

Financial Regulations – Appendix 2

Payments & Payroll Procedure

Adopted by Full Council on: * May 2026**

Minute reference: [to be inserted]

1. Purpose

This procedure sets out how the Council manages:

- creditor payments
- payroll payments
- authorisation controls
- reporting and transparency
- compliance with Financial Regulations and audit requirements

The aim is to ensure all payments are:

- properly authorised
- supported by documentation
- transparently reported
- accurately recorded in Council accounts

2. Overview of Financial Control System

The Council operates a **combined delegated and reporting system** which includes:

- Clerk / Responsible Financial Officer (RFO) financial administration
- external payroll processing (AVOW, Wrexham)
- Councillor financial oversight
- full Council review at meetings
- post-payment reporting and reconciliation

This ensures segregation of duties while maintaining efficient payment processing between meetings.

3. Delegated Authority for Payments

The Council has resolved that payments may be made **between meetings** under delegated authority where required for operational efficiency.

This is subject to the following controls:

- all invoices are recorded in the invoices spreadsheet
- payment schedules are circulated to Councillors in advance
- supporting documentation is provided for review
- payments are made in accordance with Financial Regulations
- all payments are reported to the next Council meeting

4. Roles and Responsibilities

Clerk / RFO

- Maintains invoices and financial records
- Prepares payment schedules
- Completes monthly bank reconciliations
- Circulates financial reports and supporting documents to Councillors
- Ensures returns are submitted to HMRC (payroll)
- Ensures accurate recording in accounting records

Payroll Provider (AVOW, Wrexham)

- Calculates payroll (gross pay, tax, NI)
- Produces payslips and payroll summaries
- Ensures compliance with HMRC payroll rules

Councillors Financial Oversight

Councillors will provide independent financial oversight of payment schedules prior to authorisation.

Their role includes:

- reviewing invoices and payment schedules
- verifying accuracy before payment is made
- supporting segregation of duties

- ensuring supporting documentation is complete

Full Council

- receives financial reports at each meeting
- formally approves payments where required
- reviews payroll and expenditure
- ensures transparency and accountability

5. Creditor Payment Process

Step 1 – Invoice Processing

- All invoices are logged in the invoices spreadsheet
- Each item is documented under appropriate budget heading
- Supporting documentation is attached or referenced

Step 2 – Pre-Payment Circulation

- Payment schedule and invoices are circulated to all Councillors
- Councillors will review and verify payments prior to authorisation
- Councillors are given opportunity to raise queries

Step 3 – Payment Authorisation

- Payments are authorised in accordance with Financial Regulations
- Payments may be processed between meetings under delegated authority
- Online authorisation is undertaken following review

Step 4 – Post-Payment Reporting

- All payments are reported to the next Parish Council meeting
- Payments are recorded in meeting minutes
- Bank transactions are circulated to Councillors

Step 5 – Bank Reconciliation

- Bank reconciliations are completed by the Clerk/RFO
- Checked against invoices spreadsheet and bank statements
- Any discrepancies are investigated and resolved

6. Payroll Process

Payroll follows the same control framework:

- payroll is processed externally by **AVOW (Wrexham)**
- Clerk reviews payroll reports for accuracy
- payroll information is circulated to Councillors prior to payment
- Councillors review payroll within payment schedule
- Clerk ensures RTI returns are made directly to HMRC
- payroll is recorded under **AGAR Line 4 (Staff Costs)**
- payroll is reported at Council meetings

7. HMRC Compliance

The Council is responsible for:

- RTI submissions to HMRC
- payment of PAYE and National Insurance
- ensuring payroll records are accurate and up to date
- retaining HMRC confirmation records for audit

8. Financial Reporting & Transparency

The Council ensures transparency through:

- circulation of financial spreadsheets to Councillors
- inclusion of payments in Council agendas and minutes
- reporting of income and expenditure at meetings
- post-payment bank transaction updates
- annual audit preparation records

9. Procurement Controls

- purchases over £250 require prior approval or formal order
- Financial Regulations are followed for all procurement decisions
- all expenditure is supported by invoice and recorded appropriately

10. Internal Controls Summary

The Council ensures financial integrity through:

- external payroll processing (AVOW)
- Clerk/RFO financial management
- Councillor financial oversight
- delegated payment authority between meetings
- full Council reporting and approval
- bank reconciliation is undertaken
- transparent documentation and audit trail

Audit Statement (AGAR Supporting Note)

The Council operates a system of delegated financial control allowing payments to be made between meetings where necessary. All payments are based on documented invoices and payment schedules circulated to Councillors in advance. Councillor Tony Fennell undertakes pre-payment verification of transactions. Payroll is processed externally by AVOW, with RTI submissions completed. All payments are reported to Council and recorded in minutes, with updated bank reconciliations undertaken ensuring accuracy and completeness.