

Guidance Notes

Financial Controls

It is the fundamental duty of all Charity Trustees to protect the property of their charity and to secure its application for the objects of the charity. In order to discharge this duty it is essential that there are adequate financial controls over the charity's assets and their use.

Charity commission guideline CC8

What are financial controls?

Financial controls are the procedures, rules, organisation policy that cover the incoming and outgoing financial resources and assets of the organisation.

Why are financial controls needed?

If you are a registered charity you need to comply with legislation CC8. But even if you are not a charity, good financial controls written, adopted and adhered to by your staff will protect your organisation against theft and fraud, whilst ensuring that correct personnel have access to the assets of the organisation and that the day to day running of your organisation is well managed. By adopting good financial controls, the Trustees of your organisation may gain a level of confidence in the day to day management as they may not be directly involved in transactions and funders may be reassured that their money is used correctly and is secure.

Who is responsible for financial controls?

In practical terms, it is the responsibility of the Trustees to ensure that the organisation has financial controls. However it is the responsibility of all managers, team leaders, staff and volunteers to maintain and oversee these financial controls.

Writing financial controls for your organisation

The Voluntary Sector Development team can assist you to write the financial controls required by your organisation. Alternatively information can be obtained from the Charity commission publication ref CC8. Financial controls should be written in a simple manner so that all can understand and uphold the procedures.

If you would like further information, assistance, training for your trustees and staff, or a review of your existing financial controls, please contact Tina Champion – Community Accountant on 020 8875 2845 or email comm.accountant@wvsda.org.uk

More Guidance Notes can be found on our website, www.wvsda.org.uk.

The Wandsworth Voluntary Sector Development Agency (WVSDA) provides information, advice and training to assist voluntary and community groups with issues relating to setting up and managing effective organisations. Whilst every effort is taken to ensure the information, advice and support we offer is current, relevant and accurate, it does not constitute legal advice.