

ITEMS

INTERNAL AUDIT REPORT
BROUGHTON AND BRETTON COMMUNITY COUNCIL 2024/25

The internal audit is carried out by the following testing of the internal controls specified on the Annual Return for local councils in Wales:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year-end testing on the accuracy and completeness of the financial statements
- Where the Council is sole trustee of a charity, checking that the Council has procedures in place to meet its responsibilities as a sole trustee

Conclusion

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the issues reported in the action plan overleaf. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

JDH Business Services Limited 06/06/2025

INTERNAL AUDIT REPORT
BROUGHTON AND BRETTON COMMUNITY COUNCIL 2024/25

ACTION PLAN

	ISSUE	RECOMMENDATION	FOLLOW UP
1	<p>The bank reconciliation has taken place as at 1/4/25 rather than 31/3/25. Three payments totalling £2,494.83 made on 1/4/25 have incorrectly been included within the 2024/25 accounts.</p>	<p><i>The bank reconciliation should take place as at 31/3/25 and state the balance of £60,470.17.</i> <i>The three payments made on 1/4/25 should be recorded in the 25/26 accounts.</i> <i>The annual return should be amended as follows:</i> Total other payments = £133,595 Balances carried forward = £60,470 Total cash & investments = £60,470</p>	
2	<p>Testing of a sample of payments identified the following:</p> <ul style="list-style-type: none"> For a payment of £7,200 to Arwyn Parry Construction Services Ltd on 28/2/25, we could not see evidence of two signature authorisation before the payment was made (signature date was 18/03/2025). For a payment of £3601.52 to HAGS on 16/05/24, we could not see evidence of two signature authorisation before the payment was made (signature date was 21/05/2024). 	<p><i>Evidence should be retained as to who has authorised a payment before it is made by bank transfer.</i></p>	

INTERNAL AUDIT REPORT
BROUGHTON AND BRETTON COMMUNITY COUNCIL 2024/25

3	<p>The Council made an error in paying their July invoice to Hawarden CC for the SLA and rather than pay the July invoice made a duplicate payment of the April invoice. This resulted in an overpayment of £4005.96</p> <p>A review of other payments during the year identified that in January 2025 another overpayment was made to Hawarden CC of £7630.27. this was identified and repaid to the Council in March 2025.</p> <p>A duplicate payment was made in March 2025 of our internal audit fee which was refunded in March 2025. This payment was not authorised by two cheque signatories.</p>	<p><i>When payments are authorised, the invoices should be checked to ensure they are correct.</i></p> <p><i>The Council must ensure that the overpayment of £4005.96 is repaid by Hawarden Community Council.</i></p> <p><i>The Council should obtain an annual statement from Hawarden Community Council showing the amount due under the agreement and the amount paid.</i></p> <p><i>Councils should have controls in place to prevent duplicate payments and should ensure that all payments are authorised.</i></p>	
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Annual Return for the Year Ended 31 March 2025

ITEM 6

Accounting statement 2024-25 for:

Name of body: **BROUGHTON AND BRETTON COMMUNITY COUNCIL**

	Year ending		Notes and guidance
	31 March 2024 (£)	31 March 2025 (£)	Please round all figures to nearest £. Do not leave any boxes blank and report £0 or nil balances. All figures must agree to the underlying financial records for the relevant year.
Statement of income and expenditure/receipts and payments			
1. Balances brought forward	66,868	59,148	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to line 7 of the previous year.
2. (+) Income from local taxation/levy	131,341	144,475	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	21,765	18,328	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	26,886	27,886	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, taxable allowances, PAYE and NI (employees and employers), pension contributions and termination costs. Exclude reimbursement of out-of-pocket expenses.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	133,940	136,089	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	59,148	57,975	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
8. (+) Debtors	0	0	Income and expenditure accounts only: Enter the value of debts owed to the body at the year-end.
9. (+) Total cash and investments	59,148	57,975	All accounts: The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.
10. (-) Creditors	0	0	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.
11. (=) Balances carried forward	59,148	57,975	Total balances should equal line 7 above: Enter the total of (8+9-10).
12. Total fixed assets and long-term assets	284,587	284,587	The asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

Annual Governance Statement

We acknowledge as the members of the Council, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2025, that:

	Agreed?		'YES' means that the Council:	Toolkit
	Yes	No*		
1. In consultation with the community, we have developed a vision and purpose for the Council and used this vision to inform the Council's plans, budget and activities.			Has consulted with the community and focussed its activities to meet the community's needs	A, C
2. We have adopted a Code of Conduct for members and officers and implemented an appropriate training plan for members to ensure all councillors understand their role and responsibilities.			Ensures that councillors understand and are equipped to deliver their roles and responsibilities.	B
3. We have ensured that we electronically publish the information the Council is required to publish by law, on its website at [insert name of website].			Is transparent about its activities and provides the public with all information required by law	A, C, D, E
4. We have taken all reasonable steps to ensure that the Council complies with relevant laws and regulations when exercising its functions, including employment of staff and payment of allowances to members.			Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it does so	
5. We have adopted standing orders, financial regulations and terms of reference and ensure that these are followed when conducting business including functions delegated to committees.			Has adopted rules and procedures to govern how the Council conducts its business including procurement of goods and services.	B, E
6. We have put in place arrangements for: <ul style="list-style-type: none"> Effective financial management including the setting and monitoring of the Council's budget Maintenance and security of accurate and up to date accounting and other financial records Identifying potential liabilities, commitments, events and transactions that may have a financial impact on the Council. 			Calculated its budget requirement in accordance with the law and properly monitors its financial position throughout the year	D
7. We have maintained an adequate system of internal control and management of risk, including: <ul style="list-style-type: none"> measures designed to prevent and detect fraud and corruption including clearly documented procedures for authorising and making payments assessment and management of risks facing the Council an adequate and effective system of internal audit and reviewed the effectiveness of these arrangements. 			Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge including arranging for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	D, E
8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.			Considered and taken appropriate action to address weaknesses /issues brought to its attention by internal and external auditors.	D, E
9. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Accounts and Audit (Wales) Regulations 2014.			Has given all persons interested the opportunity to inspect the body's accounts as set out in the notice of audit issued by the Auditor General.	E
10. General power of Competence – The Council has resolved to adopt the General Power of Competence set out in Local Government and Elections (Wales) Act 2021			Meets the eligibility criteria to exercise the general Power of Competence	E

* Please include an explanation for any 'No' answers

Additional disclosure notes

Include here any additional disclosures the Council considers necessary to aid the reader's understanding of the accounting statement and/or the annual governance statement

The following information is provided to assist the reader to understand the accounting statement and/or the Annual Governance Statement

1. Expenditure under S137 Local Government Act 1972

Section 137(1) of the 1972 Act permits the Council to spend on activities for which it has no other specific powers if the Council considers that the expenditure is in the interests of, and will bring direct benefit to, the area or any part of it, or all or some of its inhabitants, providing that the benefit is commensurate with the expenditure. Section 137(3) also permits the Council to incur expenditure for certain charitable and other purposes. The maximum expenditure that can be incurred under both section 137(1) and (3) for the financial year 2024-25 was £10.81 per elector.

In 2024-25, the Council made payments totalling £_____ under section 137. These payments are included within 'Other payments' in the Accounting Statement.

2.

Trust Funds

Trust funds – The Council acts as sole trustee for and is responsible for managing trust fund(s)/assets. We exclude transactions related to these trusts from the Accounting Statement. In our capacity as trustee, we have discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	Has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.
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Council approval and certification

The Council is responsible for the preparation of the accounting statements and the annual governance statement in accordance with the requirements of the Public Audit (Wales) Act 2004 (the Act) and the Accounts and Audit (Wales) Regulations 2014.

Certification by the RFO I certify that the accounting statements contained in this Annual Return present fairly the financial position of the Council, and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2025.	Approval by the Council I confirm that these accounting statements and Annual Governance Statement were approved by the Council under minute reference:
	Minute ref:
RFO signature:	Chair signature:
Name:	Name:
Date:	Date:

* Please include an explanation for any 'No' answers

Annual internal audit report to:

Name of body: **BROUGHTON AND BRETTON COMMUNITY COUNCIL**

The Council's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2025.

The internal audit has been carried out in accordance with the Council's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Council.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	✓				
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	✓	✗			✗ EXCEPT FOR ISSUES 2 AND 3 IN INTERNAL AUDIT REPORT
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓				
4. The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	✓				
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	✓				
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.			✓		NO PETTY CASH
7. Salaries to employees and allowances to members were paid in accordance with contracts/ minuted approvals, and PAYE and NI requirements were properly applied.	✓				
8. Asset and investment registers were complete, accurate, and properly maintained.	✓				

* Please include an explanation for any 'No' answers

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	✓ x				✗ SUBJECT TO AMENDMENT IN ISSUE 1 OF INTERNAL AUDIT REPORT
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	✓				
11. Trust funds (including charitable trusts). The Council has met its responsibilities as a trustee.			✓		

For any risk areas identified by the Council (list any other risk areas below or on separate sheets if needed) adequate controls existed:

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
12.					
13.					
14.					

* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

** If the response is 'not covered', please state when the most recent internal audit work was done in this area and when it is next planned, or if coverage is not required, internal audit must explain why not.

[My detailed findings and recommendations which I draw to the attention of the Council are included in my detailed report to the Council dated 06/06/2025.] * Delete if no report prepared.

Internal audit confirmation

I/we confirm that as the Council's internal auditor, I/we have not been involved in a management or administrative role within the body (including preparation of the accounts) or as a member of the body during the financial years 2024-25 and 2025-26. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit:	JDM BUSINESS SERVICES LTD
Signature of person who carried out the internal audit:	JDM Business Services Ltd
Date:	09/06/2025

* Please include an explanation for any 'No' answers

Broughton and Bretton Community Council
Planning Committee – 17th June 2025

Planning applications:

No.	Planning Application Number	Proposal	Address	CASE OFFICER
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1.	FUL/000411/25 Ward: South	Partial demolition of existing extensions and garage and erection of a two storey extension together with amendment to site access.	LABURNUM COTTAGE, Old Warren, Broughton, Chester, CH4 0EG	Barbara Kinnear 01.06.2025
2.	FUL/000455/25 Ward: North East	Subdivision and partial change of use of first floor of the existing centre management facility to Use Class D2.	Centre Managers Office, BROUGHTON SHOPPING PARK, Chester Road, Broughton, Chester, CH4 0DE	Stef Connah 03.06.2025
3.	FUL/000410/25 Ward: North East	Creation of driveway over frontage of property including drop kerb to provide disabled access.	117 , Main Road Broughton , Chester CH4 0NR	Stef Connah 30.05.2025
4.	DET/000453/25 Ward: North East	Application for approval of details reserved by condition 7 following planning permission FUL/000783/24	CHESTER AND NORTH WALES GOLF ACADEMY, Chester Road, Broughton, Chester, CH4 0DF	Stef Connah 23.05.2025
5.				
6.				

Broughton and Bretton Community Council
Planning Committee – 17th June 2025

Planning Applications confirmed by FCC

No.	Planning Application Number & Date	Proposal	Address	CASE OFFICER
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1.	FUL/000783/24 Ward: North East	Erection of 2 no. golf coaching bays, installation of 2 no. padel courts and associated infrastructure and works	Chester and North Wales Golf Academy, Chester Road, Broughton, Chester, CH4 0DF	Approved 14.05.2025 Stef Connah
2.				
3.				
4.				
5.				
6.				

BROUGHTON AND BRETTON Community Council
Accounts for Payment
Jun-25

Ref:	Voucher No:	Payee:	Amount	Amount Net	VAT
DD	BB/25/13	SSE Energy - Street Lighting - April	£816.57	£777.69	£38.88
BACS	BB/25/14	June	£520.61	£520.61	£0.00
BACS	BB/25/15	HMRCE - Salaries - June	£379.74	£379.74	£0.00
BACS	BB/25/16	Litter Collector - Salaries - June	£1,478.35	£1,478.35	£0.00
BACS	BB/25/17	Clear Councils - Council Insurance	£1,680.97	£1,680.97	£0.00
		TOTAL	£4,876.24	£4,837.36	

Chairman:

Chair of Finance:

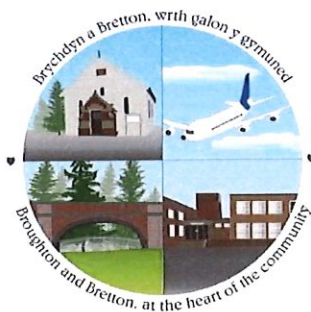


BROUGHTON AND BRETTON COMMUNITY COUNCIL

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.



BROUGHTON AND BRETTON COMMUNITY COUNCIL **ANNUAL INVESTMENT STRATEGY 2025-26**

- This Annual Investment Strategy is prepared in accordance with the statutory guidance on Local Government Investments issued by the The Senedd.
- 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 2025-26:-

- 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 instruments are proposed during the financial year 2025/6 it will first need to be approved by the Council.



BROUGHTON AND BRETTON 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

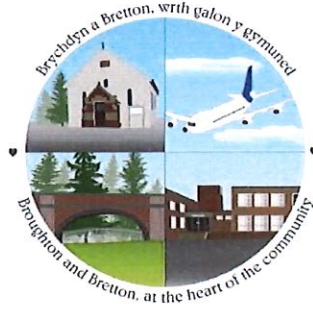
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(iii)

RISK	POSSIBLE CONSEQUENCE	Potential Impact H/M/L	Likelihood of Occurrence H/M/L	CONTROLS
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

RISK	POSSIBLE CONSEQUENCE	Potential Impact H/M/L	Likelihood of Occurrence H/M/L	CONTROLS
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

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
Supplier Fraud (procurement) including the adequacy of supplier onboarding controls.	Evidence of risk has increased Could potential pay a fraudulent supplier	H	M	Robust policies and procedures need to be in place including: <ul style="list-style-type: none"> • Staff training • Rigorous change of

<p><i>Internal Audit recommendation</i> (May 2021)</p>			<p>supplier details</p> <ul style="list-style-type: none"> • 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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Broughton and Bretton 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. 4.1]*
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 (copy attached) 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 £1,500. *[subject to Financial Regulation no. 4.1]*

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. (Due to online payments, petty cash is less utilised).

Security

18. A number of passwords are required to access internet banking. The Clerk and Financial Officer is the only officer 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 / cash 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 4.1.



BROUGHTON AND BRETTON COMMUNITY COUNCIL

Policy on Reserves

1. Introduction

- 1.1** Broughton and Bretton 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 Broughton and Bretton Community Council is £30,000 and the maximum is £120,000.
- 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 does not hold earmarked reserves.

3. Review

This policy will be reviewed on an annual basis.