

YOUTH CHARTER INTERNAL CONTROL PROCESS

The Youth Charter recognises the importance of implementing strong internal controls to ensure effective governance, accountability, and the safeguarding of resources. The internal controls system of the Youth Charter aims to provide assurance that operations are conducted efficiently, financial information is accurate and reliable, and compliance with laws and regulations is maintained. Here are the key components of the Youth Charter's internal controls system:

- 1. Segregation of Duties:** To prevent fraud and errors, responsibilities and duties are segregated among different individuals. For example, the person handling financial transactions should be separate from the person responsible for recording and reconciling those transactions.
- 2. Financial Policies and Procedures:** The Youth Charter establishes comprehensive financial policies and procedures that guide financial activities, such as budgeting, purchasing, payment processing, and financial reporting. These policies and procedures ensure consistency, transparency, and accountability in financial management.
- 3. Authorisation and Approval:** All financial transactions, including expenditures and disbursements, require appropriate authorisation and approval. This ensures that expenses are incurred for legitimate purposes and in accordance with the organisation's budget and policies.
- 4. Documentation and Recordkeeping:** The Youth Charter maintains accurate and complete documentation for all financial transactions, including invoices, receipts, contracts, and bank statements. These records are retained for an appropriate period to facilitate auditing, compliance, and financial reporting requirements.
- 5. Internal and External Audits:** The Youth Charter conducts regular internal audits to assess the effectiveness of internal controls and identify areas for improvement. Additionally, external audits may be conducted by independent auditors to provide an objective assessment of financial statements and compliance with applicable laws and regulations.
- 6. Risk Assessment and Management:** The Youth Charter identifies and evaluates risks that could impact the achievement of its objectives. Risk management processes are implemented to mitigate risks through appropriate controls and monitoring mechanisms.
- 7. Training and Awareness:** The Youth Charter provides training and education to staff and volunteers on financial policies, procedures, and internal controls. This ensures that all individuals involved in financial activities understand their responsibilities and the importance of compliance.
- 8. Monitoring and Reporting:** Regular monitoring and reporting mechanisms are in place to track financial activities, identify deviations from established controls, and address any issues promptly. Key performance indicators and financial reports are generated to provide management and the Board of Trustees with relevant information for decision-making and oversight.

9. Whistleblower Policy: The Youth Charter has a robust whistleblower policy in place to encourage reporting of any suspected wrongdoing or violations of internal controls. This policy ensures confidentiality, protection against retaliation, and a mechanism for investigating and addressing reported concerns.

10. Continuous Improvement: The Youth Charter is committed to continuously improving its internal controls system. Regular review and evaluation of controls, feedback from audits, and incorporation of best practices enable the organisation to enhance its governance processes and ensure the effective utilization of resources.

By implementing a strong internal controls system, the Youth Charter maintains accountability, transparency, and the trust of its stakeholders, enabling it to fulfil its mission of empowering young people and promoting positive social change.