

Monitoring and Financial Reporting Systems

Accounting framework, annual accounts and audit

The ability of Impetus, EIF and SIB to manage and administer public funds is evidenced through our adherence to the Charity SORP and Financial Reporting Standard 102 in the maintenance of our accounting records and the preparation of our annual accounts. Each of the three organisations' annual report and accounts are audited by Statutory Auditors. The recording of income and expenditure relating to the YEF Fund will form a part of the external audit of each organisation. SIB has ISO 9001: 2015 accreditation which includes financial processes. EIF was subject to a DfE Commercial Assurance review in November 2018 which included financial systems and internal control.

Accounting systems

Impetus and SIB use Sage accounting software to maintain our accounting records. EIF use Xero. Access to accounting systems is restricted to finance staff (and EIF's outsourced accountancy provider) and password controlled.

Proposed accounting systems and processes for the Youth Endowment Fund

We and our delivery partners will set up restricted YEF funds within our accounting systems and will report on the fund in our annual accounts as a separate fund. Each organisation will record income and expenditure relating to YEF in a separate budget centre, ensuring it remains separate from our other activities.

Financial monitoring and reporting

We and our delivery partners will prepare monthly management accounts using Excel. These will be reviewed by our senior management teams and sent to budget managers. Income and expenditure in the management accounts is compared against budget and explanations obtained for variances. Detailed expenditure reports will also be sent to budget managers for them to review and raise any queries.

We and our delivery partners will report on financial performance to each meeting of our finance and audit committees and boards. These reports will include specific reporting on the YEF Fund. The YEF Committee of the Impetus Board will also receive financial monitoring reports at least quarterly.

Bank account arrangements

We bank with <redacted> and <redacted> EIF with <redacted> and <redacted> and SIB with <redacted>. Each organisation will set up a dedicated bank account solely for transactions relating to the YEF. Bank accounts are reconciled monthly.

We each have strict online banking procedures to protect our charities' funds from fraud. These procedures will also be applied to the YEF bank accounts. They include password controls, authorisation by <redacted> for payments over a threshold, and a maximum daily payment limit.

Financial controls

Impetus, EIF and SIB all have strong financial controls in place. In addition to the controls already described above, we ensure that there is a segregation of duties so that more than <redacted> is involved in processing an item of expenditure or income. We have authorisation processes which set out the different stages of processing and have thresholds above which more than <redacted> is required to authorise an invoice or execute the payment.

Controls include the monthly reconciliation of control accounts in the accounting system and the regular scrutiny of the creditor and debtor ledger balances with follow up action being taken as appropriate. Cashflow forecasts are carried out monthly or as required.

Procurement procedures are in place ensuring that value for money is obtained when purchasing by requiring more than one quote to be obtained when expenditure is likely to be above various thresholds. The number of quotes depends on the level of likely expenditure.

Records are maintained for fixed assets, where held, which allow the assets to be identified and monitored.

Our financial controls and processes are documented in financial procedure manuals. Staff are trained in the procedures they are expected to follow. Finance staff undergo additional training and continuing professional development.

Our financial controls and processes are tested as a part of the audit of our statutory accounts and reported upon to our finance and audit committees.

Grant making authorisation and payment processes

Impetus and SIB have extensive experience of making grants to charitable organisations delivering front-line programmes. Grant proposals are subject to committee scrutiny and approval. They are governed by formal agreements with the recipient of the grant and monitored against milestones. Grant payments are conditional upon these milestones being met. Grants made from the YEF Fund will be subject to comparable controls and monitoring.

Record retention

We and our delivery partners retain all accounting records for at least seven years and will apply the same policy to the retention of YEF Fund records including Supplementary Funding. We will retain the accounting records for delivery partners or obtain certified copies from them as required by the Grant Agreement.