

# GODALMING TOWN COUNCIL

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Municipal Buildings  
Bridge Street  
Godalming  
Surrey GU7 1HT

20 October 2017

I HEREBY SUMMON YOU to attend the **AUDIT COMMITTEE** Meeting to be held in the Council Chamber, Municipal Buildings, Godalming on THURSDAY, 26 OCTOBER 2017 at 7.00 pm.

Andy Jeffery  
Acting Town Clerk

Committee Members: Councillor Bolton – Chairman  
Councillor Pinches – Vice Chairman  
Councillor Noyce  
Councillor Williams  
Councillor Purkiss

## AGENDA

### 1. MINUTES

To approve as a correct record the minutes of the meeting held on the 27 July 2017, a copy of which has been circulated previously.

### 2. APOLOGIES FOR ABSENCE

### 3. PETITIONS/STATEMENTS/QUESTIONS FROM MEMBERS OF THE PUBLIC

The Chairman to allow members of the public to ask questions, or make a statement or present a petition. This forum to be conducted in accordance with Standing Order 4.

### 4. DISCLOSABLE PECUNIARY INTERESTS AND NON-PECUNIARY INTERESTS

To receive from Members any declarations of interests in relation to any items included on the Agenda for this meeting required to be disclosed by the Localism Act 2011 and the Godalming Members' Code of Conduct.

### 5. WORK PROGRAMME

Members to consider the Committee's Work Programme and to note progress on the items therein (copy attached for the information of Members).

### 6. BANK RECONCILIATION

The Acting Responsible Finance Officer to table the current Bank Reconciliation for the information of Members.

Members to agree that the Chairman should sign the bank reconciliation tabled.

Members of the Public have the right to attend all meetings of the Town Council and its Committees and are welcome.

7. EXTERNAL AUDITOR'S REPORT

Members to note the letter from the External Auditor stating that there is no report as no matters came to their attention during the audit (copy of letter attached for the information of Members).

8. ASSET CONTROL

Members to review and approve the draft Fixed Asset Policy (attached for the information of Members).

Members to consider the Town Council's asset register (attached for the information of Members) and to note that it has been updated to reflect the transfer of the Godalming Museum.

9. REVIEW OF INTERNAL AUDIT PROVIDERS

A letter seeking quotes for Internal Audit services for the financial year 2018/19 was sent to five suppliers who have been used by other Town or Parish Councils in the immediate area, or had made their services known. Three of those five suppliers declined to quote for one of the two following reasons - lack of capacity or failure to meet our requirement of having parish council experience.

The remaining two providers have been evaluated against the criteria agreed at the previous Audit Committee of 27 July 2017 (report attached for the information of Members).

Members to review the report and make a recommendation as to which provider to engage for the provision of our Internal Audit services.

10. REVIEW OF FINANCIAL REGULATIONS

The Acting Responsible Finance Officer compared the Council's current Financial Regulations against NALC's Model Financial Regulations (2016) and identified areas of difference with proposed recommendations.

Members to review attached report and agree or amend recommendations.

11. BUDGETARY CONTROLS

Members to consider a report on budgetary controls (attached for the information of Members).

12. COMMUNICATIONS ARISING FROM THIS MEETING

Members to identify which matters, discussed at this meeting, are to be publicised.

13. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held on Thursday, 25 January 2018 at 7.00pm in the Council Chamber.

14. ANNOUNCEMENTS

Brought forward by permission of the Chairman. Requests to be submitted prior to commencement of the meeting.

## AUDIT COMMITTEE WORK PROGRAMME

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Bank Reconciliation	Cllr Andrew Bolton/RFO	Ongoing	Latest Bank recs reviewed at each Meeting of Audit Committee	Chairman to review and sign at each meeting of the Audit Committee.	Ongoing
Internal Control – Meeting 1					
Income Controls	Cllr Nick Williams	27 July 2017	Conducted 27 July 2017 – no issues identified	Annual review to be completed by June 2018	
Payment Controls	Cllr Nick Williams	27 July 2017	Conducted 27 July 2017 – no issues identified	Annual review to be completed by June 2018	
Payroll Controls	Cllr Nick Williams	27 July 2017	Conducted 27 July 2017 – no issues identified	Annual review to be completed by June 2018	
Petty Cash	Cllr Nick Williams	27 July 2017	Conducted 27 July 2017 – no issues identified	Annual review to be completed by June 2018	
Proper Book-keeping	Cllr Nick Williams	27 July 2017	Conducted 27 July 2017 – no issues identified	Annual review to be completed by June 2018	
VAT Controls	Cllr Nick Williams	27 July 2017	Conducted 27 July 2017 – no issues identified	Annual review to be completed by June 2018	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Miscellaneous – Meeting 2					
External Auditor's Report	RFO	16 March 2017	Received 16 March 2017	Annual report to be received (Sept/Oct each year). Onward Recommendation to Full Council	On this agenda
Asset Control	Cllr Andrew Bolton/RFO	2 June 2016	Conducted 2 June 2016 to be reviewed in 12 months	Annual review to be completed by June 2017	On this agenda
Review of Ongoing Suppliers	Cllr Andrew Bolton /Facilities Manager/TC	Ongoing	Recently reviewed: -IT Provider 2016 -Gas / Electricity suppliers' contract reviewed Sept 2016 - BT telecommunications were reviewed January 2016. - HR Services reviewed 2016/17 -Legal Services Reviewed 2017 -Advertising contract reviewed 2017	Ongoing task.	Review of Internal Audit providers on this agenda.  Review of Insurance providers required before 2017/18 renewal Quotes have been sought revaluation of Civic Regalia and Properties for insurance purposes in preparation for going out to Insurance Providers.
Financial Regulations	RFO	16 March 2017	Review of Financial Regulations completed at by this Committee 10 March 2016 and agreed by Full Council on 31 March 2016	Annual review required to be completed by 31 March 2018	On this agenda
Procedures	Cllr Andrew Bolton	Ongoing	Financial procedures as updated agreed by this Committee on 6 October 2016  Other key processes agreed by the Committee on 16 March 2017	List of procedures completed.	Procedures for new bookings system required. RBS have their own documentation on how to use the Booking System which is adequate for the Council's purposes. No further work required.  RFO to identify other key processes by 28 September 2017
Budgetary Controls	Cllr Andrew Bolton	6 October 2016	Conducted 6 October 2016 to be reviewed in 12 months	Annual review to be completed by October 2017	On this agenda

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
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Risk Management – Meeting 3					
Risk Assessment - Business Continuity	Cllr Nick Pinches/TC/RFO	6 October 2016	Updated Business Continuity Plan considered & agreed on 5 October 2016	Annual review to be completed by October 2017	To be reviewed January 2018
Risk Assessment - Environmental	Cllr Ollie Purkiss/TC/RFO	16 March 2017	To be reviewed annually	Annual review to be completed by 15 March 2018	To be reviewed January 2018
Risk Assessment - Legal	Cllr Nick Williams/TC/RFO	16 March 2017	To be reviewed annually	Annual review to be completed by 15 March 2018	To be reviewed January 2018
Risk Assessment - Physical/Security	TC/RFO/Cllr Ollie Purkiss	16 March 2017	To be reviewed annually	Annual review to be completed by 15 March 2018	To be reviewed January 2018
Risk Assessment - Reputation	Cllr Julie Noyce/TC/RFO	16 March 2017	To be reviewed annually	Annual review to be completed by 15 March 2018	To be reviewed January 2018
Risk Assessment - Health & Safety	Cllr Nick Pinches /TC/RFO	16 March 2017	To be reviewed annually	Annual review to be completed by 15 March 2018	To be reviewed January 2018
Financial Risks	Cllr Andrew Bolton /TC/RFO	6 October 2016	Conducted 6 October 2016 to be reviewed in 12 months	Annual review to be completed by October 2017	To be reviewed January 2018
Insurance	Town Clerk/RFO	16 March 2017	To be reviewed annually	On going	Market test of insurers on P&M work programme.

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
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Year End – Meeting 4					
Internal Auditor's Reports	RFO	16 March 2017	Received 16 March 2017	Bi-annual reports to be received. Audits normally conducted Nov and May of each year Onward recommendation to Full Council.	
Management of Debt (particularly Bad Debt)	RFO	16 March 2017	To be reviewed annually	Annual review to be completed by 15 March 2018	
Review of Effectiveness of Internal Control	Cllr Andrew Bolton /RFO	16 March 2017	To be reviewed annually	Annual review to be completed before Full Council	
Annual Governance Statement	Cllr Andrew Bolton /RFO	8 May 2017	To be reviewed annually	Annual review to be completed before Full Council	
Annual Accounting Statements	Cllr Andrew Bolton /RFO	8 May 2017	To be reviewed annually	Annual review to be completed before Full Council	

RECEIVED  
09 AUG 2017

Mrs R Tong  
Town Council Offices  
Municipal Buildings  
Bridge Street  
GODALMING  
Surrey  
GU7 1HR

02 August 2017

our ref: 2017/H6/GODA01/FINAL

Dial: 023 8088 1737

Email: councilaudits@bdo.co.uk

Dear Mrs Tong

**Godalming Town Council - Audit for the year ended 31 March 2017**

We have now completed the above audit. Please find enclosed the following documents;

- Fee Note
- Notice of Conclusion of Audit
- Notes regarding the advertisement of the Conclusion of the Audit
- Contact details
- Annual Return

There were no matters which came to our attention which required the issuing of a separate additional issues arising report.

The enclosed annual return should be presented to the smaller authority, now that our audit opinion has been given, and a minute should be made to show that the annual return including our certificate has been approved and accepted by the smaller authority. The annual return and notice of conclusion of audit must be published for at least 14 days (including on the smaller authority's website\*) as soon as reasonably possible before the 30 September 2017 and must be made available for public access for a period of not less than five years.

BDO LLP are not your appointed auditor for the year ended 31 March 2018 onwards. Smaller Authorities' Audit Appointments ([localaudits.co.uk](http://localaudits.co.uk)) will be able to advise who your new auditor is, if you have not yet been notified. We thank you for all your assistance over the years we have worked with you and wish you a smooth transition to your new auditor.

Yours sincerely



Mrs Emma Prince  
For and on behalf of BDO LLP

Enc.

\*In the case of a parish meeting and where the meeting has displayed the information in a conspicuous place for at least 14 days, publication on a website does not apply.



## **Fixed Asset Policy**

### Introduction

Local councils must maintain an asset register to ensure fixed assets are appropriately safeguarded. This includes items of a capital nature where values tend to be high and which have a useful life of more than one year.

### Scope of Asset Register

In order to ensure transparency and reasonableness, the following items are included in the Council's asset register, whether purchased, gifted or otherwise acquired, together with their holding location:

- Land and buildings held freehold or on long term lease in the name of the Council
- Community assets
- Assets considered to be portable, attractive or of community significance

The values indicated in the asset register will inform the 'Total Fixed Asset' section of the Annual Return.

The following items fall outside the definition for inclusion and are therefore excluded from the Council's asset register:

- Assets rented by or loaned to the Council
- Items held for resale, i.e. stock
- Consumable items or items with a useful life of less than a year
- Cash, short term investments and other current assets
- Intangible assets

In accordance with good practice, this Council has set a *de minimus* level of £2,000 below which expenditure will generally not be capitalised. All expenditure above the *de minimus* level will be deemed capital expenditure and added to the fixed asset register, unless there is a good reason to treat it differently.

An annual inspection of the fixed asset register should occur to ensure that all items can be physically verified. Discrepancies between the physical verification process and the register should be investigated promptly by the RFO. Any assets which cannot be located after investigation, should be removed from the asset register and recorded in the schedule of disposals. Any new assets identified should be added to the register.

The asset register and schedule of disposals should be reviewed annually by the Audit Committee and then approved by Full Council.

### Valuation of Assets for the Fixed Asset Register

Once recorded on the fixed asset register, the value of assets must not change from year to year until disposal. Concepts of depreciation and impairment adjustment are not appropriate for local councils (Governance and Accountability for Local Councils: A Practitioners Guide (England) 2014, para 3.69).

Assets must be valued by one of the following means based on available information:

- Actual purchase price (including VAT)
- Where this is not known or not applicable, the insurance valuation should be applied.



- As a last resort, a nominal value of £1 may be applied. This should also be used for assets gifted or transferred to the Council.

### Valuation of Assets for Insurance Purposes

The fixed asset register will be used to inform the insurers of Council assets.

For the purposes of insurance, the value to be used is the replacement value of the item and not the purchase price or market value.

The Council should ensure assets are valued accurately for insurance purposes to avoid under (or over) insuring. Assets should therefore be valued every five to seven years to ensure the appropriate level of insurance is held.

**Godalming Town Council**  
**Schedule of Assets**  
2017/18

Asset Details						Location Details			Usage Details				2017/18	
Ref No	Description Land/Other	Identification	Date Acquired	Original Cost	Useful Life	Location	Present Use	Custodian	How Often Used	Date Valued	Market Current Value £	Disposal/ Discharge	Insurance Value £	B / Sheet Asset Value £
	<b>Allotments</b>	<b>Statutory</b>												
		George Rd	1.9 Acres	Unknown	Indefinitely	George Rd	Allotment	Allotment Assn	Everyday	23.08.01	£ 400,000	-	£	1
		More Rd	3.99 Acres	Unknown	Indefinitely	More Rd	Allotment	Allotment Assn	Everyday	23.08.01	£ 2,750,000	-	£	1
		Busbridge Lane	2 Acres	Unknown	Indefinitely	Busbridge Lane	Allotment	Allotment Assn	Everyday	23.08.01	£ 925,000	-	£	1
		Aarons Hill	.46 Acres	Unknown	Indefinitely	Aarons Hill	Allotment	Allotment Assn	Everyday	23.08.01	£ 12,000	-	£	1
		Meadrow	2.47 Acres	Unknown	Indefinitely	Meadrow	Allotment	Allotment Assn	Everyday	23.08.01	£ 20,000	-	£	1
		<b>Non Statutory</b>												
		The Bury		Unknown	Indefinitely	The Bury	Allotment	GTC	Everyday	23.08.01	£ 5,000	-	£	1
		Peperharrow Road		Unknown	Indefinitely	Peperharrow Road	Allotment	GTC	Everyday	23.08.01	£ 260,000	-	£	1
	<b>Land</b>	<b>Other</b>												
		Chalk Road		Unknown	Indefinitely	Corner Chalk Rd	Land	GTC		Aug-05	£ 250	N/A	£	1
		Old Drift Way		Unknown	Indefinitely	Land at Bridge Rd	Land	GTC		Aug-05	£ 5,000	N/A	£	1
	<b>Property</b>	<b>Buildings</b>												
	GU7 1AZ	The Square			Indefinitely	High Street, Godalming	Restaurant		Everyday	31.03.08	£ 1,732,000	-	£	1
	GU7 1DP	The Old Town Hall			Indefinitely	High Street, Godalming	Office, Meeting	GTC	Everyday		£ 563,000	-	£	1
	GU7 3NZ	Broadwater Pk Community Centre			Indefinitely	Summers Road Farncombe	Community Centre	GTC	Everyday		£ 945,000	-	£	1
	GU7 1BQ	Wilfrid Noyce Community Centre	28/07/2005	N/A	Leasehold	Crown Court, Godalming	Community Centre	GTC	Everyday		£ 1,152,000	-	£	1,056,438
	GU7 1AQ	Godalming Museum	01/10/2017		Indefinitely	High Street, Godalming	Museum	GTC	Everyday				£	1
		Bandstand				Bandstand		GTC					£	1
		<b>Other</b>												
		The Pound		Unknown		Brighton Road	Land	GTC		Aug-05	£ 13,500	-	£	1
		The War Memorial		Unknown		War Memorial		GTC		Aug-05	£ 32,500	-	£	1
		<b>Furniture &amp; Equipment</b>												
	GU7 1HR	Municipal Buildings			Written Off	Municipal Buildings	Council Offices	WBC	Mostly Wkdays but some Wknds		£ 88,377	N/A	£	103,915
	GU7 3NZ	BWP Community Centre			Written Off	BWP Community Centre	Community Centre	GTC			£ 15,331		£	19,167
	GU7 1DP	Old Town Hall			Written Off	Old Town Hall	Council Offices/Community Centre	GTC			£ 12,626		£	15,457
	GU7 1AQ	Godalming Museum	01/10/2017			High Street, Godalming	Museum	GTC					£	30,000
	GU7 1BQ	Wilfrid Noyce Community Centre new lease WN for 125 years	28/07/2005 31/05/2011		Written Off	W N Community Centre	Community Centre	GTC			£ 17,392		£	116,665
		<b>Civic Regalia &amp; Furniture</b>												
	Photographs	Large silver presentation salver		Gift	Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 2,500		£	4,049
	Photographs	Victorian silver rose bowl			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 1,850		£	2,996
	Photographs	Silver two-handed bowl			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 900		£	1,458
	Photographs	Silver presentation key			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 900		£	1,458
	Photographs	Silver presentation trophy cup and cover			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 2,150		£	3,482
	Photographs	Silver nautilus shell finger bowl			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 1,000		£	1,619
	Photographs	Victorian silver candelabrum			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 12,000		£	19,434
	Photographs	Godalming Town silver mace			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 9,000		£	14,575
	Photographs	Mayor of Godalming badge and chain			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 65,000		£	105,266
	Photographs	Mayor of Godalming staff			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 2,500		£	4,049
	Photographs	Mayoress of Godalming badge and chain			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 12,500		£	20,243
	Photographs	Deputy Mayor's pendant jewel	1953	Gift	Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 8,500		£	13,766
	Photographs	Deputy Mayoress's pendant jewel	1988	Gift	Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 2,350		£	3,806
	Photographs	19th Century pewter inkwell			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 500		£	810
	Photographs	Edwardian EPNS inkstand			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 100		£	162
	Photographs	19th Century Venetian omolu mounted wall mirror			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 3,000		£	4,858
	Photographs	Two illuminated manuscripts			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 6,000		£	9,717
	Photographs	Illuminated Armorial bearing			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 1,500		£	2,429
	Photographs	Elizabeth II Armorial Bearings			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 3,000		£	4,858
	Photographs	Postcard - signed by Jack Phillips			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 500		£	810
	Photographs	Lignum vitae gavel and stand			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 500		£	810
	Photographs	Carolean style gilt gesso audience chair	2006	Gift	Indefinitely	Mayors Chamber WBC	Furniture	GTC	Civic Functions	Mar-08	£ 3,850		£	6,235
	Photographs	Pair of mid Victorian oak chairs			Indefinitely	Municipal Buildings	Furniture	GTC	Civic Functions	Mar-08	£ 450		£	729
	Photographs	Facsimile of Mayor of Godalming's badge and chain			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 7,500		£	12,146
	Photographs	Facsimile of Mayoress of Godalming's badge and chain			Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Mar-08	£ 5,500		£	8,907

Pictures / Paintings																
Photographs	John D Watson - portrait of John Simmonds			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Mar-08	£	2,500	£	1,860	£	2,500	
Photographs	English School, late 18th Century			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Mar-08	£	2,500	£	1,860	£	2,500	
Photographs	Walter Donne - potrait of Alderman T Rea			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Mar-08	£	2,700	£	2,009	£	2,700	
Photographs	Vera Schumacher - portrait of Joseph Sparkes, Esq			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Mar-08	£	2,500	£	1,860	£	2,500	
Photographs	M Pittatore - portrait of Henry Marshall			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Mar-08	£	2,700	£	2,009	£	2,700	
Photographs	Circle of Jonathan Richardson - potrait of Admiral John Balchin			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Mar-08	£	7,250	£	7,250	£	7,250	
Photographs	English School, mid 18th Century			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Mar-08	£	800	£	595	£	800	
Photographs	English School			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Mar-08	£	3,500	£	2,604	£	3,500	
Photographs	Collection of past mayors			Indefinitely	Municipal Buildings	Photographs	GTC	Everyday	Mar-08	£	750	£	558	£	750	
	Gift from Joigny- Painting	2005		Gift	Indefinitely	TC office or BWP	Painting	GTC	Everyday	2005	£	500	£	-	£	500
	Seal registers	1946-74		Record	Indefinitely	Surrey History Centre		GTC		Mar-08	£	-	£	-	£	-
GU7 1AQ	Museum collection			Indefinitely	Godalming Museum	Various		GTC	Tues - Sat	Feb-14	£	131,000	£	429,600	£	2,971
	<b>Miscellaneous</b>															
	Christmas Lights	2007	£15,000	5 years	JBC Chapel building	Christmas Lights			November-December	Dec-06	£	15,454	£	35,935	£	1
	Christmas Infrastructure	2006/7		Written Off												
	Seats	prior 1998		Gift	Outside GTC offices	Seat	GTC	Everyday			£	1,375	£	-	£	1
	Seats				Outside Doctors surgery	Seat	GTC	Everyday					£	-	£	
	Bus Shelters x2				St John 's Rd & The Square	Bus Shelters	GTC	Everyday			£	4,080	£	19,650	£	1
	Oak Gates	prior 1998			The Bury's, Meadow	Gates	GTC	Everyday	Unknown		£	1,185	£	-	£	1
	CCTV pepperpot	2006/7	£2,500		Pepperpot	CCTV	GTC	Everyday	2006		£	2,500	£	2,871	£	2,500
	Swing Gate	31/10/2016	£ 1,243.20	Written Off	Near Godalming United Church	Swing Gate	GTC	Everyday			£	1,243	£	-	£	1
	<b>TOTAL FIXED ASSETS</b>										<b>£</b>	<b>9,285,063</b>	<b>£</b>	<b>8,735,411</b>	<b>£</b>	<b>1,241,185</b>

**Surrey History Society**

hold a packet number their reference 2253/517 containing relevant papers  
They also hold seal registers 1946-74.

## Review of Internal Audit Providers

<b>Criteria</b>	<b>Supplier A</b>	<b>Supplier B</b>
Possess a recognised accounting/ auditing qualification	Registered with the Association of Chartered Certified Accountants,	Member of the Chartered Institute of Bankers and holds the Certificate of Local Policy (forerunner to CiLCA),
Have parish council experience (particularly regarding fixed assets, VAT, the Transparency Code)	Have 15 years' experience working with local authorities providing accounting, tax and auditing services.	Previously a Clerk, worked as a consultant to SSALC, and currently acts as an Internal Auditor to several town and parish councils within Surrey & Sussex,
Provide a three-year audit plan that covers standing orders, financial regulations, minutes, risk assessments, insurance, VAT and financial internal controls	<p>Visit site 2 times a year – first visit concentrates on non-financial aspects of audit (financial regulations, standing orders, risk assessments, code of conduct, planning). The second visit focuses on the financial aspects and the information being submitted to the External Auditors.</p> <p>An Engagement Letter is sent out each year detailing the bespoke plan.</p>	Audit plan is designed to achieve satisfactory completion of section 4 of the Annual Return each year, and includes detailed reviews of Standing Orders, Financial Regulations, Risk Management and accounting procedures/ internal controls. In the first year at a Council would expect to visit all sites owned and managed to ensure proper Risk Assessments have been carried out and then compare Asset Register entries with insurance cover. For this reason, the hours worked during year one will normally be more than in subsequent years and the quotation reflects this.
Have professional indemnity insurance	It is a requirement of membership of the ACCA to hold Professional Indemnity Insurance – details are available on request.	Does not have professional indemnity insurance but is prepared to acquire it if successful.
Provide your annual fixed fee estimate including disbursements	<p>Charge £50 per hour plus VAT plus £0.45p per mile for travel (do not charge for travel time).</p> <p>They estimate the combined audits would take 8-10 hours per annum so the fee would be circa £400-£500 per annum plus VAT (so £480 - £600 in total).</p>	First year estimate is £1,090 (including mileage) and subsequent years £940 per annum.

## Review of Financial Regulations

GTC Financial Regulation	NALC Financial Regulation	Comments
1.6 A breach of these regulations by an employee is gross misconduct.	Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.	Recommend we change to NALC wording.
1.8 The Town Clerk has been appointed as RFO for this Council and these regulations will apply accordingly.	The Responsible Finance Officer (RFO) holds a statutory office to be appointed by the Council.	Recommend we change to NALC wording as this enables the RFO role to either be a separate officer from the Town Clerk, or an additional role to the Town Clerk.
2.2 On a regular basis, at least once in each quarter, and at each financial year end, an officer other than the RFO shall be required to produce bank reconciliations (for all accounts). The RFO shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including exceptions, to and noted by the Audit Committee, evidenced by the signature of the Committee Chairman upon reconciliations.	On a regular basis, at least once in each quarter, and at each financial year end, a member other than a cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including exceptions, to and noted by the Audit Committee.	Recommend we change to NALC wording as that is what our actual practice is.
5.1 [currently do not have this in the GTC Financial Regulations]	The Council shall seek credit references in respect of members or employees who act as signatories.	Not sure this adds any benefit and may appear to be overly intrusive of Members' private lives.
5.2 The RFO shall cause to be prepared a schedule of payments requiring authorisation made and, together with the relevant invoices, present the schedule to the Policy & Management Committee.		For readability, recommend wording be changed to:  The RFO shall prepare a schedule of payments requiring authorisation and, together with the relevant invoices, present the schedule to the Policy & Management Committee.

5.5 [currently do not have this in the GTC Financial Regulations]

The Clerk and RFO shall have delegated authority to authorise the payment of items only in the following circumstances:

- a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of the Policy & Management Committee;
- b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of the Policy & Management Committee; or
- c) Fund transfers within the councils banking arrangements up to the sum of £250,000, provided that a list of such payments shall be submitted to the next appropriate meeting of the Policy & Management Committee.

Recommend we add at least 5.5 c) as currently transfers are made between deposit and main bank account by Acting RFO without seeking approval by any Member. These transfers are reported on the Schedule of Payments and Receipts.

<p>5.6 [currently do not have this in the GTC Financial Regulations]</p>	<p>For each financial year the Clerk and RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which council [,or a duly authorised committee,] may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of the Policy &amp; Management Committee.</p>	<p>Not sure this adds anything as all such payments are appropriately authorised at time of payment and included in Schedule of Payments and Receipts.</p>
<p>5.7 [currently do not have this in the GTC Financial Regulations]</p>	<p>A record of regular payments made under 5.6 above shall be drawn up and be signed by two members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and/or made.</p>	<p>All such payments are appropriately authorised at time of payment and included in Schedule of Payments and Receipts.</p>
<p>5.8 [currently do not have this in the GTC Financial Regulations]</p>	<p>In respect of grants a duly authorised committee shall approve expenditure within any limits set by Council and in accordance with any policy statement approved by Council. Any Revenue or Capital Grant in excess of £5,000 shall before payment, be subject to ratification by resolution of the Council.</p>	<p>Recommend we add this clause.</p>

5.9 [currently do not have this in the GTC Financial Regulations]	Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.	Recommend we add this clause.
5.10 [currently do not have this in the GTC Financial Regulations]	The Council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.	Recommend we add this clause.
5.11 [currently do not have this in the GTC Financial Regulations]	Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.	Recommend we add this clause but change Member to Town Clerk.
8.3 [currently do not have this in the GTC Financial Regulations]	The Council will arrange with the Council's banks and investment providers for the sending of a copy of each statement of account to the Chairman of the Council at the same time as one is issued to the Clerk or RFO.	<p>This is an important control in smaller Councils where the Town Clerk is often the RFO and a signatory for payments.</p> <p>At GTC, there is an appropriate level of segregation of duty. However, the Town Clerk receives all mail, including bank statements, and reviews for oddities and discrepancies. A statement along those lines could be added if Members feel this is helpful.</p>



<p>9.2 When raising an invoice an officer will deliver the top copy to the debtor, send one of the copies to the RFO and retain the second copy in their own records. If an invoice is voided all three copies should be kept in the officer's own records.</p>		<p>This no longer reflects current practice for GTC since the introduction of the Booking System. However, it is still relevant to JBC, therefore recommend wording be changed to:</p> <p>When raising an invoice for the Joint Burial Committee an officer will deliver the top copy to the debtor, send one of the copies to the RFO and retain the second copy in their own records. If an invoice is voided, all three copies should be kept in the officer's own records.</p>
<p>11.1.b Where it is intended to enter into a contract exceeding £60,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Town Clerk shall invite tenders from at least three firms from the appropriate approved list.</p>	<p>Where the council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 ("the Regulations") which is valued at £25,000 or more, the council shall comply with the relevant requirements of the Regulations</p>	<p>Recommend we change to NALC wording as this is a legal requirement.</p>
<p>[currently do not have this in the GTC Financial Regulations]</p>	<p>The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)</p>	<p>Recommend we add this clause as this is a legal requirement.</p>

11. BUDGETARY CONTROLS

The current process for setting the budget is:

- RFO seeks advice from Councillors on what, if any, new initiatives are likely to be undertaken in the new budget year.
- Financial implications of new initiatives are developed and incorporated into base budget.
- Base budget is reviewed and amended for known inflationary and other adjustments.
- Draft budget is presented to the Policy & Management Committee for review and comment.
- Once agreed, budget is taken to Full Council to be approved and for the Precept to be set.

Once the budget has been agreed, it is loaded into Omega (the financial system operated by the Town Council) which enables budget monitoring to be performed. This is now done at every Policy & Management meeting. Members have indicated that they prefer the budget to be profiled over the course of a year and the budget is profiled at the beginning of the financial year. At each Policy & Management Committee actual expenditure to date (by line item and by cost centre) is compared to the profiled budget and significant variances explained. Where any potential issues are identified, they are discussed and a course of action agreed (and reflected in the minutes of the meeting).

Officers are able to spend against the approved budget, within financial regulations and Standing Orders. If during a financial year a spending requirement is identified that has not been budgeted for, the item is taken to the Policy and Management Committee for authorisation.

Quotes are required for any significant expenditure not covered by existing contracts.

The Internal Auditor reviews our compliance with our own Financial Regulations. The External Auditor reviews whether Budget Monitoring is done.

Due to updated staffing responsibilities and the separation of Town Clerk and RFO functions, it is recommended that the first bullet point above be changed to read:

- RFO seeks advice from the Town Clerk on what, if any, new initiatives are likely to be undertaken in the new budget year.

## GODALMING TOWN COUNCIL

Disclosure by a Member<sup>1</sup> of a disclosable pecuniary interest or a non-pecuniary interest in a matter under consideration at a meeting (S.31 (4) Localism Act 2011 and the adopted Godalming Members' Code of Conduct).

As required by the Localism Act 2011 and the adopted Godalming Members' Code of Conduct, **I HEREBY DISCLOSE**, for the information of the authority that I have [a disclosable pecuniary interest]<sup>2</sup> [a non-pecuniary interest]<sup>3</sup> in the following matter:-

**COMMITTEE:**

**DATE:**

**NAME OF COUNCILLOR:** \_\_\_\_\_

Please use the form below to state in which agenda items you have an interest.

Agenda No.	Subject	Disclosable Pecuniary Interest	Non-Pecuniary Interest	Reason

**Signed** \_\_\_\_\_

**Dated** \_\_\_\_\_

<sup>1</sup> "Member" includes co-opted member, member of a committee, joint committee or sub-committee

<sup>2</sup> A disclosable pecuniary interest is defined by the Relevant Authorities (Disclosable Pecuniary Interests) regulations 2012/1464 and relate to employment, office, trade, profession or vocation, sponsorship, contracts, beneficial interests in land, licences to occupy land, corporate tenancies and securities

<sup>3</sup> A non-pecuniary interest is defined by Section 5 (4) of the Godalming Members' Code of Conduct.