



Bromyard and Winslow Town Council

Internal Financial Controls Day to Day Procedures

To be read in conjunction with “Management of Internal Control Systems”

Bromyard and Winslow Town Council’s Internal Controls are governed by Standing Orders and Financial Regulations

The Bromyard and Winslow Town Council use the RBS Omega Finance Software, including the Sales and Purchase Ledgers.

Purchasing:

Purchases are placed with suppliers by the Clerk or other Officers and confirmed in writing. Any award of a contract is dealt with in compliance with the Financial Regulations of the Council. All invoices received are date stamped and entered onto the accounts package Purchase Ledger, weekly. If there is a query with the invoice it is entered and marked as “in dispute”. Disputes are settled via email or telephone.

All invoices, under the value of £2,500, ready for payment are presented to the Finance Committee, together with previously agreed contract payments which are approved for payment on an annual basis, as an agenda item, on a bi-monthly basis. Members of the Committee either review the invoices at a Finance Committee meeting and sign a sheet to acknowledge they have seen the invoices or review and approve by email. Payments for these invoices are raised once per month by electronic banking or cheque and presented to two members who are cheque signatories for approval. The following day remittance advices are produced and posted to the supplier, with the cheque if paying by cheque. Payments over the value of £2,500 are recommended to full Council for payment. Where required for reasons of expediency, invoices over the value of £2,500 may be presented directly to Full Council.

Salaries and Wages:

The Town Council has contracted out the payroll to a firm of accountants. Staff, where appropriate, provide a time sheet detailing the hours worked during the period from the third Monday of the month to the following third Sunday of the month; therefore some payments are for 4 weeks and some for 5 weeks. On the third Monday of each month the RFO sends this information to the accountant and receives back information detailing the amount to pay all staff and HMRC. Pay-slips are generated detailing net pay. Wages and salaries and the associated payment to HMRC are paid by electronic banking. The payments are raised by the RFO and presented to two Councillors for approval. The following day the payslips are distributed. Confidentiality is observed at all times in line with Data Protection Regulations; however, members are advised of the total salary/wages bill via the monthly Income & Expenditure reports and “Payments Made” report.

Sales:

Sales invoices are raised on a monthly basis or as required and services are charged at a pre-agreed rate. These rates are reviewed regularly. Invoices are posted and receipts in the form of cash or cheque are banked on a weekly basis with cash being kept in a locked fire-proof safe. Sales Ledgers are regularly reviewed by the RFO and any outstanding payments are rigorously chased.

Petty Cash:

Petty cash is dealt with by the RFO; a manual ledger is kept and sales receipts are logged in it on a regular basis. Repayment is given upon receipt of the sales voucher. Cash is kept in a locked filing cabinet and the Finance Committee approve top-ups to the total value of £150.00

Car Park Machine Receipts:

The two car park machines owned by the Town Council are emptied by Corporate Parking Services (CPS) on a bi-monthly basis. The machines automatically issue receipts which show how much money should be in the machine.

Corporate Parking provide the Clerk with a spreadsheet showing the cash reconciliation, together with a scan of the audit slips (receipts). Funds collected are deposited in CPS's bank account and transferred to the Town Council's nominated bank account on a monthly basis.

General:**Month End:**

At "Month End" bank reconciliations take place, expenditure and receipts are checked against the Bank Statements and all reports are run and balances checked. The Finance Committee is presented, at least quarterly, with reports detailing "Bank Reconciliation", "Income & Expenditure" and Reserves.

Budget:

The budgeting process begins in September when all members are asked to advise the RFO of any particular project they might wish to discuss funding in the coming financial year. Members also consider any devolved service the Town Council may wish to fund in the coming financial year. The RFO produces a draft budget which is informed by previous spending, under spending and future commitments. This draft is discussed in detail by the Finance Committee with the final proposed budget and consequent Precept being put to full Council no later than the January meeting. The District Council is informed by the RFO immediately.

Expenditure against budget is regularly reviewed by Officers, any expected over-spend is reported to the Finance Committee. Should Council wish to spend on items not budgeted for the financial implications are reported and discussion takes place, a formal resolution is made.

VAT:

VAT returns are made on a quarterly basis and the RBS Omega system produces the necessary report. Providing the figure balance and no errors have to be corrected the

figures are entered into the HMRC software and receipts or payments (usually a refund) take place via Direct Debit.

Bank Accounts:

The Council banks with Lloyds Bank and runs 2 accounts including the current account. The balances are checked each month against the RBS system. Monies are transferred between the savings account (this is where the Precept is banked) and the current account as necessary. The RFO produces a report detailing what funds need to be transferred and why and this is reviewed and approved by two of the bank signatories. The Clerk/RFO is not a cheque signatory to any bank account.

Internal Audit:

The Town Council has appointed an Internal Auditor and an audit takes place twice per financial year. A full written report is received and reported back to the Finance Committee. Any recommendations felt necessary are adopted immediately.

Adopted by Full Council 26.02.2024