

Finance Self-Evaluation

LPC Name	Community Pharmacy Lincolnshire
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Organisation size guide	
Please enter the number of contractors in your LPC area	116
Please enter the number of NHS ICS covered	1 – Lincolnshire ICB
Please enter the number of Top Tier Local Authorities covered	1 – Lincolnshire County Council
LPC Executive team details	Paul Jenks, Chair Blazej Jasnowski, Vice Chair Chris Kenny, Treasurer Tracey Latham-Green, Chief Officer

Date	25/03/2025
Author	Tracey Latham-Green
List those involved in completing this self-assessment	Tracey Latham-Green, Chief Officer Chris Kenny, Treasurer

Introduction

The questions in this checklist are designed to help LPC members to evaluate the LPC's performance against the legal requirements and core practice recommendations set out in the LPC Finance Guide. Committee Members should review their LPC's performance at least once a year.

The answers in the checklist should be based on the Committee Members' knowledge of what actually happens in the LPC and not what they expect to happen. You may choose to delegate the detailed work on financial controls to one or more committee members or to members of staff.

But all Committee Members remain responsible for LPC financial management and for implementing and monitoring internal financial controls. Having an internal control in place is only part of the picture. It must operate in practice to be effective.

Checklist

1. General

1.1 Understanding and seeking advice and the LPC constitution	Yes	No
In accordance with section 3.1 of the model constitution, the Committee complies with the principles set out in the LPC Finance Guide	X	

2. Some key issues, monitoring arrangements and risk of fraud

2.1 Financial controls throughout the LPC	Yes	No
Is there segregation of duties and two signatories for banking arrangements?		X
Do Committee Members (Finance Audit Subcommittee) carry out an annual review of the internal financial controls?		n/a
2.2 Monitoring activities	Yes	No
Are annual budgets of income and expenditure prepared, and approved by the Committee?	X	
Is performance measured against budgets at regular intervals and explanations sought for variances?	X	
2.3 Internal audit and audit committee	Yes	No
Has the Committee set up a Finance Audit Subcommittee as recommended in the Finance Guide?		X
Are terms of reference in place for the Finance Audit Subcommittee?		X
2.4 Information and communication	Yes	No
Are Committee Members provided with regular information about the financial performance of the LPC?	X	
Do Committee Members discuss the financial performance of the LPC at each of their meetings?	X	
Does any finance sub-committee report to the full Committee for final decision making?		n/a
2.5 Committee Members' responsibilities	Yes	No
Are sufficient accounting records kept of all transactions?	X	
Have the Committee Members considered the need for a reserves policy and put in place a reserves policy if one is needed?	X	
Are there appropriate reserves to meet the financial commitments of the committee?	X	
Do the accounts use the standard CPE provided template (which incorporate standard and good practice)?	X	
Are the accounts presented at an Annual General Meeting of Pharmacy Owners and voted on?	X	
Are newly appointed Committee Members given a copy of the latest accounts?	X	

Do the Committee Members file the annual report and accounts by the end of September each year with Community Pharmacy England and the NHS Integrated Care Board (via the Pharmacy Contracting Team)?	X	
Is the Annual Report and Accounts published in the open part of the LPC website?	X	

2.6 and 2.7 Managing the risks of financial crime and abuse	Yes	No
Are Committee Members and staff made aware of why the LPC is at risk from financial crime and abuse and of typical examples of potential fraudulent activities, e.g via the risk register?		X
Does the LPC have policies and controls over access to and storage of electronic information?	X	
Does the LPC have computer programmes to protect its data and systems from external interference?	X	
Does the LPC have procedures for reporting suspicions internally and to the police?		X

3. Income

3.1 Type of income	Yes	No
Has any non-mutual trading income been defined?	X	
Are project funds subject to an MoU and ringfenced?	X	

4. Purchases and payments

4.1 Controls and authorisation of expenditure on goods and services	Yes	No
Is there a written policy on the authorisation of expenditure and the amounts?	X	
Have financial systems and controls been documented and that these are formally approved by the committee?	X	
4.2 Payments by direct debits, standing orders and BACS direct credit	Yes	No
Are only named individuals authorised to set up direct debits, standing orders and direct credits?	X	
Does the LPC use a dual authorisation system for BACS payments?		X
Does the LPC monitor the arrangements to ensure that automatic payment arrangements are cancelled when the goods and services are no longer being supplied to the LPC?	X	
4.3 Wages and salaries	Yes	No
Are statutory deductions (tax and NIC) made from employees' wages and salaries and regularly forwarded to HMRC? (legal requirement)	X	
Does the LPC comply with minimum wage legislation? (legal requirement)	X	

Are any other deductions from salaries made only where they are required or authorised? (legal requirement)	X	
Are the end-of-year returns (P60 and P11Ds) completed and filed with HMRC by the deadline? (legal requirement)	X	
If the LPC employs staff are the required pension arrangements in place? (legal requirement)	X	
Do all employees have contracts of employment, using the template provided by Community Pharmacy England?	X	
Are personnel records kept and held separately from wages records?	X	
Are salary levels properly authorised and recorded?	X	
Is there a system of authorisation for recording and notifying starters and leavers, changes of hours and other payroll changes?	X	
4.4 The payment of expenses and reimbursements	Yes	No
Does the LPC have a written policy base on the Community Pharmacy England template to cover the payment and reimbursement of expenses?	X	
Is the policy communicated to all Committee Members and staff?	X	
Are expenses reimbursed only where the individual incurred the expense in the course of carrying out the LPC's business?	X	
Does the expense claim include a self-declaration that the claim is accurate and incurred on the business of the LPC?	X	
If the LPC pays mileage rates for travel are the rates in accordance with HMRC approved rates?	X	
Is the Committee provided with an expenses management report through the financial year?	X	
4.5 Checks on expenditure records	Yes	No
Are regular checks made to ensure expenditure records are accurate and agree with the bank statements?	X	
Are regular checks made to ensure no discrepancies between the payments made and the original invoice/claim or payment records?	X	
Are checks made by someone other than the person who made the entry in the accounting records?	X	

5. Assets and investments

5.1 Controls over fixed assets	Yes	No
Is a comprehensive asset register/list held and updated regularly?	X	
Are assets checked regularly to ensure they are still in good repair and are of use to the LPC?	X	
Has insurance cover been considered?	X	

Is the use of assets reviewed annually (to ensure put to best use and serving the LPC's interests)?	X	
5.2 Money held as a current asset	Yes	No
Are secure records held of all bank and building society accounts?	X	
Are bank statements regularly received and regular bank reconciliations carried out?	X	
Are instructions to open or close accounts properly authorised and reported to Committee Members?	X	
Are checks made to ensure that there are no dormant accounts?	X	
Are the accounts monitored to ensure there is no third party use?	X	
5.3 Electronic banking	Yes	No
If the LPC uses electronic banking to make payments does the system used require authorisation of transactions by two individuals?		X
Are PCs kept secure with up-to-date anti-virus and spyware software and a personal firewall?	X	
Are Committee Members and staff made aware of the need to ensure that the LPC's security details (including the password and PIN) are not compromised?	X	
Is the PIN and password regularly changed, for example to mitigate the risks of compromising security when individuals leave the LPC?	X	
Does the LPC maintain a list of persons (Committee Members and staff) who are approved to have access to the PIN and password?	X	
Does the LPC keep an audit trail of electronic banking transactions?	X	
Have those using online banking facilities been trained in their use?	X	

Comments

Ref to negative responses at 2.1, 4.2 and 5.3. While we do not require two signatories or authorisations for payments to be made, all non-regular payments above £250 require authorisation by two individuals. Payment lists and bank statements are reviewed and approved at each committee meeting. Only the Treasurer and Chief Officer can make BACS payments. The bank statements are reconciled monthly.

Ref 2.2 – we do not have a finance sub-committee due to our small size and all financial transactions being approved via committee meetings, but we reserve the right to form one if necessary.

Ref 2.3 – The committee reserves the right to form a finance subcommittee if necessary.

Ref 2.5 – Our accounts are produced using standard templates by our accountants, using accrual accounting processes. Day to day accounting is completed using spreadsheets that meet the needs of the local LPC.

Ref to negative response at 2.6. As a small LPC we tightly control finances as detailed above. We do not have a formal risk register but discuss risks at committee meetings, taking account of risks in each applicable meeting paper.

Ref to negative response at 2.7. We do not have set procedures for reporting internal suspicions to the police, this is something that has not been considered by the committee. Limited individuals have access to the bank account to make purchases and the financial statements are shared regularly with the committee, as detailed above. Internal suspicions would be shared with the Governance Lead in the first instance – the governance lead has no access to the bank accounts. It would be for the Governance Lead to decide how internal suspicions should be handled.

Ref 3.1 – Interest received on savings account(s) is the only income other than the levy, on which corporation tax is paid.

We note that the expenses policy may need to be reviewed in light of the above assessment, to ensure that all claims are agreed prior to contractor's committing to spend monies, as uncertainty in expenses is a risk to the LPC finances. We will review the Expenses policy and circulate to the committee shortly.

In light of the current financial risk, it is proposed we consider spreading our financial assets across multiple accounts reducing holdings to £85,000 per institution, to minimise or exposure to financial losses. When doing this we will also look for fee free day to day banking in light of the recent increase in Lloyd Bank fees to £8.50 per month.

Action and improvement plan

Action	Description	Owner	Date identified
<u>Review Expenses Policy</u>	<u>The expenses policy to be reviewed and recirculated to the committee, to ensure that all claims are agreed prior to contractor's committing to spend monies, as uncertainty in expenses is a risk to the LPC finances.</u> <u>Expenses policy circulated July 2025.</u>	<u>CK/TLG</u>	<u>10/4/25</u>
<u>Review where finances are held</u>	<u>In light of current economic uncertainty and the increase in banking charges, the executive will investigate holding no more than £85,000 in any institution to ensure FSCS protection for assets., New bank accounts may be needed. CO will research and present options to the committee.</u> <u>Discussed at June 2025 committee. See minutes of meetings. Decided to retain banking with Lloyds.</u>	<u>CK/TLG</u>	<u>10/4/25</u>
<u>Consider creation of Risk Register</u>	<u>To enable formal tracking of key risks to the LPC. Discussed at June 2025 committee. Current risk review system considered adequate.</u>	<u>CK/TLG</u>	<u>10/4/25</u>