

**MINUTES AND REPORT OF THE POLICY & MANAGEMENT COMMITTEE  
HELD ON 14 MARCH 2013**

\* Councillor T Martin – Chairman  
\* Councillor Poulter – Vice Chairman

0	Councillor P Martin	0	Councillor R Gordon-Smith
*	Councillor Thomson	*	Councillor Cosser
0	Councillor C Gordon-Smith	*	Councillor Lister
*	Councillor Reynolds	*	Councillor Wilson
*	Councillor Woodham	0	Councillor A Bott
*	Councillor S Bott	*	Councillor Hunter
*	Councillor Noyce	*	Councillor Robinson
*	Councillor Thornton	#	Councillor Welland
*	Councillor Williams		

\* Present                      # Absent & no apology received                      0 Apology                      L Late

393. MINUTES

The Minutes of the meeting held on 21 February 2013, having been previously circulated, were signed by the Chairman as a true record.

394. PETITIONS/STATEMENTS/QUESTIONS FROM MEMBERS OF THE PUBLIC

No petitions/statements/questions had been received from members of the public in accordance with Standing Order No 80.

395. DISCLOSABLE PECUNIARY INTERESTS AND NON-PECUNIARY INTERESTS

Councillor Reynolds declared a disclosable pecuniary interest in Agenda Item 12 on the grounds that the item gave rise to the potential of advertising in a publication that is produced by his business. Councillor Reynolds left the Chamber when that agenda item was debated.

396. COMMITTEE WORK PROGRAMME

Members considered the draft work programme and agreed some amendments to it. The amended work programme is attached to the minutes.

397. ACCOUNTS PAID SINCE LAST MEETING & SCHEDULE OF PAYMENTS

	£
Godalming Town Council Accounts paid since the 31 January 2013	30,036.65
Balance held in Current Account Balance at 28 February 2013	25,930.00
Balance held in the Business Deposit Account Balance at 28 February 2013	426,499.57

A schedule of the accounts paid was tabled for the information of Members. The vouchers relating to these payments were also tabled at the meeting for inspection. All payments made were in line with the agreed budget or other resolution of this Committee or Full Council.

398. Members agreed that the Chairman should sign the schedule of accounts paid.  
AUDIT SUB COMMITTEE REPORT INCLUDING REVIEW OF THE EFFECTIVENESS OF  
INTERNAL AUDIT FOR GODALMING TOWN COUNCIL AND JOINT BURIAL  
COMMITTEE

Members received the report and recommendations of the Audit Sub-Committee held on 7 March 2013.

Members noted the recommendation that a new device endorsed by Surrey Police, relating to door access, that can be attached to individuals' computers, be considered when the cost review was undertaken regarding video access to the offices.

Members agreed nine proposals relating to the review of Financial Regulations.

1. "Financial Regulations be harmonised where necessary with any changes made to Standing Orders
2. Consideration be given to making the Audit Sub-Committee a full committee
3. Financial Regulations be amended to incorporate specific mention of the allocation of roles and timing of key roles such as the Review of Effectiveness of Internal Control and the approval of the Annual Return
4. The Clerk's delegated authority level for emergency work is raised from £750 to £1,000 (Financial Regulation 3.4).
5. Financial Regulation 4.1 be expanded to recognise a role with regard to procedures: The RFO shall be responsible for maintaining a list of Procedures showing the ownership of each and when each was last reviewed
6. Financial Regulation 4.3 be expanded such that the process includes ensuring the current accounts are placed on the Council's website
7. Consideration be given to whether it would be best practice to review the internal auditor appointment
8. Banking processes and the consideration of future banker continue to be progressed
9. Financial Regulations should recognise that the membership of the Audit Sub-Committee needs to include at least one representative from the JBC."

In accordance with the Accounts and Audit (England) Regulations 2011 all bodies are required to undertake a review of the effectiveness of the systems of control annually by 31 March each year. Members noted the Audit Sub-Committee's recommendation that this Committee was undertaking an initial review so as to be able to recommend the review undertaken to Full Council. Members agreed that the Audit Sub-Committee's work programme (Minute 378-12 refers) dealt adequately with the internal systems of control and agreed to address specifically the question of the effectiveness of audit.

Members agreed the following responses to the questions posed and agreed that these responses should be recommended to Full Council:

The five areas that must be covered are:

- Scope of Internal Audit  
Has the scope of the internal audit been discussed with the Internal Auditor to ensure that all the relevant risks are covered?

- the scope of the internal audit had been discussed with the Internal Auditor in order to ensure that all the relevant risks were covered and all Members had received a copy of the agreed Internal Audit Plan presented to Policy & Management Committee on 10 January 2013 (Minute 294-12 refers);
- Independence  
Is the Internal Auditor sufficiently independent, objective and unbiased?
  - the Internal Auditor is sufficiently independent, objective and unbiased evidenced by the fact that Mulberry and Co is an external accountancy firm trading independently. Mulberry and Co had a particular specialism in Town and Parish Councils. Members noted that it is good practice to change the Internal Auditor every 6-10 years and that Mulberry & Co is about to start its Fifth year as the Council's Internal Auditor;
- Competence  
Does the Internal Auditor have sufficient knowledge to be able to carry out the audit?
  - the Internal Auditor has sufficient knowledge to be able to carry out the audit as demonstrated by the fact that Mark Mulberry (the Internal Auditor) is a Chartered Certified Accountant and Registered Auditor;
- Relationships  
Are the relevant responsibilities of Members, Clerk and RFO clearly defined?
  - the relevant responsibilities of Members, Clerk, RFO are clearly defined in the job descriptions for the Clerk and the RFO and the terms of reference of the Audit Sub-Committee.
- Audit Planning & Reporting  
Is the body aware of a timetable of when the internal and external audits will take place and when the reports from these will be expected?
  - the Committee was made aware of the timetable of when the internal and external audits would take place and when the reports from these would be expected. The next Internal Audit is to be conducted May 2013 and reported to the next Audit Sub-Committee at a meeting to be held on 13 June 2013 the Sub-Committee's observations will then accompany the Internal Audit Report to the Policy & Management on 20 June 2013. The outcome of which, will then be reported to Full Council meeting on 27 June 2013 so that Full Council might formally agree the annual return. The annual return is to be sent to the External Auditor in July 2013 and the expectation is that it should be received back by 30 September 2013. The annual return will be considered at the next scheduled meeting following its receipt from the External Auditor.

#### Internal Audit Process

Is the work of the Internal Audit reviewed regularly?

- the work of the Internal Auditor is reviewed regularly; initially by officers, then in detail by the Audit Sub-Committee. Findings and recommendations of the Audit Sub-Committee are reported to the Policy & Management Committee;

Are the reports on the work of the Internal Auditor presented to the committee?

- the reports on the work of the Internal Auditor were presented to the Policy & Management Committee; the most recent having been reported on 10 January 2013 (Minute 294-12 refers);

Are the reviews and risk assessments undertaken from the Work Programme by the Audit Sub Committee on behalf of the Joint Burial Committee reported to the committee?

- the reviews and risk assessments undertaken from the Work Programme by the Audit Sub-Committee on behalf of Godalming Town Council and the Godalming Joint Burial Committee were reported to the Policy & Management Committee on 28 June 2012 and 10 January 2013 and 21 February 2013.

Are the Annual Reports from the Internal Auditor presented to the committee?

- that the Annual Reports from the Internal Auditor are presented to the Policy & Management Committee and noted that the last Annual Report was received on 28 June 2013;

### External Audit Process

Are the Annual Reports from the External Auditor presented to the committee?

- the Annual Reports from the External Auditor relating to Godalming Town Council are presented to the Policy & Management Committee, the most recent being received at Policy and Management on 18 October 2012 (Minute 185-12 refers);

Does the committee ensure that recommendations from the External Auditor are implemented?

- if there were recommendations from the External Auditor then Members would ensure that they were implemented. Recommendations were considered at the Policy & Management meeting on 18 October 2012 (Minute No. 185-12 refers) and Full Council (Minute No. 204/205-12 refers). Members agreed that the working party appointed to undertake a full review of the NALC Model Standing Orders against Godalming Town Council's standing orders should be convened during the week after Remembrance Sunday

Does the Audit Sub Committee provide regular reports relating to its recommendations and the agreed Work Programme to the Policy & Management Committee?

- The Audit Sub-Committee reported its recommendations to the following Policy & Management meetings on 28 June 2012 (Minute No. 86-12 refers), 18 October 2012 (Minute No. 185-12 refers), 21 February 2013 (Minute No. 353-12 refers) and 14 March (Minute No. 398-12 refers).

Mark Mulberry of Mulberry & Co was appointed as the Internal Auditor for the financial year 2010/2011 and following a successful outcome was reappointed for the current year.

BDO Stoy Hayward has been and continues to be the External Auditor for Godalming Town Council and Godalming Joint Burial Committee. As BDO is appointed by the Audit Commission to undertake the external audit for both Godalming Town Council and the Godalming Joint Burial Committee there is currently no facility to change provider if the Council so desired.

### Characteristics of the Review

Can it be seen as a Catalyst for Change?

- Evidence Work Programme and Reviews undertaken to assess Risk and the areas that are developed from these reviews

Does it Add Value?

- The follow up actions that are taken from the work programme to make improvements to enhance our services.

Is it Forward Looking?

- Identifies risks and incorporates them into the Work Programme, which is reviewed and updated at each meeting of the Audit Sub-Committee to ensure it is forward looking and meeting events e.g. Website added under Reputation

Is it Challenging?

- It has created its own Work Programme identifying areas and risks over and above the norm that are considered and reviewed on a regular basis to ensure compliance and to allow Members to take ownership of the risks and how they are managed to meet best practice.

Are the right resources available for Internal audit to complete its work?

- Good communication lines.

#### 399. DRAFT STANDING ORDERS

Members considered draft Standing Orders arising from the work of the working group appointed to undertake a full review of the NALC model Standing Orders against the Town Council's Standing Orders.

Members had already agreed the working group's recommendation that the Audit Sub-Committee should be made a Standing Committee of the Council rather than a Sub-Committee of Policy & Management Committee because the Audit Sub-Committee had already made the same recommendation (Minute No. 398-12 above refers). Therefore Members considered the changes necessary to Section 15 of the draft Standing Orders in order to give effect to the change in status of the Audit Sub-Committee.

Members agreed to recommend the amended Standing Orders to Full Council for adoption.

Members noted that the Council needs to do more work on the Code of Conduct and how and what sanctions will be applied for breaches of the code.

#### 400. ANNUAL REVIEW OF FINANCIAL REGULATIONS

Members reviewed the Financial Regulations for the financial year 2013/14 and with one amendment (at paragraph 3.4 the limit up to which the Clerk may incur expenditure on grounds of urgency was increased from £750 to £1,000) agreed to recommend them to Full Council for adoption.

Standing Order 76 specifically requires that this Committee decide the limits set out at paragraph 12.1(h) of the Financial Regulations. No amendments to paragraph 12.1(h) were proposed this year and Members are asked to agree the existing limits.

#### 401. REPORT OF THE STAFFING SUB-COMMITTEE – GRIEVANCE PROCEDURE

Members considered the report of the Staffing Sub-Committee meeting held on 7 February 2013. Specifically Members considered amendments to the Grievance Procedure and agreed to recommend the amended Grievance Procedure to Full Council for adoption.

402. DISABILITY ACCESS RAMPS – WILFRID NOYCE COMMUNITY CENTRE

Members agreed that the lower of two quotes to supply disability access ramps to the rear of the Wilfrid Noyce Centre be accepted. The cost £1,233 + VAT to be met from the Wilfrid Noyce Community Centre maintenance reserve.

403. STAYCATION 2013

Members considered a report from the Town Clerk and agreed that Staycation 2013 would take place from 3 to 11 August 2013. The net budget of £3,200 to be funded from the New Initiatives Fund reserve.

Members further agreed to include an item on the work programme so that inclusion of Staycation in the base budget for 2014/15 can be considered.

404. TOWN COUNCIL REPRESENTATION ON EXTERNAL BODIES – REPORT ON GODALMING/MAYEN ASSOCIATION

Members noted a report from Councillor Wheatley on the Godalming/Mayen Association an organisation on which Councillor Wheatley represents the Town Council.

405. PURCHASE OF COMPUTERS

Members agreed the transfer of £2,000 from the computer maintenance/replacement reserve to the revenue budget in the current financial year.

406. DATE OF NEXT MEETING

The next meeting of the Policy & Management Committee is scheduled to be held on Thursday, 25 April 2013 at 7.15 pm in the Council Chamber or at the conclusion of the Planning & Environment Committee, whichever is the later.

407. ANNOUNCEMENTS

There were no announcements.

THE COMMITTEE RESOLVED TO EXCLUDE THE PUBLIC AND PRESS FROM THE MEETING AT THIS POINT PRIOR TO CONSIDERATION OF THE FOLLOWING ITEM BY REASON OF THE CONFIDENTIAL NATURE OF THE BUSINESS TO BE TRANSACTED IE. COMMERCIALY SENSITIVE AND STAFFING MATTERS.

408. THE WILFRID NOYCE CENTRE

Members considered a confidential report from the Town Clerk and agreed that Mr Andrew Jones of BPS Surveyors be invited to attend a future meeting of the Committee

409. THE SQUARE

Members considered a confidential report from the Town Clerk and agreed to receive a further report at the Committee's next meeting.

410. STAFFING MATTERS

Members received a confidential oral report from the Chairman of the Staffing Sub-Committee and were reminded of the importance of confidentiality in all staffing matters.