

Sopwell Residents Association's Financial Policy

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1. The purpose of Sopwell Residents Association's Financial Policy

This Financial Policy document (also referred to as just "Policy") aims to set out the procedures we have in place to prevent and detect financial fraud, corruption and money laundering and minimise the risk of Sopwell Resident Association's assets being used for improper financial purposes.

2. The scope of Sopwell Residents Association's Financial Policy

We aim to ensure that Sopwell Residents Association's funds are not:

- Used by third parties for the purpose of money laundering,
- Used as or funded by bribes,
- Subject to corrupt, dishonest or illegal behaviour.

This policy applies to every involved in the Sopwell Residents Association i.e. Committee members and wider volunteers.

3. Examples of Financial Risk

Bribery and corruption: May include tainted donations, where a donor expects measurable benefit in return, proceeds of crime, where anonymous cash donations are used to dispose of proceeds of crime, or tax evasion where donors seek tax relief but benefit from the charity using an associated company as a condition of donation.

Fraud: Financial loss due to false representation, failing to disclose information or abuse of position, in order to make a gain or cause loss to another.

Money laundering: The practice of cleaning up money that has been obtained illegally. Often, the money cannot be easily identified or traced, for specific restrictions that mean money is transferred overseas.

More information can be found in the Charity Commission's Protecting charities from harm: compliance toolkit <https://www.gov.uk/government/collections/protecting-charities-from-harm-compliance-toolkit>

3. Procedures

3.1 Sopwell Residents Association's Income and Expenditure

- All funds are suitably accounted for, with donations paid into the Sopwell Residents Association bank account. Sopwell Residents Association will have only one bank account.
- Given the text to donation and donation buckets, Sopwell Residents Association will accept small anonymous donations. However, for significant donations of more than £500, the Committee must ensure they know who the donor or donor organisation is and be assured that they are appropriate for Sopwell Residents Association to be involved or associated with. Where large funds are donated anonymously, are otherwise suspicious or have significant attached conditions, Committee Members must take more steps to verify the provenance of the funds¹. Where there is doubt over the funds, as voted by a majority of Committee Members, then Sopwell Residents Association will decline the funding.
- Donation buckets should be opened and counted with a minimum of two Members present.
- Funds are only spent on materials and activities that support Sopwell Residents Association's aims, as outlined in the organisation's adopted Constitution.
- Sopwell Residents Association only works with partner individuals and organisations where their aims at least partially complement each other, and the activities and collaboration further the aims of Sopwell Residents Association. Sopwell Residents Association may make small grants or pay direct financial assistance to individuals or other organisations where those groups directly further the aims of Sopwell Residents Association. The amount of any grant must be agreed in advance by majority vote of the Sopwell Residents Association Committee Members.
- Expenses are agreed with the Committee before purchases are made, associated with invoices and / or receipts, and cheques for expenses are dual signed. Where services are procured, the price is agreed in writing in advance.
- Sopwell Residents Association's accounts (including income and out-goings) are transparent, presented publicly at each AGM, and audited by a third person who is not on the Committee of Sopwell Residents Association. Sopwell residents are able to view accounts on request, with reasonable advance notice.

¹ Note: "A charity's responsibility is not to work out if a donation is illegal or if it is being asked to use a donation for illegal purposes. However, trustees should carry out good due diligence and report concerns and suspicious activities." Charity Commission (2016) Compliance toolkit chapter 2: Summary

- Sopwell Residents Association operates only in the UK and will not accept donations from or pay for services in countries outside the UK.

3.2 Reporting A Concern

If anyone know or has reasonable grounds to suspect that a person is involved in money laundering, corruption or fraud involving Sopwell Residents Association, they must inform the Chair or Treasurer of Sopwell Residents Association at the earliest opportunity with information on:

1. Details of the people involved
2. Type of transaction
3. Relevant dates
4. Why there is a suspicion
5. When and how activity is undertaken
6. Likely amounts, if relevant or known

The Chair or Treasurer will acknowledge recognise receipt of the disclosure within an agreed response period (with an aim of 48 hours). The Chair or Treasurer will inform the Sopwell Residents Association Committee Members and the information will be investigated. Where illegal activity is discovered, this will be passed onto the Police. Where there is dishonest activity (which may not be illegal), Members involved may face disciplinary procedures including removal from the organisation for a minimum of five years. A report of the incident including the initial disclosure and Committee response will be kept for a minimum of five years.

4. The Policy as a Living Document

It is the responsibility of the Committee members to adopt and implement this Policy.

Once adopted, the Policy should be reviewed at least every three years, and amended where necessary. The Policy should also be reviewed where significant changes are made to either the planning or running of the Community Group.

Electronic copies of the Policy should be available on request for the public, and in hard copy at all events and meetings.

Appendix 1: A brief overview of our Community in the Sopwell ward

The ward contains around seven and a half thousand people living in just over three thousand homes. The number of people living in the area is expected to increase with new residential developments at the Abbey Retail Park (on the corner of Holywell Hill and Griffiths Way) and the former Betty Entwhistle House (Holyrood Crescent), and proposed developments at the former King Offa site on Wallingford Walk and the Sopwell Youth Club site off Leyland Avenue. There are also a number of smaller projects, for example the possible conversion of Sopwell Mill (off Cottonmill Lane) into housing. St Albans District Council predicts that within city-wide population increase, the proportion of younger children and older people will grow (Community Profile, 2015).

The ward is particularly diverse when compared to the city as a whole with a high proportion of Asian/British Asian residents (12.8% compared to 6.4% city-wide) (Sopwell Ward Profile, 2018), which includes a large Bangladeshi community (Community Profile, 2015). Sopwell also has a very significant proportion of residents with a disability that limits their day-to-day activities compared to the city as a whole and self-reported bad to very bad health (Community Profile, 2015). Residents' life expectancy in the ward is the lowest in the city; on average 9.9 years less than the ward with the longest average lifespan (Community Profile, 2015).

References

Community Profile v3 (2015). *St Albans District Council*
Sopwell Ward Profile (2016). *St Albans District Council*
Sopwell Ward Profile (2018). *St Albans District Council*