



# Financial Management Policy

## 1. Introduction

The Institute of Industrial Engineers & Safety Management Systems (IIESMS) is committed to maintaining high standards of financial management to ensure the effective and efficient use of resources. This Financial Management Policy outlines the principles and procedures for managing the organisation's finances to promote transparency, accountability, and integrity.

## 2. Policy Statement

IIESMS is dedicated to:

- Ensuring the proper management of financial resources.
- Complying with all relevant financial legislation, regulations, and best practices.
- Providing accurate and timely financial information for decision-making.
- Safeguarding the organisation's assets.

## 3. Responsibilities

### 3.1 Management

- Provide leadership and oversight of financial management practices.
- Ensure that financial policies and procedures are followed.
- Review and approve financial plans, budgets, and reports.

### 3.2 Treasurer

- Oversee the financial operations of the organisation.
- Ensure accurate and timely financial reporting.
- Monitor financial performance and provide regular updates to the management and board.

### 3.3 Financial Staff

- Implement financial policies and procedures.
- Maintain accurate financial records.
- Prepare financial reports and statements.



### **3.4 All Employees and Members**

- Adhere to the financial policies and procedures.
- Report any financial irregularities or concerns to the Treasurer.

### **4. Financial Planning and Budgeting**

- Develop an annual budget that aligns with the organisation's strategic objectives.
- Involve relevant stakeholders in the budgeting process.
- Monitor and review the budget regularly to ensure financial targets are met.

### **5. Financial Record-Keeping**

- Maintain accurate and complete financial records in accordance with legal and regulatory requirements.
- Ensure that financial records are easily accessible for audit and review purposes.
- Retain financial records for the appropriate period as required by law.

### **6. Financial Reporting**

- Prepare and present regular financial reports to the management and board, including income statements, balance sheets, and cash flow statements.
- Ensure that financial reports are accurate, complete, and prepared in a timely manner.
- Provide stakeholders with clear and concise financial information.

### **7. Internal Controls**

- Implement internal controls to safeguard the organisation's assets and ensure the accuracy and reliability of financial information.
- Segregate duties to prevent fraud and errors.
- Conduct regular internal audits to review the effectiveness of internal controls.

### **8. Cash Management**

- Manage cash flow to ensure sufficient liquidity for operational needs.
- Implement procedures for the safe handling and recording of cash receipts and payments.
- Reconcile bank statements regularly to ensure accuracy.



## 9. Expenditure Control

- Establish procedures for authorising and approving expenditures.
- Ensure that expenditures are necessary, reasonable, and within the approved budget.
- Maintain documentation for all expenditures to provide a clear audit trail.

## 10. Asset Management

- Maintain an accurate register of all assets owned by the organisation.
- Conduct regular asset audits to verify the existence and condition of assets.
- Implement procedures for the disposal of assets in a manner that maximises value and complies with legal requirements.

## 11. Risk Management

- Identify and assess financial risks regularly.
- Implement measures to mitigate identified financial risks.
- Review and update risk management practices periodically.

## 12. External Audits

- Engage an independent auditor to conduct an annual audit of the organisation's financial statements.
- Ensure that audit findings and recommendations are addressed promptly.

## 13. Compliance

- Comply with all relevant financial legislation, regulations, and reporting requirements.
- Ensure that financial practices adhere to ethical standards and best practices.

## 14. Review and Updates

This Financial Management Policy will be reviewed regularly and updated as necessary to ensure it remains relevant and effective.

## 15. Contact

For questions or concerns about this Financial Management Policy, please contact the **Institute of Industrial Engineers & Safety Management Systems (IIESMS)**

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