



## **St. Anne's on the Sea Town Council Payment for Goods and Services Policy and Procedure**

***Approved by the Town Council on 20<sup>th</sup> September 2016***

### **1.0 Introduction**

1.1 This policy sets out the Council's arrangements for paying for the supply of goods, materials, services and works to the Council. The Policy sets out the detailed rules and procedures when making payments to the Council's creditors.

1.2 This policy covers payments in the following areas;  
Accounting for payments for goods and services  
Payments by cheque/Electronic Banking Payments  
Direct Debits  
Use of the Council credit card

1.3 This policy provides the detail behind the overall financial framework as set out in the Council's approved Financial Regulations.

1.4 The Town Clerk/Responsible Finance Officer is ultimately responsible for all systems and procedures in relation to the ordering and payment for goods, services and works provided to the Council.

### **2.0 Payment of Invoices and Accounting for Expenditure**

2.1 The process of payment of invoices and the subsequent accounting for the expenditure for all creditors is the responsibility of the Town Clerk/Responsible Finance Officer and is therefore separated completely from the purchase ordering process.

2.2 Once the invoices have been received the Town Clerk/Responsible Finance Officer will undertake a number of final checks on the invoices including checking of price, arithmetical accuracy, coding of the expenditure and the calculation of any VAT.

2.3 The Town Clerk will take all possible steps to ensure that all invoices which are in order and on which there is no dispute, are paid within 14 working days.

2.4 All payment runs and suppliers accounts are reconciled on a monthly basis and all expenditure is also checked and verified independently to supplier statements and via the cash book and bank reconciliations. Internal Audit checks are also undertaken regularly on the purchase order system and creditors payments, along with the Internal Scrutiny process.

### **3.0 Cheque and Electronic Banking Payments Authorisation**

#### ***Cheques***

3.1 There are currently four Councillors named on the Council's approved bank mandate and the Town Clerk/Responsible Finance Officer, with authorisation to sign cheques.

3.2 The Town Clerk/Responsible Finance Officer is responsible for undertaking a final check of the invoices due for payment, including querying any invoices or payments which

look unusual, and then authorising the cheque payment, which must be signed by the Town Clerk and two other approved Councillors.

### ***Electronic Banking Payments***

3.3 These are authorised by the Town Council Support Officer/Community Development Manager and approved by the Town Clerk.

3.4 To ensure additional security access to the bank account, making of payments is undertaken by the two approved officers at the same time.

3.5 A further control is that payments are printed out directly from the banking system, summary of services/goods and circulated to all four of the Councillors named on the banking mandate.

3.6 All electronic banking payments must be approved by at least two Councillors on the banking mandate. This is a control to ensure that whilst approved officers make the payment, at least two Councillors must approve payments made and a record of this approval kept for audit purposes. This process should be completed at least every fourteen days unless no payments have been made.

## **4.0 Regular Payments, Direct Debits and Standing Orders**

4.1 Regular payment invoices relate to those payments which are received on a regular basis throughout the year e.g. monthly, quarterly, annually. Examples of regular payments include service agreements, telephone bills, and subscriptions.

4.2 Direct debit invoices will be filed in the paid invoices folder and reconciled to the cash book and bank reconciliation, approved by the Town Council Support Officer/Community Development Manager and approved by the Town Clerk.

## **5.0 Use of Council Credit Card**

5.1 On occasions, the Town Clerk may need to make use of the Council's credit card for the purchase of goods or services of an urgent nature or for which a purchase order will not be accepted.

5.2 Examples of instances where the Council credit card would be used include purchases made over the telephone or internet, train or hotel bookings, and emergency purchases where the supplier will not accept a purchase order.

5.3 The Council currently holds one credit card, which is held by the Town Clerk. This arrangement allows separation of duties between requests to use the card and, actual use of the credit card and the checking, coding and payment of the credit card bills which is undertaken by the Town Council Support Officer.

5.4 Credit card bills are reconciled to the statement and coded up to the appropriate budget. The reasonableness and accuracy of the bills are checked by the Town Council Support Officer/Community Development Manager, to ensure that the no items have been purchased inappropriately and as a prevention against fraud.

5.5 There are no interest charges on the Council credit card as the outstanding balance is always paid off within the appropriate payment terms. There are also no transaction charges other than a one off annual card fee which is currently £35.