

## EXECUTIVE MEMBER FOR FINANCE AND GOVERNANCE

|                                       |
|---------------------------------------|
| <b>Date:</b> Wednesday, 7 August 2024 |
| <b>Time:</b> 2.00 p.m.                |
| <b>Venue:</b> Spencer Room, Town Hall |

### AGENDA

1. Cash Handling Policy

3 - 26

Charlotte Benjamin  
Director of Legal and Governance Services

Town Hall  
Middlesbrough  
Monday, 29 July 2024

### MEMBERSHIP

Councillor N Walker

### Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Chris Lunn, 01642 729742, [chris\\_lunn@middlesbrough.gov.uk](mailto:chris_lunn@middlesbrough.gov.uk)

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**MIDDLESBROUGH COUNCIL**



**Report of:** Director of Finance

**Relevant Executive Member:** Executive Member for Finance and Governance

**Submitted to:** Individual Executive Member Decision-making:  
Executive Member for Finance and Governance

**Date:** 7 August 2024

**Title:** Cash Handling Policy

**Report for:** Decision

**Status:** Public

**Council Plan priority:** Delivering Best Value

**Key decision:** No

**Why:** Decision does not reach the threshold to be a key decision

**Subject to call in?:** Yes

**Why:** Non-Urgent Report

**Proposed decision(s)**

That Executive approves the proposed Cash Handling Policy as set out in Appendix 1. That authority be delegated to the Director of Finance and the Executive Member for Finance and Governance to approve any future minor revisions/modifications to the policy.

**Executive summary**

The report sets out the proposed Cash Handling Policy for the Council and contributes to the fulfilment of the responsibilities of the section 151 Officer in relation to the proper administration of the Council's financial affairs.

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 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.

The Cash Handling Policy sets standard procedures and guidelines to employees on the proper and timely handling of Council cash to be compliant with risk management, financial controls, and safe cash handling procedures.

The Cash Handling Policy includes the following key sections:

**Scope and Applicability** - the policy applies to all employees who handle cash on behalf of Middlesbrough Council. The objective of the policy is to set out the best practices for cash management to ensure efficiency robust control to safeguard the Council's cash and reduce risk to staff and reduce human error.

**General Principles** - the purpose of the 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 control to mitigate the financial risk to the Council and employees responsible for handling cash.

**Separation of duties** - separation of duties is a fundamental internal control and forms a key element of effective risk management procedures. 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.

**Cash Disbursement & Collections** – this section sets out the rules in relation to the secure storage of cash and its safe and prompt transportation and deposit completely and accurately at the Council's bank. It includes the measures that must be taken when transporting cash to ensure the risk of loss is minimised and the risk of harm to staff is reduced.

## 1. Purpose

1.1 To seek approval of the proposed Cash Handling Policy.

## 2. Recommendations

2.1 That Executive approves the proposed Cash Handling Policy as set out in Appendix 1. That authority be delegated to the Director of Finance and the Executive Member for Finance and Governance to approve any future minor revisions/modifications to the policy.

### **3. Rationale for the recommended decision(s)**

- 3.1 The objective of the policy is to set out the best practices for cash management at Middlesbrough Council to ensure efficiency, robust control and reduce risk of fraud, theft, and error.
- 3.2 The policy seeks to ensure that all Directors 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.
- 3.3 The policy applies to all employees who handle cash on behalf of Middlesbrough Council. This includes but is not limited to Middlesbrough Council's employees, contractors, interim staff, agency staff, and other workers with access to handle Middlesbrough Council's cash as part of their duties.
- 3.4 The policy reinforces the provisions of financial procedure rules, that all staff have a responsibility to safeguard the Council's assets and protect them from loss or misappropriation. The policy provides the rules that they must comply with to minimise any risks associated with financial loss and personal safety.
- 3.5 The policy seeks to protect the Council and its employees and identifies the need to consider risk of losses and address the recording and management of this risk within each Directorate's risk register. Risk assessments are recommended in the policy and must be undertaken for all staff involved in cash handling.
- 3.6 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 clear separation of duties in relation to handling and management of cash so that the risk of loss through fraud and error is minimised and that staff are protected from the risk of accusation of fraud.

### **4. Background and relevant information**

- 4.1 All officers have an obligation to comply with the financial procedure rules and these should be read in conjunction with this policy.
- 4.2 Following a review and subsequent closure of the cash office, it became apparent that the Council does not have a specific Cash Handling Policy. There are several cash handling procedures across the Council but no consolidated approved policy in place.
- 4.3 Ensuring that a cash handling policy is in place is a critical component of maintaining financial security. A clear and well-structured policy is essential to ensure consistency and accuracy of transactions, as well as to minimise any potential errors or discrepancies.
- 4.4 A robust policy will help to minimise the risk of loss through fraud, theft and/or error and ensures that all transactions are conducted in a transparent, controlled and efficient manner, which safeguards the Council's cash and those designated officers who handle cash.
- 4.5 The policy attached at Appendix 1, establishes clear guidelines for employees to follow and provides a comprehensive set of rules that officers must comply with.
- 4.6 The policy also provides key consideration to the separation of duties between different roles within the cash handling process to protect employees and minimise risk of loss.

## **5. Other potential alternative(s) and why these have not been recommended**

5.1 The alternative is not to approve the policy and leave existing procedures in place with individual teams following their own procedure notes. However, the current practices are not consolidated nor consistent and therefore exposes the Council to increased risk of financial loss, and its employees at increased risk of harm and allegations of financial irregularities or even suspicion of theft or fraud.

## **6. Impact(s) of the recommended decision(s)**

### **6.1 *Financial (including procurement and Social Value)***

There are no direct financial implications arising from the implementation of the policy. The implementation of and compliance with the policy will reduce the risk of financial loss including fraud, theft and errors associated with the handling of cash.

### **6.2 *Legal***

There are no legal implications.

### **6.3 *Risk***

The implementation of the policy sets 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 the safety of employees responsible for handling cash.

6.4 The policy requires assessment of the risk of any loss and where appropriate, to be 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 Head of Finance and Investments annually.

6.5 The policy sets out the control framework within which internal controls such as separation of duties and mandatory documentation establish effective financial administration and risk management procedures. 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 and fraud.

### **6.6 *Human Rights, Public Sector Equality Duty and Community Cohesion***

6.7 A Level 1 impact assessment has been undertaken (Appendix 2). There are no disproportionate adverse impacts on any group or individuals with characteristics protected in UK equity law.

### **6.8 *Climate Change / Environmental***

6.9 There are no disproportionate adverse impacts on the aspirations of the Council to achieve net zero, net carbon neutral or be the lead authority on environmental issues.

**6.10 Children and Young People Cared for by the Authority and Care Leavers**

6.11 The policy is aimed at officers who handle the Council's cash and does not impact on cared for children or care leavers.

**6.12 Data Protection**

6.13 The collation and use of any personal data will be managed in accordance with the Council's Data Protection policy.

**Actions to be taken to implement the recommended decision(s)**

| Action   | Responsible Officer | Deadline    |
|--|---------------------|-------------|
| Publish the policy on Council's website, distribute to relevant staff, and provide training as required. | Justin Weston       | On approval |

**Appendices**

|   |                           |
|---|---------------------------|
| 1 | Cash Handling Policy      |
| 2 | Impact Assessment Level 1 |

**Background papers**

| Body | Report title | Date |
|------|--------------|------|
|      |              |      |

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## **Cash Handling**

### **Policy**

**Live from: 2024**

**Live until: 2027**

|                          |  |   |                |
|--------------------------|--|---|----------------|
| <b>Title</b>             | Cash Handling Policy   |   |                |
| <b>Creator</b>           | Author(s)  | Maggie Burns (Senior Financial Accountant – Financial Systems and Governance) |                |
|                          | Approved by  | Janette Savage/Justin Weston  |                |
|                          | Department   | Finance and Investments   |                |
|                          | Service area   | Finance   |                |
|                          | Head of Service  | Justin Weston   |                |
|                          | Director   | Debbie Middleton  |                |
| <b>Date</b>              | Created  | 10 November 2023  |                |
|                          | Submitted  | 18 June 2024  |                |
|                          | Approved   |   |                |
|                          | Updating Frequency   | Every 3 years   |                |
| <b>Status</b>            | Version: 1.3   |   |                |
| <b>Contributor(s)</b>    | Head of Service Resident & Business Support Services, Head of Service Finance & Investments, VAT & Banking Officer, Accounting Officer VAT & Banking, Senior Financial Accountant Financial Systems & Governance |   |                |
| <b>Subject</b>           | Cash Handling Policy   |   |                |
| <b>Type</b>              | Policy   |   |                |
|                          | Vital Record   |   | EIR            |
| <b>Coverage</b>          | Middlesbrough Council  |   |                |
| <b>Language</b>          | English  |   |                |
| <b>Document Control</b>  |  |   |                |
| <b>Version</b>           | <b>Date</b>  | <b>Revision History</b>   | <b>Reviser</b> |
| 1.0                      | 10.11.23   | First draft   | MB             |
| 1.1                      | 02.02.23   | 2nd Draft   | MB             |
| 1.2                      | 08.04.24   | 3rd Draft   | JS/JW          |
| 1.3                      | 05.07.24   | Final Draft   | DM/JS/JW/MB/DG |
| <b>Distribution List</b> |  |   |                |
| <b>Version</b>           | <b>Date</b>  | <b>Name/Service area</b>  | <b>Action</b>  |
| 1.2                      |  | Resident & Business Support Services, Finance & Investment                    | MB             |
|                          |  | Financial Planning and Support  | MB             |
| <b>Contact:</b>          | <a href="mailto:Maggie_Burns@middlesbrough.gov.uk">Maggie_Burns@middlesbrough.gov.uk</a>   |   |                |

## **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 Middlesbrough 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 s151 Officer 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. Officers should understand their responsibilities to ensure the process is robust and effective.
- 3.2 This cash handling policy is a set of rules on how to manage Middlesbrough 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 Middlesbrough 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 Middlesbrough Council. This includes but is not limited to Middlesbrough Council's employees, contractors, interim staff, agency staff, and other workers with access to handle Middlesbrough Council's cash as part of their duties.
- 4.2 The Director of Finance and their deputies are responsible for the proper administration of the Council's financial affairs however, all staff 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 Head of Finance and Investments annually. A risk assessment template is included at Appendix A.

- 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 web site, by direct debit, credit or debit card and officers should direct members of the public to make payments via these methods.

## 5. Policy Detail

### Separation of duties

- 5.1 Separation of duties is fundamental internal control and forms a key element of effective risk management procedures and risk management strategy ([Risk management \(sharepoint.com\)](#)). 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.
- 5.2 Separation of duties is designed to prevent unilateral actions within an organisation which could result in loss, error or fraud ([Anti-fraud Policies](#)) and ensures that no one person has control over a process or asset where they can overlook errors, falsify information, or attempt theft.
- 5.3 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, providing receipt for cash at secure location and bagging cash for collection
  - Collection/deposit of cash at bank
  - Bank reconciliation
- 5.4 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.

### Cash disbursement & collection policy

- 5.5 Cash collected from clients or from other sources must be deposited at the bank promptly and at least weekly. Cash stored in Council buildings for periods up to deposit at the bank, must be stored securely in a locked safe (see 5.6 below).

- 5.6 Cash must be stored securely in a locked safe. Centrally held safes are located at Fountain Court office on the 1<sup>st</sup> and 2<sup>nd</sup> floors. Cash requiring storage prior to being deposited with the bank, can be arranged by contacting the banking team at [Banking\\_Team@middlesbrough.gov.uk](mailto:Banking_Team@middlesbrough.gov.uk). Emails should be marked as urgent.
- 5.7 The Estates team also control a safe at Fountain Court, if the banking team cannot accommodate the cash storage, please contact [socialcareestates@middlesbrough.gov.uk](mailto:socialcareestates@middlesbrough.gov.uk). Safe access is restricted to:
- VAT, Taxation and Banking Officer
  - Accounting Assistant VAT, Taxation and Banking
  - Revenue and Benefits System Support Service Lead
  - Revenue and Benefits System Support Service Officer
  - Revenue and Benefits Administrator
  - Client Finance Lead
- 5.8 Any cash collected must be transported immediately by the officer, to a secure facility as mentioned in 5.6 or 5.7 of this policy. Any employee transporting cash of any value must inform their line manager and where this amount is more than £5,000 another Council employee must accompany the employee.
- 5.9 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 £5,000, 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
- 5.10 Where it is not possible to transport the cash to the secure location on the same day, due to any unavoidable circumstances, the following should be assessed:
- Can the cash be left where it is, securely? If so, make arrangements to collect the following day or on a day where it is possible to transport to the locked safe.
  - If the cash cannot be left where it is and this is outside of working hours, the officer must report this to their line manager and have a second officer verify the amount before transporting to their home. The officer must transport the cash to the locked safe at the Council premises immediately that it is possible to do so.

- 5.11 All cash that is received should be recorded immediately and placed in a secure safe in readiness to be banked at the earliest opportunity. As a minimum, nominated officers should be banking cash in line with the pre agreed collection schedule.
- 5.12 Cash collection duties assigned to employees are confidential and must not be discussed with anyone to avoid any risks and as such, anything less will be considered as gross misconduct.
- 5.13 Once the cash is transported to the secure location, the officer with access to the safe must count the cash and confirm by issuing a receipt.
- 5.14 Where officers need to change cash for multiple denominations, the requirements of this policy and the carrying of cash must be adhered to. Cash can be changed at the Middlesbrough branch of NatWest.
- 5.15 The Council self-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 at Appendix A. 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.
- 5.16 Official numbered receipts must be issued for all cash received. Receipt books must be securely held by the Banking Team and are uniquely numbered and controlled. The Banking Team will issue receipt books to relevant officers but only after assessment of need will an officer be provided with a receipt book. The Banking Team must keep a record of the numbered receipt books and who they were issued to.
- 5.17 The Banking Team will undertake an annual review of officers issued with a receipt book to ensure only those still with a business, retain any stock of receipt books.

### **Access to the Safe**

- 5.18 The role of the officer 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.
- 5.19 The safe should be always locked and access to the safe is restricted to appropriate members of staff. If an officer with access to the safe forgets the safe combination or there is a possibility that a non-authorized person acquires the combination, this must be reported to the appropriate Head of Service and the combination must be changed immediately.
- 5.20 The banking 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 Head of Finance & Investment, before release of the combination.
- 5.21 The combination must be changed on a regular basis and at least quarterly. The combinations are controlled by the following officers:

- Revenue & Benefits Operations Manager

- Client Finance Lead

## **Cheques**

- 5.22 The Council prefers electronic payment methods such as online via the web site, 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. As a minimum, the Council should be banking cheques in line with the pre agreed collection schedule.
- 5.23 There are cheque procedures in place within Integrated Support Unit (ISU) and the team will record and distribute cheques to the appropriate team.
- 5.24 Cheques can be banked by contacting the Banking Team to request a secure collection where the relevant team are able to bag the cheques themselves and complete an E-return including the appropriate fund. If there are any doubts in relation to this process, please contact [Banking\\_Team@middlesbrough.gov.uk](mailto:Banking_Team@middlesbrough.gov.uk).
- 5.25 If you cannot bag the cheques and complete an E-return, please contact [Banking\\_Team@middlesbrough.gov.uk](mailto:Banking_Team@middlesbrough.gov.uk) for them to bank the cheques on your behalf.

## **Banking Cash and Cheques**

- 5.26 Cash and cheques must be kept to a minimum but if received must be banked promptly and at least in line with the pre agreed collection schedule, which is maintained by the Banking Team. The amount of income banked should match the amount of income received and the amount of income that was/is held in the safe.
- 5.27 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 Security Plus in line with the pre-agreed collection schedule.
- 5.28 Contractual arrangements are in place for the Council income collection. All collection sites are risk assessed regularly and in line with the contractual arrangements.
- 5.29 As part of the preparation for the banking of income, cash and cheques must be bagged appropriately. A separate Security Plus collection bag is required for notes and coins and a separate bag is required for the 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.
- 5.30 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.
- 5.31 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.

- 5.32 The role of the security company 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.
- 5.33 The counting house assigns the income to the Council's bank account and references the paying in slip. The cash is reconciled against the e-return data/Pay360.

### **Returned Funds**

- 5.34 Where officers need to return any funds provided to them to make purchases on behalf of the council i.e., if an electronic payment is made to a smart phone to allow the officer to retrieve cash to make a cash transaction and there is surplus cash left after the transaction, the balance must be paid back using the employees debit/credit card via the customer centre.
- 5.35 Any overpayments that are not repaid and the employee retains the money may be subject to disciplinary proceedings as outlined in paragraph 2.5.

## **6. Monitoring and Review**

- 6.1 The Head of Finance & Investments will review the Cash Handling Policy every 3 years.
- 6.2 All relevant Directors must ensure that risk assessments are complete, and these will form part of a review undertaken by the Head of Finance & Investments annually.

## **7. Evaluation**

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



### General Risk Assessment

|                                 |  |                          |   |
|---------------------------------|--|--------------------------|---|
| <b>Activity Being Assessed:</b> | Cash Handling  | <b>Reference Number:</b> | <Refer to service area risk assessment inventory> |
| <b>Names of Assessors:</b>      | <Service area manager's name here>                                 | <b>Date Completed:</b>   | 04/01/2024  |
| <b>Activity / Process:</b>      | Cash handling in Council premises or from Service Users Residence. |                          |   |

| Risk Matrix Table                         |                    |              |              |            |                 |
|---|--------------------|--------------|--------------|------------|-----------------|
| Severity                                  | Likelihood of harm |              |              |            |                 |
|   | 1 – Very Unlikely  | 2 - Unlikely | 3 - Possible | 4 – Likely | 5 – Very Likely |
| <b>1 – Extremely Low</b> (Trivial injury) | 1                  | 2            | 3            | 4          | 5               |
| <b>2 - Low</b> (Minor injury)             | 2                  | 4            | 6            | 8          | 10              |
| <b>3- Medium</b> (Lost Time injury)       | 3                  | 6            | 9            | 12         | 15              |
| <b>4 - High</b> (Specified injury)        | 4                  | 8            | 12           | 16         | 20              |
| <b>5 - Extremely High</b> (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   |
|--------------------------------------|---|
| <b>(1 - 5) Low Risk</b>              | Maintain existing control measures  |
| <b>(6 - 12) Medium Risk</b>          | Review existing control measures and where possible add additional control measures to further reduce the risk.             |
| <b>(15 - 16) High Risk</b>           | Consideration given to stopping the activity. Additional control measures are required to reduce risks to acceptable level. |
| <b>(20 – 25) Extremely High Risk</b> | Stop activity until additional control measures are implemented to reduce risk to an acceptable level.                      |

| Ref | Hazard Identification & Associated Risks           | Who could be harmed?<br>(E, SU, VP, V, P, C, ES) | Existing Control Measures   | Residual Risk Rating |          |         |
|-----|--|--|---|----------------------|----------|---------|
|     |  |  |   | Likelihood           | Severity | Overall |
| 1   | <b>Theft</b><br><br>Threat to personal safety.     | E, SU, VP, V, P, C, ES                           | <ul style="list-style-type: none"> <li>Cash stored in safe.</li> <li>Key to safe removed from site when unoccupied.</li> <li>Code to safe only shared with officers listed in policy.</li> <li>Cash stored in moneybox in office in <i>Middlesbrough House/Fountain Court/Council locations with petty cash.</i></li> <li>Minimal amounts of cash stored – maximum of £30,000.</li> <li>Security firm collect and bank cash.</li> <li>Presence of cash when banking not obvious.</li> <li>Employees / Volunteers trained and instructed to hand over cash if approached by miscreants.</li> <li>Employees / Volunteers possess mobile phone.</li> </ul>   | 1                    | 4        | 4       |
| 2   | <b>Accusation of theft</b>                         | E, SU, VP, V, P, C, ES                           | <ul style="list-style-type: none"> <li>Receipt given and person giving cash required to sign.</li> <li>If cash received and no one present, envelope not opened until in presence of another individual from the organisation.</li> </ul>   | 1                    | 4        | 4       |
| 3   | <b>Taking or giving Cash from/to service users</b> | E, SU, VP, V, P,                                 | <ul style="list-style-type: none"> <li>Ensure that cash is handled discreetly.</li> <li>Take time to ensure that money is counted correctly, recorded accurately, and stored safely even when the counter is busy.</li> <li>Provide receipts to all service users depositing money.</li> <li>Cash to be handled and secured appropriately.</li> </ul>   | 1                    | 4        | 4       |
| 4   | <b>Transporting money to Secure location</b>       | E,   | <ul style="list-style-type: none"> <li>Cash can only be transported in an unmarked bag.</li> <li>Two people are required to take the cash/cheques to the bank/safe location.</li> <li>The staff carrying the money should do so as discreetly as possible, varying times and routes as appropriate.</li> <li>They should remain alert and beware of complacency.</li> </ul> <p>If threatened or attacked, the following procedure should be used:</p> <ul style="list-style-type: none"> <li>Personal safety of the members of staff is paramount.</li> <li>Using professional judgement, consider the risk to yourself and others with you.</li> <li>If judged at risk of injury or harm, surrender the cash immediately.</li> <li>Make a note of the description of the individuals responsible and methods and direction of travel.</li> <li>Report to the Police and your Manager immediately.</li> <li>Always ensure at least 2 people are present for cash in transit.</li> </ul> | 2                    | 4        | 8       |

| Ref | Hazard Identification & Associated Risks | Who could be harmed?<br>(E, SU, VP, V, P, C, ES) | Existing Control Measures   | Residual Risk Rating |          |         |
|-----|--|--|---|----------------------|----------|---------|
|     |  |  |   | Likelihood           | Severity | Overall |
| 5   | Storage of Cash                          | E,   | <p>Safe Keys/Code:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>No information relating to the safe or its location should be attached to the keys.</li> <li>The overnight storage of keys should not be kept in the same office as the safe. Keys should be stored in a secure environment, either in a locked drawer/cabinet or a night safe.</li> <li>The loss of keys/breach of code information must be reported immediately to the Head of Finance &amp; Investment/Director of Finance</li> <li>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.</li> <li>Where possible combinations/locks on the door where the safe is kept should also be changed.</li> </ul> | 1                    | 4        | 4       |



## Risk Assessment Authorisation & Review

|                                     |  |  |  |              |  |
|-------------------------------------|--|--|--|--------------|--|
| <b>Name of Assessor(s):</b>         |  | <b>Signature of Assessor(s):</b>         |  | <b>Date:</b> |  |
| <b>Name of Authorising Manager:</b> |  | <b>Signature of Authorising Manager:</b> |  | <b>Date:</b> |  |

- 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 |                 |      |          |

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|  |  |   |  |                                     |
|--|--|---|--|-------------------------------------|
| <b>Subject of assessment:</b>          | Cash Handling Policy   |   |  |                                     |
| <b>Coverage:</b>                       | Overarching policy to be applied across the Council where cash is handled  |   |  |                                     |
| <b>This is a decision relating to:</b> | <input type="checkbox"/> Strategy  | <input checked="" type="checkbox"/> Policy    | <input type="checkbox"/> Service         | <input type="checkbox"/> Function   |
|  | <input type="checkbox"/> Process/procedure   | <input type="checkbox"/> Programme            | <input type="checkbox"/> Project         | <input type="checkbox"/> Review     |
|  | <input type="checkbox"/> Organisational change   | <input type="checkbox"/> Other (please state) |  |                                     |
| <b>It is a:</b>                        | <b>New approach:</b>   | <input checked="" type="checkbox"/>           | <b>Revision of an existing approach:</b> | <input type="checkbox"/>            |
| <b>It is driven by:</b>                | <b>Legislation:</b>  | <input type="checkbox"/>                      | <b>Local or corporate requirements:</b>  | <input checked="" type="checkbox"/> |
| <b>Description:</b>                    | <p>The cash handling policy provides guidelines to employees on the proper and timely handling of cash to be compliant with risk management, controls, and safety procedures.</p> <p>The policy sets a standard procedure to be followed by all employees when handling cash on behalf of the Council.</p> <p>The objective of the policy is to set out the best practices for cash handling at Middlesbrough Council to ensure efficiency, reduce risk and avoid human error.</p> <p>There is no current cash handling policy, and it is best financial practice to have a set of rules for all employees to follow to ensure the risk of fraud, theft, and errors are reduced.</p> <p>The policy is key to all employees responsible for handling cash and all managers responsible for those staff.</p> <p>The policy requires Heads of Service to ensure their staff are compliant with the policy and that risk assessments are carried out. A review of the risk assessments will be undertaken by the Head of Finance and Investments annually.</p> |   |  |                                     |
| <b>Live date:</b>                      | Date of Exec (subject to approval by Executive)  |   |  |                                     |
| <b>Lifespan:</b>                       | Indefinitely, to be reviewed every 3 years   |   |  |                                     |
| <b>Date of next review:</b>            | April 2027 – early review where any relevant Financial Procedure Rules are updated.  |   |  |                                     |

| Screening questions  | Response                            |                          |                          | Evidence  |
|--|-------------------------------------|--------------------------|--------------------------|---|
|  | No                                  | Yes                      | Uncertain                |   |
| <b>Human Rights</b><br>Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <a href="#">Human rights impact assessed against the Impact Assessment Policy 2024-27</a>       |
| <b>Equality</b><br>Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law?<br>Could the decision impact differently on other commonly disadvantaged groups?* | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <a href="#">Equality impact assessed against the Impact Assessment Policy 2024-27</a>           |
| <b>Community cohesion</b><br>Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <a href="#">Community cohesion impact assessed against the Impact Assessment Policy 2024-27</a> |
| <b>Armed Forces</b><br>Could the decision impact negatively on those who are currently members of the armed forces of former members in the areas of Council delivered healthcare, compulsory education and housing policies?*             | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <a href="#">Armed Forces impact assessed against the Impact Assessment Policy 2024-27</a>       |

\* Consult the Impact Assessment further guidance for details on the issues covered by each of these broad questions prior to completion.



| Screening questions   | Response                            |                          |                          | Evidence  |
|---|-------------------------------------|--------------------------|--------------------------|---|
|   | No                                  | Yes                      | Uncertain                |   |
| <b>Care leavers</b><br>Could the decision impact negatively on those who are care experienced?*   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <a href="#">Care Leavers impact assessed against the Impact Assessment Policy 2024-27</a> |
| <b>Next steps:</b><br><ul style="list-style-type: none"> <li>➤ If the answer to all of the above screening questions is No then the process is completed.</li> <li>➤ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.</li> </ul> |                                     |                          |                          |   |

|                                 |              |                         |               |
|---------------------------------|--------------|-------------------------|---------------|
| <b>Assessment completed by:</b> | Maggie Burns | <b>Head of Service:</b> | Justin Weston |
| <b>Date:</b>                    | 09/05/2024   | <b>Date:</b>            | 09/05/2024    |

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