

FINANCIAL CONTROL PROCEDURES - PETTY CASH

Background

Operational and other expenses are to be reimbursed from the Petty Cash float. A limit of £50 any one item applies.

Where funds are required in advance of expenditure being incurred, staff are to ensure that the money in petty cash and the balance in the petty cash book correspond at all times, an 'issue of cash note' must be signed by the RFO. The 'issue of cash note' must be placed in petty cash at the same time as funds are removed and will be removed by the RFO when the claim form (and change, where applicable) is received.

Receipt

A receipt must be obtained for all expenditure and for expenditure in excess of £10 a VAT receipt must be obtained. The receipt must be attached to the claim for reimbursement.

Reimbursement

Funds may only be taken from petty cash once the claim form has been signed by the RFO. A receipt is to be given.

The details of each claim must be entered in the record book when expenditure is reimbursed. The claim forms are retained in a folder kept in the filing cabinet with the petty cash record book.

Audit

Each month the balance in the petty cash tin is checked by the RFO to ensure it tallies with the balance shown in the book.

Internal Controls & Risk Management

In addition to any measures outlined above, Financial Regulations provide audit controls.

The Planning Licencing and Finance Committee has Councillor Internal Auditor Councillors approve and initial the petty cash record book at regular intervals. The petty Cash Float is topped up by the RFO, using the Council debit card and each withdrawal is included on the monthly payment schedule.

Internal audit and the Councillor Internal Auditor's checklist also require 'spot checks' to be made to ensure that an established system is in place, that the cash balance is physically counted and checked to be in agreement with the up to date record and that a system for the regular approval of petty cash expenditure is in place.

Money must not be taken from the petty cash tin without the approval of the Town Clerk or RFO either via a signed claim form or signed 'issue of cash note'.