

Authorisation of expenditure

Distinction should be made between *authorisation* of expenditure and *processing* of payments of expenditure.

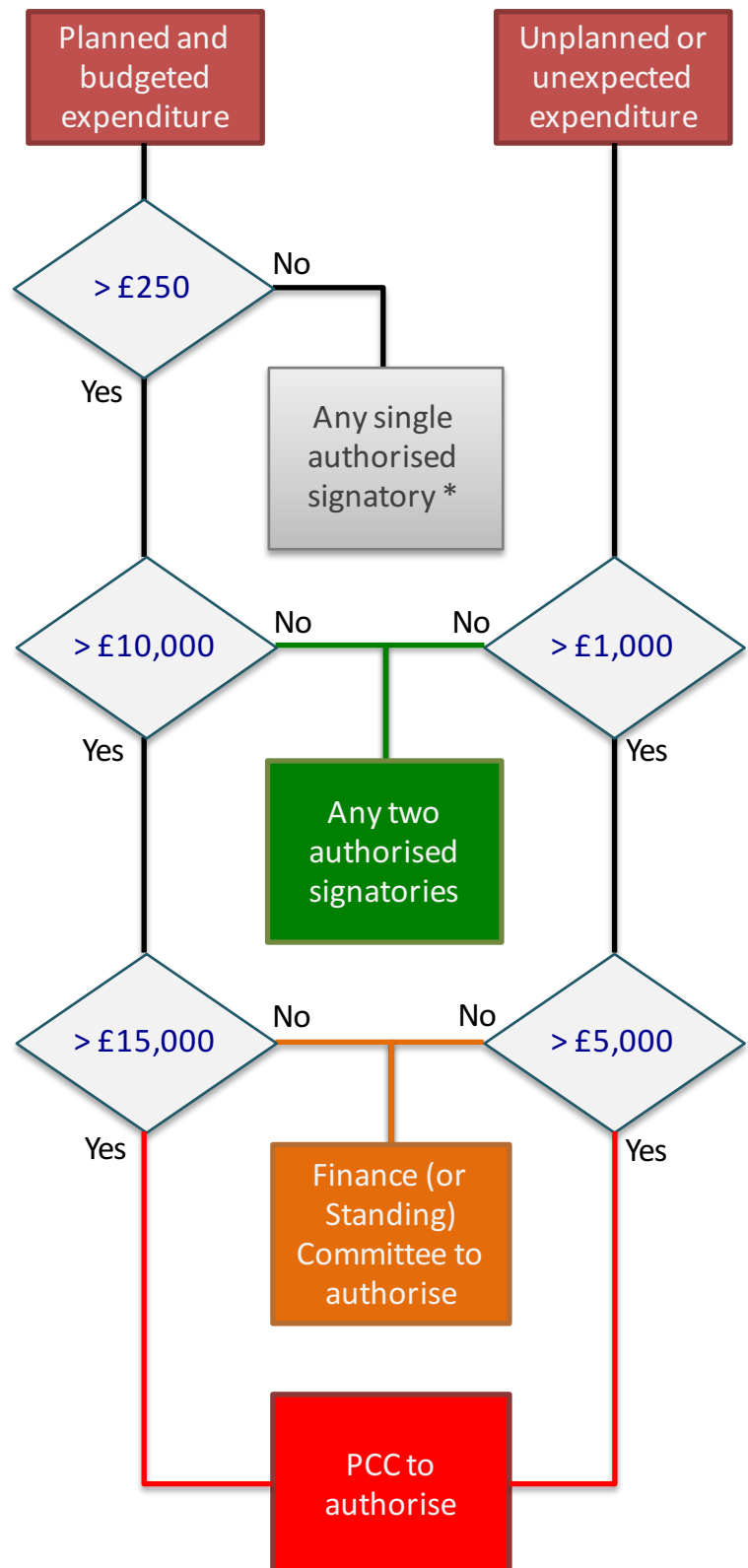
Expenditure controls ensure that only properly authorised expenditure is contractually committed. Most expenditure is authorised by way of annual budgeting.

Payment processing controls ensure that only authorised expenditure leaves the bank account.

In this suggested process, authority comes from two signatories, the Standing (or Finance) Committee or the PCC. Regardless of where the authority comes from, it should always be two authorised signatories who process the payment, although **currently our banking arrangements allow one user to process payments.**

The limits illustrated in this flow chart should be reviewed and approved by the PCC at least annually.

The authorisation limit must be applied to each 'application' or invoice. Payments and/or invoices must not be broken down to fall below the authorisation limits agreed by the PCC.



- This does not meet the strictest standards of best practice but may provide a practical way of authorising much of the day-to-day budgeted expenses. This would also require additional controls such as an overall daily limit for processing payments and a detailed review of bank transactions by the Treasurer (which can be done online).

Cash collection process

Two people should be present at all times when collecting or handling cash.

Unless Gift Aid envelopes are anonymous, they should be left unopened, and only opened by the Treasurer, Planned Giving Officer and/or bookkeeper. The number of Gift Aid envelopes should be entered on the cash counting sheet

Two people should be present at all times between removing cash from the safes and taking it to the bank. Cash must never be left unattended.

Two people should go to the bank and the days and times of going to the bank should be varied from week to week.

There should be a clear audit trail from the cash counting sheets to the paying-in slip to the accounts. The entries in the accounting system must reconcile to the bank statements.

