



**PATCHWAY TOWN COUNCIL**  
Callicroft House, Patchway, Bristol, BS34 5DQ  
[www.patchwaytowncouncil.gov.uk](http://www.patchwaytowncouncil.gov.uk)



## Financial Procedures

Adopted: 21 May 2024  
Review: May 2025



**PATCHWAY TOWN COUNCIL**  
Callicroft House, Patchway, Bristol, BS34 5DQ  
[www.patchwaytowncouncil.gov.uk](http://www.patchwaytowncouncil.gov.uk)

## **CONTENTS**

<b>INTRODUCTION.....</b>	<b>3</b>
<b>1. PURCHASING</b>	
a) Purchase Order Forms .....	3
b) Inputting the Invoice .....	3/4
c) Paying Invoices.....	4
d) Procedure Note for Financial Checks.....	5/6
e) Paying Invoices on the RBS System.....	6
f) Direct Debits and Standing Orders.....	6
<b>2. INVOICING</b>	
a) The Invoice.....	6
b) Inputting the receipts into the RBS software.....	6/7
c) Receipt Reporting.....	7
<b>3. RBS Omega Software</b>	
a) Journals.....	7
b) Bank Reconciliations.....	7
c) VAT Returns.....	8
d) Month End Processing.....	8
e) Backups.....	8
<b>4. IRIS PAYROLL SOFTWARE</b>	
a) Payroll Input.....	8
b) Enter Variations.....	8
c) Calculate.....	9
d) Print Summaries.....	9
e) Finalising the Payroll .....	9
f) Alterations to the Payroll.....	9
g) Year End.....	10
h) Pension Deductions.....	10
i) HMRC Deductions.....	10
j) Payslips.....	10
k) P45s.....	10
l) P60s.....	10



**PATCHWAY TOWN COUNCIL**  
Callicroft House, Patchway, Bristol, BS34 5DQ  
[www.patchwaytowncouncil.gov.uk](http://www.patchwaytowncouncil.gov.uk)

## **INTRODUCTION**

Patchway Town Council has developed a raft of financial procedure documentation detailing the procedures to be followed in processing transactions on the various financial systems. This document is in line with best practice recommendations from our Internal Auditor and will protect the council and its employees in the event that any untoward activity occurs either wilfully or by accident. This document will act as a guide to councillors and staff on how to effectively manage and use the council's own financial procedures.

### **1. Purchasing**

#### **a) Purchase of supplies**

Patchway Town Council expenditure is authorised through the Financial Regulations and Standing Orders to ensure all expenditure is authorised. All suppliers will be asked to provide a VAT. The invoice will then be checked by the Responsible Financial Officer (RFO) for accuracy and signed accordingly. Once the goods have been received the invoice will also be signed as above.

#### **b) Inputting the Invoice**

The invoice will then be put into the RBS Omega financial software and carry out the following using the purchase ledger.

- This can be found by logging into the RBS Software and on the left-hand side menu there is an option which will say 'Omega', double click this then 'Purchase Ledger', and click on 'Enter Invoice'.
- You then enter the invoice into the boxes on the software lifting the information from the supplier's invoice. The software will display a reference number which will then need to be written onto the invoice and filed in that order.
- Once the invoice details have been inputted and the correct VAT code applied on the system, the person inputting has to code the NET figure (cost to the council) using centre and nominal code. (N.B: The centre is the place in which the payment relates to i.e. establishment, scott park etc) and the nominal code is the budget heading it relates too (i.e. janitorial, maintenance). Once these codes have been added, they should then be written onto the invoice in order to track the spend. The person inputting should click save and complete the process for all invoices that need to be input.
- Once all invoices have been input, the person inputting should click on the left-hand menu 'post invoices', this will then process the invoices that are due for payment. The report should be printed off and filed into the RBS trail file located in the Finance cupboard. That completes the purchasing procedure for all invoices that are to be paid.



## PATCHWAY TOWN COUNCIL

Callicroft House, Patchway, Bristol, BS34 5DQ

[www.patchwaytowncouncil.gov.uk](http://www.patchwaytowncouncil.gov.uk)

- If the supplier you are inputting the invoice for doesn't appear on the supplier's list, you will have to create them a new code.
- Click the three dots next to 'supplier' and clicking the word 'create'. The code should be three letters followed by '001' which relates to the supplier, i.e. Patchway Town Council will be PTC001. The short name, long name, VAT number and company address should all be input as well on the same screen.

### c) Paying Invoices

When the invoices are due to be paid at the meeting of the Full Council, the RFO should produce a list of invoices to be paid. This can be found on the RBS Omega software under 'Omega' // 'Purchase Ledger' // 'Ledger Reports' // Unpaid Invoices. In this report, the RFO will find all of the items that are listed to be paid and how much is due. If Patchway Town Council has the General Power of Competence, the RFO can just use this report to authorise payments at the council meeting. However, if the council does not have the General Power of Competence, then the power to spend for each item will have to be added accurately. This report is then sent to councillors and is a standing item of the full council agenda to authorise the spend. If councillors authorise the spend, then the preferred payment method is by using NatWest Bankline for BACS.

However, some smaller suppliers will only be paid via cheque. The procedure note below documents how Patchway Town Council should be paying invoices and the authorisation required to do so. The reference for any BACS payment will be a number format which reflect the month and year in which the payment was made, i.e. a payment made in January 2024 will carry its own reference of '01-24-001'. The reference for the cheque payments should always be the cheque number on the payment list. If multiple transactions are on one paying in slip, then the coding will have to be separated by inputting actual amounts from the invoices.

### d) Procedure Notes for Financial Checks

Under *Accounts and Audit regulations 2015*, responsibility for financial governance lies with councillors. Patchway Town Council must demonstrate and carry out good practice measures to prevent and detect fraud and corruption.

#### Authorisation of Invoices

- **Check invoice for PAYEE name** – Does this agree with the cheque or BACS name?
- Check the **amount on the invoice** and check it **correlates with the cheque or BACS value?**

**When you are satisfied payee and amounts are correct:**

Adopted: 21 May 2024

Review: May 2025



**PATCHWAY TOWN COUNCIL**  
Callicroft House, Patchway, Bristol, BS34 5DQ  
[www.patchwaytowncouncil.gov.uk](http://www.patchwaytowncouncil.gov.uk)

- **INITIAL** the **payment schedule**
- **INITIAL** the **invoice** by the '**Councillor Stamp**' and **date** the signature
- **SIGN** cheque or sign into NatWest Bankline to **authorise payments**

**In line with Patchway Town Council's standing orders, authorisation is as follows:**

- Any **BACS** payment needs **TWO members** to authorise
- Any **cheque** payment **below £1,000** needs **TWO members** to authorise
- Any **cheque** payment **above £1,000** needs **THREE members** to authorise

#### **Online Payment Authorisation**

Patchway Town Council make payment by BACS. This is helped by NatWest Bankline, where it lets two members sign in to **authorise payments**. Below is how members should be authorising BACS payment.

- Sign into NatWest Bankline
- Click on the '**Authorise Payments**' tab
- Read the **payment schedule** (emailed to members who are authorising)
- Check payments are the same on the **online payment portal** as they are on the **signed schedule**
- Click '**Authorise**' and follow the instructions on the screen
- You will need to sign the invoices in line with the signed payment schedule once these payments have been authorised.

#### **Authorisation of Salaries**

As Patchway Town Council have a duty to pay their employees, this authorisation control differs from the payment authorisation. These payments will be made via BACS at least three clear working days before the employee's pay date. Below is how members should be authorising salary payments:

- Sign into NatWest Bankline
- Click on the '**Authorise Payments**' tab
- Make sure the total for the salary payments and other associated payments come to the total amount emailed to the members.



**PATCHWAY TOWN COUNCIL**  
Callicroft House, Patchway, Bristol, BS34 5DQ  
[www.patchwaytowncouncil.gov.uk](http://www.patchwaytowncouncil.gov.uk)

- Click '**Authorise**' and follow the instructions on the screen.
- You will need to sign the salary report, pension report and PAYE report, once the payments have been authorised.

#### **e) Paying Invoices on the RBS System**

Once the payments have been agreed and sent via the preferred methods, the RFO will have to 'pay' the invoices on the RBS system. This is done by going to 'Omega' // 'Purchase Ledger' // 'Pay Invoices' // 'Enter Payments'. This portal will allow you to remit payment. The RFO will search for the supplier the payment is for and then enter the payment reference along with the amount and then pay these using the 'pay invoice' button. If the balance at the bottom of the screen is '0.00' then the payment has successfully matched the invoices, if it doesn't then double check the figures on the invoice and payment schedule. Once the payment run is complete, the RFO will then print off the report and file in the RBS trail file.

#### **f) Direct Debits and Standing Orders**

For direct debits and any standing orders that Patchway Town Council have agreed too, these are usually input into the system using the purchase ledger as above. However, if it is a regular amount and will never change these can be input onto the system by clicking on 'cashbook' // 'standing orders' // 'standing order payments'.

## **2. Invoicing**

### **a) The Invoice**

Patchway Town Council invoices regular hirers of facilities in advance of their booking in line with good practice. Due to the small amounts of income that Patchway Town Council receives, the process for invoicing is very straightforward. The invoices are run on a financial year consecutive basis with reference starting from '2024-25-001' and running consecutively. There is a master controls spreadsheet which all the invoices should be input onto. The invoice template is saved in the financial year folder under 'invoices. The template should be filled out in the highest detail with the VAT code being applied and the correct VAT amount being charged. These are then sent to the hirers for payment within 14 days in a PDF format.

### **b) Inputting the Receipts into the RBS Software**

Once the invoice has been paid and is clearly shown on the bank statement, only then should the invoice be put into the system. It is bad practice to input the invoice when it has been created as if it is not paid, it will stay on the system until it is cancelled out. To input the invoice, the RFO will need to go to the 'cashbook' tab and click 'enter receipts'. This will take the RFO to the receipt portal where the screen is self-explanatory. After entering all the information, the RBS software will need to code that transaction. Similar to expenditure coding however, all income codes are '1000'. Once the correct code is supplied, the



**PATCHWAY TOWN COUNCIL**  
Callicroft House, Patchway, Bristol, BS34 5DQ  
[www.patchwaytowncouncil.gov.uk](http://www.patchwaytowncouncil.gov.uk)

transaction should be saved by clicking 'save receipt' // 'save slip'. If multiple transactions are on one paying in slip, then the coding will have to be separated by inputting actual amounts from the invoices.

**c) Receipt Reporting**

After the receipts have been input using the 'cashbook' facility, the RFO should print off the report under 'cashbook reports' entitled 'receipt by name' and file this in the RBS trail folder.

**3. RBS Omega Software**

**a) Journals**

If a transaction is entered incorrectly and the amount is coded to the wrong code, then the RFO must re-code the entry. This can be done via a 'Standard Journal' on the RBS Omega Software which can be found 'Omega' // 'Management Accounts' // 'Journal Entries' // 'Standard Journals'. To find where the transaction has been coded to, click 'view nominal' on the bottom of the page whereby you can see every transaction for every code. Once the incorrect code is known and the new code is found, then the RFO must create a journal to rectify this. The best way for this is to enter the wrong code and centre first and CREDIT that code with the amount you're moving. In the 'transaction description', the RFO must state the action that is being carried out in fine detail. The RFO will then put the correct code and centre in and DEBIT that code with the amount. At the bottom of the page, the narrative should be written to describe what has been moved and why. This journal should then be posted and printed and signed off by the Town Clerk or a member of the council for scrutiny.

**b) Bank Reconciliations**

At the end of each month, the RFO must reconcile the council's cashbooks and ensure they balance with the bank statement. To do this click on 'Omega' // 'Cashbook' // 'Reconciliation' // 'Update Reconciliation' and enter the date the reconciliation is too. It is best practice to reconcile one page of the bank statement at a time to ensure nothing is missed and a thorough reconciliation is carried out. The RFO can search by reference number or payment amount and then should go through the bank statement and reconcile both receipts and payments. If a payment does not appear, check the 'unpaid invoices' tab to see if it appears as it may have been entered wrong. If not, then enter the payment through the purchase ledger. Once the reconciliation is complete, the RFO should print off both reconciliation reports and file in the RBS trail folder. If the reconciliation does not balance, the RFO must investigate and ensure the payments match each other, even if the reconciliation has to be started again.

**c) VAT Returns**

Patchway Town Council submits VAT returns quarterly throughout the year. Each transaction on the RBS system (if applicable) should have the correct VAT amount entered with the transaction. To process the VAT return, the RFO should go to 'Omega' // 'Management



## **PATCHWAY TOWN COUNCIL**

Callicroft House, Patchway, Bristol, BS34 5DQ

[www.patchwaytowncouncil.gov.uk](http://www.patchwaytowncouncil.gov.uk)

Accounts' // 'VAT Return' // Current VAT Return'. This will then display the VAT report for the period entered. The RFO will thoroughly check through all the transactions to ensure the VAT is correct and the council are only claiming what they should be. The RFO should then print off and sign the report and send to HMRC. If the council are on the MTD version (Making Tax Digital), the return can be submitted online by pressing the submit button.

### **d) Month End Processing**

After the bank reconciliation is complete and all cashbooks have been reconciled and filed, the RFO needs to change the month on the RBS system. This is simply done by going to 'Omega' // 'Management Accounts' // 'Change Month'. Once a month is closed down, no information for that month can be entered or altered, therefore all essential procedures need to be followed before the month-end processing such as printing all reports and reconciling the cashbooks.

### **e) Backups**

The RFO is responsible for ensuring that all RBS data is successfully backed up onto the system. This is done by going to 'Manage' // 'Database'. The RFO would then need to put the superuser password in and backup the software to the server or if unavailable a local PC. It is good practice to do this every time the RFO works on the software.

## **4. Payroll Process – contracted out to South Gloucestershire Council**

### **a) Payroll Input**

Patchway Town Council pays staff on or just before the 23rd of each month using BACS. Since December 2023, the council contracts out its Payroll function to South Gloucestershire Council though there are monthly procedures and checks that must be adhered to ensure correct payroll processing. Patchway Town Council remains legally responsible for Real Time Information (RTI) being received by HMRC though this is submitted by South Gloucestershire Council on the Council's behalf. Patchway Town Council continues to make the BACS payments.

### **b) Submit data to South Gloucestershire Council**

Around the 6<sup>th</sup> of each month, variations / timesheets should be submitted to South Gloucestershire Payroll to start the payroll process.

[payroll.services@southglos.gov.uk](mailto:payroll.services@southglos.gov.uk)

### **c) Check draft figures and final data**

South Gloucestershire Council Payroll will send draft data to the RFO around 9<sup>th</sup> of the month to be checked for accuracy and signed off by 10<sup>th</sup> of the month.

Adopted: 21 May 2024

Review: May 2025





**PATCHWAY TOWN COUNCIL**  
Callicroft House, Patchway, Bristol, BS34 5DQ  
[www.patchwaytowncouncil.gov.uk](http://www.patchwaytowncouncil.gov.uk)

South Gloucestershire Council send final data to the RFO around the 11<sup>th</sup> of the month who saves this information into the relevant Payroll online file and folder. The RFO sets up salary payments as per section 1/d of these Financial Procedures.

**d) Print Summaries**

Good practice would be to print the following summaries and file them in the payroll folder:

- Full Payment Submission (FPS) reports
- Journal report
- Payroll Summary
- Pension Summary for Period.

**e) Alterations to the Payroll**

If there is any mistake or alterations to the payroll, these will be reported directly to South Gloucestershire Council Payroll by the RFO and any additions / deductions / corrections to be processed as soon as possible or through the next payroll period.

**f) Year End**

At the end of March and after the payroll run has been successfully completed for month 12, South Gloucestershire Council run the Year End processing.

**g) Pension Deductions**

Patchway Town Council and their employees are members of the Local Government Pension Scheme and Patchway Town Council is contractually obliged to pay this. The council's payment is worked out on the Avon Pension Fund website through a form called the LGPS50, which is a calculation of pensions, pension percentages and pensionable pay. South Gloucestershire Council submit pension data on behalf of the Council through the LGPS50 form and send a copy to the RFO for the Payroll file.

**h) HMRC Deductions**

The automatic deductions are submitted through the South Gloucestershire Council payroll process.

**i) Payslips**

Patchway Town Council employees receive their Payslips through the South Gloucestershire Council MyView web portal where they can be printed if required.

**j) P45s**



**PATCHWAY TOWN COUNCIL**  
Callicroft House, Patchway, Bristol, BS34 5DQ  
[www.patchwaytowncouncil.gov.uk](http://www.patchwaytowncouncil.gov.uk)

When an employee leaves Patchway Town Council, they should be given a P45. South Gloucestershire Council payroll will provide a P45.

**k) P60s**

Patchway Town Council's employees must receive a P60 at the end of each Tax Year. These are generated by South Gloucestershire Council payroll and are located in the employee's personal South Gloucestershire Council MyView web portal.