

# Mold Town Council

## Internal Financial Controls

### **General**

1. The appropriate competition requirements as set out in the Financial Regulations (Standing Orders) should be applied to any expenditure.
2. A scheme for the delegation of powers to the Clerk and Finance 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 the appropriate and adequate provision within the approved budget.
4. Prior to 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 advised, by schedule, of the amounts processed for payment since the previous meeting.

### **Process for Payments**

6. The Council authorises any two members together with the Clerk and Finance Officer to approve bank transfer payments and to sign cheques on its behalf with members initialling the cheque stubs.
7. Salary and wages payments to staff are made by way of bank transfer payment arranged by the Clerk and Finance Officer and subsequently approved by two members.
8. Direct debit payments for services provided to the Council are authorised / arranged by the Clerk and Finance Officer subject to there being the appropriate and adequate provision within the approved budget. Details of direct debit payments made are reported to the Council on a monthly basis and shown in the schedule of the amounts processed for payment.

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

9. Invoices are filed in cheque number order.
10. Expenditure is recorded:
  - 10.1 Within the list of payments for the year (in cheque number order and recording any cancelled cheques); and

10.2 Within the accounts RBS software and within the appropriate expenditure headings.

11. VAT is recorded separately within the accounts RBS software and reclaimed/paid quarterly.

12. Income received by the Council is recorded in the following ways:

12.1 Cash or cheques for room hire or any other matter received within the office are recorded in the cash book which details the date of payment into the bank account. The amounts are subsequently entered onto the accounts RBS software and within the appropriate income heading; and

12.2 Payments made directly into the Council's bank by way of BACS or bank transfer are entered onto the accounts RBS software and within the appropriate income heading.

13. Receipts are issued to those who pay cash and cheques to the Council either in the form of a receipt or by way of signing the invoice initially issued.

14. Income is also received by the Cemetery Superintendent who takes responsibility for banking. This income is by way of cheque, cash and BACS payment from Funeral Directors and is recorded in the burial records and receipted.

### **Petty Cash**

15. Petty cash is drawn from the Council's bank account to cover miscellaneous and smaller amounts of expenditure and for which receipts are obtained. This is drawn usually in amounts of £150 and is recorded as income and expenditure for petty cash within the RBS software accounts. The maximum spend of Petty Cash is set at £250.

### **Prepayment Credit Card**

16. The Clerk, Events and Community Engagement Officer, Cemetery Superintendent and Cleaner/Caretaker will be issued with a Prepaid Credit Card which will be restricted to a single transaction maximum value of £500 unless authorised by council or finance committee in writing before any order is placed.

### **Security**

17. For security of the Council's records on a computer including Internet Banking a note shall be made of the PIN (personal identification number) and passwords and shall be handed to and retained by the Mayor in a sealed and dated envelope. This will not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and passwords shall be changed. The opening of the envelope shall be reported to all members at the next available meeting of the Council.

## **Reporting to Council**

18. Quarterly reports will be made to the Finance Committee detailing the progress of income and expenditure against the budget and projections, including a bank / cash reconciliation against the bank statements and petty cash information.

## **Scheme of Delegation**

19. Authority is given to the Clerk and Finance Officer to authorise works for any of the services of the Town Council, subject to there being the appropriate budgetary provision, and to make the appropriate payment in accordance with these internal financial controls.

20. 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 Mayor. If the approval of the Mayor is sought and given, this should be reported to the next ordinary meeting of the Council.

Adopted by Mold Town Council on 26<sup>th</sup> February 2025.