

**REGIONAL MANAGEMENT BOARD - 12 MARCH 2007
ITEM FOR DECISION****PETTY CASH OR IMPREST ARRANGEMENTS****PURPOSE OF REPORT**

To enquire of the Board whether it supports the creation of petty cash arrangements for, say, discipline groups, and, if so, the arrangements for controlling such accounts.

RECOMMENDED ACTION

The Board is requested to DECIDE

- 1 whether petty cash arrangements may be established;
- 2 if so, the controls for such arrangements

SUPPORTING INFORMATION

- 1 Presently, all the Region's payments are made from the Regional Office, by cheque drawn on the Region's bank account, on presentation of appropriately authorised vouchers, e.g. claims' forms, invoices. All cheques are signed by the Regional Director and one of 3 authorised members of the Board. The Board, whose Members collectively have responsibility for the Region's finances, therefore, has reasonable certainty that payments made are in order.
- 2 The Diving Group has requested that the organiser of officials at diving events be provided with a "float" in order that he may pay the expenses to the officials on the day. Apparently, the diving officials are not supplied with any refreshments etc. at their events, and they may, therefore, claim £10 towards travelling/food. In 2006, the then Diving Manager gave the officials' organizer a [presumably, personal] cheque and he in turn made out separate personal cheques for each of the officials against their claims. What he would like to do is to have a float in advance so that he could hand over the £10 when the officials made the claim and signed for same. By this method he could deal with the expense claims there and then and forward the paperwork straight back to the Regional Office after each event.
- 3 What the Diving Group is effectively requesting is a petty cash or imprest account. It may be, of course, that other discipline groups would welcome similar facilities.
- 4 The Board is requested to consider the request, because it raises issues of principle. The Board Member Responsible for Finance is not supportive of the establishment of a range of petty cash or imprest accounts, because their creation intrinsically weakens the resilience of the Region's financial systems. Although the sums involved may not be significant, the risk of losses becomes greater.
- 5 However, the decision rests with the Board.

6 If the Board feels that petty cash or imprest accounts may be established, the Board Member Responsible for Finance suggests a range of safeguards, along the following lines:

- the petty cash account is under the control of the discipline manager
- the discipline manager accepts personal liability for any deficiencies
- the account is subject to physical audit, at least annually
- all payments must be supported by an appropriate certified voucher
- all payments must be properly coded
- no single payment shall exceed £20 in amount
- a reconciliation must be submitted to the Regional Office periodically, accompanied by the vouchers for the payments made
- expenditure incurred via petty cash accounts shall be written into the accounts of the Region against the appropriate code.

RFP
12.03.07