

## **LIPC ACCOUNTS – JULY 2019 RISK ASSESSMENT**

### **General**

Financial Standing Orders were last reviewed and implemented in July 2019.

### **Cheque Control**

Cheques for any amounts over £9999.99 must be signed either by the Council Chairman or the Chairman of the Finance sub-committee plus one other councillor. There is a limit of £250 for cheques made out to "Cash" for petty cash. The clerk, who holds the chequebook(s), has no authority to raise cheques in her own right and there is no authorising mandate at the bank containing her signature.

### **Online Banking**

In recent years the P.C has moved towards online banking. The Clerk creates a cheque list, and this is presented to all Cllrs in advance of the Parish meeting. The Cllrs can ask questions of the clerk and view any original invoice. The cheque list is then subject to approval by the Cllrs. The Clerk then has the authority to pay these bills online. A member of the finance community (RJ) will review the bank statement and the reconciliation statement (see below) while creating the ongoing finance report. This provides a regular level of scrutiny for the online bank account.

### **Bank Statements**

The monthly bank statement reconciliation, conducted by the Clerk, must be authorised by a member of the Finance Committee each month. The Savings Account statement must be authorised by a member of the Finance Committee quarterly.

### **Petty Cash**

Petty cash items include S137 grants to various village events, payments for the Long Itchington Diary deliveries. Petty cash items are restricted to:

- a limited number of S137 grants (Community Centre shows)
- cleaning materials for the community centre and handyman VAT receipts essential
- Village Diary delivery
- stamps
- emergency disbursements under £50 VAT receipts essential
- Out of pocket expenses for Clerks, Handyman and Cllrs under £50

All other re-imbursments over £50 should be affected by raising/approving a cheque or a Bacs payment in the usual manner.

### **National Savings Account**

This holds a large part of the council's reserves and the current balance is £18185.76. The only acceptable method of accessing these funds is to transfer (by formal letter), the required amount to our current account and then raise and authorise a payment as normal. See "Cheque Control" for cheques greater than £10,000.

### **Purchase Invoices & Cheque Receipts**

The only risks here could be that a transaction goes missing, but an unpaid supplier will soon advise us of a missing payment. In 2018/19 all the Council's receipts were either by cheque or credit transfer.

A member of the Finance Committee must check the Income Analysis against the Budget each quarter.

### **Cash Receipts**

The Council does not issue invoices for goods and/or services and only reluctantly accepts cash as a means of settling hire fees for the playing fields or community Centre, etc. The only cash receipts processed arise from Community Centre activities such as the Annual shows, the film club, occasional donations and hire fees for the Centre itself although the vast majority of these are paid by cheque or directly into the account by Bacs. Cash receipts for the events and Community Centre hire charges are counted in pairs and checked and deposited by the Clerk.

### **Security of Computer Records**

The Clerk takes a monthly backup, this copies the entire system (including all correspondence, etc) on an external hard drive which is kept off-site e.g. at her own home.