

THEFT BY EMPLOYEE AND/OR VOLUNTEER INSURANCE

Minimum Standards of Control and References Condition

If you are unable to comply with any of the Standards and References Condition below please provide full details to Keegan & Pennykid (Insurance Brokers) Ltd.

Remember the Standards and References Condition will be incorporated within the Policy wording.

MINIMUM STANDARDS OF CONTROL

Auditors

The Accounts of the Insured including all subsidiary organisations shall be examined by external auditors every 12 months.

Cash Receipts

Insured Persons receiving cash and cheques in the course of their duties shall be required to remit all monies received and/or bank in full on the day of receipt **or next banking day**.

Reconciliation

Independently of Insured Persons responsible, bank statements, receipts, counterfoils and supporting documents shall be checked at least **monthly** against the cash book entries and the balance tested with cash and unrepresented cheques.

Cheque Signing

- a) All manually prepared cheques or other bank instruments drawn for more than **£25,000** shall require two manually applied signatures to be added after the amount has been inserted. No cheque or instrument shall be signed until one signatory has examined the supporting documentation.
- b) In the case of computer or machine prepared cheques or other bank instruments, the supporting documentation shall be examined and authorised before the requisition for the cheque or instrument is input.
All such cheques or instruments drawn for an amount in excess of **£25,000** shall require one manually applied signature added after the cheque or instrument is prepared.
- c) The Insured's bankers shall be advised of the above requirements as to signatures.

Cash and Petty Cash

Cash in hand and Petty cash shall be checked independently of Insured Persons responsible at least monthly and additionally without warning every six months.

Payroll

In respect of employees not paid by crossed cheque or credit transfer the cast of the Pay-roll will be subject to an independent check before payment to ensure that the total amount drawn is correct.

Stocktaking

There will be a physical check on all stock and materials held against verified stock records independent of Insured Persons responsible at intervals of not more than 12 months except where otherwise stated herein.

Ordering Goods

Different Insured Persons acting independently shall be responsible for the ordering of stock and materials, the recording of receipt of such and the authorising of payment for them.

Statement of Account

Statements of account for all amounts due will be issued at least monthly and direct to customers independently of Insured Persons receiving or collecting monies.

Cash Till Cheques

Independently of the till operator the total of all cash, cheques and credit sales vouchers received through cash tills shall be reconciled against the till roll daily and material discrepancy investigated.

COMPUTER SECURITY

Security checks will be built in to computer functions with reconciliations made as necessary. Responsibility for processing of transactions and authorisation of transactions shall be exercised by different Insured Persons.

MINIMUM STANDARDS OF CONTROL CONDITION

The Insured shall operate or bring into force the Minimum Standards of Control and shall not make any change to any of the Minimum Standards unless the Company is advised and its written approval obtained.

All Insured Persons shall be instructed as to their duties or responsibilities in respect of the Minimum Standards and be expected to comply.

Compliance with this condition is a condition precedent to any liability of the Company.

References Condition

The Insured shall obtain satisfactory references to confirm the honesty of each employee who will be responsible for money, goods, accounts, computer operations or computer programming engaged after commencement of this Policy.

Such references shall be obtained directly from former employees for the three years immediately preceding engagement and before the employee is entrusted without supervision.

References need not be obtained in respect of employees who have satisfactory and continuously served the Insured for at least one year in another capacity before being entrusted with responsibility for money, goods, accounts, computer operations and computer programming.

In respect of employees joining directly from school or government sponsored youth training schemes one character reference shall be obtained.

A written record of any verbal reference shall be made at the time it is obtained. The original copy of each written reference and the record of any verbal reference shall be retained by the Insured and shall be made available for inspection by the Company on request.