

Internal Financial Controls

Policy & Procedures

Subject : Accounting Requirements

Policy ref : AR

Policy Issue : A

Date of Issue : 10th Oct 2007

Purpose of Policy

- To control and protect the funds of the church
- To ensure compliance with Charity Commission's guidance CC8

Responsibilities

The Parochial Church Council, PCC, is responsible for this Policy and ensuring the following procedures are complied with.

The PCC is responsible for appointing a Review Group, being a small group of PCC members (non of whom have direct involvement in the financial functions of the church) who shall carry out a review of this Policy & Procedure at least once a year.

Procedures

This Policy identifies 6 procedures, each procedure being identified by a Statement of Requirement, SOR. The procedure details of how we satisfy each SOR.

SOR : AR1 That proper books and records are kept of all transactions

This is how we satisfy this SOR

- The accounting systems have been documented, see Appendix 1 attached.
- The treasurer provides quarterly receipts and payments accounts and balance sheet to the PCC and explains any variance against budget.
- The review group checks the accounts and underlying records annually.

SOR : AR2 That the accounts are subjected to external scrutiny

This is how we satisfy this SOR

- The independent examiner is appointed directly by the PCC and is provided with an appointment letter agreeing his duties, see sample of letter in Appendix 2.
- The independent examiner reports directly to the PCC in person at the meeting that reviews the annual accounts.

SOR : AR3 That the accounts are formally approved by Trustees at an annual meeting

This is how we satisfy this SOR

- Accounts are reviewed in detail by the PCC prior to the APM. Accounts are distributed prior to the meeting.
- Accounts are made available to persons on the electoral roll prior to the APM by placing copies in the church on the two preceding weeks.

SOR : AR4 That new Trustees (when appointed) are provided with a set of the latest accounts

This is how we satisfy this SOR

- A induction meeting is held each year after the APM when new members of the PCC are briefed on a variety of subjects including a review of the accounts and a summary of the internal control policies and procedures.
- Appointments between APM's are taken through the accounts and procedures by the Chairperson.

SOR : AR5 That existing Trustees are provided with a set of accounts annually

This is how we satisfy this SOR

- All PCC members receive a copy as detailed in AR3

SOR : AR6 That this Policy is reviewed

This is how we satisfy this SOR

- The Review Group carries out a review of this Policy & Procedure at least once a year using the Review Form template RF/AR1, contained in Appendix 3 of this Policy and Procedure.
- The independent examiner/auditor has been made aware of this in his appointment letter.