KINGS CAPLE PARISH COUNCIL

Financial Controls and Risk Assessment

May 2026

Introduction

Kings Caple Parish Council operates one bank account, a current account.

The persons involved with the financial transactions are the cheque signatories and the Clerk to the council who is also the Responsible Financial Officer (RFO). Payments are predominantly made by BACS. 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 Cheques are generally authorised in a meeting of Kings Caple Parish Council and cheques are signed at the meeting; if exceptions are required for payments needing to be made between meetings, such authority is provided at the preceding meeting and minuted. Any such payments made between meetings are confirmed, approved and minuted at the following meeting.

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 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
    - 2.3 Online payments are generally authorised in advance at a meeting of Kings Caple Parish Council; if exceptions are required for payments needing to be made between meetings, such authority is provided at the preceding meeting and minuted. Any such payments made between meetings are confirmed, approved and minuted at the following meeting.

3. All payments made by Kings Caple 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.

4. The bank transactions are recorded accurately in the cashbook. The cashbook balance is reconciled/agreed to the bank statement monthly by the Clerk/RFO.

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) Date 28th May 2026