

THE BRITISH INSTITUTE OF PERSIAN STUDIES



10 Carlton House Terrace, London SW1Y 5AH
Tel. 020 7969 5203; Fax. 020 7969 5401; e-mail bips@thebritishacademy.ac.uk

Management Policy

Risk

BIPS trustees regularly review and assess the risks faced by BIPS in all areas of its work and plan for the management of those risks. Risk is an everyday part of charitable activity and managing it effectively is essential if the BIPS trustees are to achieve their key objectives and safeguard BIPS funds and assets.

By managing risk effectively, BIPS trustees ensure that:

- significant risks are known and monitored, enabling BIPS trustees to make informed decisions and take timely action
- BIPS makes the most of opportunities and develops them with the confidence that any risks will be managed
- forward and strategic planning are improved
- BIPS' aims are achieved more successfully.

The BIPS risk management process is tailored to fit the circumstances of BIPS, focusing on identifying the major risks.

BIPS trustees set a risk framework that allows them to:

- identify the major risks that apply to BIPS and create and maintain an up-to-date Risk Register
- make decisions about how to respond to the risks they face
- make an appropriate statement regarding risk management in the BIPS annual report and the regular reporting required of the British Academy (BA) and the steps BIPS has taken to manage risk
- to demonstrate its accountability to its stakeholders including beneficiaries, donors, funders, employees and the general public.

BIPS ensures that all trustees and staff are aware of the BIPS Risk Register and framework and their own duties and responsibilities accordingly. This will include BIPS:

- stressing the importance of planning even if the risk appears to be a remote likelihood
- getting feedback from all to ensure that duties and responsibilities are understood
- updating the Risk Register to be applicable to current BIPS activities.

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A nominated individual, the Executive Officer in the first instance, is given responsibility for updating the BIPS Risk Register and communicating any changes and informing key staff and trustees of changes in duties and responsibilities.

Apart from the Annual reporting of the Risk Register, risk assessment is most systematically considered in the context of awarding travel and research grants and is monitored by the Research Committee (see Action item 2).

Finance

For BIPS to achieve its aims, its trustees work to ensure its:

- assets are properly used
- funds are spent effectively
- financial affairs are well managed.

Internal financial controls are essential checks and procedures that help BIPS trustees:

- meet their legal duties to safeguard BIPS' assets
- administer BIPS finances and assets in a way that identifies and manages risk
- ensure the quality of financial reporting, by keeping adequate accounting records and preparing timely and relevant financial information.

BIPS Financial Controls checklist

BIPS undertakes a regular review of its financial controls, using the comprehensive **BIPS Financial Controls checklist** *attached in Appendix One*. Not all these checks are currently relevant to BIPS, and those not applicable at present are identified in a separate column.

The **BIPS Financial Controls checklist** is reviewed by BIPS trustees on an annual basis and updated accordingly. Categories will be amended and updated as appropriate.

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BIPS Financial Controls checklist			
1 Understand the types of controls appropriate for BIPS	Yes	No	N/A
BIPS's financial controls cover all aspects of how BIPS handles money	Y		
BIPS seek professional advice where BIPS are not sure what controls are appropriate for BIPS	Y		
2 Understand BIPS' financial information	Yes	No	N/A
All trustees are given regular information about the financial performance of BIPS	Y		
BIPS discusses the financial performance of BIPS at each trustee meeting	Y		
BIPS has terms of reference for any finance sub-committee, or similar sub-groups of the trustee board			n/a*
* Bips' Management committee performs this function			
If BIPS has a finance sub-committee it reports to the full board of trustees in line with terms of reference			n/a*
3 Preparing accounts and reports	Yes	No	N/A
BIPS keeps appropriate accounting records of all transactions (legal requirement)	Y		
BIPS' accounts comply with the relevant legal requirements (legal requirement)	Y		
BIPS prepares an annual report (legal requirement) and accounts which are formally approved by trustees at an annual meeting	Y		
BIPS has appointed an auditor or independent examiner (legal requirement for charities with gross annual income of over £25,000)	Y		
New trustees receive BIPS' governing document	Y		
BIPS files the annual report and accounts with the Charity Commission on time (legal requirement if BIPS' gross annual income exceeds £25,000 or BIPS is a Charitable Incorporated Organisation (CIO) and BIPS are not an exempt or excepted charity)	Y		
BIPS files BIPS' annual return on time (legal requirement if BIPS is a Charitable Incorporated Organisation (CIO) or has a gross annual income of over £10,000)	Y		

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4 Embedding internal financial controls	Yes	No	N/A
Controls are understood and followed by everyone within BIPS	Y		
Training is provided on BIPS' financial controls and policies		N	
5 Monitoring financial performance	Yes	No	
Budgets setting out income and expenditure are prepared and approved by the trustees	Y		
Performance is measured against budgets at regular intervals and explanations are provided for any differences	Y		
6 Reviewing and monitoring BIPS' internal financial controls	Yes	No	
BIPS carries out an annual review of BIPS' internal financial controls		N	
BIPS has considered whether BIPS needs to appoint an internal auditor or set up an audit committee			n/a
7 Splitting financial duties between people	Yes	No	
Financial duties are split between people to provide 'double check' on all transactions	Y		
8 Recording and reporting incidents	Yes	No	
BIPS has procedures for recording incidents and reporting suspicions internally, to the Commission and to other relevant bodies which are well-known and working	Y		
OPERATIONAL RISKS			
	Yes	No	
Trustees and staff know why BIPS is at risk from financial crime and abuse and know of typical examples of potentially fraudulent activities	Y		
BIPS has appropriate policies in place which could include an anti-bribery policy, policies on the acceptance of hospitality, the acceptance of donations and a register of interests	Y		
BIPS has policies and controls for access to and storage of data which complies with the General Data Protection Regulation (GDPR)	Y		
BIPS' electronic equipment and online systems are appropriately protected	Y		
INTERNAL FINANCIAL CONTROLS FOR BANKING			

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Bank and building society accounts	Yes	No	N/A
BIPS has a bank or building society account in the name of BIPS	Y		
BIPS has a list of BIPS' bank and building society accounts, which is regularly reviewed	Y		
BIPS carry out regular reconciliations between BIPS' accounting records and bank statements	Y		
Instructions to open or close accounts are properly authorised and reported to trustees	Y		
BIPS checks there are no unused accounts	Y		
BIPS monitors accounts to ensure there is no third-party use	Y		
BIPS regularly review the costs, benefits and risks of BIPS' current and deposit accounts		N	
The bank mandate requires at least two signatories	Y		
Online banking	Yes	No	N/A
BIPS' online banking system requires authorisation of transactions by two individuals	Y		
All electronic devices, such as laptops, phones and tablets, are kept secure with up-to-date anti-virus and spyware software and a personal firewall	Y		
BIPS trustees and staff understand the need to ensure that BIPS' security details (including the password and PIN) are not compromised	Y		
PINs and passwords are regularly changed		N	
BIPS maintains a list of people who are approved to have access to the PIN and password	Y		
BIPS keeps an audit trail of electronic banking transactions	Y		
Cash held in BIPS' bank or building society account	Yes	No	N/A
BIPS carries out regular reconciliations	Y		
BIPS regularly checks direct debits, standing orders and other transfers	Y		
Banking cash and cheques	Yes	No	N/A
Cash and cheques are banked promptly and (before then) stored safely	Y		
BIPS has insurance to cover the contents of the safe or cash box and cash in transit			n/a

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Funds are banked without deduction of expenses	Y		
Alternative banking methods	Yes	No	N/A
BIPS have policies in place that define when alternative banking methods may be used	Y		
BIPS limit alternative banking methods to essential transfers where regulated banking systems cannot be used	Y		
BIPS keeps an audit trail of alternative banking transactions	Y		
BIPS ensures that the same authorisation procedures for payments in the regulated banking system are used for alternative banking transactions	Y		
INCOME			
Income from donations	Yes	No	N/A
BIPS regularly checks that all eligible tax repayments are obtained	Y		
BIPS has procedures to identify 'tainted charity donations'	Y		
Donations received from public collections and fundraising events	Yes	No	N/A
BIPS complies with Part II of the Charities Act 1992 where professional fundraisers are engaged (legal requirement)			n/a
Two people are involved in counting and recording the income			n/a
Cash is banked as soon as possible and without deduction of expenses			n/a
Records are maintained for each fundraising event			n/a
For ticket incomes:			n/a
Tickets are pre-numbered			n/a
Records are kept of who is in charge of which tickets to sell, and which ticket numbers they have been allocated			n/a
Records are kept of which tickets are sold and unsold tickets are collected			n/a
Reconciliations are made of money received against tickets sold			n/a
Income and donations received online and by card readers	Yes	No	N/A
Card readers are kept securely			n/a
BIPS reconciles the transaction history with income in BIPS' bank account	Y		
BIPS complies with the Payment Card Industry standards			n/a

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Income and donations received by post	Yes	No	N/A
Post is held securely before it is opened	Y		
Post is opened in the presence of 2 people		N	
Claiming Gift Aid on donations	Yes	No	N/A
BIPS maximises of its use of Gift Aid and its use of Gift Aid is lawful	Y		
BIPS keeps the records required by HMRC for Gift Aid claims (legal requirement)	Y		
Donations of cryptoassets	Yes	No	N/A
BIPS understands the risks of holding or accepting cryptoassets and has the expertise to manage them		N	
BIPS has a policy on holding or accepting cryptoassets		N	
BIPS' crypto wallet is compliant with UK regulations and registered with the Financial Conduct Authority			n/a
BIPS regularly reviews the benefits of holding or accepting cryptoassets against the risk			n/a
BIPS has a pricing policy for the goods and services supplied			n/a
BIPS has invoicing procedures for goods and services supplied			n/a
BIPS reviews outstanding debts and collection procedures			n/a
BIPS has procedures to reconcile amounts invoiced and cash received to outstanding invoices			n/a
Income from legacies	Yes	No	N/A
BIPS identifies and monitors the receipt of legacies and records legacies correctly in accounts	Y		
INTERNAL FINANCIAL CONTROLS FOR EXPENDITURE			
Expenditure on goods and services	Yes	No	N/A
BIPS has a policy on the authorising of expenditure	Y		
Invoices received are checked against orders, and the receipt of the goods or services ordered is checked	Y		
Payments by debit, credit or charge cards	Yes	No	N/A

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BIPS has a policy for the use of payment cards, including the criteria for their issue, spending limits and security		N	
Those who have a card has a copy of the payment card policy		N	
Cards are cancelled and destroyed where necessary, such as when cards are lost	Y		
All card expenditure is supported by receipts and invoices and recorded in the accounting records	Y		
Card statements are sent to a different person than the card holder and checked against supporting records and invoices		N	
BIPS reviews BIPS card use policy and checks periodically that users follow it		N	
Mobile payment services, such as Google Pay and Apple Pay	Yes	No	N/A
BIPS has the same controls as above for debit, credit or charge cards	Y		
Payments by bank transfer, Bankers' Automated Clearing Services (BACS), Direct Debits and standing orders	Yes	No	N/A
Only named individuals are authorised to set up these types of payments	Y		
BIPS use a dual authorisation system for bank transfers and BACS payments	Y		
BIPS monitor the arrangements to ensure that automatic payment arrangements are cancelled where required	Y		
Payments by cheque	Yes	No	N/A
BIPS follows any requirements in BIPS governing document about who can sign cheques	Y		
There is a prohibition on signing blank cheques	Y		
Cheque books are kept in a secure place with access only by nominated persons	Y		
BIPS regularly reviews that authority limits are appropriate	Y		
All cheque expenditure is recorded in the cash book and noted with the relevant cheque number, nature of payment and payee	Y		
Cheques are only signed with documentary evidence of the nature of the payment, for example, an invoice	Y		
Payments in cash or by pre-loaded cash card	Yes	No	N/A

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BIPS ensure that cash payments (and any use of pre-loaded cash card) are minimal	Y		
All payments by cash are made from a cash float and not from incoming cash			n/a
Supporting documentation is authorised by someone other than the person maintaining the petty cash or the person making the payments			n/a
Details of all payments are entered in a petty cash book			n/a
Regular independent checks are made of the petty cash float and records			n/a
Paying wages and salaries	Yes	No	N/A
Any required statutory deductions (such as tax and National Insurance) are paid to HMRC and pension contributions to the provider (legal requirement)	Y		
PAYE records are maintained as required by HMRC (legal requirement)	Y		
BIPS comply with minimum wage legislation (legal requirement)	Y		
Any other deductions from salaries are only made where they are required or authorised (legal requirement)	Y		
End-of-year returns (P60 and P11Ds) are completed and filed with HMRC by the deadline (legal requirement)	Y		
BIPS meet any required pension scheme arrangements (legal requirement)	Y		
All employees have contracts of employment	Y	Not in Iran	
Personnel records are kept and held separately from wages records			n/a
Salary levels are properly authorised and recorded	Y		
BIPS have a system for notifying and authorising changes such as starters and leavers, changes of hours and other payroll changes	Y		
Payments are made by bank transfer or BACS	Y		
Payment or reimbursement of expenses	Yes	No	N/A
BIPS has an expenses policy that all trustees, staff and volunteers know and understand and BIPS checks show the policy is implemented	Y		
Expense claims include a self-declaration that the claim is accurate and incurred in connection with the business of the charity		N	

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Expense claims are dual-authorised and do not involve the person making the claim	Y in theory		
Expenses are paid in a secure way	Y		
Mileage rates for travel are in accordance with HMRC approved rates	Y		
Expenditure on grants	Yes	No	N/A
BIPS have a grant-making policy	Y		
BIPS procedures for checking that grants are spent in line with the terms BIPS set are followed	Y		
Internal financial controls for payments to related parties	Yes	No	N/A
Any payments to trustees or people/organisations connected to trustees are authorised. Where there are rules in BIPS' governing document about payments to trustees, these are followed	Y		
BIPS follows the rules set out in Charity Commission guidance on trustee expenses and payments and managing conflicts of interest in a charity	Y		
INTERNAL FINANCIAL CONTROLS FOR ASSETS AND INVESTMENTS			
Tangible fixed assets	Yes	No	N/A
BIPS regularly maintains a comprehensive fixed asset register	Y		
Assets are regularly inspected to make sure they are in good repair and are of use to the charity	Y		
BIPS has considered BIPS' insurance cover	Y		
BIPS reviews the use of fixed assets annually to make sure they are put to best use and serve BIPS' interests	Y		
Intangible fixed assets	Yes	No	N/A
BIPS keeps a record of all the intangible fixed assets BIPS holds			n/a
BIPS holds electronic data securely and in line with GDPR requirements and any other relevant legislation	Y		
Restricted funds and endowment funds	Yes	No	N/A
BIPS' controls make sure restricted funds can only be spent on their specific purposes	Y		

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BIPS complies with the law in relation to any permanent endowment it holds	Y		
BIPS accounts reflect any separate restricted or endowment funds it holds	Y		
Investments	Yes	No	N/A
BIPS have read and understand Charity Commission trustee duties when investing charity funds	Y		
Internal financial controls for loans	Yes	No	N/A
BIPS authorises any loans taken out or made by the charity usually at trustee level	Y		
Loans made by BIPS are at commercial terms		N*	
* the only loans made are small, short term loans to employees in Iran			
Loans taken out by the charity are at the best terms it can get, and it is in the charity's interest to secure the loan			n/a
BIPS keeps a record of the terms of any loan including security or bank covenants, and all repayments			n/a
Where a loan is made to a related party BIPS manages conflicts of interest appropriately (legal requirement)			n/a
Where a loan is made to a related party BIPS complies with any rules in BIPS' governing document about this, and BIPS manages conflicts of interest appropriately (legal requirement)			n/a
Where BIPS is taking out a loan, BIPS has a repayment plan in place			n/a
BIPS takes advice about the terms offered in a loan from a related party if appropriate			n/a
INTERNAL FINANCIAL CONTROLS FOR HOSPITALITY, INCLUDING GIFTS			
	Yes	No	N/A
BIPS has a clear policy that sets out when hospitality can be given and received	Y		
BIPS keep a record of hospitality given, received or refused	Y		
All BIPS trustees and staff understand and follow the hospitality policy	Y		
Internal audit functions and audit committees	Yes	No	N/A
Internal auditors consult the internal audit international professional practices framework			n/a

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BIPS has clear and agreed terms of reference for BIPS internal audit committee			n/a
BIPS has an external audit if BIPS must have one.			n/a
BIPS is exempt from audit and has an external examiner.			
BIPS has an internal audit committee if BIPS is required to have an external audit			n/a