donor conditions.

13. Financial reporting and oversight

Management should provide the Board with financial reports at appropriate intervals, preferably at least quarterly. Reports should compare actual income and expenditure with budget, identify restricted-fund balances, explain material variances, disclose cash-flow concerns and record corrective actions. Annual financial statements and any audit or independent examination should be prepared or obtained as required by applicable law, donor agreements and the organisation’s circumstances.

Published financial information must be accurate and appropriately approved. Unaudited figures must not be described as audited.

14. Reporting suspected misuse

Suspected fraud, theft, bribery, falsification, unauthorised expenditure or misuse of charitable resources should be reported promptly to an appropriate Board representative or designated channel. Reports should be handled impartially and confidentially to the extent practicable. Where a concern involves the normal recipient, it should be escalated to another independent Board member. Retaliation against anyone raising a concern in good faith should not be tolerated.

The Board or its delegate should assess the concern, document appropriate action and make any notifications required by law or donor agreement. Allegations should be handled fairly and not presented as established facts before review.

15. Monitoring, exceptions and review

Compliance should be reviewed periodically through budget reviews, sample checks, reconciliation reviews and follow-up of identified weaknesses. Exceptions must be justified, approved by an authorised independent person and recorded. Repeated exceptions should prompt corrective action.

The Board should review this policy at least annually and whenever material changes occur in law, funding arrangements, organisational structure or financial risk.

16. Adoption and implementation

The Board is responsible for ensuring that this policy is communicated to relevant personnel and translated into workable procedures. The organisation should retain the Board resolution approving the policy and records of subsequent reviews. If a procedure in this policy is not yet implemented, management should identify the gap, assign responsibility and agree a realistic corrective-action date.

Board approval record

Board approval year	2011 (as supplied by AGAMA Charity)
Resolution / minute reference	Refer to AGAMA Charity Board records
Chairperson / authorised signatory	As recorded in the official Board minutes
Next review	Record the review date following the next Board review

Public accountability statement

AGAMA Charity is committed to responsible management of charitable resources and to improving financial accountability in line with its capacity, applicable requirements and donor commitments. The organisation should publish this policy only after confirming that the stated approval year is supported by Board records and that the procedures reflect its current approved framework.