Financial Controls Policy

This policy is to be reviewed biennially. Last reviewed 23/10/2025

For the purposes of this document, Wiltshire Young Musicians (WYM) includes WYMT Ltd and the Committee members acting on behalf of the charity.

Separation of Duties

No one person may both authorise and pay any payment or transfer. For example, by signing a cheque, or authorising an on-line banking payment or credit card transaction.

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 companies in which they have an interest, either directly or through a family member or close friend.

Contracting

A robust contracting process is to be implemented with all major contracts openly tendered.

Financial Management

Budget holders are to review financial reports and investigate any variances to budget/forecast and unusual or unexpected transactions that cannot be adequately explained.

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 escort the money and it is 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.

Banking

Bank Accounts. Bank, savings and any other form of investment is only to be opened with the written approval of the Board.

- The accounts are to be reconciled at least monthly.
- The bank reconciliation, statement, cashbook, chequebook and any other supporting documentation are cross checked by the executive director and the treasurer.

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 Board. The list of people with access and their access levels are to be reviewed annually, as part of the audit preparation process.

Cheques. All cheque stubs should be completed fully. Payments exceeding:

- £100 require 2 signatures.

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

Income

Donations are to be checked for compliance with the gifting policy before being accepted.

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; and

- All transfers or other direct payments into the bank can be identified and verified against paperwork.

Care needs also to be taken to administer restricted funds separately to ensure these are only used in accordance with donors' restrictions.

Expenditure

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 the Wiltshire young musicians board.

This may be sub delegated, subject to appropriate approval by line management. However, responsibility for all expenditure remains with the budget holder 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.

Approval and Payment. The prior approval of the Wiltshire Young Musicians board is required for any projects or proposals 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.

Payment procedure

When invoices are received by the administrator, they must first be cross checked by the executive director before requesting payment.

1. Once cross checked, the administrator will upload the invoices into the WYM Quickbooks online software.
2. The administrator should then contact the treasurer to notify them that there are outstanding invoices due.
3. The treasurer makes payment via BACS and immediately notifies the administrator and executive director that this payment has been made.
4. Any remaining categorisation on accounting software should be done by the administrator.

Any payments that have not been appropriately authorised should be rejected and remain the personal responsibility of the individual who incurred the expenditure.

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

- Any proposals to increase staffing are to be submitted to the Wiltshire Young Msuicians board of trustees
- The payroll schedule should be checked and signed each month by the executive director. For example, to check any changes have been authorised, the rates used are correct and issues such as staff being paid twice or for amounts or items that would not be expected.
- The staff list should be reconciled to the payroll at random, but regular periods not exceeding 3 months.

Pay and personnel records should be kept separate.

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 to a maximum of £500.

Travel Expenses. Claims should be countersigned by the executive director 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 treasurer to ensure that the expenses policy has been complied with.

Novel and Contentious Expenditure. This is defined as follows:

- Novel - does not meet the letter of our regulations. That is, using a budget for a purpose for which it was not intended. For example, payment of a bonus to an individual, when there is no such provision in the pay policy. Or exceeding permissible limits. For example, payment of subsistence rates or class of hotel accommodation that exceed the limits in the expenses policy.

- 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 Wiltshire Young Musicians board.

Assets

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 £1000.

The executive director is to ensure that:

- 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.

Other Issues

Fraud/Bribery. If fraud is suspected it is to be brought to the attention of the executive director immediately.

Hospitality. Employees 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. Employees and board members may only accept hospitality or gifts, which are worth less than the value of £250. Such gifts are to be declared to the Wiltshire Young Musicians board, unless these are trivial and of value of less than £10.

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 and sub delegations by the executive director. 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.

Records. The Executive Director is to ensure that:

- Records are to retained in accordance with the retention 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.

Experience and Training. The Executive Director is to ensure that:

- On appointment, appropriate work references are taken up and qualification certificates checked.
- Staff are competent and properly trained to carry out their duties in relation to finance.
- Staff are made aware of relevant financial policies on appointment and those with financial responsibilities are briefed by the finance team as part of their induction process.
- Relevant financial policy requirements are included in the Staff Handbook and job descriptions.
- That this and other guidance is readily available to staff and brought to their attention.

IT and Online Security

- Security software is to be kept up-to-date, preferably by automatic renewal.
- There are effective controls for authorising and managing access.
- Software updates are kept up-to-date.
- 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.
- Staff and volunteers are aware of what they need to do (and not do) to help counter the risk.

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