

Financial Regulations



Camphill School Aberdeen

Financial Regulations

Review Date: February 2019

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Board of Trustees Legal Requirements - Overview

The Charities and Trustees Investment (Scotland) Act 2005 establishes a comprehensive and coherent regulatory framework for Charities in Scotland. The Act defines the principal duty of the Charitable Company Director is to maintain general overall control of the Charitable Company, ensuring that it is administered effectively and it is able to account for its activities and outcomes to both the Office of the Scottish Charities Regulator (OSCR), HMRC and the Public.

The Act defines the following four general duties which are fundamental to a Charitable Company Director carrying out their role-

- I. Act in the interests of the charity.
- II. Seek, in good faith, to ensure that the charity operates in a manner that is consistent with its objects and purposes.
- III. Act with the care and diligence that is reasonable to expect of a person who is managing the affairs of another person.
- IV. Ensure that the charity complies, with the provisions of the Act, and other relevant legislation.

OSCR have provided guidance on examples of good practice in the four areas and have highlighted the following areas regarding financial monitoring and controls: -

- Ensure the charity is run properly, responsibly and lawfully.
- Agree and regularly review the strategy and policies of the charity.
- Agree financial delegation and budgets, and monitor financial performance.
- Ensure the charity is solvent
- Regularly review procedures for managing risk.
- Act as the guardians to the charity's assets.
- Keep financial records, prepare annual accounts and subject these to external scrutiny as required by the Accounting Regulations (Charities SORP FRS 102).

Charitable Company Directors as a body are collectively or corporately responsible for the activities of the charity. Generally, directors cannot delegate their responsibility to others, although they can delegate some of their functions. So, for instance, sub-committees, executive and management teams may well perform tasks and activities associated with the responsibilities. However ultimate accountability remains with Charitable Company Director.

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Policy

Board of Trustees

The Camphill School Aberdeen Board of Trustees (Directors) will delegate more detailed scrutiny of financial matters to the Finance Sub Committee which will comprise of a minimum of two members of the Board of Trustees. The sub-committee will also have representation from the Executive management team and will be advised by the Director of Finance and Corporate Services.

The Finance Sub Committee will meet on a minimum of four occasions during the year in advance of the cycle of Board of Trustees Meetings. Detailed minutes of the Finance Sub Committee minutes will be placed on the agenda of every Board of Trustees meeting to allow full discussion and scrutiny by the Board of Trustees on all financial matters, and the approval or otherwise of any actions recommended by the Finance Sub Committee.

To ensure that the members of the CSA Board of Trustees and the delegated Finance Sub Committee discharge their duties as Charitable Company Directors and maintain overall financial control of CSA they set and implement the following Financial Regulatory Review process: -

- Agree and review five-year Strategic Plan (Annual Review)
- Agree and review annual Operational Plan (Annually to agree and review as required)
- Agree and review annual Revenue Budget (Annually to agree budget and review as required)
- Agree and review Capital Expenditure Budgets (Annually to agree budget and review as required)
- Agree and review Operational Risk Management Register (Annual Review)
- Agree and review Reserves Policy (Annual Review)
- Agree and review Financial Regulations (Annual Review)
- Review regular budget monitoring and variance analysis (Each Meeting)
 - Agree any overall budgetary overspends and use of contingency funds (Review and approval as required)
 - Delegate to Executive Management budget overspends in individual budget lines within the overall budget. (Review at each meeting)
- Appointment of External Auditors (Reviewed every 3 years)
- Approval of Statutory Accounts and Directors Report (Annually)

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Executive and Management Team

The day to day operational management of CSA is delegated to the Executive and Management Team who have the responsibility to manage the financial resources of CSA in line with overall Strategic plan and approved annual revenue budget. The Executive and Management Team should ensure the security of CSA assets, and that charitable resources are expended ensuring best value and in accordance with the CSA financial policies issued to budget holders and house account holders.

Director of Finance and Corporate Services

The Director of Finance and Corporate Services should ensure the following information is complete and available to the Board of Trustees and the Management Team: -

- The accurate recording of all financial transactions
- Completion of regular budget monitoring reports and variance analysis
- Ensure compliance with statutory financial regulations
- Ensure financial regulations and policies reflect all necessary compliance and best practice

Nominated budget and house account holders

The nominated budget and house account holders should ensure best value in all purchases and adhere to financial policies and guidelines issued as to the operation of School Bank Accounts and Credit Cards, ensuring that all transactions are timeously and accurately recorded and the necessary source documentation is retained in support of expenditure.

Status approved by: **Finance Committee / Board of Trustees**

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Record of Approval				
3	February 2018	<i>Kathleen Scott</i>	<i>(For Executive Team)</i>	<i>(for Board of Trustees)</i>
Rev	Date	Author	Recommended	Approved