

**LETWELL PARISH COUNCIL
POLICY AND PROCEDURE FOR BANK RECONCILIATION**

PURPOSE: To Define the Policy and Procedure for Verifying Bank Reconciliations

SCOPE: Bank Accounts operated by Letwell Parish Council

POLICY:

Bank reconciliations are a key financial control. The process compares LPCs financial records with those of their banks to ensure that there is agreement between the sums of money in the different accounts. It is responsibility of the RFO to produce reconciliation for each bank account at the end of every month. The Councillor who has been nominated by LPC to verify the bank reconciliations should follow the procedure below.

RESPONSIBILITIES:

It is the responsibility of the Responsible Financial Officer (RFO) to ensure that bank account reconciliations are properly verified. Verification will be monthly. Councillors will be nominated and approved at full Parish Council meetings to serve a term as the person delegated to verify bank account reconciliations. A normal period of such service is one year, although this time period can be flexible at the discretion of the RFO. It is the responsibility of the nominated Councillor to report anomalies or concerns to Parish Council if these cannot be resolved by discussion with the RFO.

PROCEDURE:

1. Bank and Building Society Accounts

- 1.1. Check that a reconciliation has been produced for each account every month
- 1.2. Ensure that the opening cash book balance agrees with the closing balance from the previous month's reconciliation
- 1.3. Confirm agreement between the bank statement balance and an original (or online) bank statement
- 1.4. Check that any reconciling items appear genuine. Query any over three months old with the RFO or Clerk
- 1.5. For the main current account randomly select a small number of items from the bank statement and agree them to the bank statement report. Randomly select a few items from the report and agree them to the bank statement.
- 1.6. Query any unusual items
- 1.7. Sign the bank reconciliations and bank statements.

2. Debit cards Note: As of April 2024 Letwell Parish Council does not use a Debit card.

The balance on the debit cards plus the purchases made should total the amount agreed by LPC to be spent on the cards (currently £600).

- 2.1 Ensure that a debit card reconciliation has been produced by the RFO
- 2.2 Check the opening balance to the previous month's reconciliation
- 2.3 Agree the statement balance per the reconciliation to the debit card statement
- 2.4 Ensure that the total of purchases made plus the statement balance is £600
- 2.5 Query any differences or unusual items
- 2.6 Sign the prepaid debit card reconciliation and debit card statements

3. Petty Cash Note:

The balance in the petty cash tin plus the bar petty cash and receipts should total the agreed float

(currently £200)

3.1 Ensure that a reconciliation has been produced by the RFO

3.2 Check the operating balance to the previous reconciliation

3.3 Ensure that the total of the petty cash receipts and the cash in the bar petty cash tin totals £200

3.4 Query and differences or unusual items

3.5 At random, carry out occasional check audits of the balance of petty cash in the tin.

4. Reporting

Report that bank reconciliation checks have been completed to Letwell Parish Council. Bring any concerns, or absence of bank reconciliations, to the attention of all the Councillors.

Policy first adopted by Letwell Parish Council on 11th April 2024

Agreed Minute reference: 24-058

Reviewed: March 2024

Date of next Review: May 2025