**Internal Financial Controls**

**Self-Assessment Checklist**

**Background**

It is good practice to carry out a self-assessment on an annual basis. A record should be kept of any improvement actions implemented as a result of the self-assessment.

This checklist is based on Charity Commission guidance and is designed to cover a basic set of financial controls and, therefore, should not be viewed as exhaustive.

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| **Key Control** | **In Place (Y/N)** | **Improvement Actions** |
| Do the trustees discuss the financial performance of the charity at each of their meetings? |  |  |
| Are sufficient accounting records kept of all transactions? (legal requirement) |  |  |
| Are the accounts formally approved by trustees at an annual meeting? |  |  |
| Have the trustees appointed an auditor or independent examiner? (legal requirement) |  |  |
| Does the charity keep the records required by HMRC for Gift Aid claims? |  |  |
| Are incoming receipts banked promptly? |  |  |
| Is insurance held to cover the contents of the safe or cash box and cash in transit? |  |  |
| Are funds banked without deduction of expenses? |  |  |
| Are regular checks made to ensure income records agree with the bank paying-in books  and statements? |  |  |
| Is there a written policy on the authorisation of expenditure? |  |  |
| Are invoices received checked against orders confirming pricing and the receipt of the goods  or services ordered? |  |  |
| Does the bank mandate require at least two signatories? |  |  |
| Is there a practice of not signing of blank cheques? |  |  |
| Are cheque books etc kept in a secure place with access only by nominated persons? |  |  |
| Is all cheque expenditure recorded in the cash book and noted with the relevant cheque  number, nature of payment and payee? |  |  |
| Are cheques signed only with documentary evidence of the nature of the payment,  eg invoice? |  |  |

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| **Key Control** | **In Place (Y/N)** | **Improvement Actions** |
| Is all debit/credit card expenditure supported by vouchers and invoices and recorded in the accounting  records each time the card is used? |  |  |
| Are debit/credit cards cancelled when the holder ceases to work for the charity? |  |  |
| Are card statements sent to the charity finance team and checked to supporting records  and invoices? |  |  |
| Are only named individuals authorised to set up direct debits, standing orders and  direct credits? |  |  |
| Does the charity use a dual authorisation system for BACS payments? |  |  |
| Does the charity monitor the arrangements to ensure that automatic payment arrangements  are cancelled when the goods and services are no longer being supplied to the charity? |  |  |
| Are all payments by cash made from a cash float and not from incoming cash? |  |  |
| Is supporting documentation authorised by someone other than the person maintaining the  petty cash or the person making the claim? |  |  |
| Are details of all payments entered in a petty cash book? |  |  |
| Are regular independent checks made of the petty cash float and records? |  |  |
| Does the charity have a written policy to cover the payment and reimbursement  of expenses? |  |  |
| Are expenses reimbursed only where the individual incurred the expense in the course of  carrying out the charity’s business? |  |  |
| Does the expense claim include a self-declaration that the claim is accurate and incurred on  the business of the charity? |  |  |
| If the charity pays mileage rates for travel are the rates in accordance with HMRC  approved rates? |  |  |
| Are regular checks made to ensure expenditure records are accurate and agree with the  bank statements? |  |  |
| Is a comprehensive fixed asset list held and updated regularly? |  |  |
| Are assets checked regularly to ensure they are still in good repair and are of use to  the charity? |  |  |

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| **Key Control** | **In Place (Y/N)** | **Improvement Actions** |
| Has insurance cover been considered? |  |  |
| Are secure records held of all bank and building society accounts? |  |  |
| Are bank statements regularly received and regular bank reconciliations carried out? |  |  |
| Are instructions to open or close accounts properly authorised and reported to trustees? |  |  |
| If the charity uses electronic banking to make payments does the system used  require authorisation of transactions by two individuals? |  |  |
| Are PCs kept secure with up-to-date anti-virus and spyware software and a personal firewall? |  |  |
| Is the PIN and password regularly changed, for example to mitigate the risks of  compromising security when individuals leave the charity? |  |  |
| Does the charity maintain a list of persons (trustees and staff) who are approved to have  access to the PIN and password? |  |  |
| Does the charity keep an audit trail of electronic banking transactions? |  |  |
| Are procedures in place to ensure that any restrictions put on the use of funds, by  the donor or through an appeal, are observed? |  |  |