



Internal Financial Controls Policy



Purpose

This policy is designed to ensure that Rehmat Educational Foundation maintains effective financial controls, safeguarding assets, ensuring accurate financial reporting, and promoting ethical behaviour. It aligns with the guidance provided by the Charity Commission for England and Wales.

Scope

This policy applies to all trustees, staff, and volunteers involved in financial operations.

Governance and Oversight

- The Board of Trustees is responsible for financial oversight.
- Regular board meetings will review financial reports and budgets.
- Financial statements will be audited annually by an external auditor.

Financial Planning and Budgeting

- Annual budgets will be prepared and approved by the Board of Trustees.
- Quarterly financial reviews will compare actual performance against the budget.
- Changes to the budget require board approval.

Income Management

- All income must be recorded promptly in the financial records.
- Donations, grants, and other income must be acknowledged with official receipts.
- Banking of income should occur promptly to reduce cash handling risks.

Expenditure Management

- All expenditures require prior authorisation by designated personnel.
- Payments over a specified threshold must receive board approval.

Record Keeping

- Accurate and up-to-date financial records must be maintained.
- Financial documents, including invoices and receipts, should be filed systematically.
- Retain records for at least seven years for compliance purposes.



Asset Management

- Maintain an inventory of all assets.
- Assets must be insured against theft, damage, or loss.
- Conduct annual asset verification and reconciliation.

Risk Management

- Conduct regular risk assessments to identify and mitigate financial risks.
- Implement controls to prevent fraud, including dual control over key processes.

Compliance and Reporting

- Comply with all legal obligations, including tax and regulatory requirements.
- Submit annual returns and financial statements to the Charity Commission for England and Wales.

Conflict of Interest

- Declare any potential conflicts of interest in financial matters.
- Trustees and staff must avoid situations where personal interests could conflict with the foundation's interests.
- Promote a culture of transparency and accountability within the foundation.

Review and Monitoring

- Conduct annual reviews of financial policies and procedures.
- Monitor compliance regularly and update policies as necessary.

Approval and Amendments

This policy is approved by the Board of Trustees and is subject to amendments as required by legal and operational changes.

This policy should be reviewed and tailored to the specific needs and structure of Rehmat Educational Foundation, ensuring alignment with local laws and regulations.