



Basic Financial Controls – The Role of Partners in a GP Practice

Department Title

The Practice Manager will frequently be the main person within the practice responsible for day-to-day financial management. However, it is important not to forget that the **ultimate responsibility for a practice's financial viability lies with the Partners**. Furthermore, it is the Partners' income and NHS contract that is at stake should the practice hit severe financial difficulties. It is therefore essential that:

- There is a lead partner for finance with a clearly defined responsibility for keeping the other partners informed in relation to financial matters
- There is a mechanism in place to share business critical financial information with **all** partners

There are some basic structures and safeguards that all practices should have in place.

It is important to maintain **transparency** where financial matters between Partners are concerned. All partners are entitled to see all financial transactions. In addition, Partners are usually jointly and severally liable for their own and each other's actions in relation to financial matters. For example, if one partner commits the partnership to incur a debt of £10,000, the partners may be sued jointly for the recovery of that debt, or any one partner may be sued individually for the whole debt (even though he or she was not the partner who entered into the contract). This makes it essential that all Partners understand their own rights and obligations in relation to the practice finances.

Financial Controls

The practice should have internal systems in place to ensure that:

- There are an adequate number of signatories to ensure that payments and other bank transactions can always be completed efficiently
- Two signatures are required for all cheques
- Two signatures are required when communicating and giving instructions to the bank
- Cheques are only signed (or internet transactions authorised) with the appropriate supporting paperwork
- Appropriate authorisation levels and permissions are set up for internet banking requiring. (This may include a requirement for large transactions above an agreed level to be authorised by a Partner.)
- Where possible, internet banking is set up to require dual authorisation e.g. one person enters the transactions and another authorises them.
- Any business credit or debit cards issued to Partners or staff have appropriate spending limits
- Spending on business credit or debit cards is checked so that any inappropriate transactions are identified

All Partners should:

- Jointly appoint a lead partner for financial matters
- Agree what information will be shared with all the partners, how frequently and in what format and forum
- Ensure that they understand the financial information they are given and, if not, should receive appropriate training to enable them to do so

- Receive a regular financial update that includes:
 - Details of cash in bank
 - Details of expenditure against an agreed budget with information about any variances
 - Cash flow forecast

The lead Partner for financial matters should:

- Have up to date passwords and logon access for both telephone and internet banking (including any bank widgets required) and be familiar with how to access both
- Receive a monthly printout from the practice's accounts software showing transactions reconciled to the monthly bank statement
- Check the transactions listed on the bank account carefully to check that:
 - s/he is familiar with the suppliers being paid
 - s/he is confident that they know what has been purchased
- Have an up to date list of monthly staff salaries against which to check that the correct amounts have been paid from the bank account each month



The Humberside Group of Local Medical Committees Ltd

Albion House
Albion Lane
Willerby
Hull
HU10 6TS

01482 655111
humberside.lmcgroup@nhs.net
www.humbersidelmc.org.uk

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