



IPSWICH AND DISS AREA QUAKER MEETING
(Charity Commission Number: 1134526)

INTERNAL FINANCIAL CONTROLS POLICY AND PROCEDURES

Introduction

Internal financial controls are checks and procedures which enable charities to protect their assets (money and property), to make informed decisions about the charity's financial position, and to meet the legal duties which apply to charities.

Suitable internal financial controls help charities to identify and manage risks in relation to their finances and assets, to keep good quality accounting records, to prepare timely and relevant financial information and to make sure that the charity's financial reporting complies with the relevant legal requirements.

The policies and general procedures set out in this document relate to Ipswich and Diss Area Quaker Meeting including two linked charities as well as six Local Quaker Meetings (LMs): Bury St. Edmunds, Diss, Felixstowe, Ipswich, Leiston and Woodbridge and the Agnes Moss Bequest Trust. The linked charities are the Ipswich & Diss Area Meeting Property Charity and the Richard Waynforth Trust. Ipswich & Diss Area Quaker Meeting, including its LMs and associated charities, currently operates under Schemes adopted on 29 May 2012 and 7 October 2014 and was registered with the Charity Commission on 26 February 2010.

Charitable Objectives

Ipswich & Diss Area Quaker Meeting and the Local Meetings

The charitable objectives of Ipswich & Diss Area Meeting (AM) and its LMs are to support "the furtherance of the religious and other charitable purposes of the Religious Society of Friends (Quakers) in the area of Ipswich and Diss meeting and beyond."

Ipswich and Diss Area Meeting Property Charity

The charitable objectives of the Ipswich & Diss Area Meeting Property Charity are to support the "meeting houses and burial grounds of the Religious Society of Friends or for such other charitable purposes of the Society as the Ipswich and Diss Area Meeting may direct and the Trustees may think suitable: provided that the Trustees may allow persons who are not members of the society to use the meeting houses and premises and the remains of persons who were not members of the Society to be buried in the burial grounds."

The Richard Waynforth Trust

The charitable objectives of the Richard Waynforth Trust are to provide "relief in need for members, attenders and other people resident in the areas of Ipswich and Diss, South East

Anglia and the Norfolk and Waveney Area Quakers Meetings.” through grant making. The trust also finances attendance at Britain Yearly Meeting (BYM), Junior Yearly Meeting and Yearly Meeting Gathering for members and attenders who would otherwise find it financially difficult to attend.

From 2025 grants of up to £2,000 can be awarded to non-Quaker organisations that work to make a difference to the lives of local people living with disadvantage and operates within a 10-mile radius of a Local Meeting. For further information see current guidelines.

The Agnes Moss Bequest Trust

In accordance with the objectives of the Agnes Moss Bequest Trust the AM has directed that the trust is to be used by Diss LM for general purposes as well as property maintenance and repairs of Diss meeting house, burial ground and the private house.

Use of Internal Financial Controls

The AM Trustees administer the AM, six LMs and two linked charities on behalf the AM and in accordance with its governing documents and charity law and all other applicable laws and regulations. The AM Trustees also always work within the framework of Quaker governance.

The AM Trustees use the internal financial controls in this document to:

- Comply with charity law and regulation relating to finance.
- Protect their assets.
- Administer finances and assets in a way that identifies and manages risk.
- Ensure that financial reporting is robust and of sufficient quality by keeping adequate accounting records and preparing timely and relevant financial information.
- Ensure assets are properly used, funds are spent effectively, and finances are well managed.
- Record the AM’s policies on cash and cheque handling, legacies, fundraising, reimbursement of expenses, purchasing, electronic banking, wages and salaries, the use of debit cards, banking arrangements and the management of restricted and endowment funds. Separate policies or guidelines that the AM holds for financial controls are referenced in the corresponding sections of this document.

These controls are based on guidance from the Charity Commission’s *Internal Financial Controls for Charities (CC8)*, from BYM, the Yearly Meeting of the Religious Society of Friends (Quakers) in Great Britain, and from the Association of Church Accountants and Treasurers.

Internal financial control procedures for all AM accounts and LM accounts are set by Trustees in accordance with good practice and the requirements of the Memorandum of Understanding and are consistent with this policy.

Other relevant documents are referred to in this document.

1 Ensuring the Effectiveness of Internal Finance Controls

1.1 Review of Controls

The AM Trustees review this legislation annually to confirm the effectiveness of the internal financial controls and to ensure that the controls remain relevant and appropriate, including in

relation to any changes in legislation, and are not too onerous or disproportionate. Reviews should include consideration of any new risks arising, for example, from changes in the way in which the charity operates or from the emergence of new types of fraud.

1.2 Segregation of Duties

No single individual within the AM ever has sole responsibility for any single transaction from authorisation to completion and review. This holds true for the AM, the LMs and the linked charities.

The AM's segregation of financial duties is defined in *Financial Working Arrangements for Ipswich & Diss Area Quaker Meeting and its Linked Local Quaker Meetings and Charities*.

1.3 Monitoring Activities

The Area Meeting Treasurer's Team oversees the AM's finances and reports to AM Trustees.

The financial position and performance of the AM is monitored against budgets based on proper and realistic estimates of future income and expenditure.

LMs are responsible for setting their own budgets which are submitted to the Treasurer's Team. The full budgeting and financial review processes for the six LMs is documented in *Local Meeting Budget Guidelines for Ipswich & Diss Area Quaker Meeting*.

The AM Trustees review the AM and linked charities' finance status half-yearly in July by comparing expected sources of income and the actual income received as well as expected versus actual expenditure. Explanations are sought for significant over or underperformance for both income and expenditure, and the Trustees respond, as necessary, to balance any shortfall in income against expenditure. The AM Trustees also identify the need for any designated funds and ensure the appropriate use of restricted funds.

At least half-yearly Treasurers give a financial report to a LM Meeting for Business showing actual income and expenditure against the budget.

(a) Annual budget

The annual budget for the AM General Fund is prepared by the AM Treasurer and is based on the anticipated financial commitment and income during the budget period.

Where possible, costings and budget quotations are obtained to assist with budgeting for major items of expenditure.

LMs are asked to contribute towards the anticipated annual costs incurred by AM, calculated in proportion to the number of members and regular attenders in each LM.

The proposed budget will normally be presented to the AM in November for the agreement of Friends, in line with the Quaker business method.

(b) Committing to expenditure against the budget

Once approved by AM the Treasurer's Team is authorised to spend as outlined in the annual budget. Where a need to exceed budget is clear, and provided there are sufficient funds, the budget may, with the approval of the AM, be increased.

(c) Expenditure on premises

Whilst the Trustees retain legal responsibility, routine maintenance and day to day operation of Meeting Houses is delegated to LMs. Three meeting house funds have been set up to ensure that AM can support the long-term maintenance and repair of all its property: the AM Meeting House Maintenance Fund; the Bury St Edmunds Long-Term Meeting House Maintenance Fund and the Agnes Moss Bequest Trust. Details of the scope of each fund and authorisation required for expenditure is set out in the *AM Meeting Houses Maintenance Fund Policy*.

All income and expenditure in relation to Meeting Houses conforms to this policy.

1.4 Reserves

Reserve levels are reviewed annually for the AM, the LMs and linked charities (further details are in *Reserves Policy for Ipswich & Diss Area Quaker Meeting and its Linked Local Quaker Meetings and Charities*). The AM Trustees monitor investment performance by undertaking quarterly reviews of all deposit accounts and the Rathbone Greenbank portfolios for the Ipswich & Diss Area Meeting Property Charity and the Richard Waynforth Trust. The AM Trustees also meet biennially with the charities' Rathbone Greenbank and Ethical Investors investment managers (further details are in the *Investment Policy for Ipswich & Diss Area Quaker Meeting*).

1.5 Internal Audit Function

The internal audit determines the effectiveness of the AM's financial controls, helps the Trustees identify, assess, manage and monitor risks to the AM and advises on the completeness of its risk register. This audit is conducted every year by an AM Friend, who is deemed qualified to serve as an internal auditor, and who is nominated by the AM's nominations committee and approved by the AM. To perform the audit, the Friend uses the Charity Commission's *Internal controls for charities checklist*.

Alternatively, if no such Friend can be found the AM Treasurer, assistant AM Treasurer and LM Treasurers review each other's accounting records by randomly checking sample receipts and expenditures, from their original source/inception to inclusion in the accounting records. When the checks are completed, a report is provided to the AM Trustees, either to confirm that everything was correct or to note any deficiencies in actual records or systems. The report is then considered and acted upon by the AM Trustees and attached to their minutes as a permanent record.

The AM's accountant serves as its external auditor with his focus primarily on the identification and assessment of the risk of a material error or misstatement in the published accounts as well as any weaknesses in the AM's internal controls. The Trustees undertake a five-year review and tendering process for the AM's appointed auditor.

1.6 Communication of Financial Information

The finances and/or financial management of the AM and the linked charities are reviewed at Trustees' meetings on a regular basis. These meetings are conducted using the Quaker business method.

Every Trustees' meeting agenda includes a finance section for the discussion and agreement of all financial matters and to allow Trustees to raise any issues of concern. Financial information is sent to each trustee approximately a week prior to a meeting. Over the course of the annual cycle of trustee meetings, the following documents are reviewed:

- the latest management accounts and/or consolidated annual accounts
- a comparison of budget to actual figures
- an explanation for variances between forecasts and what actually happened
- details of cash flow and closing bank balances
- updates on the performance of investments

The AM's financial status is also reported half-yearly to Friends attending the Area Meetings held in September. The Trustees' annual report and consolidated annual accounts, which include the AM, the linked charities and all of the LMs, are presented to Friends at the May A.M. or at a specially convened A.M. in July. The Trustees' annual report and the consolidated accounts are submitted on time to BYM, Quaker Life and the Charity Commission, where they can be accessed by the general public. The annual report and accounts are also available from the AM's website.

1.7 Compliance with Legal Accounting Requirements

Trustees comply with their legal responsibilities for accounting and financial reporting by:

- Keeping 'sufficient' accounting records for six years to explain all transactions and to show the AM's financial position. Electronic back-up copies of accounting records are maintained.
- Preparing an annual report and consolidated accounts that meet legal requirements.
- Using a reserves policy, managing the level of reserves held and disclosing the reserves and investment policies in the Trustees' annual report.
- Approving and recording their approval of the Trustees' annual report and consolidated annual accounts, which are also approved by AM Friends who attend the May or at a specially convened July AM.
- Ensuring that accounts are subjected to external scrutiny, as required by law.
- Filing the Trustees' annual report, consolidated annual accounts and annual return on time with the Charity Commission.
- Meeting requests from the public for copies of the AM's annual Trustees' report and accounts.
- Safeguarding the assets of the AM and ensuring proper application of resources.
- Taking steps for the prevention and detection of bribery, fraud, financial abuse and other irregularities, which are addressed in *Financial Crime and Abuse Policy for Ipswich & Diss Area Quaker Meeting and its Linked Local Quaker Meetings and Charities*.
- Providing new Trustees with induction training, which includes a review of the AM's public benefit, the responsibilities of the AM Trustees, the AM's latest consolidated annual accounts and report, two governing documents, latest financial management accounts and its policies. New Treasurers are also offered induction training, and bi-annual meetings are held to promote team working, to ensure that Treasurers are up to date on current practices and policies and to provide a forum for sharing knowledge and experience. Friends are briefed annually at an AM on the importance of financial controls, and the document is available to Friends and the general public on the AM's website.

- Completing Declaration for Fit and Proper Persons forms and Disclosure of Interest forms; LM Treasurers also complete Declaration for Fit and Proper Persons forms.

1.8 Reducing and Managing the Risks from Financial Crime and Abuse

The AM Trustees recognise that financial crimes (e.g., bribery, fraud, theft, money laundering, cyber-attack) could result not only in the loss of AM funds but could also damage the public's trust and confidence in Ipswich & Diss AM and in Quakers more generally. The AM Trustees therefore take steps to identify and reduce the risks posed to the AM from financial crime. The controls in place are documented in *Financial Crime and Abuse Policy for Ipswich & Diss Area Quaker Meeting and its Linked Local Quaker Meetings and Charities*.

The AM Trustees consider the risk of financial crime, how to manage those risks and explain to all Friends the role played by its internal finance controls in managing identified risks. The basic controls in place for managing the risks of financial crime and abuse are detailed in the AM's *Financial Crime and Abuse Policy*, which includes a fraud policy, fraud response plan and whistle-blowing procedures, outlines how to report known or suspected crime or abuse and clarifies how reports of concerns will be investigated. This policy is reviewed biennially. A review can be precipitated when there is a change in legislation or Charity Commission requirements or when required by such circumstances as a change in the AM's structure, activities and area of operation or in the types of threat that the AM may face.

- Friends are briefed annually at an AM on how to report their concerns about criminal financial abuse, including concerns about the conduct of Trustees.
- The AM and LMs confirm the identities and legitimacy of any new organisations that they work with.
- If Trustees know or suspect an individual is misusing the AM for his or her own purposes or is misappropriating the AM's funds, the Trustees will take immediate and appropriate action to resolve the issue.
- To safeguard financial data from the risk of theft, fraud, identity theft and loss, all Treasurers are asked to comply with the AM's *Data Protection Policy* and to protect their computer systems with anti-spyware, anti-virus and firewalls.

Incidents of serious financial crime and abuse will be reported to the police, Charity Commission and BYM.

In addition to reporting as set out above, all types of fraud should be reported to Action Fraud. Tax fraud should be reported to HMRC. Incidents involving financial services, such as investments, insurance or pensions should be reported to the Financial Conduct Authority, and data breaches should be reported to the Information Commissioner's Office.

1.9 Bank and/or building society accounts

Appropriate accounts are maintained with banks which, where applicable, are regulated by the Financial Regulation Authority. The opening or closing of such accounts should be appropriately authorised. A list of all accounts is kept, and any accounts which are no longer used are closed. The costs and benefits of each account should be kept under review, checking that any charges or interest rates are competitive, and that the credit ratings of the relevant banks or building

societies are acceptable. For all accounts there must be more than one signatory on the mandate, and there should be sufficient signatories to enable the efficient operation of each account. Clear records are kept of all mandates and mandates should be kept under regular review. Changes to mandates should require dual authorisation. All user IDs, passcodes, passwords, PINS and other means of authorisation should be kept securely and updated or changed as required and should not be shared. Emails, telephone calls and other communications seeking personal security details should not be responded to.

No bank or building society account may be used for money transfers for the private benefit of individuals or third parties. Bank statements should be retained as part of the accounting records. Where possible, holdings in any single bank or building society should not normally exceed £85,000 in total (the Financial Services Compensation Scheme limit). The Area Meeting Treasurer is responsible for monitoring this, and, if necessary, advising as to moving funds. Alternative or non-traditional banking methods such as hawala, chiti, fei-ch'ien or hundi should not be used, as such methods may not have robust audit trails, thereby increasing the risk of fraud.

2 Internal Financial Controls for Income

All income to Area Meeting accounts, including income in respect of LMs whose accounts have been consolidated with AM accounts, is recorded and analysed in the AMs accounting software, QuickBooks. Local Meetings whose accounts have not been consolidated with Area Meeting's accounts are also recorded and analysed in the same accounting software.

2.1 Income from committed giving

A primary source of income for the Area Meeting is the committed giving by members and attenders of the Meeting. The AM Treasurer's Team produces a committed giving letter annually which is sent to Friends by each LM's Treasurer/collector to confirm how much they wish to contribute to their LMs and BYM and whether they wish to contribute by cheque, CAF, direct debit or payroll giving.

The LMs forward all funds collected for BYM (as an agent) to BYM.

2.2 Income from collection boxes and similar

Where money is given through collection boxes and similar, two people should be involved in counting and recording the money received, under their signatures. Money received in this way should be banked as soon as practical. Money given through collection boxes and similar should be stored securely until it is banked.

Any income collected expressly for other charitable organisations (special collections) should be sent to the designated charity as soon as possible once the collection for that organisation has ended.

2.3 Income received through card readers

Where card readers are used to receive income, they should be kept securely and be maintained by authorised individuals. The use of card readers must comply with the Payment Card Industry Data Security Standard.

2.4 Income from fundraising

The basic controls in place for income from fundraising are:

- Grant applications must be made in the name of the Trustees.
- Records are maintained for each fundraising event, in sufficient detail to identify gross receipts or takings and costs incurred
- For all events for which there is ticket income or gate money, tickets all are pre-numbered, a record is kept of everyone who has been issued with tickets to sell and of the ticket numbers that have been allocated to each person, a record is kept of which tickets have been sold, all money from tickets and any unsold tickets are collected and a reconciliation is made of receipts against tickets sold.
- Funds raised, as an agent, for other Quaker and non-Quaker charities are sent to the charities when the special collection's fundraising is finished.
- All fundraising income for LMs and special collections is recorded and analysed separately in the quarterly financial data spreadsheets
- When external fundraisers are engaged, the Trustees ensure compliance with the requirements of the current Charities Act.

2.5 Gift aid income

The ACAT handbook is the primary source of reference for legal and financial information relating to Gift Aid. The Quakers in Britain supplementary guidance sheet provides information on Gift Aid in the context of the Quaker meeting

Gift Aid may be claimed on donations from individuals who pay UK income tax provided the individuals have provided a completed Gift Aid form. Friends are asked to inform their LM Treasurer/collector if they cease to be UK taxpayers or if they wish to cancel their declaration for some other reason. Friends are also asked to notify their LM Treasurer/collector of any name and/or address changes so that new Gift Aid declarations can be signed. Checks are made to ensure that Friends' Gift Aid declarations have been received and that new declarations are signed when an existing declaration is more than four years old.

A consolidated return is submitted annually for the AM, the LMs, linked charities and BYM. The return includes a claim for small cash donations under the Gift Aid Small Donations Scheme (GASDS). Those making claims for Gift Aid should follow the requirements for doing so set out by HMRC.

Fund Filer is used to record all Gift Aid donations and claims. Appropriate checks are made that expected amounts from committed donors have been received, and that all Gift Aid repayments due have been received.

Gift Aid claimed by the AM and LMs, as an agent, for BYM is forwarded to BYM.

2.6 Legacy income

The AM and LMs occasionally receive income from legacies. The basic controls in place for legacy income are:

- Records, including any restrictions on the use of a bequest, are maintained for all legacies.
- Legacies are recorded in accounting records and mentioned in the Trustees' annual report.
- Chattels and property received are held securely, listed in the asset register, valued and sold or realised.
- Friends are provided with the appropriate wording to make their bequests to the AM, an LM or BYM via Friends Trusts Limited, which oversees the collection of the legacies and passes them on to the AM or LM. Friends Trusts Limited is the denominational trust corporation that acts as custodian trustee or nominee for the Religious Society of Friends (Quakers) in Great Britain. It is a registered charity.
- All income from legacies is recorded and analysed in the quarterly financial data spreadsheets.

Further details are available in BYM's *Legacy Booklet*. BYM also provides separate sheets to help Friends calculate the potential value of their estates and understand inheritance tax.

2.7 Hiring and rental income

Local Meetings using Quaker-owned premises earn rental income from hiring out rooms and facilities, and/or from payment of rent by residential occupiers.

Under the Memorandum of Understanding between AM and LMs, LM Premises Committees are responsible for setting pricing policies and conditions of use for the hire of rooms and facilities. Any issues concerning hiring of the facilities are addressed at annual meeting of Trustees and Premises Committee convenors.

Local Meetings should routinely review pricing structures. LMs must not offer reduced rates to particular groups as this is deemed to be a donation to a non-Quaker charity.

Where possible Hallmaster software is used for bookings and invoicing. Alternatively, invoices are generated using QuickBooks. Receipts are provided for all hiring payments, and hiring bookings are regularly reconciled against hiring payments to identify and follow up any outstanding debts.

Local Meetings should ensure that appropriate tenancy agreements are in place for all space which is residentially occupied.

2.8 Tainted charity donations

The AM Trustees are aware of the rules of, and their responsibilities towards, tax legislation on tainted charity donations, as specified in the current Finance Act, which states that no donors should get relief from tax and then subsequently receive their donations back or benefit from

their donations. The Trustees ensure that no donation is accepted, if its main purpose, or one of its main purposes, is to provide financial advantage to the donor.

2.9 Income Records

Regular checks are made to ensure that the accounting records of income for the AM, the LMs and linked charities are being accurately maintained. The basic controls in place for income records are:

- Records of cash and cheques received agree with bank paying-in slips or counter foils.
- Counter foils or paying-in slips agree with the bank statements, both in terms of amount banked and date of credit.
- Transfers or other direct bank payments are identified and verified to supporting paperwork.
- All income is recorded and analysed using QuickBooks accounting software.
- These checks are made by the AM Treasurer or assistant AM Treasurer, neither of whom are involved with the original recording of the transactions.

3 Internal Financial Controls for Purchases, Payments and Loans

3.1 Expenditure on Goods and Services

Goods and services are routinely purchased by the AM, the LMs and the linked charities. The basic controls in place for expenditure on goods and services are:

- Orders placed are within a spending budget that has been agreed by the AM, the AM Trustees or the LMs using the Quaker business method.
- Additional spending outside agreed budgets is by the AM, the AM Trustees or the LMs using the Quaker business method.
- Invoices received are checked against orders confirming the price paid and the receipt and satisfactory nature of the goods or services ordered.

3.2 Authorisation of Grants

The AM makes grants to its members, attenders and others through the Richard Waynforth Trust and to other Quaker and Quaker-related bodies through its LMs.

To ensure that the grants to members and attenders further the purposes of the Richard Waynforth Trust and that the funding is used by the recipients for the purposes for which it was given, all grants are made in accordance with *Grant Making Guidelines for the Richard Waynforth Trust*, which:

- sets out the conditions and any restrictions applying to grants awarded and defines the activities and projects that can be funded
- describes the procedures for the review and approval of grant applications, including confirmation that the grant applicant qualifies for relief-in-need funding
- specifies monitoring processes to ensure that grants have been used for the agreed purposes
- requires grant recipients to provide receipts when they have been awarded £500 or more

Grants made by the AM and LMs to other Quaker and Quaker-related bodies are in response to these organisations' specific appeals, rather than to them having submitted a grant application.

All grants are approved by the AM and LMs at their Meetings for Business. Examples of other Quaker and Quaker-related bodies include LMs for meeting house appeals, BYM, Quaker Peace & Social Witness, Quaker United Nations Office, Quaker Housing Trust, Quaker Social Action, Woodbrooke and Glebe House. Because all of these organisations are Quaker or Quaker-related, their charitable purposes align with those of Ipswich & Diss Area Meeting and its LMs in “the furtherance of the religious and other charitable purposes of the Religious Society of Friends (Quakers)”.

3.3 Payments by Cheque

Although most expenditure made by the AM, the LMs and linked charities is via electronic payment, cheques do continue to be used. The basic controls in place for the use of cheques are:

- Cheque books are kept in a secure place.
- All cheques, regardless of value, require two signatures, and the payee is not a signatory.
- Bank mandates are regularly reviewed and updated to reflect signatory changes.
- Blank cheques are not signed.
- Payments are recorded on quarterly financial data spreadsheets, including details of the cheque number, nature of the payment and the payee
- Documentation is maintained to support the validity of the payment including relevant invoices and confirmation that the goods or services have been received.

3.4 Payments by Debit Card

Debit cards are used by Bury St Edmunds and Ipswich LMs and by the AM Treasurer. No credit cards or charge cards are used by the AM, the other LMs or linked charities. The basic controls in place for the use of these debit cards are:

- The debit cards can only be used by the wardens or LM Treasurers and only to purchase supplies and services for the Meeting House. No one else can use the debit card, and no other purchases are acceptable.
- The AM debit card can only be used for online purchases of goods and services for the Area Meeting and any centralised LM. Use must be authorised by a Trustee.
- The Bury St Edmunds debit card is for a separate bank account maintained for the sole use of the warden’s purchases. This bank account never holds more than £500.
- Ipswich LM and AM have cards linked to their Co-operative current accounts. There is a £500 limit on the card.
- The guidelines for using the debit card have been clearly communicated, in writing, to the wardens.
- The debit card is cancelled and destroyed, if the warden ceases to work for the AM.
- The debit card expenditure must be supported by receipts and/or invoices and recorded in QuickBooks.
- Use of the debit card is reviewed quarterly by the LM Treasurers.

3.5 Payments by Direct Debit, Standing Order and BACS Direct Credit

Most payments made by the AM, the LMs and linked charities are via direct debit, standing order and BACS direct credit. The basic controls in place for the use of direct debit, standing order and BACS direct credit are:

- Only authorised individuals are able to set up arrangements to make payments by direct debit, standing order or BACS. This authority is limited to a small number of Friends who have been appointed by the Trustees or the LMs. All electronic banking payments require two users to complete a transaction.
- The AM Treasurer's Team maintains a list of the Friends authorised for each of the AM's, the LMs' and associated charities' current accounts. At least one trustee (the AM Treasurer and/or the assistant AM Treasurer) is an authorised signatory on all of the current accounts.
- All electronic payments are recorded in QuickBooks.
- The payments are monitored so that arrangements are cancelled when the goods or services are no longer being supplied.

3.6 Payments in Cash

Cash payments, which are only made by Ipswich LM warden, are kept to a minimum. No cash payments are made by the AM, the other LMs or the linked charities. The basic controls in place for cash payments are:

- The warden makes cash payments for small amounts only.
- The warden only pays cash from a petty cash float, specifically kept for such payments, and not from incoming cash or by way of direct withdrawal from the bank account. The warden arranges for a petty cash top up by an advance request to the LM Treasurer. The LM Treasurer cashes a cheque drawn on the LM's bank account, signed in accordance with the usual signing instructions, at a Co-op bank branch. The cash top up is entered in the petty cash book signed by both the warden and LM Treasurer. The LM Treasurer regularly checks the petty cash records and cash box, which is kept securely locked away.
- The warden records details of payments in a petty cash book and retains all receipts.
- Petty cash in hand and petty cash records and receipts are kept securely.
- Petty cash is reconciled quarterly by the Ipswich LM Treasurer. All expenditure is recorded and analysed in the quarterly financial data spreadsheets.

3.7 Wages and Salaries

The AM endeavours to be a good employer; doing at least the statutory minimum, but better than that, whenever possible. All employees and prospective employees are given equal opportunities. This includes issues covered by discrimination legislation and data protection but extends further.

(a) Employed Staff

The AM employs a bookkeeper, an administrator, wardens at Bury St Edmunds and Ipswich Meeting Houses and cleaners for Bury St Edmunds and Diss Meeting Houses. Their employment is overseen by AM Trustees. Under the Memorandum of Understanding between Area Meeting and Local Meetings, all staff are employed by Area Meeting, including those working in support of Local Meetings.

Salary levels for staff are set by Trustees (the employer) and are consistent across the AM. The Real Living Wage (published annually by The Living Wage Foundation) or better is paid to staff (except under very special circumstances when requested by the employee). All staff are paid the National Minimum Wage or better.

All decisions relating to recruitment and dismissal are made using the Quaker Business Method and with the agreement of AM Trustees (the employer). The Treasurer's Team is responsible

for recruiting and dismissing financial administration employees. Trustees, in discussion with the AM Clerking Team, are responsible for recruiting and dismissing administration employees. The Premises Committees of Bury St Edmunds, Diss and Ipswich LMs are responsible for recruiting and dismissing premises staff.

CBR Business Solutions are retained to give employment advice and guidance. Quaker Life employment guidance is also used

All employees have a written contract of employment, including provisions relating to place of work, pay, hours of work, probation, holidays, sickness, the duration of employment and notice periods. Wages and salaries must comply with the law on minimum wages are paid by BACS. Legal obligations in relation to pension scheme arrangements must be complied with. All staff are offered the chance to join the Area Meeting's pension scheme on the same conditions, irrespective of whether there is a legal obligation to enrol them.

The LM Treasurers/line managers inform the AM bookkeeper of new employee details, rates of pay, hours contracted and whether the employee has signed up to the pension scheme. The AM bookkeeper provides such information to the payroll services provider, CBR Solutions.

The AM bookkeeper is responsible for paying staff members and providing them their payslips. All wages and salaries are paid by BACS and authorised by the AM Treasurer or Assistant Treasurer. If relevant the reimbursement of staff salary and pension costs is requested from LMs on a quarterly basis.

All statutory deductions (tax and NIC) made from staff's wages and salaries are forwarded to HMRC monthly. Further details are in *Pay as You Earn (PAYE) Guidelines for Ipswich & Diss Area Quaker Meeting*. Pension contributions are paid to The People's Pension monthly. Other deductions from salaries are made only when they are required or authorised.

All end-of-year returns (P60s and P11Ds) are completed and then filed with HMRC and issued to staff by the deadline.

Notification of leavers, changes of hours and other payroll changes are properly authorised and recorded either by the LM's Premises Committee or in the case of AM employees, their line managers I think we should but I'm not sure that we do this! I'll talk to Rachel about it. using the Quaker business method. All changes are also reported to the AM's bookkeeper who passes relevant information on to the payroll services provider.

Wages records are held securely by the AM Treasurer's Team.

(b) Self-Employed Staff

In some cases, self-employed staff are used (e.g. gardeners & cleaners). LMs have operational responsibility for the contracting, management and termination of contracts for self-employed staff but do so with the agreement of Trustees. Such decisions are made using the Quaker business method.

Self-employed staff are paid only against invoices and the controls which are applied to payment of suppliers are applied to payment of self-employed staff. Payments are made by BACS.

It is a condition of the retention of self-employed staff that they confirm that they are responsible for dealing with HMRC in relation to tax and National Insurance contributions. All self-

employed staff are given clear descriptions of their duties; the quality of work expected from them and their rights.

The Real Living Wage or better is paid to self-employed staff.

3.8 Payment and Reimbursements of Expenses

The AM, the LMs and linked charities reimburse expenses for travel, business and out-of-pocket expenses, incurred on its behalf, by members, attenders and employees. The basic controls in place for the reimbursement of expenses are:

- Expenses claims are completed, and receipts are provided.
- The reimbursement process is clearly communicated to the AM's members, attenders and staff as well as to the AM and LM Treasurers, who are responsible for reimbursing expenses.
- Expense claims have a self-declaration that the claim is accurate and incurred in connection with the business of the AM, the LMs or linked charities.
- Reimbursements are only made by BACS transfer.
- The mileage rates paid for car, motorcycle and bicycle travel are at the HMRC rates that do not result in a tax or national insurance liability for the AM or the Friend.
- Advance travel funding may be provided to Friends. After the travel, the AM and LM Treasurers ask the Friends to provide receipts and return any unspent funds.
- A Form P11d is completed and filed with HMRC detailing expense payments and benefits received by each employee earning £8,500 or more annually.
- All reimbursed expenses are recorded in QuickBooks

3.9 Loans

The AM does not support the use of loans or overdrafts as a source of finance for the AM, the LMs or linked charities. Any additional income required by the AM, an LM or a linked charity is raised through fundraising, grants and donations.

Historically, the AM loaned itself funds, when in the late 1980s, some land belonging to Ipswich & Diss Monthly Meeting United Charities at Tower Ramparts, Ipswich, was sold for the enlargement of the Marks & Spencer store. About £125,000 was raised. The Charity Commission gave permission for £103,000 of that money to be spent on refurbishment of the three meeting houses then in the Monthly Meeting, as follows:

Date of Scheme	Meeting House	Sum Spent	Annual Repayment
11.08.1986	Bury St Edmunds	£16,000	£144
09.03.1987	Ipswich	£30,000	£270
13.11.1987	Leiston	£57,000	£513

The authorisation to spend the funds was on condition that accounts were opened for recoupment of the sums over a period of 40 years at the rate of 0.9% per annum with the Official Custodian of Charities. These repayments, totalling £927 a year, are payable until 2026/27.

When the capital and income become accessible in 2026/27, the capital will be added to the endowment fund of the Ipswich & Diss Area Meeting Property Charity.

3.10 Expenditure records

Records of expenditure are maintained for the AM, the LMs and linked charities. The basic controls in place for expenditure records are:

- Records of payments (including direct debit, BACS, or standing orders) are checked quarterly to bank statements as part of the bank reconciliation processes.
- All expenditure is recorded and analysed in QuickBooks.
- Quarterly checks are made to ensure payments are supported by invoices.
- Standing orders and direct debit payments are checked quarterly to ensure payments remain in accordance with valid instructions given to the bank.
- Expenditure from restricted funds is in line with the restrictions placed on how funds are to be used.
- These checks are made by people other than the person concerned with the original recording of the transactions

4 Internal Financial Controls for Assets and Investments

4.1 Functional Fixed Assets

The AM's functional fixed assets include land, buildings, fixtures and fittings and equipment. The AM Trustees safeguard these assets from loss or damage and ensure their proper use by using the following basic controls:

- A financial threshold is set for the capitalisation of expenditure on fixed assets.
- A register is maintained of all purchased or donated assets and is updated annually. The register records the make, model, serial number (where applicable), any distinguishing features and estimated replacement value.
- Fixed assets are inspected at regular intervals to ensure that they remain in good repair and are being put to appropriate use. Quinquennial and tree surveys are undertaken for the AM's four Meeting Houses and the private house.
- The disposal or scrapping of fixed assets is agreed using the Quaker business method and recorded in accounting records and in the fixed asset register.
- Insurance cover is reviewed annually.
- All land and buildings are recorded with the Land Registry.

4.2 Investments

Reserves, restricted funds and endowed funds have been ethically invested to generate income. The AM Trustees ensure that these investments are safeguarded by using the following basic controls:

- The AM Trustees have set an investment policy, which is updated biennially, or when circumstances require, and is included in the annual report. Please see *Investment Policy for Ipswich & Diss Area Quaker Meeting*.
- All investments are made to further the AM's charitable aims and to produce a financial return. The Trustees do on occasion put the AM's ethical values before profit.

- The AM Trustees consider the suitability and diversification of investments, including investments in deposit accounts, to ensure that the failure of one investment or institution does not have a major impact on the AM.
- The AM Trustees review all investments quarterly to assess their suitability, diversification and performance in accordance with the Trustee Act 2000. The Trustees meet biennially with their Rathbone Greenbank and Ethical Investors investment managers.
- Records of all investments, including details of all those sold or purchased, are maintained.
- Trustees ensure that all dividends, rent and interest payments are received, and all purchases and sales of investments are agreed and recorded using the Quaker business method. The purchase and disposal of some investments have been delegated to an external investment manager, Rathbone Greenbank, in accordance with the current Trustee Act.
- All dividends are recorded in QuickBooks

4.3 Cash Held on Deposit

The AM, LMs and linked charities hold cash in ethical current accounts, deposit accounts and/or investment portfolios. Current accounts are with the Co-operative Bank. Deposit accounts are with Triodos Bank and Epworth Investment Management Ltd. Cash is also held as part of the investments with CCLA and Rathbone Greenbank. The basic controls in place for the cash held on deposit are:

- Bank reconciliations are performed quarterly for all accounts and audited by either the AM Treasurer or the AM assistant Treasurer.
- Direct debits, standing orders and other transfers are checked quarterly.
- All bank accounts are operated in accordance with the agreement with the issuing financial institution and are not used for any money transfers for the private benefit of individuals or third parties under any circumstances.
- Bank mandates are regularly reviewed and updated to reflect signatory changes.
- A list of all bank accounts is maintained.
- The opening or closing of accounts is agreed by Trustees using the Quaker business method.
- Account balances are monitored by the AM Treasurer to ensure they do not exceed the £85,000 covered by the FSCS or Dutch Deposit Guarantee Scheme, where applicable.
- No third parties can open bank accounts in the AM's, LMs' or linked charities' names or use any of their bank accounts to receive or transfer money.
- Current and deposit accounts are reviewed quarterly to ensure the rates of interest are competitive for ethical investments and that the credit ratings of the AM's financial institutions are acceptable.
- All interest is recorded QuickBooks.

4.4 Electronic Banking

The majority of the AM's, the LMs' and linked charities' banking is done electronically. The following basic controls are in place for electronic banking:

- All online banking transactions require dual authorisation, regardless of value.
- Bank mandates are regularly reviewed and updated to reflect signatory changes.

- There is clear segregation of duties, with no single person being able to control substantial resources or obtaining unauthorised access to account information.
- There is proper approval for movements between, and payments from, all bank accounts.
- After an electronic banking transaction, a print-out showing details of the transaction can be taken and stored as part of the accounting record.
- Bank statements are retained as part of the accounting records.
- All Treasurers are asked to update their PCs with anti-virus, spyware and firewall software.
- All user IDs, passcodes, passwords, PINs, client IDs and security tokens are kept secure and updated as required.
- Emails received relating to bank accounts are treated with caution and no responses are made to emails or telephone calls asking for personal security details.

4.5 Restricted Funds and Endowment Funds

The AM Trustees ensure that all restricted funds are spent only on the purposes for which they were given and that endowed funds are properly invested and any prohibition on their expenditure is observed. The following basic controls are in place for restricted funds and endowment funds:

- Restrictions or conditions placed on income received are recorded.
- Separate budgets and bank accounts are operated for restricted funds.
- If permanent endowment investments held in the fund are sold, the proceeds are reinvested and income from investments is applied in line with the terms of the endowment.
- Payments relating to the maintenance of endowment funds (e.g., investment management fees) are met from the endowed fund.

5 Conclusion

The AM always adheres to good practice in relation to its finances. The AM Trustees feel that it is important that all Friends within the AM take the issue of internal financial controls seriously. Making controls work is not seen as just the responsibility of Trustees, Treasurers and staff members. The AM Trustees try to set the example.

Date approved: **3rd November 2025**

Review Date: **July 2028**