



# INTERNAL FINANCIAL CONTROL POLICY & PROCEDURE

Adopted by Marden Parish Council on: 12<sup>th</sup> March 2024

Reviewed on:

Review date: March 2025

Office Opening Times:

Mondays, Tuesdays & Fridays 10am - 12 noon

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Internal Financial Control Policy & Procedure

# **MARDEN PARISH COUNCIL**

## **INTERNAL FINANCIAL CONTROL POLICY & PROCEDURE**

### **SCOPE OF RESPONSIBILITY**

Marden Parish Council (MPC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

In discharging this overall responsibility, MPC is also responsible for ensuring that there is a sound system of internal control, which facilitates the effective exercise of its functions and includes arrangements for the management of risk.

### **THE COUNCIL**

All financial decisions made should be within the Standing Orders and Financial Regulations laid down and approved by Full Council.

MPC reviews its obligations, objectives, budgets and the level of precept required for the following year at its meeting in Quarter 3 (finalised in January). The Council regularly reviews its internal controls, systems and procedures.

### **THE CLERK/RESPONSIBLE FINANCIAL OFFICER (RFO)**

MPC has appointed a Clerk who also acts as the Responsible Financial Officer and is responsible for administering the Council's finances. The RFO is responsible for the day-to-day compliance with laws and regulations that MPC is subject to and for managing risks. The RFO also ensures that MPC's procedures, control systems and policies are adhered to.

### **PURPOSE**

Internal control is designed to reduce financial risk to the Council.

The system of internal control is designed to ensure that the Council's activities are carried out properly and as intended. Internal controls are set by the RFO but it falls to MPC Cllrs to ensure that they have a degree of control and understanding of those controls. Controls will include the checking of routine financial procedures; the examination of financial comparisons; the recording of assets and liabilities; the identification of risk and to evaluate the likelihood of those risk being realised and the impacts should they be realised, and to manage them efficiently, effectively and economically.

### **INTERNAL AUDIT**

MPC has appointed an independent, competent internal auditor who reports to the Council on the adequacy of its systems and procedures, internal controls and risk management and it's review of these matters. The internal audit is undertaken twice a year. The internal auditor will have planned and carried out the work necessary to give the assurances called for in Section 4 of the Local Councils Annual Return.

## **EXTERNAL AUDIT**

MPC's external auditor is appointed by the Smaller Authorities' Audit Appointments Ltd (SAAA) and, following submission of the Annual Return by the RFO, submits an annual Certificate of Audit which is presented to the Council.

## **STATEMENT OF INTERNAL CONTROL**

The RFO completes a Statement of Internal Control at the end of each financial year and submits this to the May Full Council meeting.

## **INTERNAL FINANCIAL CONTROLS PROCEDURE**

MPC carries out the following internal control procedures:

### **Monthly**

- The RFO presents the monthly bank reconciliation and bank balances to the Full Council.
- The RFO provides a list of payments due to Full Council/Committee meetings as required
- The Full Council/Committee review the list of payments and agree with two Cllrs nominated for authorising on Unity Trust Bank or three Cllrs to sign if a cheque payment is required.

### **Quarterly**

- The RFO will present the bank statements, trial balances and bank reconciliations to the quarterly Finance Committee meeting.
- The RFO will present the quarterly budget versus income/expenditure to the quarterly Finance Committee meeting.

### **Annually**

- Annual budget review is held in Quarter 3.
- Draft budget for next financial year is undertaken in Quarter 3 and finalised in January
- Precept is derived from this budget and request is submitted to Maidstone Borough Council before the end of January
- Financial Regulations, Risk Assessments and Policies are reviewed, updated as required and approved by Full Council.
- The annual Internal Audit is conducted annually, at a minimum
- The RFO completes the Annual Return which is signed off at Full Council

## **GENERAL**

MPC does not keep any cash and has no petty cash.

The RFO is the main bank account main administrator and keeps the cheque and paying-in books in a secure location but cannot authorise independently.

Nat West cheques are signed by three Cllrs; Unity cheques by two Cllrs

Online payments via Unity Trust Bank are made by the RFO as administrator, or Deputy Clerk in the RFO's absence, and are subject to dual authorisation by two appointed signatories.

MPC holds two Debit Cards for MPC use (see also Debit Card Usage Policy).

# MARDEN PARISH COUNCIL AUDIT PLAN

[illegible]

<b>Task:</b>	<b>Done by</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
Set fees and charges	Am							√					
Agree fees and charges	Fin								√				
Visit by Internal Auditor	RFO								√				√
Monitor Budgets, income, expenditure and forecasts	RFO / Fin	√			√			√			√		
Full Council to receive monthly bank account report	FC	√	√	√	√	√	√	√	√	√	√	√	√
VAT Refunds	RFO	√					√				√		

**KEY:**

Am – Amenities Committee

FC – Full Council

Fin – Finance Committee

HR – Human Resources Sub-Committee

DC – Deputy Clerk