

# Transparency International Ireland Policy for Financial Management and Controls

This document sets out Transparency International (TI) Ireland's policies in relation to the following aspects of financial management and control:

1. Expenditure
2. Income
3. Bank Accounts
4. Financial Reporting
5. Asset Management

This document is to be reviewed by the Board Audit Committee. It will be reviewed on an annual basis.

## 1. EXPENDITURE

### Expenditure Approval

Note: All approvals outlined here relate to the paying out of monies which are already approved for budget purposes.

- The annual budget should be agreed upon by the Board at the first Board meeting of the calendar year. Agreement may be reached on a non-objection basis by writing.
- The Chief Executive will draw the attention of the Board to any proposed deviation from the agreed budget. The Board may decide that its approval is sought in such circumstances.
- All income and expenditure will be recorded in Cash Flow projections prepared by the TI Ireland accountant.
- All expenditure approvals above €200 should be documented on a purchase order or communicated by email to the Office Coordinator to support a purchase order.

### Approval

1. All invoices must be coded against appropriate budget heading and formally approved by Chief Executive.
2. Twice a year – at six monthly intervals – a statement of account should be requested from all regular suppliers [commencing July 2013].
3. For prepayments e.g. deposits for hotels, a pro forma invoice or request for payment must be received and subjected to the same approval procedures as other invoices.

## Payment

1. Invoices should be approved and paid within 31 days.
2. Payments are made by EFT by the Chief Executive.
3. Cheque payments to be made only where there is no other payment option.
4. Cheques must be signed by the Chief Executive.
5. Chequebooks must be kept in a safe.
6. There should be no pre-signed cheques.

## Filing

1. All invoices should be scanned and filed in the relevant Governance Shared/Expenses/Year/Month folder on Dropbox.
2. The name of the file should be recorded as follows: year/month/day\_budget line name\_detail\_€amount. For example: 18.11.10\_DPERMisc\_DellPC\_€1000.
3. Emails and/or purchase orders should be filed separately for inspection.

## Company Credit Card

The company credit/debit card is held by the Chief Executive. The company credit card must be used for business purposes only, in conjunction with the employee's job duties. Credit/debit cards should not be used for any non-business, non-essential purpose.

Any individual holding a company credit card is responsible for:

- Using the cards only for their intended purpose
- Retaining receipts and providing explanations for all company credit/debit card transactions

## Standing Orders, Direct debit & Credit Card transactions

1. Approval process is as per Invoices above.

## Expenses

1. Expenses should be submitted monthly. Claims not submitted within 12 months will be void.
2. All staff expenses must be approved by the Chief Executive.
3. The Chief Executive's expenses should be verified by the Office Coordinator and reviewed by the accountant.
4. Receipts must be attached to the expense form and/or filed in soft copy with the Excel expense form.
5. Expenses over €500 must be formally pre-approved by Chief Executive.
6. Expenses must be recorded against the correct budget heading, using relevant project codes where necessary.

## Petty Cash

1. Petty cash float not to exceed €50.
2. Receipts must be obtained and retained
3. Petty cash should be analysed on a monthly basis.
4. All transactions must be recorded, regardless whether the money has been spent or not.
5. Petty cash must be locked in the safe at all times.
6. Keys are to be kept only by Chief Executive or Office Coordinator

## 2. INCOME

### Procedures for incoming cash/cheques by post and credit card payments

1. The post is opened by the Office Coordinator or Chief Executive. If there is any cash in the post, this must be recorded by the accountant.
2. Details of payee, and what the payment is for, is to be written on the back of all cheques, as the post is opened
3. All cash and cheque originals to be filed by the Office Coordinator in the safe under lock and key.

### Direct Debits/Standing Orders

1. Documentation must be obtained for direct debits and/or standing orders.
2. All income must be recorded in Dropbox under the Shared Governance/Income folder using the relevant date and description. For example: 18.11.20\_DPERTranche4\_€55,000

### Cash Receipts

1. All cash received e.g. at events should be receipted.
2. The cash should be counted and a confirmation of amount signed off.
3. The cash should be kept safe and returned to the Office as soon as possible – with verification provided by the Office Coordinator.
4. Cash receipts must be processed as per the procedures for incoming cash above.

### Donor Documentation

1. All documentation must be processed according to the donor's requirements.
2. All donors should receive a receipt, with a copy of receipt kept.

### 3. BANK ACCOUNT

The Transparency International Ireland Bank Account is held at:

Bank of Ireland, Lower Baggot St, Dublin 2, Ireland

A/c No: 69163705, Sort Code: 901490

IBAN: IE76BOFI90149069163705, BIC: BOFIE2D

#### Signatory

Account Signatory – John Devitt, Chief Executive

Authorised Access to Banking Online – John Devitt, Donncha Ó Giobúin, Angela Maguire

#### Bank Account Signing Rules

All payments should be made using the TI Ireland banking online facility. Online payments must be authorised by the Chief Executive. The daily limit for on-line payments is currently €15,000. Payments and payees may be processed by the Office Coordinator or another authorised person but must be authorised by the Chief Executive.

#### Bank Account Records

A bank account record must be maintained for all accounts. On a monthly basis, the bank account records must be balanced and reconciled with accounting records by the accountant.

#### Bank Statements

1. Bank Statements must be obtained on a monthly basis.
2. All items must be checked off against the income and expenditure records, and coded.
3. Bank statements should be kept in the relevant Dropbox Governance Shared folder .
4. Any item on the statement but not on the records e.g. bank charges must be queried if necessary and recorded only when The Wheel is satisfied that it is a bone fide income or expenditure.

#### Bank Reconciliation

The bank account must be reconciled on a monthly basis.

Outstanding income and expenditure can be identified by checking each item on the statement against the records. Items which have not come through will be thereby identified.

## 4. FINANCIAL REPORTING

### Monthly Income and Expenditure Account

An income and expenditure report should be prepared by the accountant and distributed to all members of the Audit Committee in advance of each meeting.

All miscellaneous expenditure plus significant deviations from budget must be analysed.

Cash-flow projections, detailing actual and budgeted income and expenditure must be prepared and provided to the full Board on a quarterly basis.

### Budgets

1. An annual budget must be prepared.
2. The Board must review the budget before formal approval.
3. The budget is to be allocated on a monthly basis.
4. A variance analysis is to be undertaken on a quarterly basis.
5. Explanations for variances from budget must be documented and reported to the the Board.

### Financial Statements

1. Financial statements must be prepared on an annual basis, approved by the Audit Committee and signed off by the Board.
2. The Financial Statements should be in accordance with SORP.
3. The Financial Statements must be audited on an annual basis.
4. The Financial Statements must be lodged with the Companies Office on an annual basis.

## 5. ASSET MANAGEMENT

### Fixed Asset Register

- A fixed asset register should be maintained and updated annually
- Assets should be recorded when purchased.
- Depreciation Policy:
  - Premises: Freehold - 50 years
  - Leasehold – Over period of lease
  - Computers – 25% p.a.
  - Furniture - 20% p.a.
- Depreciation should be calculated on an annual basis.

An overview of the assets over €200 plus their replacement cost to TI Ireland will be provided in the Annex attached.

If assets have been fully written off and are no longer in use or potentially to be used again in the TI Ireland office, then disposal of assets can be achieved by means of sale, including sale, if approved by the Chairperson and Audit Committee to staff or members. Where a sale to staff is approved, this is to be done by means of an auction, or a lottery or first-come-first-served basis. Lottery or first-come-first served pricing shall be determined by the Office Manager and approved by the Chief Executive. Such pricing will reflect market value (including storage/disposal costs) and also seek the best return for TI Ireland as well as an open and transparent process, and may as a result be nominal or even zero. A full record of any such disposals and the reasons for the sale and pricing will be retained.

## ANNEX 1

Overview of the assets over €200 plus their replacement cost to TI Ireland.

Item	Number of	Replacement Cost €	Total €
Computers			
Server			
Laptops			
Small printers			
Table / Desk			
Chairs			
Cupboards			
Phones			
Pop up screens			
Projector			
Fridge			
Total			