

GODALMING TOWN COUNCIL

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107-109 High Street
Godalming
Surrey
GU7 1AQ

10 September 2021

I HEREBY SUMMON YOU to attend the **AUDIT COMMITTEE** Meeting to be held in The Pepperpot, High Street, Godalming on THURSDAY, 16 SEPTEMBER 2021 at 7.00pm.

Andy Jeffery
Town Clerk

If you wish to speak at this meeting please contact Godalming Town Council on 01483 523575 or email office@godalming-tc.gov.uk

Committee Members: Councillor Boyle
Councillor Crooks – Vice-Chair
Councillor Heagin – Chair
Councillor Stubbs
Councillor Welland

A G E N D A

1. **MINUTES**

To approve as a correct record the minutes of the meeting held on the 1 July 2021, a copy of which has been circulated previously.

2. **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 Chair 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.

5. **QUESTIONS BY MEMBERS**

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

6. **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).

7. BANK RECONCILIATION

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

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

8. FIXED ASSET DISPOSAL POLICY

Members to consider the attached report on a draft Fixed Asset Disposal Policy and agree its recommendations.

9. FIXED ASSET POLICY

Members to review the Council's Fixed Asset Policy. Members can view the last reviewed 20 September 2018 [Fixed Asset Policy](#) here.

10. BUDGETARY CONTROLS

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

11. REVIEW OF FINANCIAL REGULATIONS

NALC has not updated its model Financial Regulations since the detailed review done in 2019, so the Council's current Financial Regulations do not require any updating on this ground.

The Responsible Finance Officer would like Members to review Regulation 11.1i which reads:

When it is to enter into a contract of less than £25,000 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 Clerk or RFO shall obtain 3 quotations (price descriptions of the proposed supply); where the value is below £5,000 and above £1,000 the Clerk or RFO shall obtain 2 estimates. Otherwise, Regulation 10(3) above shall apply.

The RFO would like Members to consider raising the levels of requiring estimates and quotes to more fairly reflect the size of the Council, bearing in mind any level set does not negate Regulation 10(3) which is the requirement for obtaining best value for the Council. The RFO would suggest that estimates be required for contracts over £5,000 and quotes for between £5,000 and £25,000 and tenders for anything over £25,000.

Members can view the [Financial Regulations](#) here.

12. COUNCIL BANKING ARRANGEMENTS

Members to consider the attached report on the Council's banking arrangements and determine what, if any, actions be taken based upon it.

13. EXTERNAL AUDITOR'S REPORT

While the Responsible Finance Officer was on annual leave, an email from the External Auditor was received stating that they raised the following 'except for' matters (qualifications) on the Council's AGAR Part 3, subject to sign off by an engagement lead:

The AGAR has not been approved in accordance with the Accounts and Audit Regulations 2015: Section 2 was approved before Section 1.

Upon her return from annual leave, the Responsible Finance Officer provided evidence that this was not in fact correct and that Godalming Town Council had complied with the Accounts and Audit Regulations 2015 and approved Section 1 before Section 2.

The External Auditor was satisfied with the evidence provided but refused to issue an updated opinion. Instead, they have supplied a letter that can be placed alongside the Audit Opinion.

Members to note that the end result is that Godalming Town Council has an unqualified audit (copy of report and email attached for the information of Members).

14. PETTY CASH

The Responsible Finance Officer consulted with staff regarding the proposal to get rid of petty cash. Staff were asked whether they wished the current system to remain or were happy with the current reimbursement process or didn't mind either way. The responses were as follows:

- 1 Petty Cash System
- 5 Reimbursement System
- 3 Either System
- 2 Non responses

Accordingly, the Responsible Finance Officer recommends that the Petty Cash system be stopped and the remaining cash of £0.48 be banked.

15. AMENDMENT TO AUDIT COMMITTEE MEETING DATE – APRIL 2022

Members to note a change of date from Monday, 18 April 2022 which is Easter Monday to Monday, 25 April 2022.

16. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held in the Council Chamber on Thursday, 3 February 2022 at 6.30pm.

17. ANNOUNCEMENTS

Brought forward by permission of the Chair. 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 Heagin/RFO	10 September 2020	Latest Bank recs reviewed at each meeting of Audit Committee	Chair to review and sign at each meeting of the Audit Committee	Ongoing
Internal Control – Meeting 1					
Income Controls	Cllr Heagin	1 July 2021	Conducted 1 July 2021 – no issues identified	Annual review to be completed by July 2022	
Payment Controls	Cllr Heagin	1 July 2021	Conducted 1 July 2021 – no issues identified	Annual review to be completed by July 2022	
Payroll Controls	Cllr Heagin	1 July 2021	Conducted 1 July 2021 – no issues identified	Annual review to be completed by July 2022	
Petty Cash	Cllr Heagin	1 July 2021	Conducted 1 July 2021 – no issues identified	Annual review to be completed by July 2022	Consult with staff regarding eliminating petty cash and using reimbursement process going forward
Proper Book-keeping	Cllr Heagin	1 July 2021	Conducted 1 July 2021 – no issues identified	Annual review to be completed by July 2022	
VAT Controls	Cllr Heagin	1 July 2021	Conducted 1 July 2021 – no issues identified	Annual review to be completed by July 2022	

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	10 September 2020	Annual report received 10 September 2020. Onward recommendation to Full Council on 17 September 2020	On this agenda	
Asset Control	Cllr Boyle/RFO	19 September 2019	Deferred until 2021 due to COVID-19	On this agenda	
Review of Ongoing Suppliers	RFO /Facilities Supervisor /TC	Ongoing	Telephone services – as part of move to new offices, quotes received from three suppliers. Decision to go with Phones for Business.	Ongoing task	
Financial Regulations	RFO	10 September 2020	Review of Financial Regulations completed by this Committee 10 September 2020. Onward recommendation to Full Council on 17 September 2020	On this agenda	
Procedures	Cllr Welland	Ongoing	Creating a Standard Operating Procedures File for each position – aimed completion March 2020	Deferred until 2021 due to COVID-19	
Budgetary Controls	Cllr Welland	10 September 2020	Conducted 10 September 2020 – 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 Heagin /RFO	6 February 2020	To be reviewed at least every three years	Deferred until next meeting as not in office yet.	Will need to be reviewed once Council has moved to new offices
Risk Assessment – Environmental	Cllr Crooks/RFO	6 February 2020	To be reviewed at least every three years	Next review to be completed by 31 March 2022	Cllr Crooks to discuss developing an Environment Sustainability Policy with Cllr Follows
Risk Assessment – Legal	Cllr Boyle/RFO	6 February 2020	To be reviewed at least every three years	Next review to be completed by 31 March 2022	
Risk Assessment – Physical & Information Security	Cllr Welland/RFO	10 September 2020	To be reviewed at least every three years	Next review to be completed by 31 March 2023	
Risk Assessment – Reputation	Cllr Stubbs /RFO	6 February 2020	To be reviewed at least every three years	Next review to be completed by 31 March 2023	
Risk Assessment – Health & Safety	Cllr Stubbs /RFO	6 February 2020	To be reviewed at least every three years	Next review to be completed by 31 March 2022	RFO to organise Workplace Assessments for full time staff – when staff have moved into new premises
Risk Assessment – Financial	Cllr Crooks /RFO	10 September 2020	To be reviewed at least every three years	Next review to be completed by 31 March 2023	
Insurance	Town Clerk/RFO/ Cllr Heagin	29 April 2021	To be reviewed annually	Next review to be completed by 31 March 2022	.
Risk Assessment – Safeguarding	Cllr Boyle	21 January 2021	To be reviewed at least every three years	Next review to be completed by 31 March 2024	

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	29 April 2021	Interim audit report received and responses given. Onward recommendation to next Full Council meeting	Ongoing	
Management of Debt (particularly Bad Debt)	RFO	29 April 2021	To be reviewed annually	Annual review completed by March 2022	
Review of Effectiveness of Internal Control	Cllr Heagin /RFO	22 April 2021 (at Full Council due to COVID-19)	To be reviewed annually	Annual review to be completed as part of Annual Governance and Accountability Return process.	
Annual Governance Statement	Cllr Heagin /RFO	22 April 2021 (at Full Council due to COVID-19)	To be reviewed annually	Annual review to be completed as part of Annual Governance and Accountability Return process.	
Annual Accounting Statements	Cllr Heagin /RFO	22 April 2021 (at Full Council due to COVID-19)	To be reviewed annually	Annual review to be completed as part of Annual Governance and Accountability Return process.	
Review of Credit Control Procedures	RFO	21 January 2021	To be reviewed at least every three years	Next review to be completed by 31 January 2024	
Review of Council Banking Arrangements	Cllr Heagin /RFO	29 April 2021		On this agenda	
Review of Treasury and Investment Policy		29 April 2021	To be reviewed at least every three years	Next review to be completed by April 2024	

8. FIXED ASSET DISPOSAL POLICY

Background

Godalming Town Council has been the recipient of many donations of art work, memorabilia and other items over the years. Some of these items have no intrinsic value and others have value in a local context though not necessarily a monetary one. To the Responsible Finance Officer's (RFO) knowledge, none of these donations were made with any caveats or restrictions.

With the move of the Council's offices from Bridge Street to 107-109 High Street, the issue of storage space has arisen. The Council no longer has the space to store some of the items it has been given over the years. The RFO raised with Members of the Audit Committee the possibility of disposing of some of these items at the Committee's meeting in July 2021. It was agreed that Councillor Boyle and the RFO would consider the issue and report back to the Audit Committee any findings or recommendations.

Actions Taken

Councillor Boyle and the RFO met and reviewed the Council's Fixed Asset Register (attached for the information of Members). From their review, assets were identified that could potentially be disposed of and consideration was given as to why that view was taken. From this, Councillor Boyle wrote the following proposed Fixed Asset Disposal Policy for the consideration of this Committee.

Proposed Fixed Asset Disposal Policy

Full Council has responsibility for deciding on any asset disposal by GTC, following recommendations by the Audit Committee.

The Audit Committee conducts a periodic review of existing assets, during which the Committee will recommend asset disposals (other than land and buildings) to Full Council if [some or all of] the following criteria are met:

- The asset is not in current use and there is no reasonable expectation of its use in the foreseeable future.
- The asset is not easily stored in existing storage at minimal cost.
- There is a requirement for maintenance/refurbishment which would incur significant costs in the near future.
- The likely market value of the asset outweighs its current value to GTC and to the community of Godalming, and there is a requirement for GTC to purchase other assets which cannot be met from existing funds.

If the above criteria are adequately met, disposal should take place as follows:

- In the case of assets above a likely value of [£X], a commercial valuation will be sought.
- In the case of assets confirmed as likely to be above a value of [£Y], advice will be sought on the timing of a sale [is the market of such assets currently low and would it therefore be better for GTC to postpone the sale until markets improve?]
- In the case of assets of apparently of negligible value [e.g. photos], advice will be sought from the Curator of Godalming Museum as to whether they may have historical or niche value.

- In the case of assets of historical or niche value, discussions will take place between the Audit Committee and the Curator as to an approach to the assets, which will then be recommended to Full Council.
- In the remaining case of assets of negligible value, local organisations will be informed or their imminent disposal to allow them to make offers to take on the assets.

Note that other asset disposals may be proposed by the Town Clerk/RFO for the efficient running of the operations of Godalming Town Council, e.g. vehicles, plant.

Recommendations

1. Members to review the Fixed Asset Register and note additions and disposals since its last review.
2. Members to review the Fixed Asset Disposal Policy and, if agreed, recommend its adoption by Full Council.

Godalming Town Council
Schedule of Assets
2021/22

Asset Details					2021/22			
Ref No	Description Land/Other	Identification	Date Acquired	Original Cost	Market Current Value £	Disposal/ Discharge	Insurance Value £	B / Sheet Asset Value £
	Allotments	Statutory						
	George Rd		1.9 Acres	Unknown	£ 400,000	-	£	1
	More Rd		3.99 Acres	Unknown	£ 2,750,000	-	£	1
	Busbridge Lane		2 Acres	Unknown	£ 925,000	-	£	1
	Aarons Hill		.46 Acres	Unknown	£ 12,000	-	£	1
	Meadrow		2.47 Acres	Unknown	£ 20,000	-	£	1
	Catteshall			Unknown			£	1
	The Burys			Unknown	£ 5,000	-	£	1
	Peperharrow Road			Unknown	£ 260,000	-	£	1
	Land	Other						
	Old Drift Way			Unknown	£ 5,000	N/A	£	1
	Catteshall Lane		5 sq metres	Unknown			£	1
	The Pound			Unknown	£ 13,500	-	£	1
	The War Memorial			Unknown	£ 32,500	-	£	1
	Property	Buildings						
	GU7 1AZ	The Square			£ 1,732,000	-	£ 2,500,000	£ 1
	GU7 1DP	The Old Town Hall			£ 563,000	-	£ 600,000	£ 1
	GU7 3NZ	Broadwater Pk Community Centre			£ 945,000	-	£ 1,000,000	£ 1
	GU7 1BQ	Wilfrid Noyce Community Centre - 125 Year Lease	28/07/2005	N/A	£ 1,152,000	-	£ 1,360,000	£ 1,371,494
	GU7 1AQ	Godalming Museum	01/10/2017				£ 2,080,000	£ 1
	GU7 1AQ	107-109 High Street - 999 Year Lease	01/07/2019		£ 407,000		£ -	£ 407,000
		Bandstand					£ 200,000	£ 1
	GU7 2NE	Farncombe Toilets - 20 Year Lease	13/11/2017				£ 200,000	£ 1
	GU7 1DY	Crown Court Toilets - 20 Year Lease	13/11/2017				£ 230,000	£ 1
		Furniture & Equipment						
	GU7 1HR	Municipal Buildings			£ 88,377	N/A	£ 103,915	£ 1
	GU7 3NZ	BWP Community Centre			£ 15,331		£ 19,167	£ 1
	GU7 1DP	Old Town Hall			£ 12,626		£ 15,457	£ 1
	GU7 1AQ	Godalming Museum	01/10/2017				£ 30,000	£ 1
	GU7 1BQ	Wilfrid Noyce Community Centre	28/07/2005		£ 17,392		£ 116,665	£ 1
		new lease WN for 125 years	31/05/2011					
		Civic Regalia & Furniture						
		Large silver presentation salver		Gift	£ 3,000		£ 4,049	£ 2,500
		Victorian silver rose bowl			£ 2,250		£ 2,996	£ 1,850
		Silver two-handed bowl			£ 1,200		£ 1,458	£ 900
		Silver presentation key			£ 1,200		£ 1,458	£ 900
		Silver presentation trophy cup and cover			£ 2,600		£ 3,482	£ 2,150
		Silver nautilus shell finger bowl			£ 1,250		£ 1,619	£ 1,000
		Victorian silver candelabrum			£ 16,000		£ 19,434	£ 12,000
		Godalming Town silver mace			£ 12,500		£ 14,575	£ 9,000
		Mayor of Godalming badge and chain			£ 80,000		£ 105,266	£ 65,000
		Mayor of Godalming staff			£ 3,000		£ 4,049	£ 2,500
		Mayoress of Godalming badge and chain			£ 15,000		£ 20,243	£ 12,500
		Deputy Mayor's pendant jewel	1953	Gift	£ 10,000		£ 13,766	£ 8,500
		Deputy Mayoress's pendant jewel	1988	Gift	£ 3,000		£ 3,806	£ 2,350
		19th Century pewter inkwell			£ 600		£ 810	£ 500
		Edwardian EPNS inkstand			£ 125		£ 162	£ 100
		19th Century Venetian ormolu mounted wall mirror			£ 3,500		£ 4,858	£ 3,000
	Photographs	Two illuminated manuscripts			£ 7,000		£ 9,717	£ 6,000
	Photographs	Illuminated Armorial bearing			£ 1,850		£ 2,429	£ 1,500
	Photographs	Elizabeth II Armorial Bearings			£ 3,600		£ 4,858	£ 3,000
	Photographs	Postcard - signed by Jack Phillips			£ 650		£ 810	£ 500
		Lignum vitae gavel and stand			£ 650		£ 810	£ 500
		Carolean style gilt gesso audience chair	2006	Gift	£ 4,500		£ 6,235	£ 3,850
		Pair of mid Victorian oak chairs			£ 650		£ 729	£ 450
		Facsimile of Mayor of Godalming's badge and chain			£ 8,500		£ 12,146	£ 7,500
		Facsimile of Mayoress of Godalming's badge and chain			£ 6,500		£ 8,907	£ 5,500
		Pictures / Paintings						
	Photographs	John D Watson - portrait of John Simmonds			£ 3,000		£ 1,860	£ 2,500
	Photographs	English School, late 18th Century			£ 3,000		£ 1,860	£ 2,500
	Photographs	Walter Donne - potrait of Alderman T Rea			£ 3,000		£ 2,009	£ 2,700
	Photographs	Vera Schumacher - portrait of Joseph Sparkes, Esq			£ 3,000		£ 1,860	£ 2,500
	Photographs	M Pittatore - portrait of Henry Marshall			£ 3,000		£ 2,009	£ 2,700
	Photographs	Circle of Jonathan Richardson - potrait of Admiral John Balchin			£ 8,000		£ 7,250	£ 7,250
	Photographs	English School, mid 18th Century			£ 1,200		£ 595	£ 800
	Photographs	English School			£ 5,000		£ 2,604	£ 3,500
	Photographs	Collection of past mayors			£ 800		£ 558	£ 750
		Collection of photographic, facsimile, watercolour & mixed media			£ 800		£ -	£ 500
		Seal registers	1946-74	Record	£ -			£ -
GU7 1AQ	Museum collection				£ 131,000		£ 429,600	£ 2,971
	Miscellaneous							
	Christmas Lights		2007	£15,000	£ 15,454		£ 35,935	£ 1
	Christmas Infrastructure		2006/7					
	Seats		prior 1998	Gift	£ 1,375		£ -	£ 1
	Seats						£ -	
	Bus Shelters x2				£ 4,080		£ 19,650	£ 1
	Oak Single Gates x2		prior 1998		£ 1,185		£ -	£ 1
	CCTV Pepperpot		2006/7	£2,500	£ 2,500		£ 2,871	£ 2,500
	CCTV WNC		12/01/2018	£3,109	£ 3,109		£ 3,109	£ 3,109
	WNC Pedestrian gate		28/05/2018	£2,929	£ 2,929		£ 2,929	£ 2,929
	Swing Gate		31/10/2016	£ 1,243.20	£ 1,243		£ -	£ 1
	Fencing							
	Vehicles							
	Van MT17HAA		12/07/2019	£ 8,762.04	£ 8,222		£ 8,222	£ 8,222
	1100 Litre Highway Water Bowser (H250P)		27/05/2021	£ 3,000.00	£ 3,000		£ 3,000	£ 3,000
	TOTAL FIXED ASSETS				£ 9,749,748		£ 9,229,795	£ 1,980,504

10. **BUDGETARY CONTROLS**

Budget Setting Process

The current process for setting the budget is:

- the Town Clerk gains visibility of potential new initiatives from Members through the Leaders of Political Groups Meeting. Officers may also raise initiatives in this forum which are usually derived from either best practice seen at other Councils, known legislative changes that need to be adhered to or technological changes that could improve efficiencies;
- 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; and
- once agreed, budget is taken to Full Council to be approved and for the Precept to be set.

Ongoing Oversight

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 done at every Policy & Management Committee meeting.

At each Policy & Management Committee meeting 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 & 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.

Published Data

The Council is required to publish its approved budget on its website; this information can be found on the [Financial Information](#) page.

The Council must also demonstrate that performance against budget is monitored at least quarterly. Godalming Town Council performs its budget monitoring within the Policy & Management Committee, whose agendas can be found online within the Town Council [Agendas & Minutes](#) section.

12. BANKING REVIEW

Background

HSBC closed its Godalming branch on 23 July 2021. The Council's account is now administered from the branch at 12A North Street, Guildford.

At its meeting on 29 April 2021, the Audit Committee agreed to review the Council's banking arrangements to ensure that the future banking needs of the Council are met. Councillors determined that the criteria upon which to evaluate banking institutions be as follows:

- Moody's/Fitch's or S&P's rating per Treasury & Investment Policy;
- High Street presence and length of time in Godalming– our community needs High Street banks and those that continue to operate in our town are deserving of our support. This is also consistent with the Council's Godalming First ethos;
- ease of administration of the Council's day-to-day banking needs;
- financial security – are they covered by FSCS?
- fees/charges and interest payable on deposits;
- ethical credentials;
- service quality; and
- Cost/disruption of making any change – for example, is all ID checking online, or is physical attendance necessary by all signatories?

Banks Reviewed

The Responsible Finance Officer was asked to evaluate the following banking institutions against the above criteria and report back to this Committee:

- HSBC
- Lloyd's
- NatWest
- Triodos
- Handelsbanken
- The Co-Operative

Financial Institute Credit rating

Bank	Moody's	S&P	Fitch
HSBC	Aa3	A+	AA-
Lloyds	Aa3	A+	A+
NatWest	A1	A	A+
Triodos	-	-	BBB
Handelsbanken	-	AA-	AA
The Co-Operative Bank	B3	-	B-

The Council's Treasury & Investment Policy states that funds can only be invested with institutions with a rating of BBB+ or above on the Fitch rating system (the only rating system where all the banks being evaluated have a result and thus can be compared).

This means that neither Triodos nor The Co-Operative bank are able to be used by Godalming Town Council.

High Street Presence

Bank	Nearest Branch Address	Opening Hours
HSBC	12A North Street Guildford GU1 4AF	M-F 09:00 – 16:30
Lloyds	49 High Street Godalming GU7 1AT	M-F 09:00 – 15:00
NatWest	77 High Street Godalming GU7 1AR	M-F 10:00 – 15:00
Triodos	No physical branches, purely online	
Handelsbanken	Andrew House College Road Guildford GU1 4QB	M-F 09:00 – 17:00
The Co-Operative Bank	91 George Street Croydon CR0 1LD	M-F 09:00 – 17:00

Godalming only has two remaining banks on the High Street – Lloyds and NatWest. The Responsible Finance Officer was not able to determine how long they had been operating in Godalming.

Service Quality

The results below are from an independent survey carried out between January 2020 and December 2020 by BVA BDRC as part of a regulatory requirement (the detailed report is attached for the information of Members).

SME customers with business current accounts were asked how likely they would be to recommend the following:

- their provider;
- their provider's online and mobile banking services;
- services in branches and business centres;
- SME overdraft and loan services; and
- relationship/account management services to other SMEs.

The results show the proportion of customers of each provider, among those who took part in the survey, who said they were 'extremely likely' or 'very likely' to recommend each service.

Participating providers: Allied Irish Bank (GB), Bank of Scotland, Barclays, Clydesdale Bank, Handelsbanken, HSBC UK, Lloyds Bank, Metro Bank, NatWest, Royal Bank of Scotland, Santander, The Co-operative Bank, TSB, Yorkshire Bank.

Approximately 1,200 customers a year are surveyed across Great Britain for each provider; results are only published where at least 100 customers have provided an eligible score for that service in the survey period.

16,800 people were surveyed in total.

Bank	Score
HSBC	52%
Lloyds	57%
NatWest	59%
Triodos	-
Handelsbanken	76%
The Co-Operative Bank	48%

Ethical Credentials

The results below are from the Ethical Consumer review of banks (the detailed report is attached for the information of Members).

Bank	Score out of 20
HSBC	1.5
Lloyds	3.5
NatWest	3
Triodos	16
Handelsbanken	6
The Co-Operative Bank	7

Fees and Charges

	Monthly Fee	Cash Transaction Fee	Cash Value Fee	Cheque Transaction Fee	Fee per Cheque
HSBC	£6.50	£0.25p	£1.10 per £100	£1.00	£0.50p
Lloyds	£7.00	£0.85p	£1.00 per £100	£0.85p	£0.85p
NatWest*	£0.00		£0.70 per £100		£0.70p
Triodos	£3.00				£0.60p
Handelsbanken	£50.00 max				
The Co-Operative Bank**	£10.00		£0.55 per £100		£0.28p

*NatWest charge for automated transactions e.g. Direct Debit and Standing Orders - £0.35p per transaction, plus BACS payments are charged at £5.25 per payment file plus £0.18p per item.

**The Co-Operative Bank charge £0.20p for automated debits and £0.40p for automated credits.

Interest Rate for Savings

Bank	Interest Rate
HSBC	0.01% AER
Lloyds	0.01% AER
NatWest	0.01% AER
Triodos	0.02% AER
Handelsbanken	Couldn't find
The Co-Operative Bank	0.03% AER

Other Considerations

There have been no issues with queues or the process in using the Post Office for depositing cash and cheques.

The Responsible Finance Officer is unable to determine the ease of opening accounts or changing an existing mandate until the process is actually done.

Business banking service quality - Great Britain

Independent service quality survey results

Business current accounts

Published February 2021

As part of a regulatory requirement, an independent survey was conducted to ask customers of the 14 largest business current account providers if they would recommend their provider to other small and medium-sized enterprises (SMEs*). The results represent the view of customers who took part in the survey.

These results are from an independent survey carried out between January 2020 and December 2020 by BVA BDRC as part of a regulatory requirement, and we have published this information at the request of the providers and the Competition and Markets Authority so you can compare the quality of service from business current account providers. In providing this information, we are not giving you any advice or making any recommendation to you.

SME customers with business current accounts were asked how likely they would be to recommend their provider, their provider's online and mobile banking services, services in branches and business centres, SME overdraft and loan services and relationship/account management services to other SMEs. The results show the proportion of customers of each provider, among those who took part in the survey, who said they were 'extremely likely' or 'very likely' to recommend each service.

Participating providers: Allied Irish Bank (GB), Bank of Scotland, Barclays, Clydesdale Bank, Handelsbanken, HSBC UK, Lloyds Bank, Metro Bank, NatWest, Royal Bank of Scotland, Santander, The Co-operative Bank, TSB, Yorkshire Bank.

Approximately 1,200 customers a year are surveyed across Great Britain for each provider; results are only published where at least 100 customers have provided an eligible score for that service in the survey period.

16,800 people were surveyed in total.

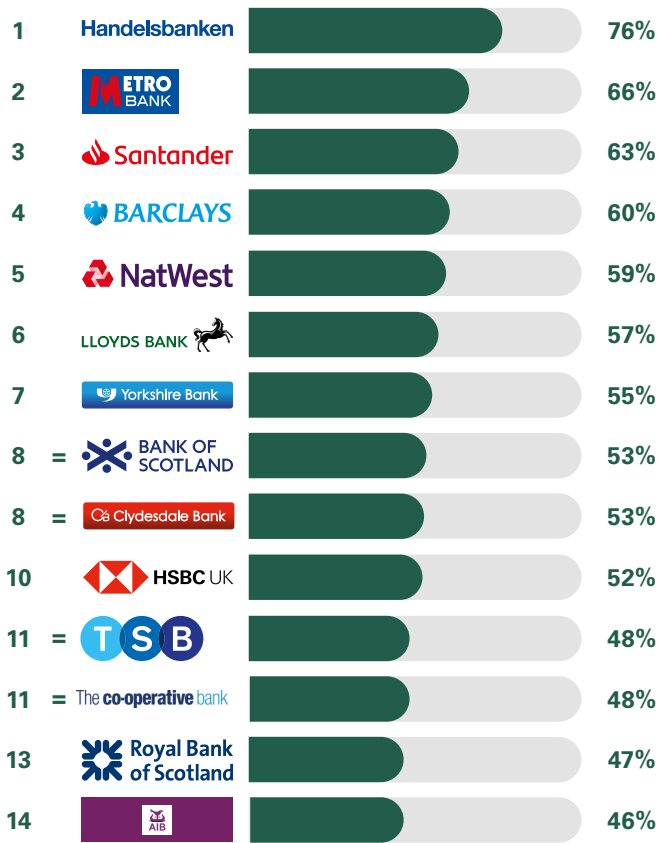
Results are updated every six months, in August and February.

*SMEs include businesses, clubs, charities and societies with an annual turnover/income of up to £25m (exclusive of VAT and other turnover-related taxes).

Overall service quality

We asked customers how likely they would be to recommend their business current account provider to other SMEs.

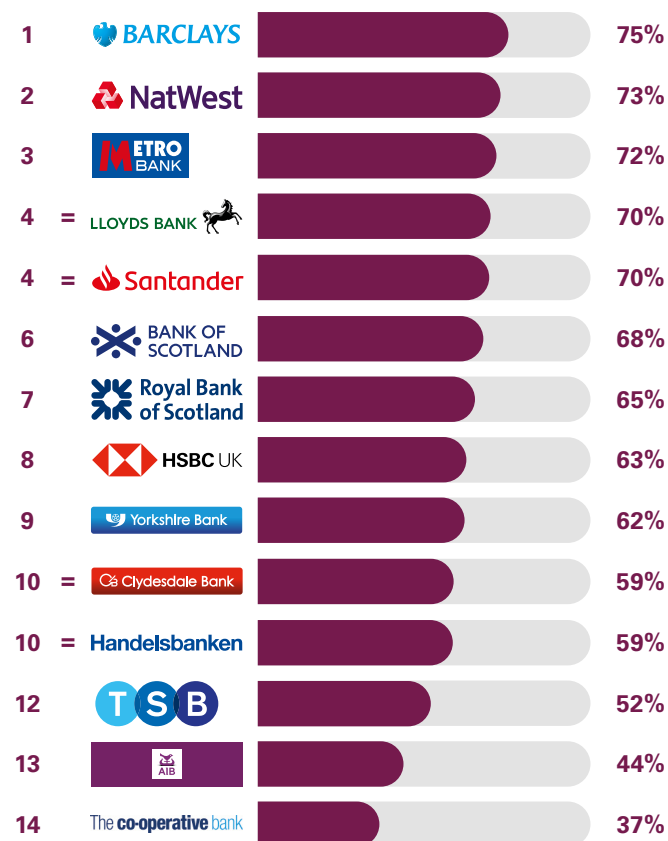
Ranking



Online and mobile banking services

We asked customers how likely they would be to recommend their provider's online and mobile banking services to other SMEs.

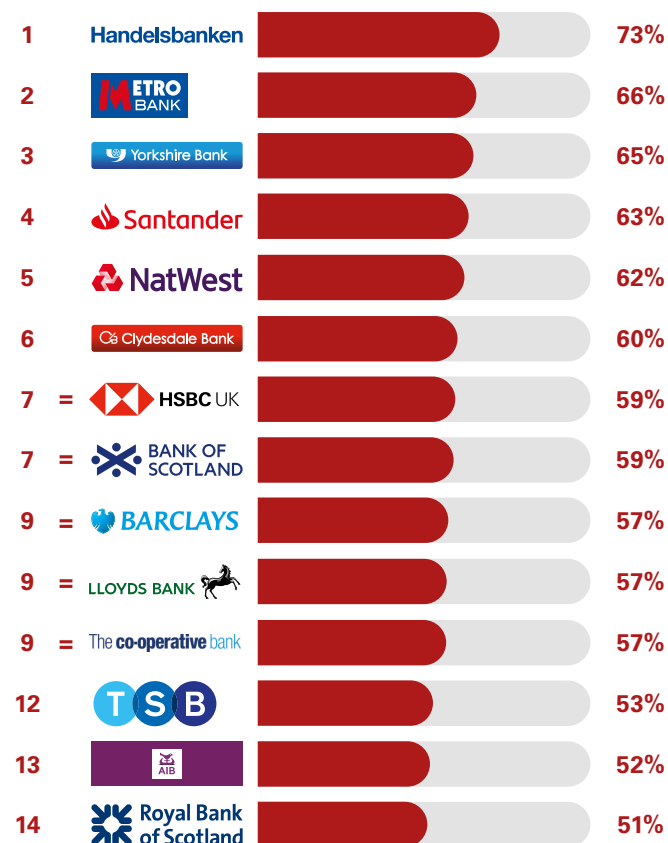
Ranking



SME overdraft and loan services

We asked customers how likely they would be to recommend their provider's SME overdraft and loan services to other SMEs.

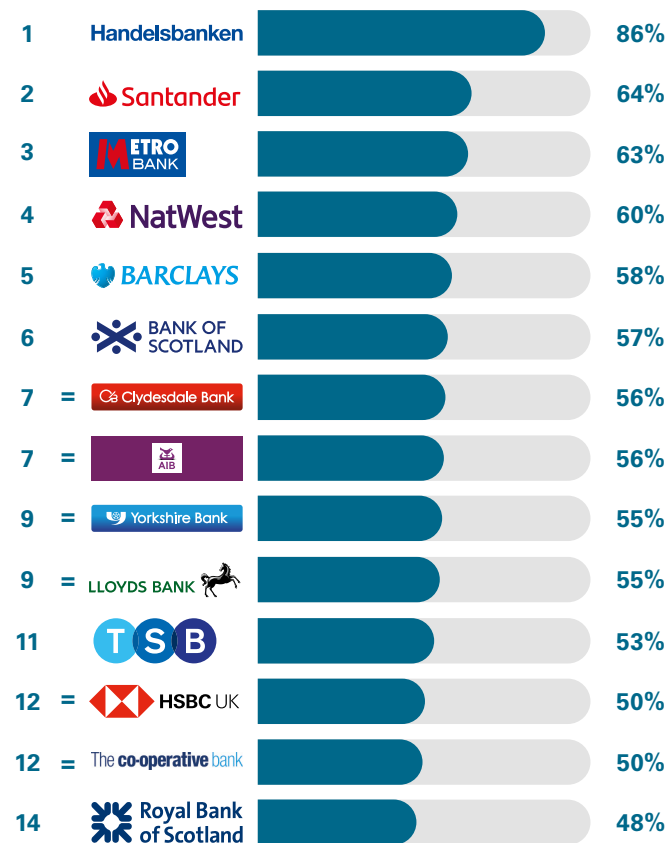
Ranking



Relationship/account management

We asked customers how likely they would be to recommend their provider's relationship/account management to other SMEs.

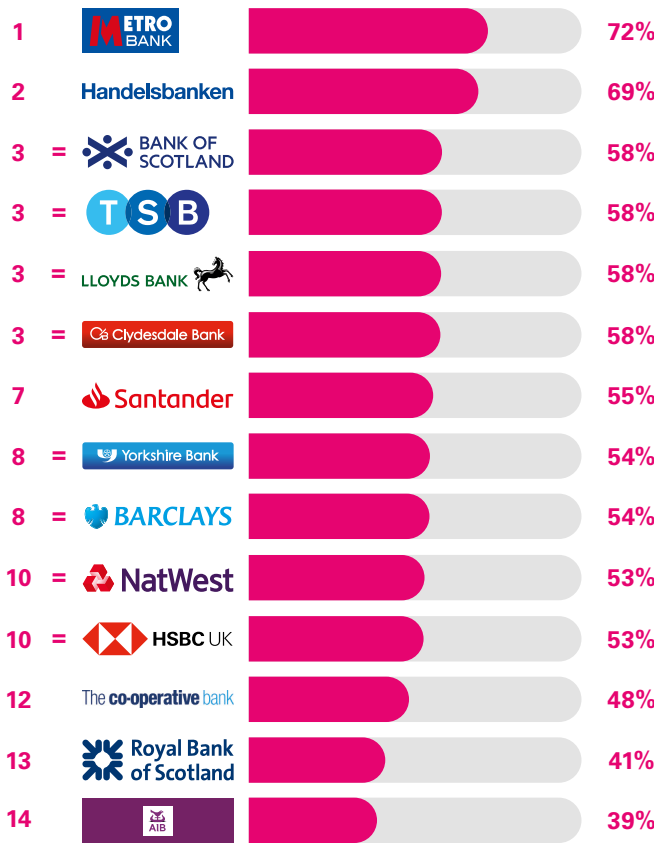
Ranking



Service in branches and business centres

We asked customers how likely they would be to recommend their provider’s branch and business centre services to other SMEs.

Ranking





You are in: / Home (/) / Ethical Money (/money-finance) / Ethical Bank Accounts

Ethical Bank Accounts

Is there an ethical bank? Rating the ethical and environmental record of 32 UK current accounts, with recommended buys.

We also look at app-based banking, which banks own which brands, fossil fuel investments, tax avoidance, and how to switch accounts.



By Clare Carlile

Last updated: Friday 28th of August 2020

About Ethical Consumer

This is a product guide from Ethical Consumer, the UK's leading alternative consumer organisation. Since 1989 we've been researching and recording the social and environmental records of companies, and making the results available to you in a simple format.

[Learn more about us → \(/about-us\)](/about-us)

Share this:

What to buy

What to look for when choosing an ethical bank account:

Is it an ethical investor? Make sure that your chosen bank is clear about how it will invest your money. Keep an eye out for bank's ethical investment policies.

Does it pay its fair share of tax? Tax avoidance is a big issue in this sector with many banks operating subsidiaries out of known tax havens such as Switzerland and Luxembourg. Look for a company that is paying its fair share of tax.

Best Buys

Our best buy for current accounts is Triodos, which remains squarely at the forefront of the banking industry when it comes to ethics.

Triodos

What not to buy

What to avoid when choosing an ethical bank account:

Is it financing climate change? All of the big banks have extensive investments in fossil fuels, including the most damaging ones like tar sands and ultra-deep sea drilling. Also be aware of investments in the fracking industry.

Is it funding the Israeli military? War on Want (<https://waronwant.org/stop-arming-israel>) released a report detailing the relationship between UK financial institutions and companies that sell arms and military equipment to Israel which have been used in the oppression of Palestinians.

Companies to avoid

Barclays (/company-profile/barclays-plc) is the biggest banker of fossil fuels in Europe, followed by HSBC (/company-profile/hsbc). Both banks have also been linked to multiple

Recommended buys:

Nationwide (/company-profile/nationwide-building-society) and Cumberland Building Societies (/company-profile/cumberland-building-society) and the Co-operative Bank (/company-profile/co-operative-bank-holdings-limited) (including its Smile brand) accounts are all also recommended.

Unlike Triodos (/company-profile/triodos-bank-nv) which has a small monthly charge, these banks all offer free banking services, and credit cards, which will be important for some.

The Co-operative Bank (/company-profile/co-operative-bank-holdings-limited) remains a recommended buy as it maintains a crystal-clear ethical stance across a number of issues.

If you're considering switching to the Co-operative Bank or are already a member, you may wish to join the Customer Union for Ethical Banking, which we cover in our 'Company behind the brand' section at the bottom of this guide.

human rights abuses. We'd recommend avoiding their brands:

- Barclays (/company-profile/barclays-bank-plc)
- M&S Money (/company-profile/marks-spencer-money) (50% HSBC)
- HSBC (/company-profile/hsbc)
- First Direct (HSBC)

Citigroup (/company-profile/citigroup-inc), Lloyds Banking Group (/company-profile/lloyds-banking-group-plc) (Lloyds (/company-profile/lloyds-bank), Halifax (/company-profile/halifax-plc), Bank of Scotland (/company-profile/bank-scotland)), NatWest Group (/company-profile/natwest-group-formerly-royal-bank-scotland-group-plc) (NatWest (/company-profile/natwest), RBS (/company-profile/royal-bank-scotland), Coutts (/company-profile/coutts-group)) and Santander (/company-profile/santander-uk-group-holdings-plc) (Santander (/company-profile/santander-uk-group-holdings-plc), Carter Allen) all also face multiple criticisms, not least for their ongoing financing of fossil fuels.

Barclays

HSBC

M&S Money

First Direct

Citigroup

Lloyds

NatWest

RBS

Coutts

Santander

Carter Allen

Halifax

Bank of Scotland

Score table

FAQs ⓘ (/node/modal/16)

Updated live from our research database

Brand	Score (out of 20)	Ratings Categories	Positive Scores
Triodos [S] Company Profile: Triodos Bank UK Limited (/company-profile/triodos-bank-uk-limited)	16	🌱 Environment (/stories/1456869+1462461+1456890) 👤 People (/stories/1404073+1456624)	

Cumberland BS current accounts Company Profile: Cumberland Building Society (/company-profile/cumberland-building-society)	13	🌍 Environment (/stories/1456183+1456240) 🏢 Company Etho (/stories/1456300)
Nationwide current accounts Company Profile: Nationwide Building Society (/company-profile/nationwide-building-society)	12.5	🌍 Environment (/stories/1455531+1459852) 👤 People (/stories/1455530) 📰 Politics (/stories/1265505+1455537+1455537+1406517)
Monzo app-based bank Company Profile: Monzo Bank Limited (/company-profile/monzo-bank-limited)	12	🌍 Environment (/stories/1455539+1456027+1456809+1456807+1) 👤 People (/stories/1456809+1456807+1456809+1456807+1) 🐾 Animals (/stories/1456809+1456807+1456809+)
Starling Bank current accounts Company Profile: Starling Bank Limited (/company-profile/starling-bank-limited)	12	🌍 Environment (/stories/1456397+1456399) 📰 Politics
Metro Bank Company Profile: Metro Bank Plc (/company-profile/metro-bank-plc)	11.5	🌍 Environment (/stories/1455825+1455824) 👤 People (/stories/1455837) 📰 Politics (/stories/1266161+1455837+1456760+1455841)
Al Rayan Bank current & savings Accounts Company Profile: Al Rayan Bank plc (formerly IBB) (/company-profile/al-ryan-bank-plc-formerly-ibb)	10.5	🌍 Environment (/stories/1456920+1457009+1456925) 👤 People (/stories/1407291) 🐾 Animals (/stories/1456925+1456925)
Revolut app-based bank Company Profile: Revolut Ltd (/company-profile/revolut-ltd)	10.5	🌍 Environment (/stories/1455551+1456029) 👤 People (/stories/1455547+1455556+1455554)
Clydesdale Bank current & savings accounts Company Profile: Clydesdale Bank plc (/company-profile/clydesdale-bank-plc)	7.5	🌍 Environment (/stories/1455614+1457301+1457284+1457284+1) 👤 People (/stories/1457284+1457284+1457284+1457284) 🐾 Animals (/stories/1457284+1457284+1457284)
Virgin Money current and savings accounts Company Profile: Virgin Money Holdings (UK) PLC (FORMERLY: Virgin Money Group) (/company-profile/virgin-money-holdings-uk-plc-formerly-virgin-money-group)	7.5	🌍 Environment (/stories/1455614+1457301+1457284+1457284+1) 👤 People (/stories/1457284+1457284+1457284+1457284) 🐾 Animals (/stories/1457284+1457284+1457284)
Yorkshire Bank current & savings accounts Company Profile: Yorkshire Bank Plc (/company-profile/yorkshire-bank-plc)	7.5	🌍 Environment (/stories/1455614+1457301+1457284+1457284+1) 👤 People (/stories/1457284+1457284+1457284+1457284) 🐾 Animals (/stories/1457284+1457284+1457284)
Co-op Bank/Smile [S] Company Profile: Co-operative Bank Holdings Limited (/company-profile/co-operative-bank-holdings-limited)	7	🌍 Environment (/stories/1454855+1457725+1454863+1454879+1) 👤 People (/stories/1454863+1454857+1452752+1454863+1) 🐾 Animals (/stories/1452833+1454874+1454863+)
Handelsbanken current & savings accounts Company Profile: Svenska Handelsbanken AB (/company-profile/svenska-handelsbanken-ab)	6	🌍 Environment (/stories/1457383+1457388+1457548+1457548+1) 👤 People (/stories/1457803+1406736+1457548+1406573+1) 🐾 Animals (/stories/1457548+1457385+1457548+)
Danske Bank current & savings accounts Company Profile: Danske Bank A/S (/company-profile/danske-bank)	5.5	🌍 Environment (/stories/1457764+1457779+1457779) 👤 People (/stories/1457779+1443326+1443288+1457779+1) 🐾 Animals (/stories/1457779+1457779+1457779) 📰 Politics
Bank of Ireland current & savings accounts (NI Only)		🌍 Environment (/stories/1457592+1457716+1457716)

Company Profile: Bank of Ireland Group (/company-profile/bank-ireland-group)	4.5	<div> <div>👤 People (/stories/1457722+1409335+1457722+)</div> <div>🐾 Animals (/stories/1457722+1457722+1366591+)</div> <div>🗳️ Politics</div> </div>
ICICI current accounts Company Profile: ICICI Bank UK PLC (/company-profile/icici-bank-uk-plc)	4	<div> <div>🌱 Environment (/stories/1457062+1457064+1406992+1457790+1)</div> <div>👤 People (/stories/1457790+1409208+1457374+1457790+1)</div> <div>🐾 Animals (/stories/1457790+1457374+1457790+)</div> </div>
TSB current accounts Company Profile: TSB Bank Group plc (/company-profile/tsb-bank-group-plc)	4	<div> <div>🌱 Environment (/stories/1457632+1457634+1457632+)</div> <div>👤 People (/stories/1457642+1457728+1457642+)</div> <div>🐾 Animals (/stories/1457642+1457642+1457642+)</div> <div>🗳️ Politics (/stories/1457642+1457642+1457642+1457642+1)</div> </div>
Bank of Scotland current & savings accounts Company Profile: Bank Of Scotland (/company-profile/bank-scotland)	3.5	<div> <div>🌱 Environment (/stories/1455598+1456774+1372528+)</div> <div>👤 People (/stories/1455600+1443609+1457774+1443697+1)</div> <div>🐾 Animals (/stories/1455600+1455600+1455600+)</div> <div>🗳️ Politics (/stories/1455600+1398174+1455600+)</div> </div>
Cater Allen current account Company Profile: Cater Allen Limited (/company-profile/cater-allen-limited)	3.5	<div> <div>🌱 Environment (/stories/1451911+1455773+1470206+1451890+1)</div> <div>👤 People (/stories/1455776+1457778+1456981+1455776+1)</div> <div>🐾 Animals (/stories/1455776+1455776+1455776+)</div> </div>
Halifax current account Company Profile: Halifax Plc (/company-profile/halifax-plc)	3.5	<div> <div>🌱 Environment (/stories/1455598+1456774+1372528+)</div> <div>👤 People (/stories/1455600+1443609+1457774+1443697+1)</div> <div>🐾 Animals (/stories/1455600+1455600+1455600+)</div> <div>🗳️ Politics (/stories/1455600+1398174+1455600+)</div> </div>
Lloyds Bank current & savings accounts Company Profile: Lloyds Bank plc (/company-profile/lloyds-bank-plc)	3.5	<div> <div>🌱 Environment (/stories/1455598+1456774+1372528+)</div> <div>👤 People (/stories/1455600+1443609+1457774+1443697+1)</div> <div>🐾 Animals (/stories/1455600+1455600+1455600+)</div> <div>🗳️ Politics (/stories/1455600+1398174+1455600+)</div> </div>
Santander current & savings accounts Company Profile: Banco Santander, S.A. (/company-profile/banco-santander-sa)	3.5	<div> <div>🌱 Environment (/stories/1451911+1455773+1470206+1451890+1)</div> <div>👤 People (/stories/1455776+1457778+1456981+1455776+1)</div> <div>🐾 Animals (/stories/1455776+1455776+1455776+)</div> </div>
Citibank current & savings accounts Company Profile: Citigroup Inc (/company-profile/citigroup-inc)	3	<div> <div>🌱 Environment (/stories/1455859+1455862+1470212+1456896+1)</div> <div>👤 People (/stories/1455864+1445215+1455952+1455864+1)</div> <div>🐾 Animals (/stories/1455864+1455864+1455864+)</div> </div>
Coutts current & savings accounts Company Profile: Coutts Group (/company-profile/coutts-group)	3	<div> <div>🌱 Environment (/stories/1455680+1456031+1372528+1455696+1)</div> <div>👤 People (/stories/1455696+1456015+1455696+1407112+1)</div> <div>🐾 Animals (/stories/1455684+1455696+1455684+)</div> </div>
NatWest current & savings accounts Company Profile: NatWest (/company-profile/natwest)	3	<div> <div>🌱 Environment (/stories/1455680+1456031+1372528+1455696+1)</div> <div>👤 People (/stories/1455696+1456015+1455696+1407112+1)</div> <div>🐾 Animals (/stories/1455684+1455696+1455684+)</div> </div>
Royal Bank of Scotland current & savings accounts Company Profile: Royal Bank of Scotland (/company-profile/royal-bank-scotland)	3	<div> <div>🌱 Environment (/stories/1455680+1456031+1372528+1455696+1)</div> <div>👤 People (/stories/1455696+1456015+1455696+1407112+1)</div> <div>🐾 Animals (/stories/1455684+1455696+1455684+)</div> </div>
Ulster Bank current & savings accounts		<div> <div>🌱 Environment (/stories/1455680+1456031+1372528+1455696+1)</div> </div>

Company Profile: Ulster Bank (/company-profile/ulster-bank)

3

👤 People

(/stories/1455696+1456015+1455696+1407112+1

🐾 Animals (/stories/1455684+1455696+1455684+

Barclays current account

Company Profile: Barclays Plc (/company-profile/barclays-plc)

1.5

🌱 Environment

(/stories/1455902+1455904+1470202+1456899+1

👤 People

(/stories/1461546+1455947+1457771+1461546+1

🐾 Animals (/stories/1461546+1455686+1461546+

First Direct current & savings accounts

Company Profile: HSBC UK Bank Plc (/company-profile/hsbc-uk-bank-plc)

1.5

🌱 Environment

(/stories/1469546+1469616+1470204+1457039+1

👤 People (/stories/1469594+1434076+1407102+

🐾 Animals (/stories/1469594+1469594+1469594)

🏛️ Politics

HSBC bank accounts

Company Profile: HSBC UK Bank Plc (/company-profile/hsbc-uk-bank-plc)

1.5

🌱 Environment

(/stories/1469546+1469616+1470204+1457039+1

👤 People (/stories/1469594+1434076+1407102+

🐾 Animals (/stories/1469594+1469594+1469594)

🏛️ Politics

M&S Money current & savings accounts

Company Profile: Marks and Spencer Money (/company-profile/marks-spencer-money)

1.5

🌱 Environment

(/stories/1434072+1469546+1469616+1470204+1

👤 People (/stories/1469594+1434076+1407102+

🐾 Animals (/stories/1469594+1434087+1434542+

🏛️ Politics

Tesco current & savings accounts

Company Profile: Tesco Personal Finance Ltd "Tesco Bank" (/company-profile/tesco-personal-finance-ltd-tesco-bank)

0.5

🌱 Environment

(/stories/1457051+1457332+1435697+1435710+1

👤 People

(/stories/1457324+1435700+1401482+1401485+1

🐾 Animals (/stories/1443835+1435707+1435707+

🏛️ Politics

What is most important to you?

☐ Animals ☐ Environment ☐ People ☐ Politics ☐ Product sustainability

Full customisation controls ⚙️

Our Analysis

Banks have long been known for their unethical practices. They sit behind some of the most controversial industries in the world – from nuclear weapons to the exploration for new fossil fuels.

Many of the mainstream banks are trying hard to reform their image and some have made steps in the right direction, but in recent decades there has been little true change in their practices. Fortunately, a handful of alternative banks can properly claim to be ethical.

What is ethical banking?

In our Ethical Markets Report we estimated the size of the UK 'ethical money' sector as £41.1B as of 2018. With high street banking still dominated by the big five, switching to an ethical bank is the next step many could make towards more ethical spending.

The biggest ethical impact that banks make on the world comes from the companies and projects to which they provide capital, loans, and insurance.

Related links

Ethical savings accounts guide ➤

Small business & Charity current accounts guide ➤

Ethical mortgages guide ➤

Cash ISAs guide ➤

Ethical Money section ➤

In recent years, many mainstream banks have developed some kind of ethical guidance for their lending and investments, excluding the very worst sectors such as financing of new coal-fired power stations.

This is a step in the right direction, but we don't think a bank can be considered ethical overall without more comprehensive policies. To be considered ethical in 2020, at the very minimum, banks should not be providing new funding for fossil fuel projects and companies.

While big banks (*most of those scoring below 10 on our scoretable*) finance multinational companies and projects, many of the smaller banks won't provide this kind of corporate investment and lending. They instead focus on loans and mortgages for individuals or small companies, while building societies focus on financing homes and other buildings.

They therefore won't be funding dirty global conglomerate, arguably making them more ethical by default.

There are still steps that these banks and building societies can take to improve their impacts.

The most ethical banks not only prohibit the financing of dirty industries, they help fund the transition to a fairer, more sustainable economy. For example Triodos (/company-profile/triodos-bank-nv) finances everything from green-energy projects to sustainable community-led housing.

Banking groups and banking brands

There are several banking groups in this guide, owning multiple brands:

The Co-operative Bank - The Co-operative Bank, Smile

Lloyds Banking Group - Lloyds, Bank of Scotland, Halifax

HSBC Holdings - HSBC, First Direct, part owns M&S Money

NatWest Group (part owned by the UK Government) - NatWest, Coutts, Royal Bank of Scotland, Ulster Bank

Virgin Money - Virgin Money, Clydesdale Bank, Yorkshire Bank

Santander - Santander, Cater Allen

Many of these also feature in our guide to ethical savings accounts (/money-finance/shopping-guide/ethical-savings-accounts).

Ethical Banking Issues

Tax avoidance

Many of the banks in the table score poorly for likely use of tax avoidance strategies.

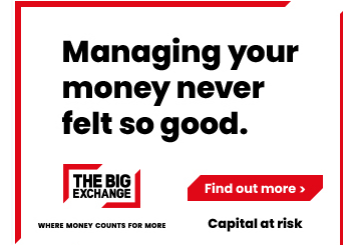
A best rating was achieved by only Triodos, Cumberland, Monzo, Nationwide, Starling, Metro Bank, Handelsbanken, The Co-operative Bank, ICICI, Virgin Money, M&S

Revolut got a middle rating, and the worst rating was given to Al Rayan, Lloyds Banking Group, Banco Santander, Citigroup, NatWest Group, HSBC, Barclays, and Tesco.

Financing and investments

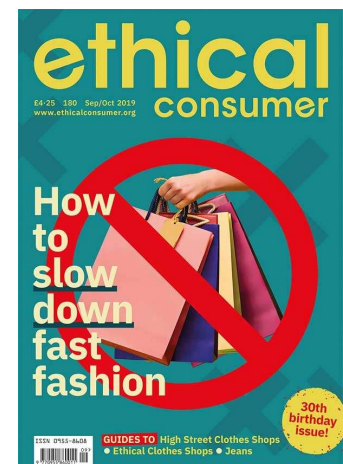


(<https://servedbyadbutler.com/redirect.spark?MID=172147&plid=1396834&setID=300429&chanr>)




(<https://servedbyadbutler.com/redirect.spark?MID=172147&plid=1389656&setID=300429&chanr>)

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Sign up to our email newsletter 
(<https://www.ethicalconsumer.org/free-issue-ethical-consumer-magazine>)

Where dodgy investments – for example in companies like Nestlé (/company-profile/nestle-sa) or Amazon (/company-profile/amazoncom-inc) – were found, we marked banks down. Often, though, companies do not publish information of this kind. It's even harder to find information on the projects and companies for which banks provide other financial services like loans and insurance.

We therefore also rely on the huge number of reports from civil society organisations like BankTrack (<https://www.banktrack.org/>) and Campaign for Nuclear Disarmament (<https://cnduk.org/>) that monitor banks' financing for and investments in problematic industries.

Climate Change

Our new Climate Change rating means that we now not only look for dodgy practices (such as investments in fossil fuels), but also at how a company reports on its own carbon impacts and its commitment to reduce these.

Most banks scored a worst rating in this category, including any investment bank which had not prohibited investments in fossil fuels. Triodos (/company-profile/triodos-bank-nv) was the only company in this guide to score a best rating in this category. Cumberland (/company-profile/cumberland-building-society) and the Co-operative Bank (/company-profile/co-operative-bank-holdings-limited) scored a middle. All the rest scored a worst.

Human rights abuses

By funding environmental breakdown, UK banks also show a disregard for human rights. Climate change is already having a devastating effect, disproportionately affecting those in the Global South.

Environmentally damaging projects and companies also often directly harm local communities. Unsustainable palm oil plantations, deforestation, and mining and extraction frequently displace communities and violate Indigenous rights.

In our feature on banks and their environment impact (/money-finance/banks-climate-change-environmental-crisis), we look at some of the specific fossil fuel projects funded by UK banks (/money-finance/banks-climate-change-environmental-crisis) and their devastating impact on local populations.

For years, banks have also been criticised for their role in the arms industry. They have provided financing for companies involved in everything from nuclear weapons (/money-finance/bank-investments-nuclear-weapons) to the supply of arms to countries involved in the war in Yemen. We write more about this in our feature on banks' investments in nuclear weapons (/money-finance/bank-investments-nuclear-weapons).

They have also been criticised for backing companies that supply military equipment to the Israeli government (<https://waronwant.org/resources/deadly-investments>).

Environmental breakdown

By investing in fossil fuel companies and funding new fossil fuel projects, banks lock us into a high climate impact future for many years to come. Some banks claim to be making improvements.

Yet, since the 2015 Paris agreement, 35 of the world's major private banks have provided a total of \$2.7 trillion in lending and underwriting to the fossil fuel industry (<https://www.ran.org/bankingonclimatechange2020/>) – with fossil fuel financing increasing each year (<https://www.ran.org/bankingonclimatechange2020/>).

Banco de Sabadell (/company-profile/banco-de-sabadell-sa) (owner of TSB), Barclays (/company-profile/barclays-plc), Citigroup (/company-profile/citigroup-inc) (Citibank), Danske Bank (/company-profile/danske-bank), Deutsche Bank (/company-profile/deutsche-bank-ag) (part owner of ICICI), Handelsbanken (/company-profile/handelsbanken-fonder-ab), HSBC (/company-profile/hsbc), Lloyds Banking Group (/company-profile/lloyds-banking-group-plc), NatWest Group (/company-profile/natwest-group-formerly-royal-bank-

scotland-group-plc), Santander (/company-profile/banco-santander-sa) and Virgin Money all continue to provide finance for or invest in fossil fuel companies. The Co-operative Bank was the only high-street bank that had expressly prohibited support for fossil fuels.

We look at banks' financing of fossil fuels (/money-finance/banks-climate-change-environmental-crisis) in more detail in our feature on banks and the environmental crisis (/money-finance/banks-climate-change-environmental-crisis).

The environmental impacts from these banks don't end there. From funding factory farming and palm oil plantations to the mining and extractive industries, the banks remain behind some of the most environmentally destructive practices in the world.

Amazon Watch has said

“

Today, the Amazon's irreplaceable ecosystems are under immense threat, driven primarily by a handful of industrial interests, industry-beholden governments, and organized crime ... big banks and large investment companies play a critical role.

In our feature, 'Banks and the Environmental Crisis' (/money-finance/banks-climate-change-environmental-crisis), we run through some of the key reports on banks' roles in environmental destruction which are reflected in our score table



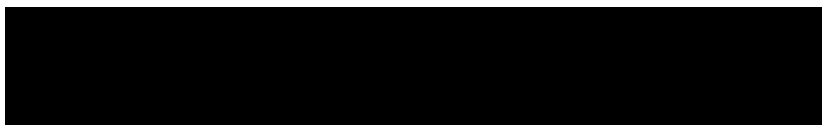
HSBC has been criticised for its complicity in arming Israel.

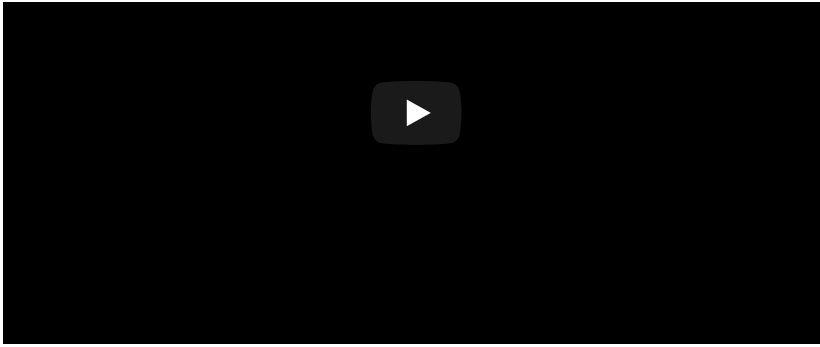
Positive marks for ethical banks

We award positive marks in the scoretable to banks taking an ethical lead for their transparency and for the clarity of their ethical lending policies.

The Co-operative bank (/company-profile/co-operative-bank-holdings-limited) received half a Product Sustainability mark for its lending policy.

Triodos (/company-profile/triodos-bank-nv) received a Company Ethos mark for being certified as a B-Corporation and providing a social and environmental alternative, and a full Product Sustainability mark for having an ethical lending policy and being transparent about its investments and engagement.





A short explainer on banks and their environment impacts.

App-based banks

25 million customers – equivalent to half the country's population – now use mobile banking (<https://pages.caci.co.uk/rs/752-EBZ-498/images/caci-future-growth-digital-banking-report-2019.pdf>). While many mainstream banks offer their own apps, the shift has also seen a rise in mobile-only app-based banks.

These banks offer traditional services such as current and saving accounts (/money-finance/shopping-guide/ethical-savings-accounts), mortgages (/money-finance/shopping-guide/ethical-mortgages) and credit cards. The only difference is that they exist solely as an app on your smartphone or tablet.

Three app-based banks are included in this guide: Monzo (/company-profile/monzo-bank-limited), Revolut (/company-profile/revolut-ltd) and Starling (/company-profile/starling-bank-limited).

What they offer

Once you have downloaded their banking app, you can access a range of financial services. Monzo (/company-profile/monzo-bank-limited), Revolut (/company-profile/revolut-ltd) and Starling (/company-profile/starling-bank-limited) all offer personal and business current accounts.

Monzo (/company-profile/monzo-bank-limited) also now offers savings accounts (/money-finance/shopping-guide/ethical-savings-accounts) and cash ISAs (/money-finance/shopping-guide/cash-isas), which can be managed through the app but are held at other financial institutions, such as Investec.

Revolut (/company-profile/revolut-ltd) offers 'savings vaults' also held at other banks and the option to trade stocks, commodities and cryptocurrencies through its app. Starling (/company-profile/starling-bank-limited) and Monzo (/company-profile/monzo-bank-limited) also offer loans. Secondly, the apps all offer analysis of your spending and help track money spent in real time.

The Monzo (/company-profile/monzo-bank-limited) app, for example, tells you how much money you can spend each month; notifies you when bills increase or are due to be paid; and helps to reduce your bills by suggesting cheaper alternatives. While this used to be somewhat unique, more and more mainstream banks are offering similar options.

It is also easy to download a free budgeting app like Emma, Yolt, Money Dashboard or Tandem (none of which have yet been rated by Ethical Consumer).

Are they ethical?

Like building societies, these app-based banks do not currently make large corporate loans or investments, and therefore are not directly funding destructive industries like arms and fossil fuels.

However, unless they tell us clearly otherwise, they may do so in the future. When we asked them about this, only Starling (/company-profile/starling-bank-limited) appeared to have any kind of ethical policy for its lending services, and this was pretty vague.

It states: “We do not provide banking services to organisations that use excessive power to systemically promote public behaviour that is harmful to individuals, groups or to the whole of society in order to maximise their own profits. This may include, for example, arms manufacturers and tobacco companies ... We lend to UK-based individuals and small businesses and, as a policy, don’t lend to companies involved in extracting fossil fuels.”

In addition, many new app-based banks are backed by individual investors and venture capitalists who may hold investments across a wide range of industries that have ethical issues of their own.

For example, Monzo (/company-profile/monzo-bank-limited) is almost 25% owned by Passion Capital (/company-profile/passion-capital-investments-llp) – a company that was co-founded and is jointly owned by Stefan Glaenger, who pled guilty of sexual assault in 2012 (<https://techcrunch.com/2018/04/05/the-end-of-my-vc-career/?guccounter=1>). (Monzo’s other major investor is owned by the brother of Jared Kushner, senior advisor and son-in-law to Donald Trump.)

The financial services these companies offer may also be linked with banks and investment funds doing dodgy deals. For example, Monzo (/company-profile/monzo-bank-limited) provides savings accounts and cash ISAs (/money-finance/shopping-guide/cash-isas) through other banks (listed in our Savings Accounts (/money-finance/shopping-guide/ethical-savings-accounts) and Cash ISAs (/money-finance/shopping-guide/cash-isas) guides). When Monzo (/company-profile/monzo-bank-limited) was recently asked by a customer on Twitter whether it considered ethical issues when choosing its banking partnerships, it responded (<https://twitter.com/monzo/status/1258051246805659648>): “It’s not something that we consider at the moment.”

Although we haven’t marked the companies down for these links, they are not quite as problem-free as they first appear to be.

Is your money safe?

With regards to the protection of money, Monzo (/company-profile/monzo-bank-limited) and Starling (/company-profile/starling-bank-limited) have the full £85,000 Financial Services Compensation Scheme (FSCS) protection. This means should anything happen to your bank you are protected up to £85,000.

However, doubt has been raised about the security of funds held through Revolut (/company-profile/revolut-ltd) which is not covered by the FSCS.

With regards to the security of your data, they all offer similar security settings to those you get with traditional banking apps such as using passwords or passcodes.

Starling (/company-profile/starling-bank-limited) and Monzo (/company-profile/monzo-bank-limited) offer security measures such as Touch ID/Fingerprint scan. If you particularly want to switch to an app-only bank, Starling appears marginally more engaged than the others on ethical issues.

Banking and Covid-19

Opportunistic lobbying

Banks have long been known for their huge lobbying spends. Citigroup has spent almost \$4.5 million on lobbying in the US in the 2020 election cycle (<http://www.opensecrets.org/orgs//summary?id=D000000071>) and HSBC (/company-profile/hsbc) spent over \$2 million in 2019 (<http://www.opensecrets.org/orgs//summary?id=D000021791>).

In 2018, a report by Corporate Europe Observatory found that financial lobbying had “kept us vulnerable to future crises and costly bailouts” following the 2008 financial crash.

Financial institutions were said to have pushed back against major reforms (<https://corporateeurope.org/en/financial-lobby/2018/09/how-financial-lobby-won-battle-brussels>), leaving legislation full of loopholes.

Civil society says that banks are now opportunistically using the coronavirus crisis to lobby for roll-back of any successful regulatory reform, covering “everything from capital and liquidity to accounting and climate change” according to the Financial Times (<https://www.ft.com/content/0827a58e-693d-11ea-800d-da70cff6e4d3>).

In the US, for example, the Bank Policy Institute – a lobby group for big banks including Barclays, Citigroup, HSBC and Santander – is recommending that the Federal Reserve ease the periodic ‘stress tests’ that banks take (<https://www.washingtonpost.com/business/2020/03/03/banks-lobby-coronavirus/>) to show they can withstand another economic crisis.

Poor treatment of workers

Some banks have also been accused of mistreating workers during the pandemic.

- Revolut (</company-profile/revolut-ltd>) employees say they have been forced to choose between quitting their jobs voluntarily for a small severance payment or being fired (<https://www.wired.co.uk/article/revolut-employment-coronavirus>).
- Santander (</company-profile/banco-santander-sa>) workers in Brazil say the bank has broken its commitment with Contraf-CUT union to maintain jobs (<https://www.uniglobalunion.org/news/banco-santander-brazil-breaks-commitment-and-sacks-workers>) amidst the crisis and has become the first bank in the country to sack employees

How to switch to more ethical banking

Government regulation designed to reduce monopoly in the UK banking sector has forced banks to make switching accounts quick and easy, taking just seven working days.

When you open a new bank account, it will usually ask you during the application whether you want to switch. If you do, by providing the details of your old account, the switching service will move your money, direct debits and standing orders across, and close your previous account. It will also transfer any payments meant to go into your old accounts, for example your salary.

For at least three years, any money paid into the old account or wrongly down to come out of that account will be moved across into the new one. We asked about our readers’ experience.

Sarah, who recently switched from HSBC (</company-profile/hsbc>) to a more ethical option, said that she was motivated to switch accounts by:

“The knowledge that my investments and any interest gained by the bank was ultimately being used (at least in part) to fund things/activities that I find abhorrent: Amazon rainforest destruction and other global warming/ecologically damaging companies. I did not previously know this. It couldn’t have been easier. The switch guarantee service was as easy as switching electric or Wi-Fi supplier.

Remortgaging is always hard but it wasn’t any harder moving banks. My only concern was why didn’t I do this sooner.”

If you are switching accounts for ethical reasons and want to write to your previous bank to let them know why, we have published a template letter for you to use (</money-finance/template-letter-after-you-have-switched-bank-accounts>).

Campaigning for change

In 2020 has seen a groundswell of activism, much of it targeting high street banks - see our feature ‘Banks, climate change and the environmental crisis’ (</money-finance/banks-climate-change-environmental-crisis>).

HSBC (</company-profile/hsbc>) has faced protests at its AGMs from campaign group Market Forces (<https://marketforces.org.uk/>) for its ongoing investments in the coal

industry. “The bank continues to serve as the financial lifeblood of the most climate-wrecking industry on the planet,” the organisation says. Customers and shareholders have written to the bank telling it to align its investments with the Paris Agreement.

Barclays (/company-profile/barclays-bank-plc) and HSBC (/company-profile/hsbc) face ongoing campaigns. Following a long-running People and Planet campaign, the National Union of Students (NUS), Young Labour and students unions at universities including Sheffield, Bristol and Surrey have all voted to boycott (<https://peopleandplanet.org/divest-barclays>) Barclays (/company-profile/barclays-bank-plc).

In May, Extinction Rebellion (XR) sprayed fake oil onto the Barclays headquarters in Canary Wharf, as well as branches in other cities. “*It is unconscionable that Barclays Bank (/company-profile/barclays-bank-plc) is using Britons’ bank accounts to invest in the very fossil fuels destroying us. Barclays (/company-profile/barclays-bank-plc) must end all new fossil fuel investments immediately and instead fund the renewable green COVID-19 recovery that will give the millions of Britons losing their jobs due to the pandemic, hope for a positive future,*” XR spokesperson Donnachadh McCarthy said (<https://extinctionrebellion.uk/2020/05/07/breaking-extinction-rebellion-spray-fake-oil-onto-barclays-hq-calling-on-them-to-act-responsibly-and-divest-from-fossil-fuels/>).

You can make an individual pledge to boycott Barclays here
(<https://act.peopleandplanet.org/petitions/barclays-bank-boycott-barclays>).



Extinction Rebellion sprayed fake oil onto the Barclays headquarters.

Company profile

The Co-operative Bank has long been hailed as the mainstream ethical option for current accounts. In 2013, the bank was forced to look for private capital to stay afloat.

Since then, it has been owned by a number of hedge funds and equity investment firms. The buy-out has raised concerns about how ethical it can really be and has impacted its score in our table. Working with Ethical Consumer, its customers organised to keep the bank on track, forming The Customer Union for Ethical Banking, also known as Save Our Bank (/ethicalcampaigns/save-our-bank).

Despite concerns, the bank continues to have a leading ethical policy amongst the high-street banks. For example, it prohibits the financing of companies involved in the extraction or production of fossil fuels, and of companies involved in the manufacture or transfer of indiscriminate weapons.

There is more information about Save Our Bank and how to join the Customer Union on our website (</ethicalcampaigns/save-our-bank>).

Want to know more?

If you want to find out detailed information about a company and more about its ethical rating, then click on a brand name in the Score table.

This information is reserved for subscribers only. Don't miss out, become a subscriber today (</subscriptions>).

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Section 3 – External Auditor Report and Certificate 2020/21

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 2021; 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 2020/21

Except for the matters reported below, 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.

The AGAR has not been approved in accordance with the Accounts and Audit Regulations 2015:

- Section 2 was approved before Section 1.

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

None

3 External auditor certificate 2020/21

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 2021.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

12/08/2021

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

Email

To:	finance@godalming-tc.gov.uk	Date:	16 August 2021
Organisation:	Godalming Town Council	Our ref:	SU0039
From:	sba@pkf-l.com	Your ref:	

Dear Ms Tong

Thank you for your email.

We can confirm that we raised the 'except for matter' on the basis of the information provided (see attached). The council stated that the Annual Governance Statement was approved on 23/4/2021, and that the date the Accounting Statements was approved was 22/04/2021.

We note from the Council Minutes you have provided that the date of approval for the Annual Governance Statement was incorrectly entered and should have been 22/04/2021, and therefore the AGAR was approved in accordance with the Accounts and Audit Regulations 2015.

Once we issue our opinion and certify closure we are unable to reissue our report, however this email may be placed alongside the External Auditor Report.

Kind Regards

SBA Team
PKF
sba@pkf-l.com

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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.