



Brixham Town Council Internal Financial Procedures

Introduction

1. The Financial Regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. The Council is responsible in law for ensuring that its financial management is adequate and effective, and that the Council has a sound system of financial control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption.
2. This financial procedure is designed to demonstrate the systems by which the Council checks on its methods of managing its financial transactions and meets these responsibilities.
3. Brixham Town Council payments are made in line with The Legislative Reform (Payments by Parish Councils, Community Councils and Charter Trustees) Order 2013 which removed the requirement for every cheque or other order for the payment of money by a Town Council to be signed by two members of the Council and facilitated the use of electronic means of payment.
4. Brixham Town Council has resolved to make as many payments as possible by 'faster payment', online, thereby reducing its reliance on the cheque payment method. It has considered receiving payments by card, but concluded the cost outweighed any benefit. The option of making faster payment is made to all debtors.

Responsibilities

1. The Finance and General Purposes Committee (F&GP) is responsible for the management and control of all expenditure.
2. All F&GP members plus the Town Clerk to be signatories on bank account.
3. The Community Services Committee has the delegated power to manage the Expenditure of the Seasonal Display budget category.
4. The Town Hall Sub Committee has the delegated power to manage expenditure of the Town Hall budget category and setting the rent income levels for tenants and hirers.
5. The Evaluation Committee has the delegated power to manage all personnel issues.

Invoice payment procedure

1. Payments of utility bills are made at the time of receipt.

2. Staff salaries are paid by Direct Debit, monthly.
3. Invoices that would attract a penalty for late payment are paid before the final date.
4. All other invoices are listed on a schedule of payments to be presented to the F& GP Committee for approval prior to payment taking place.

F&GP Committee Procedure

The Responsible Financial Officer (RFO) prepares the following reports, circulated a week prior to each F&GP Committee meeting, which is held once a month:

- i. Copy of Monthly bank statement(s)
- ii. Expenditure and Income against Budget report
- iii. Expenditure relating to specific budget categories: Town Hall, Newsletter, Shoalstone Pool, or any other as requested by the Committee.
- iv. Grant expenditure
- v. List of payments to be made
- vi. List of payments for approval, including Staff salaries.

A. Faster Payment Procedure

- a. The invoice is checked for accuracy
- b. An in-house control voucher is prepared and associated with the invoice
- c. The RFO or deputy logs into the online bank account
- d. The RFO enters the details for the faster payment
- e. The deputy or other member of staff confirms the details are entered correctly and correspond to the invoice. They then initial the invoice being processed.
- f. The RFO completes the transaction on line and reviews the online bank statement to ensure the payment is correct.
- g. The RFO then initials the processed invoiced.
- h. If further payments are to be made the same process is repeated.
- i. The RFO then logs out of the online bank account and closes the internet 'tab'.
- j. These payments will be added to the list of payments and invoices to be presented to the F&GP Committee for approval.

B. Cheque payment procedure

- a. The invoice is checked for accuracy.
- b. The invoice is copied, and a copy is placed in an envelope addressed to the payee, this is associated with the invoice.
- c. An in-house control voucher is prepared and associated with the invoice.
- d. A cheque is prepared, and the cheque number is recorded on the associated control voucher.
- e. The payment is added to the list of payments for approval to be presented to the next F&GP Committee meeting, (held once a month).
- f. All invoices and the list of payments are presented to the F&GP Committee meeting.
- g. Members consider all payments for approval.
- h. After approval of the payment the cheque is signed by the RFO and two members of the F&GP Committee. One member verifies the details on the cheque match the invoice and initials the invoice.
- i. The stub of each cheque is initialled by the cheque signatories
- j. The signed cheque is then stapled to the copy of the invoice in the prepared envelope, the envelope sealed and made ready for dispatch by post.

Recording of Financial Transactions

- a. Once approved all payments made, and income received, is entered into an accounting package (Sage).
- b. The control voucher and invoice are filed, in payment category order, in box files with all previous invoices for the current financial year.

Audit

- a. An internal Auditor is appointed annually in May.
- b. An interim internal audit is held after 6 months.
- c. A full Audit is held after 31st March each year and an Annual Return is completed.
- d. Notice of audit is posted as required.
- e. The result of the internal audit is reported to Council as soon as possible after the internal audit has been completed and the Annual Return is presented for approval at the next Full Council meeting.
- f. The completed and signed Annual Return and any required associated paperwork is dispatched to the External Auditor before the deadline.

Budget setting info

- a. Information relevant to setting the budget is prepared by the RFO and presented to the F&GP Committee.
- b. The F&GP Committee considers the figures and agrees a budget and precept level to recommend to Council in October and/ or November.
- c. The recommendations from the F&GP Committee are considered at a Council meeting in December.
- d. Once resolved by the Town Council, Torbay Council is informed of the set precept level.
- e. Information on the Town Council and its proposed expenditure is sent to Torbay Council to be included in the Council Tax information leaflet.

Adopted

Reviewed May 2017, May 2018