



## BACS PAYMENT POLICY & PROCEDURES – INTERNAL CONTROLS

1. BACS Payment Checks
  - 1.1 Holme Valley Parish Council uses internet banking for almost all its transactions.
  - 1.2 A Record of Purchase (Purchase order) to be completed in full for each payment transaction.
  - 1.3 By whom the expenditure was authorised, - whether by Council, a Standing Committee, or an Officer, - should be recorded on this form.
  - 1.4 Legal powers for expenditure should be identified where relevant.
  - 1.5 Only Council and the Finance and Management Committee can usually approve payments. Officers can approve payments under special circumstances. The meeting of Council or Finance and Management, the date of the meeting and agenda number of the item whereby payment was approved, needs also to be recorded on the Record of Purchase.
  - 1.6 The RFO should check the payment against the budget line to ensure adequate funds are available.
  - 1.7 Two councillors (from the bank mandate authorised signatory list) check the Record of Purchase against the invoice and, when satisfied, sign in the “Signatures to order payment” box of the Record of Purchase.
  - 1.8 Payments may be made to regular payees, who are on the Finance and Management Committee’s approved List of Regular Payments, without the need for approval of an individual transaction. The agenda item that approves the inclusion on the List of Regular Payments will suffice for authorisation purposes. Two signatures of mandated Councillors are still needed to order the payment.
  - 1.9 RFO makes the BACS payment as per authorisation and prints the HSBC generated payment confirmation. This is stapled to the associated invoice and the Record of Purchase.
  - 1.10 BACS transactions are checked at subsequent meetings of the Finance and Management Committee by Members checking transactions in the the monthly Lists of Payments against the bank statements as part of the bank reconciliation process.

Rich McGill (Mr)  
Responsible Finance Officer to Holme Valley Parish Council  
7<sup>th</sup> May 2024