

WELSH NEWTON AND LLANROTHAL GROUP PARISH COUNCIL

Financial Controls and Risk Assessment – Reviewed and adopted 13th March 2026.

Based upon the policy originally adopted 10th May 2018 and reviewed/readopted 9th May 2019; 20th May 2021; 11th May 2023 and 30th May 2024; reviewed and readopted 12th March 2026.

Cross-reference: Risk Management Policy (adopted 12 March 2026); Financial Regulations (adopted 13 March 2025; reviewed and readopted 13 November 2025).

Introduction

Welsh Newton and Llanrothal Group Parish Council (WNLGPC) operates two bank accounts: a Community Account (current) and a Commercial Instant Access Account (reserve savings). The Cambridge & Counties fixed rate bond previously held as part of the council's reserves matured and was closed in July 2025, with proceeds transferred to the Community Account. Other than the two Lloyds Bank accounts, the council has no investments, trust funds or liabilities. Assets are listed in the Asset Register and covered by insurance. The persons involved with financial transactions are the councillors who are authorised signatories and the Clerk to the Council, who is also the Responsible Financial Officer (RFO). Current authorised signatories are Cllr Walker (Chair) and Cllr Parkinson. The bank mandate is under review following the resignation of Cllr Simmons in February 2026; a third signatory is to be sought. The Clerk acts as Service Administrator for online banking. The council uses internet banking and all expenditure is made electronically; cheques are rarely used. There is no petty cash system in operation. All financial transactions are governed by the Financial Regulations adopted 13 March 2025 and reviewed and readopted 13 November 2025.

Internal Controls

1. Cheques and electronic payments:
 - 1.1 All cheques and electronic payments require two signatories/authorisers
 - 1.2 Cheques are never pre-signed
 - 1.3 Payee details and amounts on the cheques 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. invoice.
 - 1.5 The cheque counterfoil is always completed and initialled by the signatories.
 - 1.6 The chequebook is held at all times by the Clerk/RFO.
 - 1.7 Electronic payments should be set up by the Clerk/RFO and authorised by two signatories in accordance with the Financial Regulations.
2. Where possible the cheques are authorised in a meeting of WNLGPC
3. All payments made by WNLGPC 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.
4. Bank transactions are recorded accurately in a cashbook. The cashbook balance is reconciled/agreed to the bank statement on a regular basis.

5. The precept is decided by councillors in a PC meeting and is based on the assessment of expected expenditure for the forth-coming year, taking into account the level of reserves in the deposit account.
6. Important documents are stored securely at the home of the Clerk. Electronic records are backed up to Google Drive (continuous) and to an external hard drive. Historical records are deposited with Herefordshire Archive and Records Centre (HARC) as appropriate, in accordance with the retention schedule adopted May 2018.
7. 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.