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IPM Financial Control and Accounting Policy

Contents

Introduction

Internal financial controls are important. They are essential checks and procedures to help charities:

- protect their assets, including its money and property
- make informed decisions about the charity's financial position
- meet the charity's legal duties, for example to manage the charity's resources responsibly

Fraud and financial mismanagement can happen at any charity. Using suitable internal financial controls helps the charity:

- identify and manage risks with its finances and assets
- keep good quality accounting records
- prepare timely and relevant financial information
- make sure its financial reporting complies with the relevant legal requirements

Purpose

The policies and procedures explained in this document have been developed so that the IPM can manage its resources and finances effectively and allow us to succeed in delivering our aims. Clear procedures are needed to ensure that the trustees (IPM Council) have the tools and skills to ensure effective financial management takes place. Staff require clear procedures to avoid confusion, inconsistency and conflicts.

Scope

This policy applies to all trustees, other volunteers, employees, contractors and third-party representatives of the IPM.

The policy requirements should be reflected in other policies and procedures, agreements and contracts, as necessary.

Charity Commission Guidance or References Applicable

CC: 8 - Internal Financial Controls
CC: Compliance toolkit
BZ: Retention of accounting and other records

CC: Charities, fraud and financial crime
TT: Charity online security measures
NCSC: Password Guidance
Financial procedures manual | NCVO

Responsibilities

The role of the Treasurer or Chair is often crucial in discussion and decisions regarding finances. Detailed work on financial controls, for example budget setting, may be delegated to a small group of Trustees or to members of staff.

However, all Trustees remain responsible for ensuring that the IPM's resources are properly managed and accounted for. It must not be assumed that the Treasurer will do everything.

All staff are expected to familiarise themselves with the sections of the policy that are relevant to their work, and to comply with the procedures.

Internal Financial Controls and Management

Separation of Duties

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

Conflict of Interest

No Individual may:

- Authorise or make changes to their own pay or personnel entitlements or records

- Make payments or enter into contracts with family members or organisations in which they have an interest, either directly or through a close family member without prior approval of Council.

(See **IPM Conflict of Interest Policy**)

Contracting

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

Financial Objectives

The IPM aims to break even each year in order to be able to continue to provide a service to our beneficiaries.

The IPM has identified training and assessing health professionals in psychosexual medicine as core activities and will seek to finance these through income streams that are as secure and long term as possible.

General Points

Financial Year runs from: 1 January to 31 December.

Accounts will be drawn up after each financial year within four months of the end of the year when possible. These will be presented, after independent examination and approval by IPM Council, when available at the next Annual General Meeting.

The accounts shall be independently examined at least once a year to the standard required by the Charity Commission. Accountants shall be appointed at the Annual General Meeting.

Budgeting

Council is to scrutinise and approve an annual budget. The budget should include prudent income forecasts that have been tested to confirm that there is a reasonable expectation of securing the funding planned for. All work that is planned should be included in the budget.

Reserves Policy

The IPM sets its reserves each year. See **IPM Reserves Policy** for further information.

Financial Reporting

Up to date financial reports should be submitted to Council regularly. These will explain the IPM's current and likely future financial position. The key issues and risks will be highlighted and actions being taken to address these and the expected outcome. Any significant deviations from budget or funding shortfalls will be brought to the attention of Council.

Cash or cheque payments

Cash and cheque payments are avoided wherever possible. It would be very unusual for IPM to handle cash or receive cheques.

In the unlikely event that cash needs to be banked staff should on no account put themselves into situations of danger, and should give up/not seek to recover cash or valuables if in physical danger.

Banking

Bank account policies

Bank, savings and any other from of investment are only to be opened or closed with the written approval of IPM Council.

Bank accounts in IPM name must only be used for IPM business. They must not be used to receive or transfer money for the private benefit of individuals or third parties.

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 IPM Council. The list of people with access and their access levels should be reviewed regularly.

The costs and benefits of IPM banking arrangements will be reviewed every three years to ensure that bank charges and rates of interest are competitive and that the banks performance continues to be acceptable.

Online payments, standing orders, direct debits and other withdrawals from bank accounts are authorised by two signatories.

The bookkeeper is responsible for keeping records of all bank accounts.

Bank account procedures

There are six signatories to the bank accounts who are able to authorise payments online, standing orders and direct debits.

These are:

- Bookkeeper
- Training Coordinator
- Administrative Secretary
- Chair
- Treasurer
- Honorary Secretary

A list of signatories and the level applied will be kept up-to-date.

Bank accounts are to be reconciled at least monthly.

The bank reconciliation, statement, chequebook and any other supporting documentation are cross-checked.

These checks are made by the bookkeeper.

The bookkeeper is responsible for keeping documents, setting up payments by direct debit or standing order, and for monitoring arrangements so that IPM can ensure that they are cancelled when IPM stops using the goods or services being supplied.

Credit and debit card policy

The IPM will issue credit or debit cards to employees where there is an operational requirement. This will be authorised in each case by the Treasurer.

These cards will only be used by the named cardholder for the purchase of goods or services on behalf of the IPM.

The cardholder will be responsible for ensuring that the card is kept in a safe place at all times and that the PIN is protected.

There will be set limits for single transactions and monthly spend for each card.

Purchases of goods or services on behalf of the IPM are pre-authorised by Treasurer or by Honorary Secretary in their absence.

Claims for the purchase of any items that do not comply with the IPM's expenditure policies will be rejected and the cardholder will reimburse the IPM for such expenditure.

Accounting records policy

The IPM will keep accounting records which are sufficient to explain all transactions and show the charity's financial position at any time.

All accounts records will be kept for the statutory period of six years from the end of the accounting period in which they were generated.

Invoices

Invoices should be issued whenever it is appropriate. Invoices are generated electronically within the subscriber area of the IPM website. Occasionally invoices are raised directly on Clearbooks (not just the CRM).

Outstanding invoices:

Refer to **IPM Payment Terms and Conditions** for further information on IPM payments.

Income

Refer to **IPM Fee Policy** and **IPM Subscription Policy** for further information on subscriptions and training fees.

Expenses

The IPM will reimburse reasonable expenses incurred when undertaking IPM work. See **IPM Expenses Policy** for further information. Claims should be made using the **IPM Expenses Claim Form.**

Controls on Human Resources costs

People are the IPM's most valued asset, and also where it spends a significant amount of money. Therefore, particular safeguards need to be put in place.

- Any proposals to increase staffing will be submitted to Council.
- If used, time sheets should be properly completed and submitted to line managers.
- The payroll schedule should be authorised each month by Treasurer.

Staff salaries

- Staff will be paid on a monthly basis on the third Tuesday of each month. The accountants Adams & Moore provide payroll services for IPM staff. Payments will be by bank transfer, and payslips will be available online.
- Timesheets for any overtime should be submitted each month to allow time for processing.
- Any payments to staff outside normal payroll or expenses cycle will be made only in exceptional circumstances and must be approved by the Treasurer.

Salary reviews

- Pay scales will be reviewed annually in March with effect from 1 April . The recommendations for salaries will be included into the budget, and any increases will be approved by Council.

Assets

The purchase of assets and equipment 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 £250. An asset register is maintained and reviewed annually.

Insurance

The IPM maintains appropriate insurance cover at all times, both to cover our legal obligation and to underpin our duty to protect our staff, assets and resources. This will include:

- employers' liability insurance to cover both staff and volunteers
- public liability insurance

Fraud/Bribery

If fraud is suspected it is to be brought to the attention of the Chair or Treasurer.

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

Version Control - Approval and Review

No.	Approved by	Date	Main Changes	Review
Draft		4 March 2025	New Policy	3 years