

# **Joseph Cowen Lifelong Learning Centre CIO**

## **Policy on Financial Controls and Procedures**

Because of our small size and the fact that the CIO is run by volunteers, it is not feasible to have complex procedures which involve a number of layers of decision making. Nevertheless the CIO does have controls in place to ensure that:

- Financial information is up-to-date and reliable.
- That records are kept and maintained for the periods required by law.
- That financial statements can be produced which satisfy the legal requirements for charities.

**The main controls are:**

### **SPENDING**

- Most expenditure is on tutors, room hire and salaries. Tutors are paid in line with the agreed and delivered programme at standard rates per hour. The room hire invoice is checked by the trustee responsible for room hires. Our employees' salary is annually agreed by the board and the payroll calculations are done by our professional accountants.
- Much other spending is contractual and predictable eg. IT licences, Zoom licence, website fees
- Other invoices are paid on sight of relevant documentation and confirmation from the person responsible that they are legitimate.
- Any expenditure outside these norms and amounting to more than £100 would be approved by the Board.
- Trustees' expenses are covered by a separate policy and are limited to minor expenses incurred by trustees on the CIO's behalf, usually where it would be impractical for the CIO to pay itself. No trustee, including the Treasurer, can authorise their own expenses.
- Documentation is required to support all payments.
- Most payments are made by online banking and are only made once the system has confirmed that the bank account details are correct.
- The CIO has a section of its Trustees' Code of Conduct on Conflicts of Interest, which means that no trustee would be involved in making a decision to spend money or make an arrangement where s/he had an interest.
- Any transaction suspected of being fraudulent would be reported in accordance with the CIO's Policy on Reporting and Dealing with Serious Incidents

## **INCOME**

- Most income comes from membership fees which can be paid by bank transfer, cheque or using PayPal. The Treasurer liaises with the Administrator to ensure that all those attending sessions have paid the correct fees.
- Because the CIO does not have its own premises, cheques for membership subscriptions are sent to our accountants and then forwarded to the Treasurer.
- Membership subscription levels are set by the Board each year.
- The Board monitors membership levels each season.
- Other income comes from grants, donations and interest earned on deposit accounts which are monitored in line with the CIO's Investment Policy. Gift Aid is claimed on donations where we have the necessary gift aid declaration.
- Any grant or income received for a specific purpose will be treated as a restricted fund in line with the requirements of charity accounting and will only be spent in accordance with the terms of the grant or donation.
- Unusual or large sources of income would be reported to the Board which would consider whether to accept it.

## **ACCOUNTING**

- Records are kept of all income and expenditure in accordance with the legal requirements and vouchers supporting receipts and payments are systematically kept and filed.
- The cash book is reconciled with the bank statement every month to ensure accuracy.
- Management accounts are prepared as soon as possible after the end of each season and are presented to the Board and discussed. Accounts are produced on an accruals basis taking account of what has been earned in the relevant period, regardless of when it was paid, and of what has been spent in the period, regardless of when it was actually paid.
- Annual financial statements are prepared, agreed by the trustees, independently examined by Essell Accountants Ltd and filed in a timely way with the Charity Commission.
- The Trustees' Report will set out the key policies of the CIO as well as explaining its performance in the year in question.

## **ASSETS**

- Adequate insurance cover will be maintained.
- An asset register is maintained and regularly checked.

- The CIO has minimal assets – largely furniture and equipment, and owns no freehold or leasehold property. Nor does it currently lease any equipment.
- Capital expenditure in excess of £100 has to be agreed by the Board.

## **PLANNING AND BUDGET SETTING**

- Periodically the trustees meet to review future plans taking account of the financial implications.
- The CIO has a Reserves Policy which sets out the minimum level of unrestricted reserves to be targeted and this feeds into planning for the future and budget setting.
- The risk register is also reviewed regularly by the Board and feeds into the planning process.
- Each year the Board will agree a budget and then after each season receive reports on performance compared to budget, with reasons given for significant variances from plan.

## **REVIEW**

The Board should review the CIO's financial controls every year

## **CHARITY COMMISSION GUIDANCE**

The relevant Commission guidance is CC8

<https://www.gov.uk/government/publications/internal-financial-controls-for-charities-cc8/internal-financial-controls-for-charities#internal-financial-controls-checklist>

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