



FINANCE

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 Finance 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.

Office Opening Times:

Mondays, Tuesdays & Fridays 10am - 12 noon

Email: clerk@mardenkent-pc.gov.uk

Website: www.mardenkent-pc.gov.uk

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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 Procedures

MPC carries out the following internal control procedures:

Monthly

- The RFO presents the monthly 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 bank reconciliations to the Finance Committee which will duly be signed by two Councillors.
- 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

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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).

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MARDEN PARISH COUNCIL

Annual Audit Plan

Financial Risk Assessment

Reviewed in January by Finance Committee

Financial Policies

Reviewed in January by Finance Committee
Report to March Full Council for ratification

Annual Playground Safety Inspection

Undertaken in March by external company (Play Inspections Ltd) – Arranged by Deputy Clerk
Report findings to the April Amenities Committee meeting

Insurance Renewal

Due annually June 1st – next review 2026.
Reviewed in April when due for renewal review by Finance Committee/Clerk
Report to June Full Council meeting

Asset Register

Updated regularly by Clerk
Reviewed February for end of year audit
Put before April Full Council meeting

Statement of Internal Control

Updated by Clerk in April
Put before May Full Council meeting

Standing Orders and Financial Regulations

Review by Cllrs at March Full Council meeting

Salaries

Review by HR Sub-Committee at a meeting in October
Put before Finance Budget meeting

Budget

Draft budget at November Finance Committee meeting
Agree budget at January Finance Committee meeting
Put before an EFCM in January for ratification

Precept

Agree Precept at January Finance Committee meeting
Put before an EFCM in January for ratification and submission to MBC by end of January

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Annual Governance and Accountability Return (AGAR)

Clerk/RFO to complete in April following closing of end of year accounts

Submit to May Full Council meeting

Return to External Auditor by required date

Fees and Charges

Amenities Committee to set fees and charges at October meeting following recommendations by the Clerk

Submit to Budget meeting of the Finance Committee

Internal Auditor

Currently undertaken remotely September/April

Clerk/RFO to provide all relevant documents and information required

Monitoring Income and Expenditure

The Clerk/RFO submits quarterly income and expenditure reports to the Finance Committee meetings

End of year forecasts submitted at end of Q2 and Q3 for budget setting purposes.

Bank Accounts

The Clerk/RFO submits current bank account status at monthly Full Council meetings.

VAT

The Clerk/RFO submits the VAT for reimbursement at least twice a year October (1st April to 30th September) and April (1st October to 31st March)

Adopted by Marden Parish Council on: 12th March 2024

Reviewed on: 21st January 2025

Review date: March 2026

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