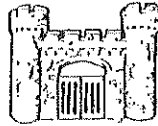


HAWARDEN COMMUNITY COUNCIL

2025-26

POLICY FOR DEALING WITH INCOME

- Invoices should be raised by Administrative Staff.
- Cash received must be receipted using Council's official receipt book.
(Cheques received need not be receipted)
- Cash and Cheques should be paid into Bank Premier Interest Account on day received, or as soon as is practicable.
- Bank paying-in book should record receipt No., in case of cash, name of person/organisation from which received, reason for payment and amount.
- Receipt of payment should be recorded by Clerk & Financial Officer.
- BACS payments should be reconciled with RBS financial accounting system and bank reconciliations.



HAWARDEN COMMUNITY COUNCIL

FINANCE COMMITTEE – 09th JUNE 2025

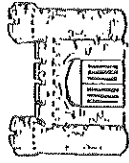
ANNUAL INVESTMENT STRATEGY 2025/2026

- This Annual Investment Strategy is prepared in accordance with the statutory guidance on Local Government Investments issued by the National Assembly for Wales.
- All cash, bank balances, financial assets, borrowings and credit arrangements (if any) are defined as part of the Council's treasury management activities. This Annual Investment Strategy concentrates on the Council's temporarily surplus resources and the investment it undertakes of these resources.
- The Council undertakes to ensure that for all its investments, priority will be given to security and liquidity rather than yield. In drafting this Annual Investment Strategy, the Council has made appropriate arrangements for:
 - (i) identification, management and control of risks in the investments/treasury management activities it undertakes (see Financial Risk Management Policy);
 - (ii) budgeting, accounting and auditing arrangements;
 - (iii) its cash and cash flow management requirements (see cash flow);
 - (iv) segregation of responsibilities, organisational arrangements, adequate documentation and the identification of a responsible Officer for investment/treasury management activities.

The Council will undertake the following categories of investment for the financial year 2025/2026:-

- Deposits in interest earning bank accounts at 30-days notice.
- Deposits in Fixed Rate Interest bank accounts with a maturity of no more than one year.

If any new investment instructions are proposed during the financial year 2025/2026 it will need to be approved by the Council.



HAWARDEN COMMUNITY COUNCIL

FINANCIAL RISK ASSESSMENT 2025-26

RISK	POSSIBLE CONSEQUENCE	Potential Impact H/M/L	Likelihood of Occurrence H/M/L	CONTROLS
Loss or damage to physical assets (excluding footway lighting columns and play equipment)	Unable to use assets. Expense of replacing assets	H	M	Adequate Insurance Cover Up to date Asset Register Council Office and Depot are fitted with Alarm System Regular Maintenance Arrangements
Damage to third party property or individuals	Risk of legal action arising from injury or damage to third party property	H	M	Public Liability Insurance Regular maintenance of Physical assets Adherence to safe working practices

Loss of cash through theft or dishonesty	Council unable to provide services and meet its expenses Damage to reputation of Council	H	L	Fidelity Guarantee Insurance Internal controls to prevent and detect fraud Budgetary controls Regular reconciliation of bank statements to financial records
Provision of services through a partnership agreement	Works not being carried out in accordance with agreement	L	L	Bi-annual review meetings Monthly re-charge invoices would highlight any spend irregularities
Ad hoc provision of facilities/amenities for Events	Litigation by third party	H	M	Organisers of Car Boot Sales are required to provide proof of insurance cover Funfair Organiser is required to provide proof of Insurance Cover and valid Safety Certificates for each ride
Complaint that Contract is not fairly awarded	Investigation by External Auditor leading to increased fees, public interest report	H	L	Standing Orders and financial regulations in place dealing with awarding of contracts
Incurring 'ultra vires' expenditure	Local elector challenge, District Audit investigation/Public Interest Report	H	L	Recording in the Minutes the powers under which non-routine and Section 137 expenditure is approved

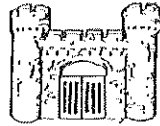
Inadequate precept	Council unable to provide all its intended services and programmes. Council run out of funds	H	L	Establish budget and monitor throughout year
Poor management of funds	Bank charges Loss of Interest	L	L	Budgetary control Regular bank reconciliation
Requirements for vat not being met	Entitlement to reclaim vat for a period being lost	L	L	Regular quarterly returns being submitted
Requirements under employment law and Inland Revenue regulations not being met	Liability for unpaid tax Inland Revenue fines Legal action by an employee	H	L	Regular returns to Inland Revenue on monthly and annual basis Staff contracts in place

HCC Risk Assessment

RISK	POSSIBLE CONSEQUENCE	Potential Impact H/M/L	Likelihood of Occurrence H/M/L	CONTROLS
Keeping proper financial records	Council runs out of money Dishonesty by staff	H	L	Regular updating of receipts and payment ledger Regular bank reconciliation Sound Expenditure and Income policies in place Appointment of Internal Auditor
Proper, timely and accurate reporting of Council business in the Minutes	Unrecorded authorisation of action/expenditure. Challenge by local elector. Investigation by external Auditor. Public Interest report	H	L	Prompt and accurate recording of the Minutes. Minutes submitted to next Meeting for receipt and approval
Damage to footway lighting columns	Cost of replacement of column Lack of service to public	M	L	Most damage is caused by third party vehicles from whom reimbursement is claimed
Damage to Play Equipment	Replacement cost of equipment Reduced range of equipment for users	M	L	Most damage is low-level vandalism, which would fall below an excess figure

<p>Supplier Fraud (procurement) including the adequacy of supplier onboarding controls.</p> <p><i>Internal Audit recommendation (May 2021)</i></p>	<p>Evidence of risk has increased</p> <p>Could potential pay a fraudulent supplier</p>	<p>H</p>	<p>M</p>	<p>Robust policies and procedures need to be in place including:</p> <ul style="list-style-type: none"> • Staff training • Rigorous change of supplier details • Period review of supplier accounts • Checking address and financial health details with Companies House (particularly new suppliers) • Sample checks of online payments • Adequacy of insurance cover
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HCC Risk Assessment



HAWARDEN COMMUNITY COUNCIL

INTERNAL FINANCIAL CONTROLS 2025-26

General

1. This policy should be read in conjunction with the Council's Financial Regulations and Standing Orders.
2. A scheme for the delegation of powers to the Clerk and Financial Officer to authorise expenditure and make payments is set out below.

Budgetary and Legal Powers for Expenditure

3. Expenditure should only be incurred if there are the necessary powers to undertake the work and there is appropriate and adequate provision within the approved budget. [subject to Financial Regulation no. 8]
4. Prior to the payment of any invoice / account, the Clerk will ensure that there is appropriate documentation to justify the payment by way of Council authorisation or an approved invoice.
5. At each of its normal meetings, the Council is asked to approve a List of Payments, some of which might already have been processed for payment since the previous meeting.

Process for Payments

6. The Council currently has three Councillors as authorised signatories for cheque payments; cheque stubs also require initialling. The Council authorises the Chair of the Council and the Chair of the Finance Committee (which will change on an annual basis) together with the Clerk and Financial Officer to approve on-line payments and purchases. A list of Authorised Payees will be drawn up as more accounts are settled on-line; a separate pro forma has been designed which will require signature upon the addition of any new payees.

7. Salary payments to staff are made by way of bank transfer payment arranged by the Clerk and Financial Officer and subsequently approved by two members (authorised signatories, or the Chair of the Council and the Chair of the Finance Committee).
8. Direct debit payments for services provided to the Council are authorised / arranged by the Clerk and Financial Officer subject to there being appropriate and adequate provision within the approved budget.
9. Details of direct debit payments made are reported to the Council on a monthly basis and shown in the List of Payments. A Council resolution will be sought for any new Direct Debits to be set up.
10. Business Debit Cards have been issued to the Clerk and Financial Officer, Senior Maintenance Officer and the Administrative Assistant; in the case of the latter two the debit cards are for use in the absence of, or on behalf of, the Clerk and Financial Officer and all payments will be authorised by the Clerk and Financial Officer prior to use. All Debit Card payments are subject to a maximum transaction value of £5,000. [subject to Financial Regulation no, 81]

Records of Income and Expenditure

11. Invoices are filed in transaction number order.
12. Expenditure is recorded via the monthly List of Payments and within the accounts RBS software system. All expenditure is recorded within the appropriate expenditure headings and a monthly bank reconciliation is prepared and presented to Members.
13. VAT is recorded separately within the accounts RBS software and reclaimed on a quarterly basis.
14. Income (cash or cheques) received by the Council is recorded on the accounts RBS software and within the appropriate income heading; receipts are provided for all cash income receipts.
15. Income payments made directly into the Council's bank by way of BACS or bank transfer are entered onto the accounts RBS software, within the appropriate income heading and reconciled against the monthly bank statements.

16. The Clerk and Financial Officer and the Administrative Assistant can receive income, issue receipts and present to the bank (in accordance with the Council's Income Policy).

Petty Cash

17. Petty cash is drawn from the Council's bank account to cover miscellaneous and smaller amounts of expenditure for which receipts are obtained. This is drawn usually in amounts of £150 and is recorded within the RBS software accounts. There is also a separate excel spreadsheet recording petty cash transactions. There is limited use of petty cash with internet banking, BACS payments and modernised financial accounting procedures.

Security

18. A number of passwords are required to access internet banking. The Clerk and Financial Officer and the Admin Assistant are authorised to have access to this information with any paper copies of authorisation to be destroyed. The Senior Maintenance Officer and Administrative Assistant have their own pin numbers for the Debit Cards. Pin numbers are not to be shared.

Reporting to Council

19. Regular reports will be made to the Council detailing the progress of income and expenditure against the budget and projections, including monthly bank reconciliations against the bank statements.

Scheme of Delegation

20. Authority is given to the Clerk and Financial Officer to authorise works for any of the services of the Community council, subject to there being the appropriate budgetary provision, and to make the appropriate payment in accordance with these internal financial controls.
21. Any expenditure that is required which results in the approved budget being exceeded should only be authorised with the express approval of the Council or in the event of urgency with the approval of the Chair of the Council and the Chair of the Finance Committee and in accordance with Financial Regulation No 8.



HAWARDEN COMMUNITY COUNCIL

Policy on Reserves

1. Introduction

- 1.1** Hawarden Community Council is required by statute to maintain adequate financial reserves in order to meet the needs of the council. S.50 of the Local Government Finance Act 1992 requires that the billing and precepting authorities in England and Wales have regard to the level of reserves needed to meet estimated future expenditure when calculating its annual budget. The Council follows the advice as set out in the *Governance and Accountability for Local Councils in Wales – A Practitioner's Guide (2019 Edition)* jointly published by One Voice Wales and the Society of Local Council Clerks (SLCC).

2. Types of Reserves held by the Council

The Council holds two types of reserves, General Reserves and Earmarked Reserves:

2.1 General Reserves:

It is generally accepted that general (un-earmarked) reserves usually lie within a range of three to twelve months of gross expenditure. However, the amount of general reserves is assessed on an annual basis during the budget setting process.

- 2.2** The minimum amount of general reserves required for Hawarden Community Council is £33,333 and the maximum is £400,000.

- 2.3** Where general reserves are utilised during the financial year, the Community Council will agree to formulate a suitable plan to replenish the reserves budget during the following financial year to at least the minimum amount as required, or provide justification as to why this cannot be done.

2.4 Earmarked Reserves:

The Council may hold earmarked reserves, which are set aside for specific purposes and for savings for future projects with the levels assessed and approved on an annual basis during the budget setting process, or during the year if ear-marked reserves are utilised.

3. Review

This policy will be reviewed on an annual basis.

SGJ/June 2025