



**COMMONWEALTH YOUTH COUNCIL LTD
(A PRIVATE COMPANY LIMITED BY GUARANTEE IN THE UNITED KINGDOM)**

FINANCIAL CONTROLS AND PROCEDURES

1. Introduction

The Commonwealth Youth Council Ltd is a pan Commonwealth Youth-led organization. It is the official representative body of the young people in the Commonwealth. The organisation's General Assembly has directed its Executive (the CYC Executive) to have oversight of the company.

This document outlines the financial controls and procedures in place for the Commonwealth Youth Council Ltd with the aim of reducing risk to the company by avoiding conflicts of interest and with the intention of preventing fraud. These controls and procedures further seek to fulfil the company's obligations in the most effective and efficient manner, including being accountable to all its stakeholders; principally its members but also including its clients, partners, funders, employees, and the broader community represented by the international body of the Commonwealth Youth Council.

The document is reviewed and approved frequently as deemed necessary by the CYC executives, whether changes are made to it or not. Changes, to the list of mandated signatories for example, may be made in the interim, but attention must be drawn to any and all proposed amendments and the whole, revised document must be approved in order for changes to take effect.

This version of the Financial Controls and Procedures was approved by the CYC Executive on **15th October, 2014**.

2. Company Details

Name: Commonwealth Youth Council Ltd

Registered Address: Marlborough House, Pall Mall, London SW1Y 5HX

Company Number: 08804079

3. Bankers

Name: Barclays Bank

Address: Piccadilly Circus, 48 Regent St, London W1B 5RA

Account Name: Commonwealth Youth Council Ltd

Account No: 53606562

Sort Code: 207175

Swift Code: BARCGB22

IBAN No.: GB07BARC20717553606562



The company's bankers are approved by the CYC Executive: Barclays having been appointed on 10th March, 2014.

The company's banking provision is reviewed from time to time by the CYC Executive to ensure the arrangements in place remain fit for purpose. The current arrangements having just been put in place, the first review has yet to be undertaken.

4. Mandated Signatories

Signatories to the accounts are approved by the CYC Executive. Those currently in place are:

- Ahmed Adamu (Chairperson of the international organisation the Commonwealth Youth Council)
- Layne Robinson (Commonwealth Youth Programme)

Signatories are required to authorise, by signature or electronic means, all financial instruments as specified by the Bankers once approval has been obtained (see below). **NOTE** For the purposes of these procedures, financial instrument should be taken to mean any cheque, authorisation of electronic transaction, receipt, or direct debit or standing order authority.

5. Other Applicable Mandates and Authorities

- Authorised signatories are able to make telephone enquiries about accounts.
- Authorised signatories, together, may enter and confirm electronic transactions once these have been approved (see below).
- The CYC Chairperson in consultation with the CYC Vice Chairperson for Partnership and Resources have the power, delegated by the CYC Executive, to approve the issue of financial instruments as approved by the CYC executives – such approval must be secured prior to any action by the authorised signatories.

6. Delegated Levels of Authority

The CYC Chairperson in consultation with CYC Vice Chairperson for Partnership and Resources, under the consent of CYC executives may approve the issue of any financial instrument the total of which falls within agreed budget levels (see **Budgets** below).

Approval for the issue of any financial instrument the total of which exceeds agreed budgets must be sought from the CYC Executive. Their confirmation between meetings may be secured electronically but must be minuted at their next meeting.

7. Financial Reporting

The CYC executives remain legally responsible for the affairs of the Commonwealth Youth Council Ltd, and are responsible for reporting to the members of the organization.

The CYC financial officer is responsible for the day-to-day administration of the company's financial affairs including receipts and payments, reconciliations, and maintaining accounts to trial balance.



All payments approvals, transactions, receipts, outstanding payments, and any other financial dealings of the CYC should be communicated to the CYC financial officer in advance.

The **The CYC financial officer** should provide the CYC Chairperson and Vice Chairperson for Partnerships and Resources and other CYC executives the following financial reports each month:

- Management Accounts showing actual income and expenditure against agreed budgets;
- Cashflow Forecast;
- Bank reconciliations;
- Transaction report

The latter should consist of a list of all financial transactions (payments and receipts) during a calendar month. It should indicate from whom approval of the issue of any financial instrument was obtained and should be reviewed and signed by the CYC Chairperson and Vice Chairperson for Partnerships and Resources or, in their absence, other members of the CYC Executive not being directors of the company.

The **The CYC financial officer** is responsible, in consultation with the CYC Chairperson and Vice Chairperson for Partnerships and Resources and other CYC executives, for compiling the financial report.

The CYC Vice Chairperson for Partnerships and Resources has responsibility for oversight of the organization's financial affairs on behalf of the CYC Executive. The post-holder is obliged to undertake periodic checks on the organization's financial systems and transactions.

The CYC Vice Chairperson for Partnerships and Resources is responsible for providing any financial updates on the organization, and for reporting at General Assemblies of the Commonwealth Youth Council.

The CYC Executive has delegated responsibility for all the financial affairs of the company including arranging audits. Administration of the practicalities of audit processes are devolved to the CYC Vice Chairperson for Partnerships and Resources and the **The CYC financial officer**, who are responsible for ensuring they are undertaken in a timely and efficient manner.

The CYC Executive are responsible for finalising the financial report.

The CYC Executive's planning cycle schedules the dates for discussion of financial matters as follows (the following assumes a financial year of July-June):

| | |
|-----------------------------|--|
| February Executive Meeting | Quarterly Financial Reports to end-December |
| June Executive Meeting | Quarterly Financial Reports to end-March Approval of Annual Budget for the new financial year Review of Financial Controls and Procedures document |
| September Executive Meeting | Quarterly Financial Reports to end-June – i.e., provisional end-of-year figures |
| November Board Meeting | Quarterly Financial Reports to end-September Annual Accounts presented for approval |



8. Budgets

Draft annual budgets will be prepared by the The CYC financial officer following discussion by the CYC Executive on the workplan. They will also be submitted to the directors of the company and any budget-holders for comment.

The The CYC financial officer will liaise with the Vice Chairperson for Partnerships and Resources and the CYC Executive to produce a final budget for approval by the CYC Executive in advance of each new financial year.

The Vice Chairperson for Partnerships and Resources and d the CYC financial officer will undertake at least one review of the agreed budget during the year.

9. Reserves Policy

The Reserves Policy is designed to achieve a sufficient level of unrestricted funds to cover the organisation's liabilities as outlined by the CYC Executive - who are responsible for agreeing the level as part of the annual process of reviewing this document. Reserves to cover a six-month period.

The CYC Executive have agreed that the organisation should aim to achieve a minimum level of reserves of £1000.

Where levels of unrestricted funds in reserve exceed the designated reserves levels, the CYC Executive must ensure any additional funds are expended towards the organisation's aims, or provide a justification the additional accumulation.

10. Audit and Auditors

The company's accounts are required to be independently audited by a suitably qualified individual or company. The CYC Executive are empowered to appoint auditors and fix their remuneration.

While the company's audited accounts, and the financial report, are finalised by the CYC Executive, the auditors, being responsible for the independent financial reports, have the right to attend any meeting of the organization at which they are discussed to present their work and any findings.

The auditors may prepare an account of the financial processes of the company and make recommendations for changes. The CYC Executive must address any points raised and record their decisions and actions or progress on implementation.

The provision of audit services must be reviewed from time to time to ensure the arrangements in place remain fit for purpose.

The CYC Executive appointed The Commonwealth Secretariat to perform the function of auditors to the company on 15th March 2014. Their details are below:

The Commonwealth Secretariat, Marlborough House, Pall Mall, London SW1Y 5HX, United Kingdom



11. General Administrative Procedures

The Vice Chairperson for Partnerships and Resources together with the **The CYC financial officer** may arrange, with the approval of the Directors, for accounting software to be used to administer the company's accounts. Any software only be adopted after consultation with suitable professionals.

They are also responsible for day-to-day responsibility for the CYC Executive may devolve administration of the accounts to staff of the Commonwealth Youth Council following agreement.

The following procedures outline the limits of authority of any post-holder with day-to-day responsibility for administering the Company's finances and where reference needs to be made to the authority of any other person/s.

Receipts

a) Invoices and Credit Control

Invoices will be issued on request and copies, together with any accompanying paperwork, stored securely. The details of invoices will be recorded on any accounting software and these should be reconciled with corresponding data held elsewhere, e.g. any membership subscription or event records.

Outstanding invoices should be monitored on a monthly basis and payment pursued.

Credit notes against invoices may be issued when requested and also applied to outstanding invoices for amounts of up to £50 where these remain unpaid after six-months and after attempts to pursue payment have been made. Details of all credit notes will be included in the monthly transaction reports (see above).

b) Cheques and Cash

A record of the full details of all incoming cheques – payee, amount, cheque number, account number, sort code and any related invoice number – will be made and also entered:.

- (i) on the hard copy of any invoice to which the payment relates;
- (ii) in any accounting software.

All cheques will be banked as soon as possible and certainly within two weeks of receipt. In the interim, they will be stored securely.

In the event of any cash being received, e.g., from the sale of goods, copies of signed receipts must be provided for both parties in the transaction

For recording purposes, the details of cash receipts should be dealt with in a similar to cheques (see above).

All cash should be stored securely until it is banked, preferably on the next working day.



c) Grants and Donations

The Company may receive grant or other donation income on behalf of the international organisation the Commonwealth Youth Council.

The CYC Executive have determined that stocks and other negotiable instruments may be received by the Commonwealth Youth Council, and therefore the Company.

With the approval of the CYC Executive, the Company may similarly accept contributions of goods or services other than in cash.

The transfer and the valuation of such assets shall be undertaken according to accounting standards.

12. Payments

a) Purchase Invoices

Upon receipt, invoices will be date-stamped and passed for approval – see **Delegated Levels of Authority** above: related paperwork must be included, together with details of any internal charging codes, the proposed method of payment, and evidence that agreed budget levels will not be exceeded. Assent is evidenced by signature or electronic means.

Once approved, the details will be recorded on any accounting software and, once invoices have been paid, they will be filed alphabetically by payee and then chronologically.

Every effort should be made to ensure invoices are paid before their due-date, particularly in cases where monies are owed to small suppliers.

b) Expenses

All direct and necessary expenses, including for travel for meetings and other activities related to the carrying out of responsibilities, shall be reimbursed but approval should be sought in advance per the authority to approve payments under the **Delegated Levels of Authority** above.

Expense forms should be completed within one month of the date of expenditure wherever possible: forms are supplied by the CYC Secretariat. Original receipts and any other supporting paperwork should be attached to claim forms, which can then be submitted for approval and payment per the arrangements outlined above.

Commonwealth Youth Council and the Company can provide advances on expenses in exceptional circumstance so determined by the CYC executives. In the light of this, reimbursement of expenses incurred will be prioritised in the payment schedule (see **Payments** below).

c) Payments

Electronic transfers and cheque runs will be scheduled at least once a month. However, the **The CYC financial officer** may direct more frequent, or even *ad hoc*, payments for operational reasons.



Following approval of payment, financial instruments (cheques, etc.) will be drawn up and passed to the signatories. Or, if payment is to be made electronically, the full details for the payee to be entered on any automated transfer record, will be passed to the signatories for entry and authorisation. The supporting information listed for approval, under **Purchase Invoices** above, should be made available and, in addition, the evidence that approval for payment has been secured.

Responsibility for the dispatch of payments and remittance advices, and for dealing with any queries relating to payments, lies with **The CYC financial officer**. Related issues which could prove detrimental to the Company should be reported to the CYC Vice Chairperson for Partnerships and Resources and the Executives immediately.

All cancelled or stopped cheques will be recorded in any accounting software.

d) Salaries and Other Staff Payments

Salaries will be paid by electronic transfer into employees' bank accounts by the last working day of each calendar month.

A salaries payments sheet, including employment taxes, pension payments, and any other related payments, e.g. salary sacrifice deductions, will be prepared and approved for payment per the **Delegated Levels of Authority** above.

Once approved, the payments will be entered into any accounting software and the transfers entered and authorised by the signatories. This process will include the timely remittance of any payments due in tax to authorities.

Employee pay-slips, including details of any deductions, will be produced and distributed by the date that the monthly salaries are to be paid.

The CYC financial officer will be responsible for liaison and compliance with, and reporting to - including the reconciliation and submission of annual tax contribution slips, tax authorities. The Executives will be informed of all developments in relation to the statutory obligations of the Company.