

Internal Charity Financial Controls Policy and Procedures

Ensuring Financial Integrity and Transparency

Introduction

Haslemere Players has a vital role to play in fostering creativity, community spirit, and cultural enrichment. As a charitable organization, it is entrusted with public funds and donations, making it imperative to establish and adhere to robust financial controls and procedures. This document outlines a comprehensive policy to ensure transparency, accountability, and compliance with legal and ethical standards.

Objectives of Financial Controls

The primary objectives of implementing financial controls for Haslemere Players is:

- To safeguard the society's financial assets from misuse, fraud, and theft.
- To ensure accurate and timely recording of financial transactions.
- To maintain transparency and accountability to donors, members, and stakeholders.
- To comply with relevant laws, regulations, and charity governance standards.
- To support sound financial decision-making and sustainability.

Roles and Responsibilities

A clearly defined governance structure is essential to the effective implementation of financial controls. Below are the key roles and responsibilities:

Board of Trustees

- Oversee the financial management of the society.
- Approve budgets, financial policies, and strategic plans.
- Ensure compliance with legal and regulatory requirements.

Treasurer

- Maintain accurate records of all financial transactions.
- Prepare financial reports and statements for the Trustees and members.
- Monitor cash flow and ensure adherence to budgetary guidelines.

Members and Volunteers

- Adhere to financial policies and procedures when handling funds.
- Report any discrepancies or concerns to the treasurer or Trustees.

Key Financial Policies and Procedures

1. Budgeting

- Annual budgets should be prepared and approved by the board of trustees.
- Budgets should include expected income, such as ticket sales, grants, and donations, as well as anticipated expenses like venue hire, costumes, set and marketing.
- Regular variance analyses should be conducted to compare actual performance against the budget.

2. Cash Handling

- Cash transactions must be minimized; digital payments are preferred wherever possible.
- For events involving cash handling (e.g., ticket sales at the door), ensure a dual-signature requirement for cash counts.
- Securely store cash in a locked cash box or safe until it is deposited in the bank.

3. Income Recording

- All income must be recorded promptly, including ticket sales, sponsorships, and donations.
- Receipts or invoices should be issued for all payments received.
- Grants and large donations should have accompanying documentation outlining their purpose and conditions.

4. Expenditure Controls

- All expenses must be pre-approved by authorized personnel, such as the treasurer or Chair.
- Ensure competitive quotes are obtained for major expenses (e.g., set construction, venue hire).
- Maintain original receipts and invoices for all purchases.

5. Bank Account Management

- The society must have a designated charity bank account separate from personal accounts.
- All bank transactions must be authorized by at least two unrelated signatories.
- Regular bank reconciliations should be conducted to ensure accuracy.

6. Financial Reporting

- Monthly financial reports should be prepared and reviewed by the Trustees.
- Annual financial statements should be independently examined or audited as required by charity regulations.
- Transparent reporting to members and donors about the use of funds is essential.

7. Asset Management

- Maintain an inventory of all assets, including costumes, props, equipment, and sets.
- Ensure proper storage and insurance coverage for valuable assets.

Fraud Prevention and Whistleblowing

The society must take proactive measures to prevent fraud and encourage whistleblowing:

- Conduct background checks on individuals handling significant amounts of money.
- Implement segregation of duties to reduce the risk of fraud (e.g., separate roles for approving, recording, and reconciling transactions).
- Establish a whistleblowing policy to allow members and volunteers to report concerns confidentially.

Compliance with Legal and Regulatory Standards

Haslemere Players must adhere to the following:

- Register with the appropriate charity commission or governing body.
- Comply with tax and financial reporting requirements.
- Ensure all fundraising activities meet the relevant legal standards.

Regular Review and Training

Financial policies and procedures must be reviewed regularly to ensure relevance and effectiveness:

- The board of trustees should review financial controls at least annually.
- Provide training sessions on financial management for new trustees, and volunteers.
- Keep up to date with changes in charity regulations and best practices.

Conclusion

By implementing and adhering to these financial controls and procedures, Haslemere Players can ensure the responsible management of their funds and the trust of their communities. Robust financial policies not only safeguard the organization's resources but also support its long-term sustainability and success.

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