



QUEENSFERRY COMMUNITY COUNCIL
INTERNAL FINANCIAL CONTROLS 2024-25

General

1. This policy should be read in conjunction with the Council's Financial Regulations and Standing Orders.
2. A scheme for the delegation of powers to the Clerk and Responsible Financial 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 appropriate and adequate provision within the approved budget.
4. Prior to the 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 ordinary and/or financial meetings, the full Council are asked to approve a List of Payments for processing.

Process for Payments

6. The Council has several designated signatories who are authorised to approve payments (excluding the Chair and the Clerk). The Council currently requires three Councillors to authorise cheque payments and cheque stubs also require initialling. HSBC hold details of the Council's authorised signatories and will reject payments / transactions if they are not satisfied that the signature is an approved authority as listed in their records.

7. Salary payments to the Council's sole member of staff (i.e. the Clerk) are made by way of cheque payment. The cheques are approved by three Councillors who have designated signatory rights and who are authorised to make payments.

8. Details of the Council's income and expenditure is reported to the Council monthly. In addition, as soon as practicable after 30 June, 30 September and 31 December in each, year a statement to summarise quarterly income and expenditure, the Council's aggregate income and expenditure year to date and the balances held at the end of the quarter being reported, including a comparison with the budget for the financial year and any actual or potential overspends. A Council resolution is sought to transfer funds between the two HSBC accounts to ensure sufficient funds are available in the HSBC account from which cheque payments are made.

Records of Income and Expenditure

9. Invoices are filed in transaction number order.

10. Expenditure is recorded via the monthly List of Payments reported to Council and minuted at each meeting and within the accounting spreadsheet. All expenditure is recorded within the appropriate expenditure headings and a monthly bank reconciliation is prepared and presented to Members.

11. VAT is recorded separately within the accounting spreadsheet and reclaimed on an annual basis.

12. Income (cash or cheques) received by the Council is recorded in the accounting spreadsheet and within the appropriate income heading; receipts are provided for all cash income receipts.

13. Income payments made directly into the Council's bank by way of BACS or bank transfer are entered onto the accounting spreadsheet, within the appropriate income heading and reconciled against the monthly bank statements.

14. The Clerk and Responsible Financial Officer can receive income, issue receipts and present to the bank.

Reporting to Council

15. Regular reports will be made to the Council detailing the progress of income and expenditure against the budget and projections, including monthly bank reconciliations against the bank statements.

Scheme of Delegation

16. Authority is given to the Clerk and Responsible Financial Officer to authorise works for any of the services of the Council, subject to there being the appropriate budgetary provision (previously approved by full Council at the annual budget meeting), and to make the appropriate payment in accordance with these internal financial controls.

17. 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 Chair of the Council and the Chair of the Finance Committee, and in accordance with Financial Regulation No 8.