

## SCHEDULE 2

Regulation 3

### Systems of Control

#### **Record of supplies**

1. A till roll or other record shall be maintained showing in respect of all bar stock supplied by the club—

- (a) the date of supply;
- (b) the location of the bar or other point of supply;
- (c) the quantity of and unit price of each item supplied; and
- (d) the amount received by the club in respect of each transaction.

#### **Reconciliation of supplies and money**

2.—(1) Before a till is first opened on any day a record shall be made showing—

- (a) the location of the till;
- (b) the dates and periods during which the till was open since the last such record;
- (c) the total money (after excluding any floats) removed from the till since the last such record;
- (d) the total money, calculated using the record maintained in accordance with paragraph 1, taken at that till since the last such record.

(2) Any discrepancy between the figures referred to in sub-paragraph (1)(c) and (d) in excess of £20, or such lesser sum as may be decided in advance by the committee, shall be treated as a system failure to which paragraph 26 shall apply.

#### **Machines**

3.—(1) Money shall be removed from or placed in a machine only in the presence of two persons, one of whom shall be a member of the committee and the other either a member of the committee or a person authorised by the committee, either generally or for a specific period, to perform that duty.

(2) Before removing any money from a machine the hoppers (if any) shall be filled with money to maximum capacity.

(3) Where money is removed from or placed in any machine a record shall at once be made of—

- (a) the date and time;
- (b) the name, model and serial number (if any) of that machine;
- (c) the amount of money removed from or placed in that machine;
- (d) the names of the persons present; and
- (e) where the machine is constructed with meters for recording use, the readings on such meters.

(4) At least once every month, or such lesser period as may be decided in advance by the committee, and whenever a machine is changed—

- (a) a report shall be prepared stating in respect of each machine—
  - (i) the total monies removed from or placed in the machine in accordance with sub-paragraph (3);
  - (ii) the total monies that should, on the basis of any available meter readings, have been removed from that machine; and

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- (iii) the total monies lodged in a bank in respect of money removed from that machine;
  - (b) the working papers shall be attached to any report prepared in accordance with head (a);
  - (c) any discrepancy in excess of £10, or such lesser sum as may be decided in advance by the committee, between the figures stated in accordance with head (a)(i) and (ii) shall be treated as a system failure to which paragraph 26 shall apply.
- (5) In this paragraph—
- “removed” in relation to money, does not include money won as a prize or received as change; and
  - “placed in” in relation to money, does not include money inserted to play or use a machine.

### **Receipts**

4.—(1) All monies received by the club shall be lodged in a bank as soon as practicable without deduction.

(2) Except as provided in sub-paragraph (3) a receipt shall be given by the club for all monies received by it.

(3) A receipt need not be given for any monies—

- (a) received on account of—
  - (i) the supply of any item for which a supplies account is to be prepared;
  - (ii) entry to or attendance at any function;
  - (iii) a donation to a charity; or
- (b) inserted in any machine.

(4) A receipt given in accordance with sub-paragraph (2) shall show—

- (a) the date of receipt of the money;
- (b) the amount received;
- (c) the name and address of the person from whom the money was received; and
- (d) the reason for receipt of the money by the club.

(5) A receipt counterfoil, duplicate receipt or other document setting out the information referred to in sub-paragraph (4) shall be kept by the club.

### **Membership records**

5.—(1) A record shall be maintained which shows, where appropriate by class or category, in respect of each member of the club—

- (a) his name and address;
- (b) the date of renewal of membership or, in the case of a new member, his admission as a member;
- (c) the amount due in respect of subscription; and
- (d) the date and amount of all sums received in respect of subscription.

(2) Quarterly, commencing three months after the start of the financial year of the club or three months after the commencement of these Regulations, whichever is later, a report shall be prepared showing in respect of each class or category of member—

- (a) the number and value of subscriptions received and outstanding that quarter and since the start of that financial year; and

(b) the name of any member in arrears in respect of subscription and the amount of his arrears.

(3) The names of members whose membership is suspended or terminated on account of arrears of subscription shall be recorded in the minutes.

### **Ordering of bar stock**

6.—(1) Except in exceptional circumstances bar stock shall be ordered or obtained only from suppliers whose name appears on a list approved by the committee.

(2) Orders for bar stock shall be placed only by a person whose name appears on a list approved by the committee.

(3) Where bar stock is ordered or obtained from a supplier whose name does not appear on a list approved by the committee a report shall forthwith be prepared stating the circumstances.

### **Payments**

7.—(1) Goods or services supplied to the club shall not be paid for in kind.

(2) Subject to sub-paragraph (3) all payments of sums in excess of £50 shall be made either by cheque or by electronic transfer through a bank.

(3) Notwithstanding sub-paragraph (2) all payments of whatever amount in respect of pay shall be made either by cheque or by electronic transfer through a bank.

### **Payments by cheque**

8.—(1) All cheques shall be signed by two persons, one of whom shall be a member of the committee, and the other either a member of the committee or a person authorised by the committee, either generally or for a specific period, to perform that duty.

(2) Except for cheques drawn for cash to make up a float to the sum fixed by the committee pursuant to paragraph 9 or 10, all cheques shall be crossed “Account Payee Only” or “A/C Payee only”.

(3) Before signing any crossed cheque the persons specified in sub-paragraph (1) shall satisfy themselves that—

- (a) the payment is due;
- (b) the cheque is payable to the person to whom payment is due;
- (c) the invoice or statement in respect of which payment is to be made has been cancelled by endorsing it “paid” and has been both initialled and dated by them;
- (d) the cheque counterfoil has been completed in accordance with sub-paragraph (5); and
- (e) the cheque has been crossed as required by sub-paragraph (2).

(4) Before signing any uncrossed cheque the persons specified in sub-paragraph (1) shall satisfy themselves that—

- (a) the monies are required to make up a float to the maximum amount fixed in accordance with paragraph 9(3) or 10(2) as the case may be;
- (b) the cheque is payable for cash; and
- (c) the cheque counterfoil has been completed in accordance with sub-paragraph (5).

(5) Cheque counterfoils shall be completed to show—

- (a) the date on the cheque;
- (b) the name of the payee;
- (c) the amount of the cheque; and

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- (d) the unique identification number of the voucher in respect of which the payment is made.

### **Petty cash float**

- 9.—(1) Any cash payments shall be made from a petty cash float.
- (2) There shall be no more than one such float.
  - (3) The maximum amount to be kept in such a float shall be fixed in advance by the committee.
  - (4) Where any payment is made for goods or services from such a float—
    - (a) a receipt shall be obtained showing—
      - (i) the name and address of the person receiving the payment;
      - (ii) the date of the payment;
      - (iii) the goods or services in respect of which the payment is made;
      - (iv) the amount paid; and
      - (v) the name of the person making the payment; and
    - (b) such receipts shall be consecutively numbered and signed by the person making and the person receiving the payment.
  - (5) Where money from such a float is used for any other purpose a record shall at once be made showing—
    - (a) the purpose for which the money was used;
    - (b) the amount of money used;
    - (c) the date on which the money was used; and
    - (d) the name and signature of the person who removed the money from the float.
  - (6) Where it is necessary to restore the float to the maximum amount fixed in accordance with sub-paragraph (3), such restoration shall be done only by the encashment of a cheque payable for cash.
  - (7) Each week a record shall be prepared showing from day to day all payments of petty cash and the balance held in the float.
  - (8) The amount of money in the float shall be checked—
    - (a) at least once each week by a member of the committee; and
    - (b) at the end of the financial year of the club by a member of the committee or an independent person.
  - (9) The amount of money in the float at the time of every check mentioned in sub-paragraph (8) shall be compared with the balance as shown in the record kept in accordance with sub-paragraph (7).
  - (10) Any discrepancy in excess of £5 (or such lesser sum as may be decided in advance by the committee) between the amount of money found at any check mentioned in sub-paragraph (8) and the amount shown in the record prepared in accordance with sub-paragraph (7) or any occasion on which the amount of money in the float exceeds the maximum amount fixed in accordance with sub-paragraph (3) by £5 (or such lesser sum as may be decided in advance by the committee) shall be treated as a system failure to which paragraph 26 shall apply.

### **Till floats**

- 10.—(1) The committee may decide to maintain a float at each till.
- (2) The amount of any such float shall be fixed in advance by the committee and different amounts may be fixed for different days or for different tills.

(3) Monies to establish any such float shall be obtained only by encashment of a cheque payable for cash.

(4) Where the committee has fixed different amounts for any float for different days—

(a) any monies required on account of an increase in the float shall be obtained only by encashment of a cheque payable for cash; and

(b) any float monies that are surplus to the amount so fixed for the next following day on which the till is to be open shall be lodged in a bank.

(5) Monies in any such float may be used for any purpose decided in advance by the committee other than a payment falling within paragraph 7.

(6) The amount of money in every such float shall be checked and recorded—

(a) at least once each week by a member of the committee; and

(b) at the end of the financial year of the club by a member of the committee or an independent person.

(7) Any discrepancy between the amount found at any check mentioned in sub-paragraph (6) and the amount fixed by the committee in accordance with sub-paragraph (2) shall be treated as a system failure to which paragraph 26 shall apply.

### **Bank lodgments**

11.—(1) Before monies are lodged in a bank, a pay-in slip counterfoil shall be completed showing—

(a) the date of the lodgment;

(b) the account name and number into which the lodgment is made;

(c) the total amount lodged and the amount of cash and cheques comprised in that amount; and

(d) the name of the person making the lodgment.

(2) At least once each week a record shall be prepared showing the amount of cash and cheques lodged in a bank in that week in respect of—

(a) bar supplies;

(b) subscriptions;

(c) the amounts mentioned in paragraph 16(2)(a) (functions);

(d) gaming machines;

(e) machines other than gaming machines;

(f) snooker tables;

(g) bingo and other games not falling within heads (e) or (f);

(h) interest on investments;

(i) grants; and

(j) other income not falling within heads (a) to (i).

### **Summary of receipts**

12.—(1) A record shall be kept showing from day to day in respect of all monies received by the club—

(a) the date of receipt;

(b) the amount received; and

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(c) the unique identification number of the relevant voucher.

(2) For the purposes of this paragraph the total amount received each day from any till or point of supply shall be regarded as one receipt.

#### **Summary of payments**

13. At least once each week a record shall be prepared showing from day to day in respect of all monies paid by the club—

- (a) the date of payment;
- (b) the method of payment;
- (c) the amount paid; and
- (d) the unique identification number of the relevant voucher.

#### **Summary of creditors**

14. A record shall be maintained showing from day to day in respect of all sums due by the club—

- (a) the date on which the indebtedness was incurred;
- (b) the amount due by the club;
- (c) the unique identification number of the relevant voucher; and
- (d) the date on which payment was made.

#### **Summary of debtors**

15. At least once each week a record shall be prepared showing from day to day in respect of all sums due to the club, other than sums due in respect of subscriptions—

- (a) the date on which the indebtedness was incurred;
- (b) the amount due to the club;
- (c) the unique identification number of the relevant voucher; and
- (d) the date on which payment was received.

#### **Functions**

16.—(1) Any amount charged for entry to or attendance at any function shall be fixed in advance by the committee or a person approved by the committee in that behalf.

(2) Within fourteen days after the date of any function a report shall be prepared showing in respect of the function—

- (a) the amount and nature of all sums received by the club (other than sums received on account of bar supplies);
- (b) the amount and nature of any expenditure wholly attributable to that function; and
- (c) the amount of the surplus of receipts over expenditure or expenditure over receipts.

#### **Record of pay, etc**

17. Each week a record shall be prepared from day to day showing in respect of every payment to any person in respect of pay, fees, honoraria or emoluments—

- (a) his full name;
- (b) his address;

- (c) his National Insurance number;
- (d) the gross amount paid;
- (e) the nature and extent of any deductions;
- (f) the net amount paid;
- (g) the service for which payment was made; and
- (h) the period of that service.

### **Bar staff**

18.—(1) A record shall be kept, in addition to that required by paragraph 17, showing from day to day the names and addresses of all persons engaged, whether or not for payment, in the supply of intoxicating liquor.

(2) A record kept in accordance with this paragraph shall show the period during which, and the bar or point of supply at which, each person was so engaged.

### **Role of committee**

19.—(1) The committee shall—

- (a) cause all its decisions and approvals to be recorded in the minutes; and
- (b) consider and record in the minutes the unique identification number of any report, summary or statement prepared in accordance with any provision of these Regulations at the first meeting after the date of its preparation.

(2) Where any provision requires any act to be approved or carried out by the committee that act may, in exceptional circumstances, be carried out by a member of the committee or by a person authorised in advance by the committee to act on its behalf.

(3) A person who acts in accordance with sub-paragraph (2) shall forthwith submit a report to the committee setting out the exceptional circumstances and the action taken.

### **Prices**

20.—(1) The price of all goods or services supplied by the club shall be fixed in advance by the committee.

(2) A notice specifying the price of all intoxicating liquor supplied by the club shall be displayed in every part of the premises in which intoxicating liquor is supplied in such manner that it can readily be read by members.

### **Measures**

21.—(1) The committee shall fix the measures in which intoxicating liquor is supplied.

(2) Different measures may be so fixed for different intoxicating liquors.

(3) A notice, specifying the measures so fixed, shall be displayed in every part of the premises in which intoxicating liquor is supplied in such manner that it can readily be read by members.

### **Stock reports**

22.—(1) At least once each quarter a report shall be prepared in respect of bar stock supplied since the relevant date.

(2) A report prepared in accordance with sub-paragraph (1) shall contain—

- (a) in respect of each type of bar stock item supplied—

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- (i) the quantity in stock at the relevant date;
  - (ii) the quantity received since that date;
  - (iii) the quantity returned or written off since that date;
  - (iv) the quantity of each item in stock as ascertained by a physical check;
  - (v) the quantity supplied since that date as calculated from the figures stated in accordance with paragraphs (i) to (iv); and
  - (vi) the value of each type of bar stock item supplied since that date as calculated using the quantities stated in accordance with paragraph (v) and the price of supply fixed by the committee;
- (b) the total value, calculated in the same manner, of the bar stock supplied since the relevant date;
  - (c) the total monies lodged in a bank in respect of bar stock supplied since the relevant date; and
  - (d) an explanation of any discrepancy between the figures stated in accordance with heads (b) and (c).

(3) Any such discrepancy in excess of 2 per cent of the total value of bar stock supplied stated in accordance with sub-paragraph (2)(b), or such lesser percentage as may be decided in advance by the committee, shall be treated as a system failure to which paragraph 26 shall apply.

(4) The physical check of stock required by sub-paragraph (2)(a)(iv) shall be carried out at least once each quarter by an independent person who shall prepare a report recording his findings.

(5) The physical check of stock used to calculate the value of bar stock stated in any balance sheet shall be carried out by an independent person who shall prepare a report recording his findings.

(6) In this paragraph “the relevant date” in relation to a report in respect of bar stock is the date of the last such report or where no such report has been prepared, the date of commencement of these Regulations.

### **Bank reconciliation**

23.—(1) At least once each month a report shall be prepared setting out in respect of each bank account held by the club a reconciliation of the cash and bank balances due to or by the club as shown on a statement or certificate of balance supplied by the bank with the balance as shown by the vouchers and records kept by the club.

(2) The working papers shall be attached to any report prepared in accordance with sub-paragraph (1).

### **Monthly reports**

24. Each month a report shall be prepared setting out for the period since the date of the last report or the commencement of these Regulations whichever is the later—

- (a) a summary of the receipts and payments of the club; and
- (b) in respect of all sums due to the club—
  - (i) the name of the debtor;
  - (ii) the amount of the debt;
  - (iii) the due date of payment; and
  - (iv) the nature of the debt.



### **Contents of reports, records and receipts**

25. Any report, summary, record or receipt required to be prepared in accordance with any provision of this Schedule shall, without prejudice to any other provision, bear—

- (a) a unique identification number; and
- (b) the name in capitals and address of the person who created it, and shall be dated and signed by that person.

### **System failures**

26.—(1) Any failure in a system of control established and maintained by the club (“a system failure”) shall be investigated by a member of the committee assisted by such other persons as may be necessary.

(2) Where a member of the committee conducts an investigation under sub-paragraph (1) he shall report his findings to the committee.

### **Security of records**

27.—(1) The committee shall take reasonable care to reduce the risk of loss of or damage to all records, reports or vouchers which the club is required to keep.

(2) Where any record is held on computer or other form of electronic storage a copy of that record shall be made at least once each week during which such storage has taken place.

(3) Any copy made in accordance with sub-paragraph (2) shall be kept securely at premises other than those at which the original record is kept.