

## Questions to ask... ...ABOUT FINANCIAL CONTROLS IN YOUR SHOPS

Shops provide a key income stream for many charities. The success of shops is often dependent on volunteers, which can present challenges when implementing financial controls. Below are several areas trustees and management should consider.

- 1. Access to shops:** it is important to consider who has keys to access shops and to keep a log of keyholders. Often it is not practical for only the shop manager to have keys, resulting in volunteers or neighbouring shops to hold keys. If this is the case, consider asking neighbouring shops to check the identity of people picking up keys before releasing them.
- 2. Till access:** who has access to the tills and are there any restrictions in what users can do? For example, do all users have authority to process refunds or is this limited to reduce the risk?
- 3. Passcodes:** do those who have access to the tills have unique log in passcodes? It is important all users can be uniquely identified to help keep a clear audit trail for the transactions that have been processed. It is also important that passcodes are not shared between users and are changed on a regular basis. This will help reduce the risk of unauthorised till usage.
- 4. Safe access:** does your shop have a safe that is securely fixed? Who has access to the safe? Are the keys or pass codes to access the safe shared? It is important to limit access to the safe and also maintain a log of who has access. When an employee or volunteer no longer works at the shop, all keys should be returned and/or the passcode to access the safe changed.
- 5. Segregation of duties:** is there a dual count of the banking each day or is the staff member responsible rotated each day? Do you have secure banking facilities or processes to protect staff carrying cash to the bank? It is important to consider whether there are sufficient controls in place to identify any error in cash counts and banking.
- 6. Stock:** are there controls in place to record the received stock? Are stock counts conducted at least annually on bought in goods?
- 7. Retail Gift Aid:** are your employees/volunteers given retail Gift Aid training? Is a log of training provided maintained? Do you have retail Gift Aid targets for shops, which may raise concerns in an HMRC visit that staff are incentivised to incorrectly complete retail Gift Aid forms in order to meet targets?
- 8. Collection boxes:** are there collection boxes in your shops? Are these secure or are they at risk of being stolen?
- 9. Data protection:** do your shops have facilities to securely store personal data, eg completed retail Gift Aid forms or staff personal files? Is such information securely stored? Whilst a lot of shops will have capabilities to store information securely, it is important that staff are made aware of the importance of doing so especially under GDPR legislation.
- 10. Other forms of income:** increasingly, charity shops are looking for new ways of generating income for the charity. Charity shops may have rag collections, book sales, upcycling of donated goods or partnerships with local recycling centres. It is important that trustees and management are aware of any new income generation ideas being implemented in shops and assess the risk to the charity. The charity should also assess any tax implications of new sources of income such as upcycling of donated goods.

# haysmacintyre

haysmacintyre  
10 Queen Street Place  
London EC4R 1AG

**T** 020 7969 5500

**F** 020 7969 5600

**E** [marketing@haysmacintyre.com](mailto:marketing@haysmacintyre.com)

**www.haysmacintyre.com**

**@haysmacintyre**

A member of



Independent legal & accounting firms



Committed to Sustainability

## Contact



Siobhan Holmes

Director

**T** +44 (0)20 7969 5601

**E** [sholmes@haysmacintyre.com](mailto:sholmes@haysmacintyre.com)

© Copyright 2021 Haysmacintyre LLP. All rights reserved.

haysmacintyre is the trading name of Haysmacintyre LLP, a limited liability partnership

Registered number: OC423459 Registered in England and Wales

Registered to carry on audit work in the UK & Ireland and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales

A list of members' names is available for inspection at 10 Queen Street Place, London EC4R 1AG

A member of the ICAEW Practice Assurance Scheme

**Disclaimer:** This publication has been produced by the partners of Haysmacintyre LLP and is for private circulation only. Whilst every care has been taken in preparation of this document, it may contain errors for which we cannot be held responsible. In the case of a specific problem, it is recommended that professional advice be sought. The material contained in this publication may not be reproduced in whole or in part by any means, without prior permission from Haysmacintyre LLP.



Shortlisted 2019 National Firm of the Year



Shortlisted 2019 Tax Team of the Year



Highly Commended Partner of the Year



Winner: Audit Team of the Year



Winner of the Bronze Award for 2018 and 2017

BRONZE Best Professional Services Firm in Sport

CHARITY FINANCIALS Insights, analysis, benchmarking

Top adviser to the top 5,000 charities, Charity Financials' league table 2021

Charity Finance

Top ten by audit fees in the 2020 Charity Finance Audit Survey