

Pixley and District Parish Council Financial Controls and Risk Assessment

Adopted:

Introduction

Pixley and District Parish Council (PDPC) operates two bank accounts with Unity Bank, Current and Instant Access. PDPC have no investments, trust funds or liabilities, the assets they have are listed in the Asset Register and are covered by insurance. The persons involved with the financial transactions are the three signatories, the Clerk to the Council, who is also the Responsible Financial Officer (RFO). All expenditure is currently made by bacs. There is no petty cash system in operation.

Internal Controls

1. Cheques
Cheque payments require two signatories.
2. BACS payments
All BACS payments are initiated by the Clerk and require two person authorisation. The Clerk is not able to authorise payments. Payments to an individual can not be authorised by themselves.
3. Where possible payments are authorised in a meeting of PDPC prior to payment. Where this is not possible, financial regulations are followed and payments ratified at the next full parish meeting.
4. All payments made by PDPC are adequately supported by an invoice or other documentation. A receipted letter or other appropriate evidence supports the payment where an invoice is not available.
5. Bank transactions are recorded accurately on a spreadsheet. The spreadsheet balance is reconciled/agreed to the bank statement on a regular basis and checked by a non-bank signatory.
6. The budget is agreed by councillors at a full parish council meeting, taking into account present and future 3year expenditure predictions and reserve levels.
7. The precept is decided by councillors at a full Parish Council following the approval of the budget.
8. Important documents are stored in Parish Office with regular back-ups of data held on the computer.
9. The integrity of these financial controls is examined annually by an independent internal 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.