



## **INTERNAL FINANCIAL CONTROLS**

### **General**

1. This policy should be read in conjunction with the Council's Financial Regulations and Standing Orders.
2. A scheme for the delegation of powers to the Clerk and Financial Officer to authorise expenditure and make payments is set out below.

### **Budgetary and Legal Powers for Expenditure**

3. Expenditure should only be incurred if there are the necessary powers to undertake the work and there is appropriate and adequate provision within the approved budget. [subject to Financial Regulation no. 8]
4. Prior to the payment of any invoice / account, the Clerk will ensure that there is appropriate documentation to justify the payment by way of Council authorisation or an approved invoice.
5. At each of its normal meetings, the Council is asked to approve a List of Payments, some of which might already have been processed for payment since the previous meeting.

### **Process for Payments**

6. The Council currently has five Councillors as authorised signatories for payments. The Council authorises the Chair of the Council and the Chair of the Finance Committee (which will change on an annual basis) together with the Clerk and Financial Officer to approve online payments and purchases.
7. Salary payments to staff are made by way of bank transfer payment arranged by the Clerk and Financial Officer and subsequently approved by two members (authorised signatories, or the Chair of the Council and the Chair of the Finance Committee).

8. Direct debit payments for services provided to the Council are authorised / arranged by the Clerk and Financial Officer subject to there being appropriate and adequate provision within the approved budget
9. Details of direct debit payments made are reported to the Council on a monthly basis and shown in the List of Payments.
10. Business Debit Cards have been issued to the Clerk and Financial Officer. All Debit Card payments are subject to a maximum transaction value of £5,000.

### **Records of Income and Expenditure**

11. Invoices are filed in monthly order.
12. Expenditure is recorded via the monthly List of Payments and within the accounts HSBC software system. All expenditure is recorded within the appropriate expenditure headings and a monthly bank reconciliation is completed.
13. Income (cash or cheques or BACS) received by the Council is recorded on the account's spreadsheet and HSBC software.
14. Income payments made directly into the Council's bank by way of BACS or bank transfer are entered onto the accounts spreadsheet, within the appropriate income heading and reconciled against the monthly bank statements.
15. The Clerk and Financial Officer can receive income, issue receipts and present to the bank (in accordance with the Council's Income Policy).

### **Security**

16. A number of passwords are required to access internet banking. The Clerk and Financial Officer and Councillor Jane Hughes are authorised to have access to this information with any paper copies of authorisation to be destroyed.

### **Reporting to Council**

17. Regular reports will be made to the Council detailing the progress of income and expenditure against the budget and projections, including monthly bank reconciliations against the bank statements.

### **Scheme of Delegation**

18. Authority is given to the Clerk and Financial Officer to authorise works for any of the services of the Community council, subject to there being the appropriate budgetary provision, and to make the appropriate payment in accordance with these internal financial controls.

19. Any expenditure that is required which results in the approved budget being exceeded should only be authorised with the express approval of the Council or in the event of urgency with the approval of the Chair of the Council and the Chair of the Finance Committee and in accordance with Financial Regulation No 8.