

GODALMING TOWN COUNCIL

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107-109 High Street
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Sir/Madam

I HEREBY SUMMON YOU to attend an Extraordinary Full Council Meeting of the Godalming Town Council to be held via Zoom on THURSDAY, 22 APRIL 2021 at 7.45pm or at the conclusion of the preceding Policy & Management Committee, whichever is later.

DATED this 16th day of April 2021.

Andy Jeffery
Clerk to the Town Council

The meeting of Godalming Town Council will be held under the provisions of the Coronavirus Act 2020 and The Local Authorities and Police & Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020

If you wish to watch the council meeting's proceedings, please go to Godalming Town Council's [Facebook](#) page, alternatively please contact office@godalming-tc.gov.uk by 5.00pm on 22 April 2021 for alternative options.

A G E N D A

1. **MINUTES**

THE TOWN MAYOR to sign as a correct record the Minutes of the Meeting of the Council held on the 1 April 2021.

2. **APOLOGIES**

TO RECEIVE apologies for absence.

3. **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.

4. **PETITIONS/STATEMENTS/QUESTIONS FROM MEMBERS OF THE PUBLIC**

THE TOWN MAYOR to invite members of the public to make representations, ask or answer questions and give evidence in respect of the business on the agenda or other matters not on the agenda. This forum to be conducted in accordance with Standing Order 5:

1. The period of time designated for public participation at a meeting for a maximum of three minutes per person or 15 minutes overall, unless otherwise directed by the chairman of the meeting,

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

2. A question shall not require a response at the meeting nor start a debate on the question. The chairman of the meeting may direct that a written or oral response be given. If a matter raised is one for Principle Councils or other authorities, the person making representations will be informed of the appropriate contact details.

5. QUESTIONS BY MEMBERS

To consider any questions from councillors in accordance with Standing Order 6.

6. RECEIPT OF OFFICIAL ANNOUNCEMENTS

To receive official announcements, letters, etc.

8. RECEIPT OF COMMITTEE MINUTES

To receive the minutes of the undermentioned Committees:

Meetings Dated

Environment & Planning

1 April 2021

Policy & Management Committee

17 December 2020

9. GODALMING JOINT BURIAL COMMITTEE – REPORT

TO NOTE FOR INFORMATION the report of the Godalming Joint Burial Committee of its proceedings on the 8 April 2021.

10. REVIEW OF THE EFFECTIVENESS OF INTERNAL CONTROL – ITEM FOR NOTE

Members to consider a report from the Responsible Finance Officer (report attached for the information of Members) and note its contents.

11. ANNUAL GOVERNANCE STATEMENT – ITEM FOR DECISION

Members are required to consider the Annual Governance Statement (attached for the information of Members) and the proposed answers to the questions posed by the Statement.

Members to approve that the Chair sign the Annual Governance Statement for 2020/21 with agreed responses.

12. ACCOUNTING STATEMENTS 2020/21 – ITEM FOR DECISION

Members to consider and approve the Town Council's Accounting Statements for the Financial Year Ended 31 March 2021 (copy of Section 2 of the Annual Return is attached for the information of Members).

13. AUTHORISATION OF DELEGATED AUTHORITY POST 7 MAY 2021 – ITEM FOR DECISION

Given that the ability for the Council to hold remote meetings ends on 7 May 2021, and there is, for a variety of reasons, the potential that physical meetings of the Full Council or its committees may not be quorate, the delegation set out at recommendation 1 is proposed as a contingency arrangement in the event of the need arising for an urgent council decision.

Any item that maybe subject to such delegation is to be clearly marked on the agenda as '**Urgent Business**' along with the reason for the agenda item being so marked.

Additionally, given the statutory timescales contained within the planning system, as a contingency arrangement if the need arises, the delegation set out at recommendation 2 is proposed for the determination of planning observations on behalf of Godalming Town Council.

Recommendations:

- 1. The Council resolves to agree that, in relation to any meeting of Full Council, Environment & Planning or Policy & Management convened for the period 7 May 2021 to 30 September 2021, in the event that the meeting is not quorate, any decisions identified on the meeting agenda as being Urgent, will be delegated (as far as the law allows) to the Town Clerk in consultation with the Mayor, the relevant Committee Chair and the Members of the Group Leaders' Forum.**
- 2. In the event that a meeting of the Environment & Planning Committee is not quorate during the period 7 May 2021 to 30 September 2021, the Council resolves to agree to provide delegated authority to the Town Clerk in consultation with the Chair of the Environment & Planning Committee and the Members of the Group Leaders' Forum for the determination of observations of planning applications to be submitted to the Planning Authority on behalf of Godalming Town Council.**

14. AUTHORISATION OF THE CLERK

TO AUTHORISE the Clerk to sign or, where appropriate to have sealed on behalf of the Town Council any orders, deeds, or documents necessary to give effect to any of the matters contained in the Reports received at this meeting or in any Resolution passed by the Council.

15. DATE OF NEXT MEETING

The date of the next Full Council meeting, being the Annual Meeting of the Council, is scheduled to be held in the Council Chamber on Thursday, 13 May 2021 at 7.15pm.

16. ANNOUNCEMENTS

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

10. REVIEW OF THE EFFECTIVENESS OF INTERNAL CONTROL FOR GODALMING TOWN COUNCIL AND GODALMING JOINT BURIAL COMMITTEE

Background

1. Paragraph 4 of the Accounts and Audit (England) Regulations 2011 says the following:

4. (1) The relevant body is responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.

(2) The relevant body must conduct a review at least once in a year of the effectiveness of its system of internal control.

(3) The findings of the review referred to in paragraph (2) must be considered—

(a) in the case of a larger relevant body, by the members of the body meeting as a whole or by a committee, and

(b) in the case of a smaller relevant body, by the members of the body meeting as a whole, and

following the review, the body or committee must approve an annual governance statement, prepared in accordance with proper practices in relation to internal control.

(4) The relevant body must ensure that the statement referred to in paragraph (3) accompanies—

(a) any statement of accounts it is obliged to prepare in accordance with regulation 7, or

(b) any accounting statement it is obliged to prepare in accordance with regulation 12.

(Members to note that for the purposes of the Accounts and Audit Regulations Godalming Town Council and the Godalming Joint Burial Committee are both smaller relevant bodies.)

2. It is part of the role of the Audit Committee to undertake a rolling programme of work that goes to inform the Council's review of the effectiveness of its system of internal control and the work programme forms part of the Council's evidence base. The Audit Committee also undertakes that work on behalf of the Godalming Joint Burial Committee, although as previously discussed in that case the relationship is different – the Audit Committee is not a committee of the Joint Burial Committee but Councillor Steel represents the JBC on the Audit Committee.

3. It is the normal practice of Godalming Town Council and of the Godalming Joint Burial Committee to undertake reviews of the effectiveness of internal control by 31 March each year. Due to the legislation governing virtual meetings during the COVID-19 pandemic being revoked and the possibility future meetings might not reach quorum, this has not occurred for the financial year ended 31 March 2021. In addition to its ongoing reviews the Audit Committee will normally undertake two formal reviews, which together make up the "review of the effectiveness of systems of internal control" – this

report and the review of the annual governance statement. For the financial year ended 31 March 2021 both reviews will be done by Full Council and are on this agenda.

Effectiveness of Systems of Internal Control

4. Members are asked to consider whether the Audit Committee's work programme deals adequately with the internal systems of control?
5. Members are further asked to address specifically the question of the effectiveness of audit and to do that by considering the questions and suggested responses shown below:

- **Scope of 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. Each year the Internal Auditor reviews the accounting statements and then focuses on a different element of the Governance Statement, with all elements being covered in a four year rolling programme.

- **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 & Co is an external accountancy firm trading independently. Mulberry & Co had a particular specialism in Town and Parish Councils. Members to note that it is good practice to change the Internal Auditor and Godalming Town Council performed a market test in the 2017/18 financial year which resulted in Mulberry & Co being reappointed. However, in order to ensure familiarity does not become an issue, the person performing the audit was changed in the 2016/17 financial year and changed again in the 2019/20 financial year.

- **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 and RFO are clearly defined in the job description for the Clerk and RFO and the terms of reference of the Audit Committee. There are also clear definitions of responsibility in Financial Regulations which are reviewed at least annually.

- **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 is made aware of the timetable of when the internal and external audits will take place and when the reports from these would be expected. The last interim internal audit was conducted on the 22 September 2020 and reported at the Audit Committee meeting on the 21 January 2021. The Committee's observations then accompanied the Internal Audit Report to the Full Council on the 1 April 2021. The final Internal Audit was completed on 12 April 2021 and will be reported at the next Audit Committee meeting on 29 April 2021. At its meeting on the 22 April 2021 Full Council should formally agree the annual return including the statement of accounts and the annual governance statement. The annual return is to be sent to the External Auditor thereafter and the expectation is that it should be received back by the 30 September 2021. The annual return will be considered at the next scheduled meeting following its receipt from the External Auditor.

Internal Audit Process

6. The Committee is further asked to consider the following questions and suggested responses with regard to internal audit arrangements.

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 Committee. Findings and recommendations of the Audit Committee are reported to Full Council.

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

- The reports on the work of the Internal Auditor are presented to the Audit Committee; the most recent included on Audit Committee meeting dated the 21 January 2021.

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

- The Godalming Joint Burial Committee performed its own risk assessments at its meeting on the 21 January 2021.

Does the Audit Committee provide regular reports relating to its recommendations and the agreed Work Programme to the Full Council?

- The Audit Committee reported to Full Council on the 17 September 2020 (Min Nos. 174-20 and 178-20 refer) and 1 April 2021 (Min Nos. 432-20, 435-20 and 441-20 refer).

Are the annual reports from the Internal Auditor presented to the Committee?

- The Annual Reports from the Internal Auditor are usually presented to the Audit Committee and then received by Full Council (see above for dates).

External Audit Process

7. The Committee is further asked to consider the following questions and suggested responses with regard to external audit arrangements.

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 Audit Committee, the most recent being brought to Full Council on the 17 September 2020.

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

- If there are recommendations from the External Auditor then Members ensure that they are implemented. There were no recommendations for the 2019/20 financial year.

During the 2018-19 financial year, the Council went out to market to appoint their Internal Audit function for the 2018/19 financial year onwards. As a result of this exercise, Mulberry & Co was reappointed.

PK Littlejohn LLP will be the External Auditor for Godalming Town Council for the 2020/21 financial year and BDO will be the External Auditor for the Godalming Joint Burial Committee.

Characteristics of the Review

8. Finally the Council is asked to consider the following questions and suggested responses about the overall characteristics of this review.

Can it be seen as a Catalyst for Change?

- Yes, the evidence being the Work Programme and the reviews undertaken to assess risk and the areas that are developed from these reviews.

Does it Add Value?

- Yes, value is provided by the follow-up actions that are taken from the work programme to make improvements to enhance our services and reduce risk.

Is it Forward Looking?

- Yes, the review identifies risks and incorporates them into the Audit Committee's Work Programme, which is reviewed and updated at each meeting of the Committee to ensure it is forward looking and meeting events.

Is it Challenging?

- Yes, the Audit Committee has created its own Work Programme identifying areas and risks over and above the norm that are considered and are 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 the Internal Auditor to complete its work?

- Sufficient budget exists to meet internal audit fees (and additional professional fees budget and/or reserves should unexpected circumstances demand more internal audit input is available if required). Good communication lines exist between the Internal Auditor and the Council's Officers and contracted staff.

Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

GODALMING TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2021, that:

	Agreed		
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.			<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.			<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.			<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.			<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.			<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.			<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.			<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

<https://godalming-tc.gov.uk/> PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

11. ANNUAL GOVERNANCE STATEMENT

Members to consider the Town Council's Annual Governance Statement for the Financial Year ended 31 March 2021 specifically considering the answers to the questions posed by the Annual Governance Statement. The proposed answers are shown below and are recommended by the Responsible Finance Officer.

	Statement <i>Godalming Town Council</i>	Recommended Answer	Evidence
1	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	YES	Use RBS accounting software – Officers have received training on the use of it. Budget monitoring reports to each ordinary meeting of the Policy & Management Committee.
2	We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	YES	Adequate systems of internal control maintained as evidenced by the Audit Committee's work programme and inclusion on this agenda. Assurances of Internal Audit reports Performed a separate review of the effectiveness of the Council's systems of internal control as recorded in the minutes.
3	We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this smaller authority to conduct its business or manage its finances.	YES	We employ competent staff and maintain an adequate budget for external professional advice augmented as required for specific additional advice. Staff attend sector specific conferences to ensure they are kept abreast of changes in the law.
4	We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	YES	Relevant notices displayed outside the Town Council offices as per the Accounts and Audit Regulations. The notices are also displayed on our website. In addition, ad hoc queries during the year are addressed fully.

5	We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	YES	Risk Assessments are all available for inspection in the Council's offices and on-going programme of risk analysis as part of the Audit Committee's work programme. A thorough review of our insurance requirements was conducted and adjustments to cover made to reflect changes in requirements.
6	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	YES	Interim Report of the Internal Auditor was received by the Full Council on 1 April 2021. Report of the External Auditor was received by the Full Council on the 17 September 2020.
7	We took appropriate action on all matters raised in reports from internal and external audit.	YES	All matters raised by the Internal Auditor were addressed as evidenced in Min No 435-20. No matters were raised by the External Auditor.
8	We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statements.	YES	Annual provision made in reserves for election expenses; ear marked reserves are used to provide for other potential commitments.
9	(For local council only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	N/A	This Council manages no trust funds.

Section 2 – Accounting Statements 2020/21 for

GODALMING TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	466,245	502,377	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	643,778	711,154	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	701,518	263,113	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	332,670	385,471	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	59,753	77,703	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	916,741	493,969	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	502,377	519,501	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	492,368	507,787	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	1,977,504	1,977,504	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	1,476,881	1,446,469	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
		✓	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2021 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

RC Tong **SIGNATURE REQUIRED**

Date

12 April 2021

I confirm that these Accounting Statements were approved by this authority on this date:

DD/MM/YY

as recorded in minute reference:

MINUTE REFERENCE

Signed by Chairman of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

GODALMING TOWN COUNCIL

Disclosure by a Member¹ 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]² [a non-pecuniary interest]³ 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 _____

¹ "Member" includes co-opted member, member of a committee, joint committee or sub-committee

² 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

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