



CASH HANDLING POLICY

YEOVIL TOWN COUNCIL



1. Summary

- 1.1 The Cash Handling Policy establishes the control framework within which officers should manage and handle the Council's cash within and outside of the Council's premises. The Cash Handling Policy sets out rules for the safe, accurate and efficient handling and recording of cash to reduce the risk of cash loss from fraud, error and theft, and to reduce risk exposure of employees who handle cash.
- 1.2 The objective of the policy is to safeguard the Council's cash and those staff that are required to handle cash as part of their duties. The policy sets out the best practices for cash management at Yeovil Town Council to ensure efficiency, robust control and reduce risk of fraud, theft, and error.
- 1.3 All Directors must confirm that their teams are fully aware of the requirements of this policy and certify that all their staff are, in all instances, actively complying with the protocols within it.

2. Context

- 2.1 The Cash Handling Policy contributes to the fulfilment of the responsibilities of the Responsible Finance Officer (RFO) for the proper administration of the Council's financial affairs. The Policy should be read in conjunction with the Council's Financial Procedure Rules which form part of the Constitution.

3. Purpose

- 3.1 The purpose of this policy is to set out the requirements for robust and secure arrangements for the handling of cash. Effective cash management is important for financial governance and mitigating the financial risk to the Council and employees responsible for handling cash.
- 3.2 Officers should understand their responsibilities to ensure the process is robust and effective. This cash handling policy is a set of rules on how to manage Yeovil Town Council's cash either within or outside of Council premises. The cash handling policy focuses on safety to reduce cash losses, help increase efficiency and reduce human error.
- 3.3 Yeovil Town Council entrusts its employees with handling the Council's cash. Officers must act responsibly, reliably, and honestly in all dealings with the Council's cash.

4. Scope

- 4.1 The policy applies to all employees who handle cash on behalf of Yeovil Town Council. This includes but is not limited to Yeovil Town Council's employees, contractors, interim staff, agency staff, and other workers with access to handle Yeovil Town Council's cash as part of their duties.
- 4.2 The Responsible Finance Officer (RFO) and Deputy Responsible Finance Officer (DRFO) are responsible for the proper administration of the Council's financial affairs; however, all officers have a responsibility to safeguard assets and protect them from misappropriation.

- 4.3 To protect the Council and its employees, the risk of any loss must be considered and when appropriate, added to each Directorate's risk register. Risk assessments are required for all staff involved in cash handling. Directors must ensure that risk assessments are completed, and these will be reviewed by the RFO/DRFO annually. A risk assessment template is included in the Appendix.
- 4.4 To help prevent the loss or misappropriation of cash, it is important that staff have a clear understanding of their own responsibilities, and the need for a definite separation of duties so that the risk of loss is minimised.
- 4.5 This Cash Handling Policy should be read by all staff involved in handling cash, notwithstanding this forms part of the Council's financial regulations, and must be adhered to. In the event of loss or misappropriation of cash, staff involved may be subject to disciplinary proceedings, prosecution and be required to repay any losses subject to the findings of the investigation.
- 4.6 The Council prefers to receive payments by electronic means, providing better security and safeguarding of funds. Preferred methods of payment are online via the website, by direct debit, credit or debit card and officers should direct members of the public to make payments via these methods.

5. Policy Detail

5.1 Separation of duties

Separation of duties is fundamental internal control and forms a key element of effective risk management procedures and risk management strategy. It allows the responsibility for key business processes to be shared by distributing functions in a controlled way to multiple people, helping to reduce the risk of possible errors. It mitigates the risk of loss from fraud for the Council and aims to protect employees from fraud and the risk of accusation of fraud.

Separation of duties is designed to prevent unilateral actions within an organisation which could result in loss, error or fraud and ensures that no one person has control over a process or asset where they can overlook errors, falsify information, or attempt theft.

Directors should ensure that cash management is performed by different roles and the duties and responsibilities are separated. Separation of duties must be maintained so that no individual employee has the responsibility for more than one of the following:

- Counting and carrying cash to a secure location
- Counting and bagging cash for collection
- Collection/deposit of cash at bank or with a secure courier service
- Bank reconciliation

Each task should be carried out by a different person. This helps prevent human error and protects the individual employees and the Council from risk of error, loss, or fraud.

5.2 Cash Disbursement & Collection

Cash collected from clients or from other sources must be deposited into deposit bags, kept securely within the onsite cash safe and handed to our secure courier service (in the case of site-based cash collections) or banked at the earliest opportunity (in the case of storage at HQ). Cash must be stored securely in a locked safe. Safes are located at Town House, Ninesprings Café, Westlands Entertainment Venue and in the sports facility at Yeovil Recreation Centre. Cash requiring storage prior to being deposited with the bank, can be arranged by contacting the finance team at finance@yeovil.gov.uk – emails should be marked as urgent.

No more than £3,000 may be held in one safe at any one time unless the safe itself adheres to the following standards and has been installed to the manufacturer's specification:

- Eurograde 0 (EN 1143-1): £6,000 cash rating (£60,000 valuables)
- Eurograde 1 (EN 1143-1): £10,000 cash rating (£100,000 valuables)
- Eurograde 2 (EN 1143-1): £17,500 cash rating (£175,000 valuables)

Any cash collected, but not deposited in line with our secure courier service collections, must be transported immediately by an officer, to a secure facility. Any employee transporting cash of any value must inform their line manager and where this amount is more than £2,500 another Council employee must accompany the employee.

Cash must be transferred to a secure location on the same day and the following precautions must be taken:

- Cash can only be transported in an unmarked bag.
- If carrying more than £2,500, two people are required to transport the cash.
- Officers carrying the cash should do so as discreetly as possible, varying times and routes as appropriate.
- Staff should always remain alert.
- Avoid public transport and secluded places.
- If threatened or attacked, the following procedure should be adopted:
 - Personal safety of the members of staff is paramount.
 - Using professional judgement, consider the risk to yourself and others with you.
 - If judged at risk of injury or harm, surrender the cash immediately.
 - Make a note of the description of the individuals responsible and methods and direction of travel.
 - Report to the Police and your Line Manager immediately

Where it is not possible to transport the cash to the secure location on the same day, due to any unavoidable circumstances, report to your line manager immediately and wait for instruction.

All cash that is received should be recorded immediately and placed in a secure safe in readiness to be banked at the earliest opportunity.

Cash collection duties, routes, timings and security arrangements must be treated as confidential and must not be discussed with unauthorised persons. Breach of this requirement may be treated as gross misconduct.

If transportation to a secure location is required, the officer with access to the safe must count the cash and confirm by issuing a receipt.

The Council insures against any theft, robbery or cash loss in transit and risk assessments must be conducted within any service area that may/do transport cash. Risk assessment forms are included in the Appendix. This responsibility rests with the appropriate Head of Service and any losses will be subject to a thorough investigation and would trigger a review of the process to ensure any weaknesses are mitigated.

5.3 Access to the Safe

The role of the officers with access to the safe is to ensure that accurate and up to date records are always kept and maintained relating to all cheques and cash held in the safe and should match the receipts issued and the amount held in the safe. Where there is any inconsistency, this must be reported to the appropriate Head of Service immediately.

The safe should always be locked and access to the safe is restricted to appropriate members of staff. If an officer with access to the safe loses their key or there is a possibility that a non-authorised person acquires a key, this must be reported to the appropriate Head of Service.

The Finance team maintains a list of all relevant officers, who are responsible for handling cash and a list of officers with access to the safe. Officers will only be added to the list with approval from the RFO/DRFO before release of a key.

5.4 Reconciliation, Variances and Spot Checks

Cash received must be reconciled to receipts issued, till reports, booking records, paying in slips, safe records and banking records as appropriate. Reconciliations must be carried out promptly and reviewed by an officer independent of the cash collection and banking process wherever practicable.

Any cash shortage, overage or unexplained discrepancy identified during counting, reconciliation, banking or safe checks must be recorded and reported immediately to the appropriate Head of Service and the Responsible Finance Officer or Deputy Responsible Finance Officer. Variances must not be offset against future takings or adjusted without authorisation.

The Responsible Finance Officer or Deputy Responsible Finance Officer may require periodic unannounced spot checks of cash held in safes, cash floats, collection sites and supporting records. Findings from spot checks must be documented and any weaknesses identified must be addressed by the relevant Director or Head of Service.

5.5 Cheques

The Council prefers electronic payment methods such as online via the website, by direct debit, credit, or debit cards however, if any cheques are received, they must be recorded in line with the relevant business process and placed in a secure location in readiness to be banked at the earliest opportunity.

Cheques can be banked by completing a separate banking book slip and placed inside a separate banking bag, along with the slip, ready for collection by our secure courier service.

5.6 Counterfeit Notes

Officers who handle cash must take reasonable steps to identify suspected counterfeit notes at the point of receipt, where it is safe and practical to do so. If a note is suspected to be counterfeit, the officer must follow current Bank of England guidance, record the circumstances, notify their line manager and seek advice from Finance.

Suspected counterfeit currency must be kept securely, clearly separated from other cash and must not be reissued. Staff safety remains paramount and officers must not challenge a payer where doing so may put themselves or others at risk.

5.7 Cash Floats and Dual Verification

Any cash float or change fund must be authorised in advance by the appropriate Head of Service and recorded by Finance. Float values must be kept to the minimum necessary for operational requirements and must be reconciled before issue, on return and at agreed intervals.

Where practicable, two officers must verify cash counts for high value takings, event income, banking preparation, cash floats and any transfer of cash between officers. Both officers must sign or otherwise evidence the count and any discrepancy must be reported in accordance with this policy.

5.8 Banking Cash and Cheques

Cash and cheques must be kept to a minimum but if received must be banked promptly. The amount of income banked should match the amount of income received and the amount of income that was/is held in the safe.

Bank Paying in Slips must be used for all income that is being banked. A separate Bank Paying in Slip is needed for cash and coins and a separate one for cheques, with the bag numbers on the slips ready for collection by our secure courier service in line with the pre-agreed collection schedule.

Contractual arrangements are in place for the Council's income collection. All collection sites are risk assessed regularly and in line with the contractual arrangements.

As part of the preparation for the banking of income, cash and cheques must be bagged appropriately. A separate collection bag is required for notes and coins and a separate bag is required for cheques. The collection bag should have label/sticker clearly visible on the front of it which shows which site the bag has been collected from. The bags should contain the income that the site wishes to have banked.

Income bags should be securely stored by relevant sites. The serial numbers of the bags held by each location should be documented and used in consecutive order. Any disregarded income bags should be fully documented and destroyed.

Before the income bags are collected, a scan of the serial number on the bags is undertaken and a receipt provided. The contents are not checked, although it is mandatory for sites to record the serial number of the income bag and the bank paying in slip and keep it filed with all other income records.

The role of the secure courier service is to transport the Council's cash securely to a central counting house. On delivery to the counting house the income bags are scanned and signed for as appropriate.

The counting house assigns the income to the Council's bank account and references the paying in slip. The cash is then reconciled against the Bank Return data.

5.9 Training, Records and Acknowledgement

Directors and Heads of Service must ensure that all officers who handle cash receive appropriate instruction before undertaking cash handling duties. Refresher guidance must be provided where procedures change, following an incident or where a review identifies the need for additional training.

Receipts, paying in slips, income bag records, reconciliation records, variance records, safe access records, float records and related correspondence must be retained in accordance with the Council's document retention requirements and must be available for audit, investigation and management review.

All officers who are required to handle cash must confirm that they have read and understood this policy and any local procedures relevant to their role. Directors must ensure that evidence of acknowledgement is retained locally or by Finance as appropriate.

5.10 Incident Reporting and Business Continuity

Any loss of cash, suspected theft, robbery, attempted robbery, missing receipt records, lost safe key, safe access concern, courier collection failure or other cash handling incident must be reported immediately to the relevant line manager, Head of Service and Finance. Where criminal activity is suspected, the Police must be contacted as appropriate.

Where normal cash handling arrangements are disrupted, including safe failure, banking disruption, courier failure, office closure, system outage or emergency incident, officers must seek instruction from their line manager and Finance before making alternative arrangements. Temporary arrangements must preserve security, segregation of duties and audit evidence wherever practicable.

5.11 Monitoring and Review

The Responsible Finance Officer will review the Cash Handling Policy every three years, or sooner where there are significant changes to legislation, guidance, insurance requirements, banking arrangements or operational practice.

All relevant Directors must ensure that risk assessments are complete and reviewed annually by the Responsible Finance Officer or Deputy Responsible Finance Officer.

The Cash Handling Policy will be evaluated against the cash handling risk assessment control measures in the Appendix annually, and findings will be distributed to the relevant Directors.

6. Appendix

Policy Ownership

Responsibility	Officer
Policy Owner	RFO
Policy Review	RFO
Monitoring Compliance	Directors
Operational Compliance	Staff
Internal Audit Review	Internal Auditor

Referenced Policies

<https://www.yeovil.gov.uk/strategic-documents>

Disciplinary Procedure
Whistleblowing Policy

Referenced Guidance

<https://www.bankofengland.co.uk/banknotes/counterfeit-banknotes>

General Risk Assessment

Activity Being Assessed:	Cash Handling	Reference Number:	
Names of Assessors:		Date Completed:	
Activity / Process:			

Risk Matrix Table					
	Likelihood of harm				
Severity	1 – Very Unlikely	2 - Unlikely	3 - Possible	4 – Likely	5 – Very Likely
1 – Extremely Low (Trivial injury)	1	2	3	4	5
2 - Low (Minor injury)	2	4	6	8	10
3- Medium (Lost Time injury)	3	6	9	12	15
4 - High (Specified injury)	4	8	12	16	20
5 - Extremely High (Fatality)	5	10	15	20	25

- Identify significant hazards and who could be harmed (E – Employees, SU – Service Users, VP - Vulnerable Persons, V – Visitors, P - Members of the Public, C – Contractors, ES - Emergency Services)
- Once the significant hazards and existing control measures have been identified, the remaining risks need to be rated.
- The risk matrix table above can be used to calculate the overall risk rating by multiplying the relevant numbers assigned to the likelihood and the severity of each hazard.
- Once the overall risk rating has been calculated for each hazard, the table below will indicate if further action is required to control the risks.
- The action register should be used to document any additional control measures required.
- Once additional control measures have been implemented the risk rating will need to be reassessed and the additional control measures incorporated into the main assessment.

Overall Risk Rating	Action Required
(1- 5) Low Risk	Maintain existing control measures
(6 - 12) Medium Risk	Review existing control measures and where possible add additional control measures to further reduce the risk.
(15 - 16) High Risk	Consideration given to stopping the activity. Additional control measures are required to reduce risks to acceptable level.
(20 – 25) Extremely High Risk	Stop activity until additional control measures are implemented to reduce risk to an acceptable level.

Ref	Hazard Identification & Associated Risks	Who could be harmed? (E, SU, VP, V, P, C, ES)	Existing Control Measures	Residual Risk Rating		
				Likelihood	Severity	Overall
1	Theft Threat to personal safety.	E, SU, VP, V, P, C, ES	- Cash stored in safe. - Key to safe removed from site when unoccupied. - Code to safe only shared with officers listed in policy. - Cash stored in moneybox in office - Minimal amounts of cash stored - Secure courier collect and bank cash. - Presence of cash when banking not obvious. - Employees trained and instructed to hand over cash if approached by miscreants. - Employees possess mobile phone.	1	4	4
2	Accusation of theft	E, SU, VP, V, P, C, ES	- Receipt given and person giving cash required to sign. - If cash received and no one present, envelope not opened until in presence of another individual from the organisation.	1	4	4
3	Taking or giving Cash from/to service users	E, SU, VP, V, P,	- Ensure that cash is handled discreetly. - Take time to ensure that money is counted correctly, recorded accurately, and stored safely even when the counter is busy. - Provide receipts to all service users depositing money. - Cash to be handled and secured appropriately.	1	4	4
4	Transporting money to Secure location	E,	- Cash can only be transported in an unmarked bag. - Two people are required to take the cash/cheques to the bank/safe location. - The staff carrying the money should do so as discreetly as possible, varying times and routes as appropriate. - They should remain alert and beware of complacency. If threatened or attacked, the following procedure should be used: - Personal safety of the members of staff is paramount. - Using professional judgement, consider the risk to yourself and others with you. - If judged at risk of injury or harm, surrender the cash immediately. - Make a note of the description of the individuals responsible and methods and direction of travel. - Report to the Police and your Manager immediately. - Always ensure at least 2 people are present for cash in transit.	2	4	8

Ref	Hazard Identification & Associated Risks	Who could be harmed? (E, SU, VP, V, P, C, ES)	Existing Control Measures	Residual Risk Rating		
				Likelihood	Severity	Overall
5	Storage of Cash	E,	Safe Keys/Code: - The access to safe keys/code should be restricted and kept to the minimum required to allow for operational requirements. Authorised key/code holders must not hand/share to other members of staff. - During working hours' keys, should be kept in a locked drawer/ cupboard or on the person responsible for the keys and under no circumstances should be left lying around on desks, filing cabinets or in Offices. - No information relating to the safe or its location should be attached to the keys. - The overnight storage of keys should not be kept in the same building as the safe. Keys should be stored in a secure environment, either in a locked drawer/cabinet or a night safe. - The loss of keys/breach of code information must be reported immediately to the RFO/DRFO - When staff leave, who had access to safe keys/codes, steps should be taken to ensure that the locations of where keys are stored, and codes are changed. - Where possible combinations/locks on the door where the safe is kept should also be changed.	1	4	4

Action Register

This action register should be used to document any additional control measures which are required to eliminate or adequately control the risks identified within the assessment.

- Any risks which require additional control measures which cannot be implemented in a timely manner, must be documented within the action register.
- Consideration should be given to the hierarchy of controls when implementing control measures.
- Actions must be assigned to an action owner who is responsible for implementing the required action within the timescales indicated.
- Service Area Managers must escalate any significant risks which cannot be resolved locally to their Head of Service for resolution.
- Heads of Service must escalate any risks which cannot be resolved at Head of Service level to their director for resolution.
- The action register must be updated once the actions have been completed and the control measures incorporated into the risk assessment.

[illegible]

Risk Assessment Authorisation & Review

Name of Assessor(s):		Signature of Assessor(s):		Date:	
Name of Authorising Manager:		Signature of Authorising Manager:		Date:	

- This risk assessment is a living document and must be reviewed regularly (at least annually) by the manager responsible for the activity being assessed. It should also be reviewed:
 - If there is reason to doubt the effectiveness of the assessment.
 - Following an accident or other significant incident which could impact upon the safety of employees or relevant others.
 - Following significant changes to the task, process, procedure, personnel, or line management.
 - Following the introduction of vulnerable personnel.
- A copy of the updated risk assessment should be maintained and made available for inspection and audit purposes.

Review	Name of Manager	Date	Comments
Review 1			
Review 2			
Review 3			
Review 4			
Review 5			
Review 6			
Review 7			
Review 8			