

## Financial & Risk Management Policy & Procedures

Policy Approved on: 20/11/2025

Policy Review Date: 20/11/2026

### Policy Statement

Creative at HeART CIC is committed to the highest standards of financial responsibility, transparency, and accountability in all areas of its work.

Financial responsibility means that the organisation will only commit to activities for which it has sufficient financial resources. Creative at HeART CIC will ensure all financial obligations are met promptly, maintain comprehensive financial records, and manage its assets prudently.

Financial accountability requires the organisation to produce accurate and timely financial information to provide the Board, funders, and stakeholders with full confidence in the organisation's integrity and governance.

This policy provides a framework for ensuring that Creative at HeART CIC's financial management practices support its mission, to bring creativity, joy, and wellbeing to children and families across the UK.

### Leadership and Oversight

This policy is led by Dawn Burt, Director (Finance), who brings extensive independent and corporate finance experience, with a strong focus on governance, compliance, and strategic financial oversight.

Dawn leads the Finance and Risk Subcommittee and ensures that Creative at HeART CIC's financial procedures are robust, ethical, and compliant with regulatory standards.

She works alongside the CEO and the Board to:

- Uphold the principles of sound financial management.
- Oversee compliance with all statutory reporting obligations.
- Maintain effective internal controls and risk management systems.
- Lead financial planning to support long-term sustainability and growth.

### Purpose of the Policy

The purpose of this policy is to establish a clear framework for the responsible management of financial resources and risk within Creative at HeART CIC.

It aims to:

- Promote prudent financial stewardship.
- Ensure accountability for all financial decisions and transactions.
- Support sustainable growth and compliance with CIC regulations.
- Provide clarity on the responsibilities of all those handling organisational funds.

### Scope

This policy applies to all financial transactions and decisions made by, for, or on behalf of Creative at HeART CIC.

It must be followed by all Directors, staff, volunteers, contractors, and authorised individuals acting on behalf of the organisation.

### Responsibilities

The Board of Directors has overall responsibility for financial oversight and strategic governance, including:

- Ensuring solvency and accountability.
- Reviewing and approving financial reports and budgets.
- Monitoring fundraising and income generation.
- Managing key organisational risks.

Dawn Burt, Director (Finance), leads the financial governance of the organisation, providing expert oversight and ensuring compliance. She reviews major financial decisions, oversees audit processes, and supports the CEO in maintaining sound financial systems.

The CEO oversees day-to-day financial operations, budgeting, and expenditure control.

The Bookkeeper maintains accurate financial records, processes transactions, reconciles accounts, and assists in reporting and compliance.

### Financial Authorisation Levels

To ensure strong governance and appropriate oversight, Creative at HeART CIC has established the following financial authorisation levels:

- Up to £2,500 – Routine operational expenses (e.g., materials, travel, small contracts): Authorised by the CEO.
- £2,501 to £10,000 – Project delivery costs, supplier contracts, or larger operational commitments: Authorised by the CEO and countersigned by the Director (Finance).
- Over £10,000 – Strategic or capital expenditure, multi-year contracts, or major grant-related spending: Requires full Board approval.

This tiered structure provides operational flexibility while ensuring robust financial control and funder confidence.

## Financial Procedures

### 1. Accounting:

- Monthly cash flow and quarterly financial reports must be prepared for review.
- Annual accounts will comply with the Companies Act 2006 and UK accounting standards.
- Financial records must be retained for a minimum of six years.

### 2. Audit and Review:

- An annual independent financial review or audit will be conducted by a qualified professional.

### 3. Banking and Payments:

- All accounts must be held under Creative at HeART CIC.
- Dual authorisation is required for all electronic payments.
- Monthly bank reconciliations must be performed and verified.

### 4. Budgeting:

- Annual budgets must include forecasts and actuals for comparison.
- Restricted funds must be used only for their intended purpose.

### 5. Cash Handling:

- All cash must be receipted and banked within three working days.
- Cash cannot be used for personal or unapproved expenses.

### 6. Expenses:

- Claims must be supported by receipts and approved monthly.
- CEO's claims over £250 require Finance Director approval.

### 7. Insurance:

- The CEO will ensure appropriate cover for liability, property, and operations.

### 8. Asset Management:

- A fixed asset register will be maintained and reviewed annually.

### 9. Investments:

- Any investment decisions must be approved by the Board following advice from the Director (Finance).

## Risk Management

Creative at HeART CIC recognises that effective risk management is essential to safeguarding its operations, assets, and reputation.

The organisation will:

- Maintain a Risk Register, reviewed quarterly by the Finance and Risk Subcommittee.

- Assess financial, operational, and reputational risks.
- Develop mitigation strategies for all identified risks.
- Report significant risks to the Board for timely action.

#### **Monitoring and Review**

This policy will be reviewed annually by the Director (Finance) and CEO, with updates approved by the Board. The review will ensure compliance with evolving legislation, accounting standards, and best practice in financial management.