



Office Hours  
Monday to Friday  
9am - 1pm

# CHUDLEIGH TOWN COUNCIL

CHUDLEIGH TOWN HALL  
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Clerk: John Carlton

## **INTERNAL FINANCIAL CONTROLS: 2014/15**

### **1) Setting and monitoring of budget**

- The Clerk will provide a first draft of the proposed budget for the coming year to the Autumn meeting of the Town Hall & Finance Committee.
- Following this meeting the draft budget will be circulated to all councillors who will be requested to provide feedback and proposed changes by 30 November.
- The Clerk will then produce a revised budget taking into account the feedback received and present this to the December meeting of the Town Hall & Finance Committee. The committee will need to finalise the budget proposed at that meeting
- Full Council will consider the recommended budget at their January meeting and will need to finalise the budget at that meeting to allow the Clerk to submit the precept request by 31 January. The aim will be to produce a balanced budget between income and expenditure.
- The Clerk will profile the agreed budget into estimated monthly expenditure under each budget heading. This to be done before 31 March. This to allow Councillors to see whether income and expenditure is progressing at anticipated levels during the course of the year.
- The Clerk will produce a budget variance report each month detailing expenditure under each budget heading against the profiled budget. He will provide an explanation of any significant variance. This report will be compiled on receipt of the monthly bank statements and circulated to all councillors by e mail. The variance reports will be discussed in detail at the quarterly meetings of the Town Hall & Finance Committee. Councillors will also have the opportunity to raise any concerns at the monthly Full Council meetings.
- In cases where a significant overspend (5% or £500, whichever is the greater) is predicted under a budget heading the Clerk will vire between budget headings with the approval of full council. Alternatively, Full Council will decide that the overspend will be covered from reserves.

### **2) Action on receipt of bank statements**

- On receipt of the monthly bank statements the Clerk will cross-check each item of expenditure and income against the cheque book and the paying in book and annotate the latter with the number of the relevant page of the bank statement.

- The Clerk will use the bank statement to produce the monthly budget variance report. A copy of the variance report will be sent to the Internal Auditor.
- The Assistant to the Clerk will complete the monthly bank reconciliation within two weeks of the receipt of the bank statement. This will be sent to the Internal Auditor.

### **3) Control measures on payments received**

- It is Town Council policy to encourage hirers to make their payments by means of ACT or by cheque. Cash payments will be accepted as a last resort. The Council does not operate a petty cash system so cash payments will need to be of the correct sum.
- When cash is received a receipt must be issued and signed by the member of staff receiving the payment. This receipt will be photo-copied. This will then be counter-signed by the Clerk who will also check the sum received.
- Cheques and cash will be paid into the bank by the Assistant to the Clerk on at least a monthly basis or where the receipts reach £1,000, whichever is the sooner. When cash receipts reach £200 they must be paid into the bank at that point in time.

### **4) Control measures on payments made**

- All payments made must be supported by an invoice.
- It is Town Council policy to have posted out the payment within 7 working days of receipt of the invoice.
- All invoices received must be entered on the batch control sheet and entered onto SAGE
- The Clerk or Assistant to the Clerk will write the cheque and obtain three authorised signatories. This can be the Clerk and two Councillors or three Councillors. The signatories will also initial the cheque stub and sign the invoice, having checked that the goods or services purchased were for Council business and appear reasonable.
- The Clerk will compile a record of all payments made during the month and present this to the monthly Full Council meeting for approval. This list of payments will also be attached to the minutes of the meeting and published on the Town Council website.
- Following each Full Council meeting the Chair of the Town Hall & Finance Committee will carry out a random validation check of 10% of the payments (to a minimum of 5 in total) to ensure that the correct payment and authorisation process has been followed
- All Town Council staff are authorised to make urgently needed purchases from agreed local suppliers up to a value of £50. A purchase of any greater value will require the authorisation of the Town Clerk

### **5) Invoicing**

- All hirers should be invoiced monthly unless an alternative billing schedule has been agreed
- Invoices for room hirers will be compiled from the information on the excel spread sheet detailing all room bookings

- The Assistant to the Clerk will aim to have issued invoices for the previous month by the 20<sup>th</sup> of the following month.
- Invoices that have not been settled should be followed up after 28 days from when the invoice was sent
- The Assistant to the Clerk will run an "Aged Debtors" report from SAGE on the last day of each month so that the Clerk is aware of the payment position for each customer

John Carlton  
Town Clerk  
16 April 2014