

# GODALMING TOWN COUNCIL

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Municipal Buildings  
Bridge Street  
Godalming  
Surrey GU7 1HT

14 September 2018

I HEREBY SUMMON YOU to attend the **AUDIT COMMITTEE** Meeting to be held in the Council Chamber, Municipal Buildings, Godalming on THURSDAY, 20 SEPTEMBER 2018 at 7.00 pm.

Andy Jeffery  
Town Clerk

Committee Members: Councillor Bolton – Chairman  
Councillor Pinches – Vice Chairman  
Councillor Noyce  
Councillor Wainwright  
Councillor Follows

## AGENDA

### 1. MINUTES

To approve as a correct record the minutes of the meeting held on the 26 July 2018, 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 5.

### 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 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 Report from the External Auditor stating that there were no issues that came to their attention during the audit (copy of report attached for the information of Members).

8. ASSET CONTROL

Members to consider the 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 latest insurance valuations for Civic Regalia and Buildings.

9. REVIEW OF FINANCIAL REGULATIONS

The Responsible Finance Officer has reviewed the Council's current Financial Regulations and identified one area requiring review with proposed recommendations.

Members to review attached report and agree or amend recommendations.

10. BUDGETARY CONTROLS

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

11. COMMUNICATIONS ARISING FROM THIS MEETING

Members to identify which matters (if any), discussed at this meeting, are to be publicised.

12. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held on Thursday, 24 January 2019 at 7.00pm in the Council Chamber.

13. 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	26 July 2018	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 Andrew Bolton	26 July 2018	Conducted 26 July 2018 – no issues identified	Annual review to be completed by July 2019	
Payment Controls	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – no issues identified	Annual review to be completed by July 2019	
Payroll Controls	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – issue with Employee pension contributions identified. RFO reported actions taken to resolve.	Annual review to be completed by July 2019	
Petty Cash	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – no issues identified	Annual review to be completed by July 2019	
Proper Book-keeping	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – no issues identified	Annual review to be completed by July 2019	
VAT Controls	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – no issues identified	Annual review to be completed by July 2019	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
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Miscellaneous – Meeting 2					
External Auditor's Report	RFO	26 October 2017	Annual report received 26 October 2017. Onward Recommendation to Full Council on 16 November 2017	On this agenda	
Asset Control	Cllr Nick Pinches/RFO	26 October 2017	Conducted 26 Oct 2017 - to be reviewed in 12 months	On this agenda	
Review of Ongoing Suppliers	RFO /Facilities Manager/TC	Ongoing	Recently reviewed: - HR Services reviewed 2016/17 -Legal Services Reviewed 2017 -Advertising contract reviewed 2017 - Internal auditors reviewed Oct 2017 - Insurance providers to be reviewed for 2018/19 financial year	Ongoing task.	
Financial Regulations	RFO	26 October 2017	Review of Financial Regulations completed at by this Committee 26 Oct 2017 and agreed by Full Council on 16 Nov 2017	On this agenda	
Procedures	Cllr Nick Pinches	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.	
Budgetary Controls	Cllr Richard Wainwright	26 October 2017	Conducted 26 October 2017- to be reviewed in 12 months	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 Paul Follows/RFO	25 January 2018	To add a section on Loss of Key Personnel – draft to this committee in March 2018	Annual review to be completed by January 2019	To add a section on Loss of Key Personnel – draft to this committee in March 2018
Risk Assessment - Environmental	Cllr Paul Follows/RFO	25 January 2018	New Facilities Supervisor to review use of environmentally friendly cleaning products upon appointment	Annual review to be completed by January 2019	
Risk Assessment - Legal	Cllr Julie Noyce/RFO	25 January 2018	To be reviewed annually	Annual review to be completed by January 2019	
Risk Assessment - Physical/Security	Cllr Paul Follows/RFO	25 January 2018	New Facilities Supervisor to review all building risk assessments upon appointment	Annual review to be completed by January 2019	
Risk Assessment - Reputation	Cllr Julie Noyce/RFO	25 January 2018	To be reviewed annually	Annual review to be completed by January 2019	
Risk Assessment - Health & Safety	Cllr Paul Follows/RFO	25 January 2018	To be reviewed annually	Annual review to be completed by January 2019	
Risk Assessment - Financial	Cllr Richard Wainwright /RFO	25 January 2018	To be reviewed annually	Annual review to be completed by January 2019	
Insurance	Town Clerk/RFO	25 January 2018	To be reviewed annually	On going	Market test of insurers completed and reported to P&M on 22 March 2018
Risk Assessment - Data Protection	Cllr Paul Follows/RFO			New Item due to GDPR	

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	23 April 2018	Interim audit report received and responses given. To be onward recommended to next Full Council meeting	Annual review to be completed as part of Annual Governance and Accountability Return process	
Management of Debt (particularly Bad Debt)	RFO	23 April 2018	To be reviewed annually	Annual review completed by April 2019	
Review of Effectiveness of Internal Control	Cllr Andrew Bolton /RFO	23 April 2018	To be reviewed annually	Annual review to be completed as part of Annual Governance and Accountability Return process	
Annual Governance Statement	Cllr Andrew Bolton /RFO	23 April 2018	To be reviewed annually	Annual review to be completed as part of Annual Governance and Accountability Return process	
Annual Accounting Statements	Cllr Andrew Bolton /RFO	23 April 2018	To be reviewed annually	Annual review to be completed as part of Annual Governance and Accountability Return process	

### Section 3 – External Auditor Report and Certificate 2017/18

In respect of **Godalming Town Council (SU0039)**

#### 1 Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2018; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

#### 2 External auditor report 2017/18

On the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

Other matters not affecting our opinion which we draw to the attention of the authority:

None

#### 3 External auditor certificate 2017/18

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2018

External Auditor Name

**PKF LITTLEJOHN LLP**

External Auditor Signature

*PKF Littlejohn LLP*

Date

25/7/2018

\* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2017/18 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

## **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				2018/19	
Ref No	Asset #	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>												
1		George Rd		1.9 Acres	Unknown	Indefinitely	George Rd	Allotment	Allotment Assn	Everyday	23.08.01	£ 400,000	-	£	1
2		More Rd		3.99 Acres	Unknown	Indefinitely	More Rd	Allotment	Allotment Assn	Everyday	23.08.01	£ 2,750,000	-	£	1
3		Busbridge Lane		2 Acres	Unknown	Indefinitely	Busbridge Lane	Allotment	Allotment Assn	Everyday	23.08.01	£ 925,000	-	£	1
4		Aarons Hill		.46 Acres	Unknown	Indefinitely	Aarons Hill	Allotment	Allotment Assn	Everyday	23.08.01	£ 12,000	-	£	1
5		Meadow		2.47 Acres	Unknown	Indefinitely	Meadow	Allotment	Allotment Assn	Everyday	23.08.01	£ 20,000	-	£	1
20		Catteshall			Unknown	Indefinitely	Meadow	Allotment	Allotment Assn	Everyday				£	1
6		The Bury			Unknown	Indefinitely	The Bury	Allotment	GTC	Everyday	23.08.01	£ 5,000	-	£	1
7		Peperharrow Road			Unknown	Indefinitely	Peperharrow Road	Allotment	GTC	Everyday	23.08.01	£ 260,000	-	£	1
		<b>Land</b>	<b>Other</b>												
8		Old Drift Way			Unknown	Indefinitely	Land at Bridge Rd	Land	GTC		Aug-05	£ 5,000	N/A	£	1
9		Catteshall Lane		5 sq metres	Unknown	Indefinitely	Opposite The Mill	Land	GTC					£	1
		<b>Property</b>	<b>Buildings</b>												
10	GU7 1AZ	The Square				Indefinitely	High Street, Godalming	Restaurant		Everyday	11.05.2018	£ 1,732,000	-	£ 2,500,000	£ 1
11	GU7 1DP	The Old Town Hall				Indefinitely	High Street, Godalming	Office, Meeting	GTC	Everyday	04.05.2018	£ 563,000	-	£ 600,000	£ 1
12	GU7 3NZ	Broadwater Pk Community Centre				Indefinitely	Summers Road Farncombe	Community Centre	GTC	Everyday	11.05.2018	£ 945,000	-	£ 1,000,000	£ 1
13	GU7 1BQ	Wilfrid Noyce Community Centre		28/07/2005	N/A	Leasehold	Crown Court, Godalming	Community Centre	GTC	Everyday	04.05.2018	£ 1,152,000	-	£ 1,360,000	£ 1,371,494
14	GU7 1AQ	Godalming Museum		01/10/2017		Indefinitely	High Street, Godalming	Museum	GTC	Everyday	04.05.2018	£		£ 2,080,000	£ 1
15		Bandstand					Bandstand		GTC	Everyday	04.05.2018	£		£ 200,000	£ 1
16	GU7 2NE	Farncombe Toilets		13/11/2017		Leasehold	North Street, Godalming	Public Conveniences	GTC	Everyday	11.05.2018	£		£ 200,000	£ 1
17	GU7 1DY	Crown Court Toilets		13/11/2017		Leasehold	Crown Court, Godalming	Public Conveniences	GTC	Everyday	04.05.2018	£		£ 230,000	£ 1
		<b>Other</b>													
18		The Pound			Unknown		Brighton Road	Land	GTC		Aug-05	£ 13,500	-	£	1
19		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	£ 1
	GU7 3NZ	BWP Community Centre				Written Off	BWP Community Centre	Community Centre	GTC	Summers Road Farncombe		£ 15,331		£ 19,167	£ 1
	GU7 1DP	Old Town Hall				Written Off	Old Town Hall	Council Offices/Community Centre	GTC	High Street, Godalming		£ 12,626		£ 15,457	£ 1
	GU7 1AQ	Godalming Museum		01/10/2017			High Street, Godalming	Museum	GTC	High Street, Godalming		£		£ 30,000	£ 1
	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	Crown Court, Godalming		£ 17,392		£ 116,665	£ 1
		<b>Civic Regalia &amp; Furniture</b>													
	Photographs	Large silver presentation salver				Gift	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 3,000	£	£ 4,049	£ 2,500
	Photographs	Victorian silver rose bowl				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 2,250	£	£ 2,996	£ 1,850
	Photographs	Silver two-handed bowl				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 1,200	£	£ 1,458	£ 900
	Photographs	Silver presentation key				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 1,200	£	£ 1,458	£ 900
	Photographs	Silver presentation trophy cup and cover				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 2,600	£	£ 3,482	£ 2,150
	Photographs	Silver nautilus shell finger bowl				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 1,250	£	£ 1,619	£ 1,000
	Photographs	Victorian silver candelabrum				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 16,000	£	£ 19,434	£ 12,000
	Photographs	Godalming Town silver mace				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 12,500	£	£ 14,575	£ 9,000
	Photographs	Mayor of Godalming badge and chain				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 80,000	£	£ 105,266	£ 65,000
	Photographs	Mayor of Godalming staff				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 3,000	£	£ 4,049	£ 2,500
	Photographs	Mayoress of Godalming badge and chain				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 15,000	£	£ 20,243	£ 12,500
	Photographs	Deputy Mayor's pendant jewel		1953		Gift	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 10,000	£	£ 13,766	£ 8,500
	Photographs	Deputy Mayoress's pendant jewel		1988		Gift	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 3,000	£	£ 3,806	£ 2,350
	Photographs	19th Century pewter inkwell				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 600	£	£ 810	£ 500
	Photographs	Edwardian EPNS inkstand				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 125	£	£ 162	£ 100
	Photographs	19th Century Venetian ormolu mounted wall mirror				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 3,500	£	£ 4,858	£ 3,000
	Photographs	Two illuminated manuscripts				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 7,000	£	£ 9,717	£ 6,000
	Photographs	Illuminated Armorial bearing				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 1,850	£	£ 2,429	£ 1,500
	Photographs	Elizabeth II Armorial Bearings				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 3,600	£	£ 4,858	£ 3,000
	Photographs	Postcard - signed by Jack Phillips				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 650	£	£ 810	£ 500
	Photographs	Lignum vitae gavel and stand				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 650	£	£ 810	£ 500
	Photographs	Carolean style gilt gesso audience chair		2006		Gift	Mayors Chamber WBC	Furniture	GTC	Civic Functions	Nov-17	£ 4,500	£	£ 6,235	£ 3,850
	Photographs	Pair of mid Victorian oak chairs				Indefinitely	Municipal Buildings	Furniture	GTC	Civic Functions	Nov-17	£ 650	£	£ 729	£ 450
	Photographs	Facsimile of Mayor of Godalming's badge and chain				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 8,500	£	£ 12,146	£ 7,500
	Photographs	Facsimile of Mayoress of Godalming's badge and chain				Indefinitely	Municipal Buildings	Civic Regalia	GTC	Civic Functions	Nov-17	£ 6,500	£	£ 8,907	£ 5,500

<b>Pictures / Paintings</b>																
Photographs	John D Watson - portrait of John Simmonds			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Nov-17	£	3,000	£	1,860	£	2,500	
Photographs	English School, late 18th Century			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Nov-17	£	3,000	£	1,860	£	2,500	
Photographs	Walter Donne - potrait of Alderman T Rea			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Nov-17	£	3,000	£	2,009	£	2,700	
Photographs	Vera Schumacher - portrait of Joseph Sparkes, Esq			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Nov-17	£	3,000	£	1,860	£	2,500	
Photographs	M Pittatore - portrait of Henry Marshall			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Nov-17	£	3,000	£	2,009	£	2,700	
Photographs	Circle of Jonathan Richardson - potrait of Admiral John Balchin			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Nov-17	£	8,000	£	7,250	£	7,250	
Photographs	English School, mid 18th Century			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Nov-17	£	1,200	£	595	£	800	
Photographs	English School			Indefinitely	Municipal Buildings	Painting	GTC	Everyday	Nov-17	£	5,000	£	2,604	£	3,500	
Photographs	Collection of past mayors			Indefinitely	Municipal Buildings	Photographs	GTC	Everyday	Nov-17	£	800	£	558	£	750	
	Collection of photographic, facsimile, watercolour & mixed media			Indefinitely	Municipal Buildings	Painting / Photographs	GTC	Everyday	Nov-17	£	800	£	-	£	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>£ 9,325,488</b>		<b>£ 9,212,535</b>	<b>£ 1,556,244</b>		

**Surrey History Society**

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

## 9. REVIEW OF FINANCIAL REGULATIONS

The area of financial delegation is currently contain in Financial Regulation 4.1, 4.2 and 4.5 and is based on NALC model financial regulations. They reads as follows:

*4.1 Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:*

- *The Council for all items over £50,000;*
- *A duly delegated committee of the Council for items over £2,000; or*
- *The Town Clerk, for any items below £2,000.*

*Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Town Clerk.*

*Contracts may not be disaggregated to avoid controls imposed by these regulations.*

*4.2 No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Council, or duly delegated committee. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate (virement).*

*4.5 In cases of extreme risk to the delivery of Council services, the Town Clerk may authorise revenue expenditure on behalf of the Council, which in the Town Clerk's judgement is necessary to carry out. Such expenditure includes any repair, replacement or other work, whether or not there is any budget provision for the expenditure, subject to a limit of £1,000. The Town Clerk shall report such action to the Chairman of the Policy & Management Committee as soon as possible and to the Policy & Management Committee as soon as practicable thereafter.*

It is the opinion of the Responsible Finance Officer (RFO) that these regulations should be amended as follows:

*4.1 Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget.*

The RFO believes the remainder of the regulation confuses matters as it implies that some sort of additional authorisation is required for budgeted amounts that exceed the amounts listed. Based on the fact that Members approve revenue expenditure when approving the annual budget, the RFO believes that any spending that is within the approved annual budget has already been authorised. For example, our Insurance invoice is over £7,000 – based on the above, the Town Clerk doesn't have the authority to approve this invoice, even though it is contained within the approved annual budget.

Regulation 4.2 makes no allowance for unbudgeted expenditure. Whilst Officers make every effort to consider possible future plans and contingencies and incorporate them into the annual budget, it is impossible to predict the future in this ever changing environment. The RFO believes that some flexibility should be granted to the Town Clerk to take action in such areas, if required.

An example of this is where the Town Clerk purchased replacement defibrillator boxes required due to vandalism. This was not budgeted and therefore again technically breached

the above regulation even though the cost of £826 was well within the limit of his £2,000 delegated authority to spend.

Regulation 4.2 deals with any expenditure that is over budget, but should be amended to include any unbudgeted items, but only unbudgeted items over a determined value. The RFO recommends that the wording be amended as follows:

*4.2 No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure, or that is not contained within the revenue budget or within the Town Clerks delegated authority of £xx, other than by resolution of the Council, or duly delegated committee. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate (virement).*

The Council's operations have grown considerably in the last two years with the addition of the Museum and Public Conveniences, and could continue to grow as our Principal Authority continues to devolve services. As such, a level of £1,000 is no longer a workable amount for emergency requirements or £2,000 for other items.

This is evidenced by the works required to be done on Boarden Bridge so that it was not a risk to the public. This work exceeded the approved budget for the project by £2,970. Technically the Town Clerk exceeded his authority under either provision - £2,970 exceeded his normal day-to-day authority of £2,000 and certainly exceeded his emergency delegation of £1,000. However, there can be no doubt that this work was necessary for public safety and failure to do this work contained reputational risk and potential financial claims should injury have been incurred by a member of the public.

In order to determine an appropriate amount to delegate to the Town Clerk, the RFO notes below what other Town Councils within Surrey and Sussex have authorised.

<b>Council</b>	<b>Amount Delegated</b>	<b>Precept 2018/19</b>
Peacehaven Town Council	£3,000	£428,340
Farnham Town Council	£7,500	£1,064,987
Horley Town Council	£1,000	£351,333
Uckfield Town Council	£5,000	£873,472
Seaford Town Council	£5,000	£745,882
Crowborough Town Council	£5,000	£1,325,373

The average amount delegated is £4,417.

## **Recommendations**

1. It is recommended that Members approve that the Town Clerk's delegated authority be increased to £4,500 per annum for both unbudgeted items and emergency expenditure.
2. It is recommended that Members approve that financial regulations be amended to read as follows:

*4.1 Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget.*

*4.2 No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure, or that is not contained within the revenue budget or within the Town Clerks delegated authority of £4,500, other than by resolution of the Council, or duly delegated committee. During the budget year and with the approval of Council having considered fully the implications for public services, unspent and*

*available amounts may be moved to other budget headings or to an earmarked reserve as appropriate (virement).*

*Any time the Town Clerk exercises a delegated financial authority, the Town Clerk will agree expenditure with the Chair or Vice Chair of the appropriate Committee and shall report the action taken and costs incurred to the same Committee as soon as practicable thereafter.*

*4.5 The Town Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair, replacement, health and safety or other work which is of such extreme urgency that it must be done at once, whether or not there is any budget provision for the expenditure, subject to a limit of £4,500. Before doing so, the Town Clerk will agree expenditure with the Chair or Vice Chair of the appropriate Committee and shall report the action taken and costs incurred to the same Committee as soon as practicable thereafter.*

3. It is further recommended that should Members approve 1 & 2 above, that such amendment to Financial Regulations be onward recommended to Full Council for adoption.

10. BUDGETARY CONTROLS

The current process for setting the budget is:

- RFO seeks advice from the Town Clerk 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. Budget monitoring 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.

## 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.