



PENYFFORDD COMMUNITY COUNCIL

INTERNAL FINANCIAL CONTROLS

1. The Responsible Financial Officer will prepare annual estimates of income and expenditure for submission to the December and January meetings of the Council, following consultation with the Chairman.
2. As soon as estimates have been approved at the Council's Annual Finance Meeting it shall be the responsibility of the Responsible Financial Officer to submit the precept required to Flintshire County Council, which under arrangements agreed with that Authority is received in three instalments at the end of April, August and December, and transferred automatically to the Council's HSBC Deposit Account by means of BACS.
3. The Responsible Financial Officer will report to the meetings the financial position in relation to income and expenditure for the particular financial year.
4. The Responsible Financial Officer shall record all payments and income in the ledger on a regular basis, to reconcile income and expenditure and remaining balances on a monthly basis and to report this to Council. At the year end to provide a final bank reconciliation report and to prepare accounts in the receipts and payments format with balance sheet and supporting statements for Council approval as soon as possible after the year end.
5. The Responsible Financial Officer shall pay all invoices approved by the Council by means of a minute reference, ensuring all cheques and electronic payments have the required signatures. If approved during a virtual meeting the schedule for payments will be verbally approved by the council and signed and dated by the Clerk, and all electronic payments processed. All cheque payments will require signing by two bank signatories.
6. The Responsible Financial Officer shall maintain a bank paying-in book to record receipt No., in case of cash, name of person/organisation from which received, reason for payment and amount.
7. The Responsible Financial Officer will ensure that all payments have a voucher and are kept in a folder and appropriately numbered for internal audit purposes and that all miscellaneous income is paid in promptly to the appropriate Bank account.
8. The Responsible Financial Officer will ensure that
 - a) Goods should be acquired by Official Order wherever possible, having regard to the Council's Financial Standing Orders.

- b) Payments should be made on a monthly basis on approval of Council, to which a list of payments should be submitted for approval. List to be produced by Clerk and Financial Officer.
 - c) Payments must only be made on receipt of Invoice.
 - d) Whenever possible, Order Acknowledgement/Delivery Note should be attached to Invoice and Payment Voucher.
 - e) Cheques should be written by Clerk and Financial Officer.
 - f) Cheques and electronic payments should be signed by two authorised Members of Council.
 - g) Payments should be recorded by Clerk and Financial Officer, detailing cheque No., payee, reasons for payment, vat and gross amounts and date of payment.
 - h) Paid invoices should be kept in a lever arch file, filed in transaction order, within month of payment together with returned cheques.
 - i) The authorised payment should be included within Minutes of Council.
9. The Responsible Financial Officer will keep the Council's present three bank accounts with the HSBC Bank under review, transferring monies between each as appropriate to ensure interest earning opportunities are maximised.
10. The Responsible Financial Officer will reclaim VAT at the year end and check that this and other incomes received automatically (precept, bank interest), or otherwise, are credited to the appropriate bank account.
11. Salary payments are subject to the appropriate deductions of income tax and national insurance which are processed by AVOW (Association of Voluntary Organisation in Wrexham).
12. The Responsible Financial Officer, as part of the annual risk assessment required to be undertaken by the Council, will ensure that insurance cover is at the appropriate level and that the asset register is kept up to date.
13. As soon as the Council have approved the year end accounts referred to in paragraph 4, the Responsible Financial Officer will arrange for the appropriate documentation to be made available to the Council's Internal Auditor.
14. The report and action plan (if any) of the Internal Auditor will be reported to the Council at the meeting following their receipt and the Responsible Financial Officer will respond to any action plan items for Council approval.
15. On receipt of notification of external audit, the Responsible Financial Officer will arrange for appropriate public notice to be given, arrange for completion of the Annual Return required by the External Auditor and public notice of the completion of the audit, ensuring also that the Council is notified of both stages.

**This Procedure was reviewed and approved by the Council
at its Annual Meeting held on 10th May 2023**