

Mayfield and Five Ashes Community Services (“MAYFACS”)
Registered Charity No. 1166647
Financial Risk Policy
September 2026

Version	1.0
Date	September 2026
Approved by	MAYFACS Board of Trustees
Review date	September 2027
Signed	C Kerr

This document serves to outline a Financial Risk Policy (“Policy”) for Mayfield and Five Ashes Community Services (“MAYFACS”) a registered charity. In developing this Policy, the Trustees have taken into consideration that MAYFACS is a local charity which does not have from the perspective of size, geographical reach, and financial complexity the issues facing larger charities.

The Trustees are aware of and support the need for MAYFACS a registered charity, to develop and put in place a Financial Risk Policy (Policy”) for the benefit of the:

- Beneficiaries and donors.
- Charity Commission.
- Trustees.
- Employees.

While it is recognised that the establishing of this Policy per se is not a legal requirement it is understood that there is a clear indication and expectation by the Charity Commission that a policy be put in place and should be part of and feed into MAYFACS overall risk register.

The Policy serves to provide a high-level summary of the financial risks facing MAYFACS and does not constitute a set of operating procedures/processes which should underpin the Policy.

When developing this Policy, the Trustees were cognisant of their legal duty to:

- Act in the interest of their charity and its beneficiaries.
- Protect and safeguard the assets of the charity
- Act with reasonable care and skill.
- Ensure their charity is accountable.

The Trustees recognise that the primary objectives of the Policy should be to safeguard MAYFACS assets, ensure strict compliance with regulatory frameworks and to protect the medium to long term viability of its, operations.

The requirements of the Policy applies unconditionally to all trustees, officers, employees and volunteers handling MAYFACS funds.

Primary Financial Risks:

The primary financial risks facing MAYFACS are:

- 1) Unlawful and/or inappropriate use of funds by the Trustees, staff or volunteers.
- 2) Unlawful deployment of Restricted Funds
- 3) Insufficient funds available to manage and provide MAYFACS' services.
- 4) Financial information/data is lost or corrupted due to systems failure and/or hacking.
- 5) Non-compliance with regard to regulatory/statutory accounting standards.

Mitigation of Risks:

The following mitigation measures should as a minimum be established:

Unlawful and/or inappropriate use of funds by the Trustees, staff or volunteers:

- Staff to be trained in handling of monies.
- Multiple cross checks to be made to ensure counting of money is accurate and recorded properly.
- Copies of all invoices/records etc. to be retained on file.
- All expense receipts to be annotated with the account allocation and approved in accordance with the Policy (see below).
- A bank mandate to be in place which requires at least two authorised signatories (approved by the Trustees) to approve any expense and/or cash disbursement (see below).

Unlawful/Inappropriate Deployment of Restricted Funds:

- Restricted Funds should be recorded separately in the accounts with clear designation as to their purpose and permitted usage.

- Any disbursements of Restricted Funds to be approved by the Charity Manager and Finance and Administration Officer (“Finance Officer”).
- Quarterly reports to be provided by the Charity Manager and Finance Officer to the Finance, Funding and Investment Committee (“Finance Committee”) detailing any receipt or disbursement of Restricted Funds.
- Reports by the Charity Manager to be provided as required, but as a minimum at the end of the grant, to the fund giver detailing the use of any Restricted Funds.

Insufficient funds available to manage and provide the services of the MAYFACS:

- Development annually of a 5-year financial projection in order to determine any funding gaps.
- Development of an annual budget.
- Funding Committee to lead, coordinate and oversee all funding fundraising activities.
- The Chair of the Funding Committee to be a member of the Finance Committee.

Financial information/data is lost or corrupted due to systems failure and/or hacking:

- The Sage accounting system used is fully backed up in the “cloud” by SAGE.
- At least annually, confirmation should be obtained from SAGE that systems data continues to be backed up and that there have been no breaches of security in their “cloud” system.

Non-compliance with regard to regulatory/statutory accounting standards:

- Monthly management accounts to be produced by Finance Officer, approved by the Charity Manager and submitted to the Treasury.
- Quarterly financial report to be produced by the Finance Officer and Charity Manager and submitted to the Finance Committee and subsequently to the Trustees.
- Annual statutory accounts to be prepared by the Finance officer and Charity Manager, reviewed by the Treasurer and approved by the Finance Committee for submission to the Trustees.
- An examination of the accounts to be conducted by an examiner as required under the Charity Commission’s CC32 guideline and approved by the Trustees.
- The examiner to provide a report to the Treasurer if he/she feels that proper accounting records are not being kept, if any accruals being made did not comply with legal/SORP requirements; and if the accounts do not accord with the accounting Records.

Governance:

The Trustees retain ultimate legal, statutory and fiduciary responsibility for the financial health of MAYFACS.

The Treasurer, through the auspice of the Finance Funding Oversight and Investment Committee is responsible together with the Finance Officer for overseeing financial management and for providing the Trustees with, on a regular basis, accurate financial information and for ensuring that the Committee meets its responsibilities as outlined under Section 4 of the Committee's Terms of Reference.

If a material loss, non-compliance with any regulatory requirement or guideline, or criminality is discovered then this must be reported to the Treasurer immediately for discussion with the Trustees.

Any such breach must be subject to immediate investigation and reported to the appropriate authorities.

Financial Reserves:

A Financial Reserve Policy should be developed and a Financial Reserve established sufficient to enable MAYFACS to meet its legal and regulatory obligations and, if necessary, conduct an orderly wind-down of operations if funding ceases to be forthcoming.

The level of Financial Reserves should be reviewed annually and where necessary amended by the Trustees.

Financial Control:

No single person is allowed to handle a transaction from inception to completion. The initiating, processing and approving of any transaction, and reconciliation of the bank account must always be performed by multiple people.

Bank Account:

The Trustees to approve a list of individuals who are permitted access to the on-line banking with CAF Bank.

The bank mandate must require that two signatories as approved by the Trustees are required for all disbursements up to £5,000. Any amounts over £5,000 to require the additional approval of the Treasurer.

Under advice by e-mail to the Treasurer the Finance Officer or the MAYFACS Manager may transfer funds up to £10,000 from the Savings Account to the Current Account at any one time. Any amounts over £10,000 require the prior approval of the Treasurer.

Cash/cash receipts:

To be recorded on a schedule detailing date, amount received, and purpose.

Each receipt to be counted by at least two individuals (staff/Trustee) with the schedule being initialled by them.

Cash receipts should be kept in a secure locked location and banked on a regular basis at least monthly.

Any large individual receipts (over £250) to be banked as soon as possible after receipt.

Expenses:

The Trustees to approve a list of individuals ("approved individuals") who can approve expense disbursement.

Expense invoices up to £5,000 are to be approved by two of the approved individuals before disbursement of funds. Any invoice over £5,000 requires the approval of the Treasurer.

Petty Cash:

Two petty cash boxes are maintained. One is in the general office and one is at the Shed. Each Petty Cash box operates on the basis of a £50 float.

General Office. The petty cash box in the general office is under the control of the MAYFACS manager and can only be used for minor office expenses on a day-to-day basis.

The Shed: The petty cash box in the Shed is used for receipt of meeting subscriptions and minor expenses. The Shed manager must account to the MAYFACS on a regular basis for the income and expenses in the petty cash box together with appropriate records.

Credit Cards:

A "corporate" credit card is held in the name of Lucy Jervis.

Before any amounts are charged to the corporate credit card the underlying expense must be recorded on an invoice or pro-forma invoice before charging and be approved in line with the approval of expenses outlined above.

Sum-Up:

There are three Sum-Up charge card machines available for use by MAYFACS. These are kept in the general office under the control of the MAYFACS manager.

Under no circumstances can these machines be used for any business/activities which are unrelated to MAYFACS business/activities.

MAYFACS Risk Register:

The primary financial risks (see above) must be assessed and risk rated by the Committee at least annually with appropriate recommendations being made to the Trustees regarding the level of risk (High, Medium, Low), the likelihood of the risk occurring (probable, possible, remote) together with any actions required to mitigate the risk and whether additional risks should be added to the risk register.