

Loida British Financial Management Policy

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Introduction

Loida British is dedicated to ensuring effective financial management and accountability across all its operations. This policy outlines the procedures and practices that support sound financial management, including budgeting, auditing, expense claims, and risk management.

2. Purpose

The purpose of this policy is to:

- Establish clear guidelines for financial management and accountability.
- Ensure transparent and effective use of financial resources.
- Provide a framework for budgeting, financial planning, auditing, and risk management.
- Ensure compliance with relevant financial regulations and standards.

3. Scope

This policy applies to all financial activities and transactions undertaken by Loida British, including those carried out by employees, managers, and directors.

4. Financial Management Procedures

4.1 Budgeting

Budgeting and Financial Planning Processes:

Annual Budget Preparation:

- For each department the director and head of finance is required to prepare an annual budget outlining projected income and expenditures.
- Budgets must be aligned with the strategic goals and objectives of Loida British.
- Department heads will submit their budgets to the Finance Department for review and consolidation.

Budget Approval:

- The consolidated annual budget will be reviewed and approved by the Loida British Ltd Director.
- Any adjustments or revisions to the budget must be approved by Loida British Ltd director.

Budget Monitoring and Reporting:

- Financial performance will be monitored against the approved budget monthly.
- Monthly financial reports will be prepared by the Finance Department and distributed to department heads.

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- Adjustments between actual and budgeted figures will be analysed, and corrective actions will be taken as necessary.

4.2 Audits

Regular Financial Audits:

Internal Audits:

- Internal audits will be conducted quarterly to ensure compliance with financial policies and procedures.
- The internal audit team will review financial records, transactions, and processes to identify any discrepancies or areas for improvement.
- Audit findings will be reported to the director, along with recommendations for corrective actions.

External Audits:

- An independent external auditor will be appointed annually to conduct a comprehensive audit of Loida British's financial statements.
- The external audit will ensure that financial statements present a true and fair view of the company's financial position.
- The findings and recommendations from the external audit will be presented to the Directors.

4.3 Expense Claims

Procedures for Expense Claims and Reimbursements:

Submission of Expense Claims:

- Employees must submit expense claims using the standardised expense claim form.
- Claims must be accompanied by original receipts and any other required documentation.
- All claims should be submitted within 30 days of incurring the expense.

Approval Process:

- Expense claims will be reviewed and approved by the employee's immediate supervisor or department head.
- Claims will be checked for accuracy, completeness, and compliance with company policies.

Reimbursement:

- Approved expense claims will be processed by the Finance Department.
- Reimbursements will be made through the company's payroll system within 15 days of approval.

4.4 Risk Management

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Monitoring and Managing Financial Risks:

Risk Identification:

- Financial risks will be identified through regular risk assessments conducted by the Finance Department.
- Risks may include cash flow issues, investment losses, fraud, and market fluctuations.

Risk Mitigation Strategies:

- Appropriate strategies will be developed to mitigate identified risks, including diversifying investments, implementing internal controls, and maintaining adequate reserves.
- Insurance policies will be reviewed and updated regularly to provide coverage for potential financial losses.

Risk Monitoring and Reporting:

- Financial risks will be monitored continuously, and any significant changes will be reported to the Senior Management Team.
- A risk management report will be prepared quarterly, outlining current risks and mitigation efforts.

5. Compliance with Financial Regulations

Loida British ensures compliance with the following financial regulations and standards:

- **Companies Act 2006:** Governs the financial reporting requirements and duties of directors.
- **Financial Reporting Standards (FRS):** Provides guidelines for the preparation of financial statements.
- **General Data Protection Regulation (GDPR) and Data Protection Act 2018:** Protects personal data in financial records and transactions.

6. Training and Awareness

Employee Training:

- All employees involved in financial management will receive regular training on financial policies, procedures, and regulations.
- Training will include topics such as budgeting, expense claims, risk management, and compliance.

Policy Awareness:

- The Financial Management Policy will be communicated to all employees during onboarding and will be available on the company's policies manual.
- Regular updates and reminders about financial management practices will be provided.

7. Monitoring and Review

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- The Financial Management Policy will be reviewed annually by the Finance Department.
- Feedback from employees and auditors will be incorporated into the review process.
- The policy will be updated as necessary to reflect changes in regulations, standards, and best practices.

8. Contact Information

For any questions or further information regarding our Financial Management Policy, please contact:

- **Finance Department:** [Email] [Phone]
- **Internal Audit Team:** [Email] [Phone]