

Kilve Village Hall (KVH)

Checklist for reviewing internal financial controls

This checklist is based upon that recommended by the Charities commission – edited to include only those sections relevant to KVH (in accordance with legal requirements and charity activities).

This checklist will be reviewed once a year and results of the review shared at a Full committee.

Answers should be based on what actually happens in KVH, not what trustees expect to happen – thus enabling continual improvement. There may be scope to improve even if ‘yes’ is answered. There should always be a clear rationale (such as something being inappropriate due to the size of the charity) or an improvement where ‘no’ is answered.

Each of the points on the checklist links to a section of the guidance which you should read for full details.

GENERAL PRINCIPLES FOR ALL CHARITIES			Comments made during review
1 Understand the types of controls appropriate for your charity	Yes	No	
Your charity’s financial controls cover all aspects of how your charity handles money	x		
You seek professional advice where you are not sure what controls are appropriate for your charity	x		
2 Understand your charity’s financial information	Yes	No	
All trustees are given regular information about the financial performance of your charity	x		

You discuss the financial performance of your charity at each trustee meeting	x		
3 Preparing accounts and reports	Yes	No	
You keep appropriate accounting records of all transactions (legal requirement)	x		
The charity's accounts comply with the relevant legal requirements (legal requirement)	x		
You prepare an annual report (legal requirement) and accounts which are formally approved by trustees at an annual meeting	x		
You have appointed an auditor or independent examiner (legal requirement for charities with gross annual income of over £25,000)	x		Robbie Rutt
New trustees are given a copy of the latest accounts, relevant guidance and the charity's governing document		x	
You file the annual report and accounts with the Charity Commission on time (legal requirement if your charity's gross annual income exceeds £25,000 or you are a Charitable Incorporated Organisation (CIO) and you are not an exempt or excepted charity)	x		
You file your charity's annual return on time (legal requirement if your charity is a Charitable Incorporated Organisation (CIO) or has a gross annual income of over £10,000)		x	Latest return was due by end of Jan 24 – late due to difficulty accessing CC website – requirement to reregister...Sheila pursuing
4 Embedding internal financial controls	Yes	No	

Controls are understood and followed by everyone within your charity	x		
Training is provided on your charity's financial controls and policies		x	An improvement we plan to make during 2024/25
5 Monitoring financial performance	Yes	No	
Budgets setting out income and expenditure are prepared and approved by the trustees	x		
Performance is measured against budgets at regular intervals and explanations are provided for any differences	x		
6 Reviewing and monitoring your internal financial controls	Yes	No	
You carry out an annual review of your charity's internal financial controls	x		Done 12.2.2024
You have considered whether you need to appoint an internal auditor or set up an audit committee	x		Yes – we believe it is sufficient for Robbie Rutt to annually review financial records for accuracy.
7 Splitting financial duties between people	Yes	No	
Financial duties are split between people to provide 'double check' on all transactions		x	Although all transactions are reported monthly to the Committee and most item are as a result of previous committee discussion and agreement. Supporting document exists for ALL payments.

8 Recording and reporting incidents	Yes	No	
Your charity has procedures for recording incidents and reporting suspicions internally, to the Commission and to other relevant bodies which are well-known and working	x		
OPERATIONAL RISKS	Yes	No	
Trustees know why the charity is at risk from financial crime and abuse and know of typical examples of potentially fraudulent activities		x	Appropriate training to be considered during 2024/25
Your charity has appropriate policies in place which could include an anti-bribery policy, policies on the acceptance of hospitality, the acceptance of donations and a register of interests		x	We ought to consider the relevance
Your charity has policies and controls for access to and storage of data which complies with the General Data Protection Regulation (GDPR)		x	Do we? To be reviewed during 2024/25
Your charity's electronic equipment and online systems are appropriately protected		x	Village laptop (as used by Bookings Clerk) is not protected – virus software to be explored and installed.
INTERNAL FINANCIAL CONTROLS FOR BANKING			
Bank and building society accounts	Yes	No	
You have a bank or building society account in the name of your charity	x		
You have a list of your charity's bank and building society accounts, which is regularly reviewed	x		

You carry out regular reconciliations between your accounting records and bank statements	x		
Instructions to open or close accounts are properly authorised and reported to trustees	x		
You check there are no unused accounts	x		
You monitor accounts to ensure there is no third-party use	x		
You regularly review the costs, benefits and risks of your charity's current and deposit accounts	x		
The bank mandate requires at least two signatories	x		
Online banking	Yes	No	
Your online banking system requires authorisation of transactions by two individuals		x	No- not practical – but all transactions visible through Scribe and result from prior discussion at Committees.
All electronic devices, such as laptops, phones and tablets, are kept secure with up-to-date anti-virus and spyware software and a personal firewall	x		
Trustees, staff and volunteers understand the need to ensure that the charity's security details (including the password and PIN) are not compromised	x		

PINs and passwords are regularly changed		x	Treasurer and Bookings clerk both need to up-date passwords
Your charity maintains a list of people who are approved to have access to the PIN and password	x		Only Treasurer has these details
Your charity keeps an audit trail of electronic banking transactions	x		
Cash held in your charity's bank or building society account	Yes	No	
You carry out regular reconciliations	x		
You regularly check direct debits, standing orders and other transfers	x		
Banking cash and cheques	Yes	No	
Cash and cheques are banked promptly and (before then) stored safely	x		
Your charity has insurance to cover the contents of the safe or cash box and cash in transit	x		
Funds are banked without deduction of expenses	x		
INCOME			
Income from donations	Yes	No	
Your charity regularly checks that all eligible tax repayments are obtained	x		
Your charity has procedures to identify 'tainted charity donations'		n/a	

	Yes	No	
Donations received from public collections and fundraising events			
Public collections are undertaken in line with the rules set out in our guidance [link to CC20] (legal requirement)		n/a	
Collections are counted in the presence of the collector and a receipt given to them		n/a	
Cash is banked as soon as possible and without deduction of expenses	x		
Records are maintained for each fundraising event	x		
For ticket incomes:			
Tickets are pre-numbered	x		
Records are kept of who is in charge of which tickets to sell, and which ticket numbers they have been allocated	x		
Records are kept of which tickets are sold and unsold tickets are collected	x		
Reconciliations are made of money received against tickets sold	x		
Income and donations received online and by card readers	Yes	No	
Card readers are kept securely	x		
You reconcile the transaction history with income in your charity's bank account	x		

You comply with the Payment Card Industry standards	x		
Income and donations received by post	Yes	No	
Post is held securely before it is opened	x		
Post is opened in the presence of 2 people		X	Not practical
Claiming Gift Aid on donations	Yes	No	
Your charity maximises of its use of Gift Aid and its use of Gift Aid is lawful		n/a	
Your charity keeps the records required by HMRC for Gift Aid claims (legal requirement)		n/a	
Income from trading that the charity undertakes	Yes	No	
You have a pricing policy for the goods and services supplied		n/a	
You have invoicing procedures for goods and services supplied		n/a	
You review outstanding debts and collection procedures	x		
You have procedures to reconcile amounts invoiced and cash received to outstanding invoices	x		
INTERNAL FINANCIAL CONTROLS FOR EXPENDITURE			
Expenditure on goods and services	Yes	No	
You have a policy on the authorising of expenditure	x		

Invoices received are checked against orders, and the receipt of the goods or services ordered is checked	x		
Payments by bank transfer, Bankers' Automated Clearing Services (BACS), Direct Debits and standing orders	Yes	No	
Only named individuals are authorised to set up these types of payments	x		
You use a dual authorisation system for bank transfers and BACS payments	x		
You monitor the arrangements to ensure that automatic payment arrangements are cancelled where required	x		
Payments by cheque	Yes	No	
Your charity follows any requirements in your governing document about who can sign cheques	x		
There is a prohibition on signing blank cheques	x		
Cheque books are kept in a secure place with access only by nominated persons	x		
You regularly review that authority limits are appropriate		x	Not relevant? Not aware of any limits
All cheque expenditure is recorded in the cash book and noted with the relevant cheque number, nature of payment and payee	x		
Cheques are only signed with documentary evidence of the nature of the payment, for example, an invoice	x		

	Yes	No	
Payments in cash or by pre-loaded cash card			
You ensure that cash payments (and any use of pre-loaded cash card) are minimal	x		
All payments by cash are made from a cash float and not from incoming cash		x	Not practical
Supporting documentation is authorised by someone other than the person maintaining the petty cash or the person making the payments		x	Not practical
Details of all payments are entered in a petty cash book		x	No petty cash book held, although a petty cash 'tin' is held and reconciled monthly
Regular independent checks are made of the petty cash float and records	x		
Internal financial controls for payments to related parties			
Any payments to trustees or people/organisations connected to trustees are authorised. Where there are rules in your charity's governing document about payments to trustees, these are followed	x		
You follow the rules set out in our guidance on trustee expenses and payments and managing conflicts of interest in a charity	x		
Internal financial controls for assets and investments			
Tangible fixed assets			
You regularly maintain a comprehensive fixed asset register	x		

Assets are regularly inspected to make sure they are in good repair and are of use to the charity	x		
You have considered your charity's insurance cover	x		
You review the use of fixed assets annually to make sure they are put to best use and serve your charity's interests	x		