



Internal Financial Controls Policy and Procedures

Date Adopted: 27th May 2026

Next Review Date: 27th May 2028

Policy Review: This policy will be reviewed by the trustees every 2 years or sooner if legal guidance changes.

1. Purpose of This Policy

This policy sets out the financial controls and procedures used by The West Kent Badger Group to:

- Safeguard the West Kent Badger Group's assets and funds
- Ensure money is used only to further the West Kent Badger Group's purposes
- Maintain accurate and complete financial records
- Promote transparency, accountability, and good governance
- Reduce the risk of error, mismanagement, or fraud

The policy applies to all trustees and volunteers involved in financial activities.

2. Legal and Regulatory Framework

This policy supports compliance with:

- Charity Commission guidance (CC8 – Internal Financial Controls)
- Charities Act 2011
- CIO Constitution of the West Kent Badger Group
- UK Generally Accepted Accounting Practice (FRS 102 / Charities SORP, where applicable)

3. Roles and Responsibilities

3.1 Trustees

The trustees collectively are responsible for:

- Overall financial oversight and control

- Approving budgets, financial policies, and annual accounts
- Monitoring financial performance and risks
- Ensuring appropriate controls are in place and followed

3.2 Treasurer

The Treasurer is responsible for:

- Overseeing day-to-day financial management
- Ensuring accurate bookkeeping and record-keeping
- Preparing or overseeing management accounts
- Reporting financial matters to the trustees
- Supporting the preparation of annual accounts

3.3 Authorised Officers / Volunteers

Authorised individuals may:

- Process income and expenditure in line with this policy
- Maintain records and supporting documentation
- Operate within delegated authority limits

No individual should have sole control over all aspects of a financial transaction.

4. Financial Planning and Budgeting

- An annual budget will be prepared and approved by the trustees before the start of each financial year.
 - The budget will reflect planned activities and available resources.
 - Actual income and expenditure will be compared to the budget at least quarterly.
 - Significant variances will be explained and reported to the trustees.
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5. Banking and Cash Management

5.1 Bank Accounts

- All bank accounts must be held in the West Kent Badger Group's name.
- Trustees approve the opening or closing of bank accounts.
- A current list of authorised signatories will be maintained.

5.2 Signatories and Authorisation

- At least two unrelated authorised signatories are required.

- All payments require dual authorisation.
- Online banking access is restricted to approved signatories on the banking mandate.

5.3 Cash Handling

- Cash receipts should be minimised where possible.
 - Cash received must be recorded promptly and banked as soon as practicable.
 - Two people should be present when counting significant amounts of cash.
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6. Income Management

- All income must be recorded accurately and promptly.
 - Restricted funds must be clearly identified and tracked separately.
 - Gift Aid claims will be made where eligible and supported by valid declarations.
 - Fundraising income will be reconciled against event records.
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7. Expenditure and Payments

7.1 Approval of Expenditure

- All expenditure must further the West Kent Badger Group's purposes.
- Spending limits:
 - Up to £150: Trustees and Treasurer.
 - Over £150: Trustee approval

7.2 Payments

- Payments will be made by bank transfer wherever possible.
- Supporting documentation (invoice, receipt, contract) is required for all payments.
- Cheques (if used) must be signed by two authorised signatories.

7.3 Expenses

- Trustees may claim reasonable out-of-pocket expenses only (in line with the group's trustee expenses policy).
 - Claims must be supported by receipts and approved by a trustee other than the claimant.
 - Trustee expenses are reported transparently in the accounts.
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8. Accounting Records and Reporting

- Accurate accounting records will be maintained at all times.

- Records will be kept for at least **6 years**.
 - Trustees will receive financial reports at least quarterly and at every meeting of trustees, including:
 - Income and expenditure
 - Bank balances
 - Restricted funds position
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9. Reserves

- The West Kent Badger Group will maintain a reserves policy setting out:
 - The level of reserves considered appropriate
 - The purpose of holding reserves
 - Reserves levels will be reviewed annually by the trustees.
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10. Fraud and Financial Irregularities

- The West Kent Badger Group operates a zero-tolerance approach to fraud.
 - Any suspected fraud or financial irregularity must be reported immediately to the Chair or Treasurer.
 - Trustees will investigate concerns promptly and take appropriate action, including reporting to external bodies where required.
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11. Independent Examination / Audit

- Where required by law or trustees, the accounts will be independently examined or audited.
 - All financial records and explanations will be made available to the examiner or auditor.
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12. Review of Policy

- This policy will be reviewed annually or sooner if:
 - There is a significant change in activities
 - There is a change in legal or regulatory requirements
 - Weaknesses in controls are identified

The West Kent Badger Group - Financial Procedures Quick Guide for Volunteers

This guide explains what you need to do (and not do) when handling money on behalf of the West Kent Badger Group. If you're ever unsure, ask the Treasurer or a trustee before acting.

1. General Principles

- West Kent Badger Group money must only be used for charity purposes
 - Be honest, careful, and transparent at all times
 - Never put yourself in a position where you are solely responsible for West Kent Badger Group money without oversight
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2. Receiving Money

If you collect money (cash, cheques, or online):

- Record what you receive clearly (amount, date, purpose)
- Issue a receipt if requested or required
- Keep money secure at all times
- Hand money and records to the Treasurer or authorised person as soon as possible
- Do not keep West Kent Badger Group money at home longer than necessary

Cash tips:

- Count cash with another person where possible
 - Do not use West Kent Badger Group cash for personal expenses, even temporarily
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3. Spending Money

Before spending any West Kent Badger Group money:

- Make sure the expense is agreed and for charity purposes
- Check you have approval within the agreed spending limits
- Get a receipt or invoice every time

Never:

- Spend money without permission
 - Split payments to avoid approval limits
 - Commit the West Kent Badger Group to contracts or regular payments unless authorised
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4. Claiming Expenses

You may claim reasonable out-of-pocket expenses only.

To claim:

- Complete an expenses claim form (if used)
- Attach original receipts
- Submit promptly

Important:

- Expenses must be approved by one of the trustees and the Treasurer.
 - Trustees must never approve their own expenses
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5. Fundraising Activities

If you help with fundraising:

- Follow instructions given for that event or activity
- Keep clear records of money raised
- Hand in money and records together
- Tell the Treasurer about any issues, shortages, or discrepancies immediately

Mistakes happen—reporting them early is always the right thing to do.

6. Bank Accounts and Payments

- Only authorised people can access the West Kent Badger Group's bank account
 - Volunteers must not set up direct debits, standing orders, or online accounts in the West Kent Badger Group's name
 - Do not share banking passwords or codes
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7. Gifts, Donations, and Gift Aid

- Do not promise Gift Aid unless you've been trained to do so
 - Pass donation details to the Treasurer for proper recording
 - Restricted donations must be clearly identified
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8. Concerns or Problems

If you notice:

- Money missing
- Records not matching
- Pressure to bend the rules
- Anything that “doesn’t feel right”

👉 Report it immediately to the Treasurer or Chair.
You will not get into trouble for raising a genuine concern.

9. Need Help?

If you are unsure at any point:

- Stop
- Ask
- Get clarification before acting

Thank you for helping protect the West Kent Badger Group and the people it serves.