



Internal Charity Financial Controls Policy and Procedure

1. Introduction

This Internal Charity Financial Controls Policy and Procedure ("the Policy") outlines the processes and controls for handling public donations within Lost Chord UK. These financial controls are overseen by a Finance and Governance Sub-Committee comprised of LCUK Trustees. The Policy aligns with the organisation's revised strategy and organisational structure and is designed to capitalise on opportunities while effectively monitoring and mitigating material risks.

2. Responsibility for Internal Controls

The ultimate responsibility for internal controls and risk management lies with the Trustees of Lost Chord UK. To fulfil this duty, the Trustees closely monitor the following internal controls:

3. Payment Authorisation

Approval of Payment Authorisation Policy: LCUK maintains an Approval of Payment Authorisation Policy to ensure that only legitimate, charity business-related transactions are processed for payment. This policy ensures the responsible and ethical use of Charity resources.

4. Financial Risk Monitoring

Approval of Annual Budgets, Monthly Management Accounts, and Cashflows: The Board and the Executive Team closely review and approve the annual budgets, monthly management accounts, and cashflows. These tools are essential in monitoring key financial and business risks throughout the year, helping LCUK make informed financial decisions.

5. Qualified Staff

Employment of Qualified Staff: To enhance the integrity of internal controls, LCUK employs suitably qualified and/or experienced staff. These individuals take responsibility for key areas of LCUK's business. The employment process is

complemented by a formal appraisal system, ensuring accountability and effectiveness.

6. Resource Efficiency

Best Value Demonstration: LCUK is committed to demonstrating best value. This includes using resources efficiently and effectively to maximise their impact on charitable beneficiaries. LCUK is dedicated to the prudent use of its resources for the benefit of its wider community.

7. Data Protection

Data Protection Procedures: LCUK strictly adheres to data protection procedures when handling sensitive data. These measures restrict access to key stakeholders' data to designated personnel. Approved security measures, such as mandatory use of passwords and access rights, are in place to ensure the confidentiality and integrity of sensitive data.

8. Money Handling Control

Compliance with UK Charity Regulations: In accordance with UK charity regulations, Lost Chord UK maintains strict controls over money handling. This control ensures that all financial transactions and donations are managed and accounted for in compliance with the Charity Commission's guidelines and regulations. This control further safeguards the financial integrity of LCUK.

8. Conclusion

Lost Chord UK emphasises the importance of sound internal financial controls to achieve its charitable objectives. Trustees and members of the Finance and Governance Sub-Committee are committed to ensuring that these controls are implemented effectively, reducing financial risks and safeguarding LCUK's financial integrity.

LCUK will review this policy periodically to ensure it remains aligned with its strategy and objectives while staying in compliance with all relevant legal and regulatory requirements.

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