

AVOCADO Lite - Foundation Series

Delivering operational excellence and funding success for small charities

“Growing the Seed”



Financial Management and Accountability

Presenter



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Top 5 things to know about Financial Management and Accountability

- Why is good financial management and accountability so important?
- Following best practice
- Identifying and Managing risk
- Meeting legal requirements
- Ensuring the quality and accuracy of reporting



So Why is Good financial management crucial?

It's the responsibility of charity trustees to ensure that the charity's resources are protected so that the charity can fulfil its aims. Although no system of controls can guarantee that a charity will be totally protected against things going wrong, it does protect the trustees against the charge of failing to protect the Charity's assets and funds. Therefore, it's essential that all those working in the charity whether trustees, staff or volunteers take the issue of internal financial controls seriously.



Following Best Practice

- Financial controls in place throughout the charity
- Clear policies and procedures
- Transparency, clarity of information and communication
- Monitoring activities are clear and regular
- Establishing internal auditing and finance sub committees

Identifying and Managing risk



Meeting legal requirements

- Act in your charity's best interests
- Manage your charity's resources responsibly
- Prepare accounts for your charity each year
- Prepare a trustees' annual report each year
- Keep accurate accounting records for at least six years (three years if your charity is a company)



Quality and Accuracy of Reporting

- Keep things as simple as possible
- Don't re-invent the wheel
- Give yourself plenty of time to prepare documents when needed
- Take professional advice where appropriate

Sources of information

- Charity Commission – <https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3/>
- Charity Commission – <https://www.gov.uk/guidance/charity-money-how-to-keep-it-safe>
- Small Charities coalition – <http://www.smallcharities.org.uk/resources-accounts-finance/#c5607>
- Knowhow non profit – <https://knowhownonprofit.org/tools-resources>
- How Charities work - <http://howcharitieswork.com/transparency-and-accountability/charitable-activity>

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