Internal Financial Controls Policy and Procedures

Eyes on the Future
Version: 1.1
Approved: March 2026

1. Purpose
This policy sets out the internal financial controls and minimum procedures used by Eyes on the Future to safeguard funds, ensure accurate records, support compliance, and provide appropriate oversight.

2. Scope
- Applies to all trustees, volunteers, and anyone acting on behalf of the charity who handles income, spending, or financial records.
- Covers all bank accounts, payment platforms, donation platforms, and financial records maintained by or for the charity.

3. Principles
- Funds must be used only to further the charity's purposes and in accordance with any donor restrictions.
- Clear documentation is required for all income and expenditure.
- Controls are proportionate to the size and volunteer nature of the charity, while maintaining proper oversight.
- No cash is used where possible; the charity uses electronic methods for receiving and making payments.

4. Roles and responsibilities
Given the charity's volunteer structure, responsibility for authorising commitments and making payments rests with the CEO (who is also the Chair of Trustees). Oversight is provided by the Board of Trustees through periodic review.

4.1 CEO / Chair of Trustees
- Authorises commitments and expenditure on behalf of the charity.
- Makes payments via approved bank/payment platforms.
- Ensures appropriate supporting documentation is retained.
- Provides financial updates to trustees at regular intervals and ensures annual accounts are prepared.

4.2 Trustees (collectively)
- Provide oversight of the charity's finances and ensure adequate controls are maintained.
- Review financial updates at regular intervals.
- Review the annual accounts and any significant financial risks or incidents.

4.3 Volunteers supporting administration (if applicable)
- May assist with record-keeping, invoice processing, and preparing information for review.
- Do not authorise expenditure or initiate payments unless explicitly approved by the CEO/Chair.

5. Income controls (donations, grants, fundraising)
- Income should be received through bank transfer or reputable online donation/payment platforms wherever possible.
- Income is recorded with date, source, amount, purpose (if restricted), and platform/transaction reference.
- Restricted income is identified and tracked so it is only used for the specified purpose.
- Grant agreements and donor conditions are retained and key obligations are tracked (reporting, eligible costs, deadlines).

6. Expenditure controls
6.1 General requirements
- All expenditure must be reasonable, necessary, and in the charity's interests.
- All payments must be supported by a valid invoice/receipt or written confirmation of the liability.
- Supporting documents are retained in a central electronic folder and/or accounting file (e.g., invoice, approval, correspondence).

6.2 Authorisation
All commitments and expenditure must be authorised by the CEO/Chair of Trustees prior to being incurred or paid.

6.3 Expenses and reimbursements
- Expenses are reimbursed only where they are pre-approved (where practical), wholly and necessarily incurred for the charity, and supported by receipts.
- The CEO/Chair may claim expenses; where this occurs, the claim and supporting receipts should be disclosed to trustees as part of the next financial update.

7. Supplier and payment controls
- Supplier bank details should be verified before first payment and any subsequent changes (to reduce fraud risk).
- Payments are made electronically using approved platforms/bank accounts in the charity's name.
- Where practical, significant spend decisions should be supported by a brief comparison of options/quotes or justification for supplier choice (proportionate to value and risk).

8. Banking and reconciliations
- Bank statements are downloaded/retained and stored securely.
- Bank and platform transactions are reconciled to the charity's records periodically (frequency proportionate to activity and risk).
- Unreconciled items or discrepancies are investigated promptly and documented.

9. Accounting records and annual accounts

- The charity maintains a clear record of income and expenditure, including transaction references and supporting documentation.
- Annual accounts are prepared once per year in line with applicable legal and regulatory requirements.
- This includes any required filings with the Charity Commission and Companies House (as applicable).
- Records are retained for at least the minimum period required by law/regulation and good practice.

10. Financial reporting and oversight

Trustees receive financial updates at regular intervals. As a minimum these updates include:

- Cash position (bank balances / platform balances).
- Cash income and cash expenses since the last update.
- Notes on any restricted funds received/spent and any significant commitments or risks.

The annual accounts are presented to trustees for review and approval in accordance with statutory requirements.

11. Conflicts of interest and related-party transactions

- Any trustee or volunteer with a personal interest in a proposed transaction must declare it.
- Decisions involving a conflict must follow the charity's conflicts process and be documented.
- Any payments/benefits to trustees or connected persons must be permitted and managed in line with the Articles of Association and applicable charity law.

12. Fraud, error and reporting concerns

- Anyone who suspects fraud, theft, misuse of funds, or material error should report it promptly to the CEO/Chair.
- The CEO/Chair will notify trustees and agree appropriate steps, which may include halting payments, investigating, seeking professional advice, or reporting to regulators where required.
- All incidents and outcomes are documented.

13. Document control

- This policy is approved by the trustees and may be updated from time to time to reflect the charity's activities and risks.
- A current approved version is kept in the charity's central document repository.