



Payment for Goods & Services Policy and Procedures

Background

1. St Anne's on the Sea Town Council has four members of staff and 12 councillors.
2. The Responsible Finance Officer (RFO) and Town Clerk are separate roles in the staffing structure. Whilst the RFO is responsible for financial matters there is an obligation on both post holders to adhere to rules on financial governance, accounting, internal check and other processes plus ensuring councillors are involved in overseeing the use & spending of public money.
3. Whilst the RFO is ultimately responsible for all systems and procedures in relation to the ordering and payment for good & services to the Town Council, the Town Clerk, as Head of Paid Service, is required to play a primary role in the various processes.
4. The Council's banking arrangements are with HSBC and include a current account, deposit/investment account and a credit card account. The banking mandate provides for four councillors and two officers to act as signatories on the accounts.
5. In accordance with the Local Government transparency code 2015 all expenditure payments (excluding salaries) of £300 or more made by the Council are reported to a Full Council meeting on a bi-monthly basis

Introduction

6. This policy set outs the arrangements for paying for the supply of goods, services, materials and works to the Council. The policy also sets out the rules and procedures when making payment to the Council's creditors.

The Council's full financial framework is set out in the Council's approved financial regulations which is reviewed annually.

7. This policy covers:

- Accounting for payments for goods & services
- Payments by online banking
- Direct Debits & Standing Orders
- Cheques
- Council's Credit Card

Payment of Invoices and Accounting for Expenditure

8. The Council operates a manual purchase order system for the supply of goods and services as this is used as far as it reasonably practicable.
9. All invoices, when received, should be checked by the RFO or Town Clerk against the purchase order system for price, accuracy, VAT treatment and expenditure coding to the Council's accounting system.
10. The RFO and Town Clerk will take all possible steps to ensure all invoices on which there is no dispute are paid as soon as possible and, in all events, no later than 14 working days from issue or receipt of the invoice.
11. All payment runs and supplier runs are to be reconciled on a monthly basis and all expenditure checked to supplier statements. Internal Audit checks are also undertaken regularly on the purchase order system and creditor payments. Internal Scrutiny will be carried out by involving councillors in the processes.

Online Banking Payments & Cheques

12. Online banking payments are authorised by the RFO and approved by the Town Clerk
13. To ensure, as far as is reasonably possible, additional security access to the Council's bank accounts, the making of online payments is made by both the RFO and Town Clerk at the same time.
14. As a further control a printout directly from the banking system of all payments made on a weekly basis shall be emailed to all councillors on the banking mandate.
15. All online payments should be approved by at least two councillors on the banking mandate. A record of that approval should be kept for audit purposes.
16. Cheques will be signed by two of the councillors named on the Council's approved bank mandate. In addition, one of the two officers authorised by the mandate shall sign all cheques. Councillors should, as far as is reasonably practicable, check the supporting invoice/paperwork before signing any cheques drawn on the Council's bank account.

Direct Debits, Standing Orders and Regular Payments

17. Direct Debit invoices will be filed in the paid invoices folder and reconciled to the cash book and bank reconciliation

18. Regular payment invoices cover items such as utility bills, service agreements, subscriptions and are using monthly, quarterly and annually payments. They will be processed and accounted for in accordance with the procedures highlighted above.

Use of Council Credit Card

19. The Council currently has two credit cards for one credit card account. One is held by the RFO and one by the Town Clerk. The account limit is £3,000. The credit card is used only for urgent purchases or where a purchase order is not accepted.

20. This arrangement allows for a separation of duties between requests to use the card and the checking and coding of any goods or services purchased using the credit card.

21. Monthly credit card statements are checked by the RFO and Town Clerk to ensure that no items have been purchased inappropriately and as a prevention against fraud.

22. There are no interest charges on the Council credit card account as the outstanding balance is paid off automatically each month from the Council's current account. There are no transaction charges other than a one off annual card fee.