

19. PAYMENT OF ACCOUNTS

19.1 INTRODUCTION

Anything authorised or required to be done under this Financial Regulation 19 may be so done electronically by use of an e-procurement system approved by the Head of Finance for that purpose. The PECOS system is currently so approved

Where the Council is involved in partnership working and has responsibility in this regard for payment of invoices, such invoices should only be paid where they are addressed to Angus Council. It is the responsibility of the relevant Chief Officer to inform partner organisations of this requirement.

19.2 CERTIFICATION FOR PAYMENT

The Chief Officer issuing an order is responsible for the examination, verification and certification of the related invoices and similarly for any other invoices, payment vouchers, documents or accounts arising from sources within their department.

The Chief Officer may authorise a nominated officer to carry out these duties on their behalf. Where these duties have been delegated, the Chief Officer must ensure that a list of such officers, together with the information detailed in section 19.3 below, is maintained.

The Chief Officer is also responsible for ensuring that all instructions given by the Head of Finance in respect of procedures for certifying payment are fully observed within their department.

Certification should be by signature or an electronic authorisation route approved by the Head of Finance.

19.3 AUTHORISED OFFICERS

Chief Officers shall ensure that a register of officers permitted to authorise payment of invoices is maintained within their department and that this is in accordance with the department's Scheme of Delegation. The register must be reviewed annually and must be made available for inspection by Internal and External Audit staff at all times.

This register will contain the following:

- The employee's name
- The designation of the employee
- The authorisation level of the signatory (financial threshold)
- A sample of the authorised signatory's initials
- A specimen signature

The financial threshold of each signatory should be reviewed and agreed by the relevant Chief Officer, in consultation with the Head of Finance as necessary, to ascertain reasonableness and consistency. The financial threshold should reflect the status, and not the accessibility of the officer.

The register must be kept up to date and therefore any additions, deletions and other changes to the register must be actioned timeously.

19.4 SEPARATION OF DUTIES

Arrangements should be made by each Chief Officer for the separation of the duties of ordering goods, receiving goods and certifying invoices for payment.

Where the PECOS system is in use, as approved by the Head of Finance, separation of the goods ordering and invoice certification duties is thus achieved by the segregation of order requisitioning and order approval duties achieved through the system.

Variations to these arrangements are subject to the approval of the Head of Finance.

19.5 PROCEDURES PRIOR TO CERTIFICATION

Before certifying invoices, payment vouchers, goods received notes, documents or accounts, the authorising officer shall, except to the extent that the Head of Finance may otherwise determine, satisfy themselves that:

- a the work, goods or services to which the invoice relates have been received, carried out, examined and approved;
- b the prices, extensions, calculations, trade discounts, other allowances, credit and tax are correct;
- c the VAT treatment and calculation are correct, having regard to any advice issued by the Head of Finance in this regard;
- d the relevant expenditure has been properly incurred and is within the relevant budget provision and has been coded accordingly;
- e the appropriate entries have been made in inventories, stores records or stock books as required;
- f the invoice has not been previously passed for payment, is in the name of the Council and is a proper liability of the Council; and
- g proper treatment, in accordance with instructions issued by the Head of Finance, has been given to invoices subject to "Deduction of Tax from Payments to Contractors in the Building Industry".

19.6 PASSING INVOICES FOR PAYMENT

Chief Officers shall be responsible for ensuring that duly certified invoices are passed for payment without delay.

Invoices shall be passed for payment via the Integra Purchase Ledger system in accordance with the instructions contained in the user operations manuals available from the office of the Head of Finance.

All invoices passed for payment shall be clearly marked as having been passed for payment; shall be stamped using the Council stamp and annotated; and shall be made available for inspection by Internal and External Audit staff at all times.

19.7 INTERNAL ACCOUNTS

All internal accounts between Departments shall be settled in a manner laid down by the Head of Finance within a period of one month from the date of issue. In the event of the Departments concerned failing to agree as to the liability or the amount of the account, the matter shall be referred to the Head of Law and Administration and the Head of Finance for final determination.

19.8 YEAR END LIST OF OUTSTANDING ACCOUNTS

Each Chief Officer shall, as soon as possible after each 31st March, and not later than a date to be intimated by the Head of Finance, notify expenditure on outstanding invoices relating to the

previous financial year save to the extent that it can be confirmed that all orders have been issued via "Integra" with a proper evaluation placed on such. In making such notification Chief Officers shall comply with all instructions issued by the Head of Finance.

19.9 PERIODIC PAYMENTS

Where a department makes periodic payments which are not subject to orders/invoices in the normal way, the Chief Officer involved shall institute a Periodic Payments Register and shall ensure the full and regular review of such entries to ensure the continued appropriateness of such payments.

19.10 ADVANCE PAYMENT OF GOODS AND SERVICES

Where it is not possible to order and purchase goods or services in the recognised manner (i.e. order, receipt of goods, invoice and payment), alternative arrangements may be made. All such arrangements **must be subject to the prior approval of the Head of Finance** and must ensure full certification and authorisation.

The approval of the Head of Finance will indicate how VAT on such purchases is to be dealt with.

19.11 USE OF CORPORATE CREDIT CARD TO MAKE PAYMENTS

It is recognised that in some circumstances, departments may wish to apply to use the corporate credit card to pay for goods or services as this is the only payment method accepted by the service provider. Use of the corporate credit card is strictly limited to such instances at present and is administered by the Head of Finance.

A formal procedure for the use of the corporate credit card is in place and entails the submission of an application form to the Head of Finance. Copies of the application form and advice in respect of the procedure can be requested through the Finance Division contact at the end of this section.

Approval of any one use of the corporate credit card will not be deemed to create a precedent and each application will be considered on its own individual merits.

**For clarification or any queries in respect of this section please contact
Gillian Woodcock on extension 6170**