

WELLINGTON PARISH COUNCIL
Financial Controls and Risk Assessment
September 2016

Introduction

Wellington Parish Council operates two bank accounts, a current and a deposit account. The Council have no investments or trust funds. In 2014 the Parish Council took out a loan from the Public Works Loan Board in order to build the new shop, post office and Parish Room, repayable over a period of 20 years. The assets they have are listed in the Asset Register and covered by insurance.

The persons involved with the financial transactions are the four cheque signatories and the clerk to the council who is also the Responsible Financial Officer (RFO). Payments are predominantly made by cheque. The Parish Council has electronic banking facilities which are used for administration and online payments where appropriate and approved by the Parish Council. There is no petty cash system in operation.

Internal Controls

1. Cheques

- 1.1 All cheques require two signatories
- 1.2 Cheques are never pre-signed
- 1.3 Payee details and amounts on the cheque are always written out prior to the cheques being signed
- 1.4 Cheques are only written where there is adequate evidence to justify the payment e.g. an invoice
- 1.5 The cheque counterfoil is always initialled by the signatories after completion.
- 1.6 The cheque book is held at all times by the clerk
- 1.7 Where possible the cheques are authorised in a meeting of Wellington Parish Council.

2. Electronic banking

- 2.1 Two members of the Parish Council will be involved in any payment, whether it is before, at or after the point at when the payment is made.
- 2.2 Online payments will only be made where there is a mandate, showing payee details and amounts, signed by two members of the Parish Council
- 2.3 Online payments are only made where there is adequate evidence to justify the payment eg an invoice and after they have been approved by the Parish Council
- 2.4 Where possible online payments are authorised in a meeting of Wellington Parish Council.

3. A member of the Council is appointed Financial Monitor who monitors and initials all invoices for payment and bank statements.
4. All payments made by Wellington Parish Council are adequately supported by an invoice or other documentation. A receipted letter or other appropriate evidence would support the payment where an invoice is not available.
5. The bank transactions are recorded accurately in the cashbook. The cashbook balance is reconciled/agreed to the bank statement monthly by both the Clerk/RFO and the Financial Monitor.

6. The precept is decided by councillors in a Parish Council meeting and is based on the assessment of expected expenditure for the forthcoming year by the Finance Working Group, taking into account the level of reserves in the deposit account.

The integrity of these financial controls is examined annually by an independent internal auditor and also by an external auditor.

Risk Assessment

Assuming the internal controls above are carried out, the assessment of the risk of financial loss, irregularity or defalcation is considered by the Councillors to be low.



Chris Bucknell (Parish Clerk)

1st September 2016

Date