

## Financial Controls Policy

### 1. Introduction

The European Society of Endocrinology (ESE) is committed to maintaining strong financial controls to ensure the responsible and effective management of its resources. This policy outlines the financial controls and procedures adopted by the ESE to promote transparency, accountability, and the efficient use of funds.

### 2. Roles and Responsibilities

2.1. Finance Committee: The Finance Committee is chaired by the ESE Treasurer and includes both endocrinologists and non-endocrinologists. The Finance Committee will oversee the financial affairs and report to the Executive Committee.

2.2. ESE Team: The ESE Chief Executive Officer (CEO), together with the Head of Governance, Finance and Office, will be responsible for managing the day-to-day financial operations, maintaining accurate records, and providing financial reports to the Finance Committee and the Executive Committee.

2.3. Executive Committee: The Executive Committee will review and approve the annual budget, financial statements, and major financial decisions.

### 3. Financial Planning and Budgeting

3.1. Annual Budget: ESE will prepare an annual budget that aligns with its objectives and activities. The budget will be reviewed and approved by the Finance Committee and the Executive Committee.

3.2. Reserves Policy: ESE will maintain an appropriate level of reserves to ensure financial stability and sustainability. The reserves policy will be periodically reviewed and adjusted as necessary.

### 4. Financial Reporting

4.1. Regular Financial Reports: The Staff Team will prepare and present regular financial reports to the Treasurer, Finance Committee and the Executive Committee. Reports will include income and expenditure statements, cash flow statements, and balance sheets.

4.2. Transparency: The annual audited accounts will be made available to both members and non-members and placed on the ESE website to maintain transparency and accountability.

### 5. Payment Authorisation and Expenditure

5.1. Payment Authorisation: Payments and expenditures will follow a clearly defined authorisation process. The ESE Signing Policy details authorisation limits and designated individuals will review and approve invoices for payment processing.

5.2. Payments to third parties: ESE will not transfer funds (eg, for a grant, award or expenses) to any third parties. The bank account must be in the name of the individual who is receiving the payment. Payments can be made to the individual's institution. Payments are not permitted to individuals, institutes or organisations which are under governmental financial sanctions.

5.3. Segregation of Duties: Whenever possible, ESE will implement segregation of duties to prevent any single individual from having sole control over financial transactions.

## 6. Income and Fundraising

6.1. Donation Handling: ESE will implement procedures to accurately record and acknowledge all donations received.

6.2. Fundraising Compliance: ESE will comply with all legal and regulatory requirements related to fundraising, including the appropriate use of funds raised.

## 7. Financial Records and Documentation

7.1. Record-keeping: ESE will maintain accurate and complete financial records, including receipts, invoices, bank statements, and other relevant documentation.

7.2. Retention Policy: Financial records will be retained in accordance with legal requirements and best practices.

## 8. External Audit

8.1. Independent Audit: ESE will conduct an annual external financial audit performed by a qualified independent auditor.

8.2. Reporting of Findings: The audit findings will be presented to the Finance Committee and the Executive Committee. Any significant issues or recommendations will be addressed promptly.

## 9. Compliance

9.1. Regulatory Compliance: ESE will comply with all relevant laws, regulations, and Charity Commission guidelines concerning financial management and reporting.

9.2. Anti-Fraud Measures: ESE will implement measures to prevent and detect fraud, including regular risk assessments and internal controls reviews.

## 10. Review and Amendments

This Financial Controls policy will be reviewed regularly and updated as necessary. Any necessary updates will be made in response to changes in regulations or best practices.

## 11. Communication

This Financial Controls Policy will be made available to all through the ESE website and other appropriate channels.

By adhering to this Financial Controls Policy, the European Society of Endocrinology aims to maintain transparency, accountability, and financial prudence in managing its resources and fulfilling its charitable objectives.

For related information, please visit the ESE website:

ESE Finance Committee

ESE Executive Committee

Annual Trustees Reports and Financial Statements