**PCC Financial Controls**

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| **The aims of internal financial controls are:**   * To protect the PCC’s assets. * To identify and manage the risk of conflicts of interest, loss, waste, bribery, theft or fraud. * To ensure that financial reporting is robust and of sufficient quality. * To ensure that the PCC complies with law and regulation relating to finance. |

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| **Financial Controls - Top Tips**   * Review your financial controls at appropriate intervals and do so critically, keeping them up to date. * Segregate duties – do not allow one or two people to be in charge of and unchecked for all aspects of your PCC’s financial controls. * Ensure all cheques require 2 signatories. * Make sure all of the separate parts of the financial records agree with each other. Always ask for and keep receipts. Reconciling bank statements with invoices, receipts, purchase and payment authorisations will often help to identify error or fraud at an early stage. * Never weaken your financial security for the sake of short cutting or time saving. For example, do not pre-sign blank cheques, even if a second signature is required. Doing so reduces your cheque security by 50% - or, to put it another way, doubles the risk! * Keep a list or register of valuable fixed assets and key PCC property, and periodically inspect them. * Ensure that electronic or online banking arrangements are secure and are protected with dual-level authorisation. * For those individuals who handle the PCC’s finances - make appropriate background checks and take up references. * If your PCC makes grants to beneficiaries or other organisations, carry out appropriate due diligence checks on applicants. * Ensure the PCC meetings receive and consider regular reporting information about the PCC’s finances. If you are a PCC member, make sure that you understand the financial summaries and reports that are presented to you, and if you do not, ASK for an explanation that you CAN understand. * Ensure any new bank accounts to be setup require a resolution at the PCC meeting to setup the account. * Ensure cheque signatories and those with access to on-line banking is regularly reviewed and promptly updated as those individuals leave or change roles. * Ensure any grant income received is handled through a restricted fund. * Ensure any petty cash floats are held securely and only accessible by authorised individuals. Carry out spot checks of the recorded petty cash balance against the actual cash held. * If you suspect or become aware of fraud, make sure that you know what to do and who to inform. Make sure it is part of the culture of your PCC. Prompt and appropriate action will help to protect your PCC and limit any financial damage. |