St Albans Mencap

Charity number: 210073

Stalbansmencap.org.uk

Finance Policies

This comprehensive Finance Policy document for St Albans Mencap [SAM] is designed to serve as a single, cohesive guide encompassing various finance policies crucial to our organization. It covers: Internal risk; Financial reserves and Investments. Separate policies exist for Internal charity financial controls.

Document control:

Version:	Date approved:	By:	Review due:
1.0			July 2026
1.1			July 2027

Summary of changes:

Version:	Changes:
1.0	Drafted July 2025
1.1	Reviewed July 2026; general tidying up

1 Introduction

This comprehensive Finance policy document for St Albans Mencap [SAM] is designed to serve as a single, cohesive guide encompassing various finance policies crucial to our organization. Unlike having multiple individual policies, consolidating them into one document is more suitable for an organization of our size. This approach ensures consistency, clarity, and ease of access for all stakeholders.

Separate policies exist for Internal charity financial controls.

1.1 Purpose

The primary purpose of this document is to provide clear and structured guidelines for managing different aspects of the charity's finance operations. It aims to ensure that our practices are transparent, efficient, and in alignment with our mission and values.

The Board of Trustees retains overall responsibility for financial governance, approval of this document, and oversight of material financial risks, reserves, investments and trustee expenses

1.2 Guidance

In case of any doubts or need for further clarification, stakeholders are advised to consult the Charity Commission publications and/or helpline for guidance. This will help ensure that our policies are in compliance with national standards and best practices.

1.3 Conclusion

By adhering to these policies and procedures, the charity aims to manage its funds prudently, ensuring financial stability and the ability to support its mission. Reviews and updates will be conducted to ensure the policy remains effective and relevant and reflective of any changes in regulations or organizational needs.

2 Internal Risk Management Policy and Procedures

2.1 Introduction

St Albans Mencap is committed to ensuring effective risk management to safeguard its beneficiaries, staff, volunteers, and financial sustainability. This policy outlines our approach to identifying, assessing, and mitigating risks in accordance with UK Charity Commission guidance.

2.2 Purpose and Scope

This policy applies to all trustees, employees, volunteers, and stakeholders involved in our work. It covers risks related to:

- Governance and compliance
- Financial sustainability
- Operational activities (including SNAP and Adult Services)
- Reputational risks
- Health and safety

2.3 Risk Management Framework

We adopt a **structured risk management cycle**:

1. **Identification** – Recognizing potential risks across all areas of operation.
2. **Assessment** – Evaluating the likelihood and impact of each risk.
3. **Mitigation** – Implementing strategies to reduce risk exposure.
4. **Monitoring and Review** – Regularly reviewing risks and updating mitigation plans.

2.4 Risk Categories and Mitigation Strategies

2.4.1 Cybersecurity Risks

- Protect sensitive data through encryption and secure storage solutions.
- Conduct regular vulnerability assessments and penetration testing.
- Provide staff training on cyber risk awareness and phishing prevention.

2.4.2 Environmental Risks

- Implement eco-friendly practices in operational activities.
- Monitor compliance with environmental regulations.
- Develop contingency plans to address environmental hazards.

1. Governance and Compliance Risks

- Ensure compliance with Charity Commission regulations.
- Maintain transparent reporting and accountability.
- Conduct annual trustee training on governance responsibilities.

2.4.3 Financial Risks

- Maintain financial reserves to cover operational costs.
- Conduct regular audits and financial reviews.
- Diversify funding sources, including grants from St Albans City and District Council (SADC).

2.4.4 Operational Risks

- Ensure SNAP and Adult Services adhere to safeguarding policies.
- Conduct regular risk assessments for service delivery.
- Provide staff and volunteer training on risk awareness.

2.4.5 Governance and Compliance Risks

- Ensure compliance with Charity Commission requirements, charity law, filing obligations and the charity's governing document.
- Maintain clear trustee oversight through regular Board review of financial controls, risks and key governance decisions.
- Record and manage trustee, staff and volunteer conflicts of interest through a maintained register and meeting declarations.
- Maintain transparent reporting, accurate minutes and clear evidence of material financial and governance decisions.
- Review finance, governance, safeguarding and data protection policies regularly to ensure they remain current and effective.
- Provide trustee and staff training on governance responsibilities, financial controls, safeguarding and data protection obligations.

2.4.6 Reputational Risks

- Maintain clear communication with stakeholders.
- Implement a crisis response plan for reputational threats.
- Monitor public perception and feedback.

2.4.7 Health and Safety Risks

- Conduct regular health and safety audits.
- Ensure compliance with workplace safety regulations.
- Provide emergency response training for staff and volunteers.

2.5 Responsibilities

- **Trustees** – Retain overall responsibility for risk management strategy, compliance oversight, approval of significant risk responses, and documented review of the risk register.
- **Senior Management** – Implement agreed risk mitigation measures, maintain appropriate records, and escalate material risks or incidents promptly to trustees.
- **Staff and Volunteers** – Report risks, follow agreed procedures and complete relevant training required for their role.

2.6 Review and Reporting

- All risk-related incidents must be reported to the trustees immediately.
- Risk assessments will be conducted **annually**.
- A **risk register** will be maintained and updated regularly.
- Trustees will review risk management effectiveness **quarterly**

3 Trustee Expenses: policy and procedures

3.1 Introduction

This policy sets out the procedures for managing and reimbursing reasonable expenses incurred by trustees and volunteers when acting on behalf of the charity. The aim is to ensure that all expenses are legitimate, necessary, proportionate and properly evidenced.

3.2 Purpose

The purpose of this policy is to provide clear guidelines on the types of expenses that can be claimed, the process for claiming them, and the approval and reimbursement procedures. This ensures transparency and accountability in the charity's financial operations.

3.3 Scope

This policy applies to all Trustees and volunteers who incur expenses on behalf of the charity.

3.4 Allowable Expenses

The charity will reimburse the following types of expenses:

- Travel costs, including public transportation, mileage for personal vehicles, and parking fees.
- Accommodation and meals for overnight stays when attending charity-related events or meetings.
- Office supplies and postage necessary for the charity's operations.
- Costs for attending training sessions, conferences, or events that are relevant to the charity's mission.
- Any other expenses pre-approved by the Board of Trustees.

3.5 Expense Claim Process

- All expense claims must be submitted using the designated expense claim form.
- Receipts or other proof of purchase must be attached to the claim form.
- Expense claims should be submitted within 30 days of incurring the expense.

3.6 Approval and Reimbursement

- Expense claims must be reviewed and approved by either the Chair of the main board or one of the sub-committees.
- Approved claims will normally be reimbursed within 14 days of approval.

3.7 Review and Compliance

The Board of Trustees will review this policy annually to ensure its effectiveness and compliance with relevant laws and regulations. Any changes to the policy must be approved by the Board.

4 Financial Reserves Policy

St Albans Mencap understands the importance of maintaining adequate financial reserves to ensure its sustainability and the continuation of its mission during periods of financial uncertainty.

4.1 Purpose

This policy outlines the procedures for determining, monitoring, and managing our financial reserves, aiming to safeguard the charity's future and provide a buffer against unexpected financial challenges.

The policy ensures that reserves are held at a level that balances the need for financial security with the opportunity to maximize funding for charitable activities.

4.2 Implementation and Review

The Board of Trustees is responsible for setting the target level of financial reserves, taking into account the charity's financial risks, commitments, and future plans.

Reserves will be reviewed annually during the annual accounts preparation process and adjusted as necessary, over a relevant period, to reflect changes in circumstances or strategic priorities.

The review of reserves and forecast income and expenses arising from activities will cover the Group as a whole, particularly the main trading subsidiary, St Albans Mencap Limited.

The financial reserves will be clearly reported in the charity's annual accounts, providing transparency and accountability to beneficiaries, donors, and other stakeholders.

This policy will be reviewed regularly to ensure it remains appropriate and effective in supporting the charity's financial health and mission.

5 Investing Charity Funds Policy and Procedures

5.1 Introduction

This policy outlines the approach and procedures for investing the charity's funds. Given the lack of investment expertise among the trustees and the preference for low-risk, medium-term investments, this policy aims to ensure the prudent management of the charity's financial resources.

5.2 Policy Statement

The charity's funds will be managed conservatively, with a focus on preserving capital and ensuring liquidity. The charity does not engage in active investment management or pay for such services.

Any funds surplus to immediate working capital requirements have historically been held in standard charity deposit accounts.

5.3 Procedures

5.3.1 Investment Strategy

The charity will invest its funds in low-risk, easily accessible deposit accounts.

Investments will be limited to a maximum term of three years to ensure liquidity and flexibility.

5.3.2 Decision-Making:

Investment decisions will be made collectively by the board of trustees.

The board will review the charity's financial position and investment options at least annually.

5.3.3 Monitoring and Reporting:

The designated Trustee and Finance Officer will monitor the performance of the investments and provide regular updates to the board of trustees.

An annual review of the investment strategy and performance will be conducted and documented.

5.3.4 Risk Management:

The charity will avoid high-risk investments and prioritize the preservation of capital.

Consideration should be given to diversify funds across multiple deposit accounts and banks to minimize risk.

6 Policies currently not considered relevant

- Engaging external speakers at charity events policy and procedures
- Campaigns and political activity policy and procedures