

GODALMING TOWN COUNCIL

Tel: 01483 523575
E-Mail: office@godalming-tc.gov.uk
Website: www.godalming-tc.gov.uk

107-109 High Street
Godalming
Surrey
GU7 1AQ

12 April 2024

I HEREBY SUMMON YOU to attend the **AUDIT COMMITTEE** Meeting to be held in The Pepperpot, High Street, Godalming on THURSDAY, 18 APRIL 2024 at 6.30pm.

Andy Jeffery

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

Where possible proceedings will be live streamed via the Town Council's Facebook page. If you wish to watch the council meeting's proceedings, please go to Godalming Town Council's [Facebook](#) page.

Committee Members: Councillor Crooks – Chair
Councillor C Downey
Councillor Holliday
Councillor Steel
Councillor Thomson – Vice Chair

AGENDA

1. MINUTES

To approve as a correct record the minutes of the meeting held on the 1 February 2024, a copy of which has been circulated previously.

2. APOLOGIES FOR ABSENCE

3. DISCLOSABLE PECUNIARY INTERESTS AND OTHER REGISTERABLE 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. INSURANCE CONTRACT REVIEW

The 3-year contract with Zurich ended at the end of the 2023/24 financial year. Members to consider a report from the Responsible Finance Officer on the insurance contract review (attached for the information of Members).

9. INTERNAL AUDITOR'S REPORT

Members to consider the report of an internal audit conducted on 15 April 2024 by the Council's Internal Auditor, Mulberry & Co (copy to be tabled at the meeting).

10. REVIEW OF THE EFFECTIVENESS OF INTERNAL CONTROL

Members to consider a report from the Responsible Finance Officer (report attached for the information of Members) and to consider what recommendations they will make to Full Council.

11. ANNUAL GOVERNANCE STATEMENT

The Annual Governance Statement is attached (not yet completed) for the information of Members and Members are required to consider the answers to the questions posed by the Statement and to make recommendations to Full Council as to how it should respond to those questions.

12. ACCOUNTING STATEMENTS 2023/24

Members to consider the Town Council's Accounting Statements for the Financial Year Ended 31 March 2024 (copy of Section 2 of the Annual Return to be tabled at the meeting).

13. CREDIT CONTROL PROCEDURES

Members to review the Council's Credit Control procedures, last reviewed 21 January 2021 (attached for the information of Members).

14. MANAGEMENT OF DEBT 2023/24

The Council adopted the Credit Control Policy at Full Council on 19 November 2015 (Min No. 271-15 refers). The policy was reviewed by this committee on 21 January 2021 and changed to a procedure (Min No. 324-20 refers). The procedure allows for a staged process to recover overdue invoices. This process has been found to be very effective and has minimised the amount of irrecoverable debts incurred by the Council.

Financial Regulation 9.6 requires any sums found to be irrecoverable to be reported to the Council so that they can be written off in the current financial year.

The Responsible Finance Officer has not requested any write offs in the 2023-24 financial year.

15. TREASURY & INVESTMENT STRATEGY

Members to review the Council's Treasury & Investment Strategy, last reviewed 29 April 2021 (attached for the information of Members).

16. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held in the Council Chamber, Waverley Borough Council on Thursday, 23 May 2024 at 7.20pm or at the conclusion of the preceding Policy & Management Committee.

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 Crooks/RFO	1 February 2024	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 Steel	6 July 2023	Conducted 15 June 2023 – no issues identified	Annual review to be completed by July 2024	
Payment Controls	Cllr Steel	6 July 2023	Conducted 15 June 2023 – one payment had not claimed VAT which was subsequently corrected	Annual review to be completed by July 2024	
Payroll Controls	Cllr Steel	6 July 2023	Conducted 15 June 2023 – no issues identified	Annual review to be completed by July 2024	
Proper Book-keeping	Cllr Steel	6 July 2023	Conducted 15 June 2023 – no issues identified	Annual review to be completed by July 2024	
VAT Controls	Cllr Steel	6 July 2023	Conducted 15 June 2023 – no issues identified	Annual review to be completed by July 2024	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Miscellaneous – Meeting 2					
External Auditor's Report	RFO	14 September 2023	Reviewed by this committee 14 September 2023. Onward recommendation to Full Council on 21 September 2023	Annual review to be completed by September 2024	
Asset Control	Cllr Thompson/RFO	14 September 2023	Conducted 14 September 2023. Building revaluations required to remain compliant with Fixed Asset Policy	Annual review to be completed by September 2024	Revaluation of buildings to be budgeted in the 2024/25 financial year
Review of Suppliers	RFO /Facilities Supervisor /TC	Ongoing	To perform a competitive quote exercise for IT Services.	Update on steps taken to obtain a competitive quote – complicated as a government website. Agreed to investigate having an IT audit as an alternative.	
Financial Regulations	RFO	14 September 2023	Review of Financial Regulations completed by this committee 14 September 2023	Annual review to be completed by September 2024	
Procedures	RFO	Ongoing	Creating a Standard Operating Procedures File for each position	SOP developed for the Facilities role. When new person in post, they will test its completeness and relevancy.	
Budgetary Controls	Cllr Taylor	14 September 2023	Conducted 14 September 2023 – to be reviewed in 12 months	Annual review to be completed by September 2024	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Risk Management – Meeting 3					
Risk Management Strategy	RFO		Review of the Risk Management Strategy to be completed by this Committee	Annual review to be completed by February 2024	
Insurance	RFO	29 April 2022	To be reviewed in detail at each contract renewal	On this agenda	.
Risk Assessment – Heat Source Pumps & Solar Panels	Cllr Holliday /RFO	1 February 2024	Heat Source project on hold. Solar Panels producing significant portion of BWP energy requirements.	Review to be completed by February 2025	Onward recommendation to Full Council on need to assess success of project in 6-12 months to determine if any operational issues or lessons learned to bring to bear to next project.
Risk Assessment – Re-use of Land at Nightingale Cemetery	Cllr Steel / RFO	1 February 2024		Review to be completed by April 2024	Cllr Steel to complete assessment for next Committee meeting.
Risk Assessment – Crown Court Toilet Renovation	Cllr Thomson / RFO	1 February 2024		Review to be completed by April 2024	Cllr Thomson to complete assessment for next committee meeting.
Year End – Meeting 4					
Internal Auditor's Reports	RFO	1 February 2024	To be reviewed at next interim audit	On this agenda	Onward recommendation to Full Council
Management of Debt (particularly Bad Debt)	RFO	17 April 2023	To be reviewed annually	On this agenda	
Review of Effectiveness of Internal Control	Cllr Crooks /RFO	17 April 2023	To be reviewed annually	On this agenda	
Annual Governance Statement	Cllr Crooks /RFO	17 April 2023	To be reviewed annually	On this agenda	
Annual Accounting Statements	Cllr Crooks /RFO	17 April 2023	To be reviewed annually	On this agenda	
Review of Credit Control Procedures	RFO	21 January 2021	To be reviewed at least every three years	On this agenda	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Review of Council Banking Arrangements	Cllr Crooks /RFO	20 July 2024 Full Council Min 117-23	To be reviewed each Administration	Next review to be completed after May 2027	
Review of Treasury & Investment Policy	Cllr Crooks /RFO	29 April 2021	To be reviewed at least every three years	On this agenda	

8. INSURANCE CONTRACT REVIEW

In accordance with Financial Regulations 11.1.i the Council's insurance contract was due for triennial review prior to renewal on 1 April. In the 2023/24 financial year, the Godalming Joint Burial Committee insurance requirements were absorbed into the main GTC policy.

Request for alternative quotations for Godalming Town Council

The GTC insurance contract has been held by Zürich insurance since 2018. They indicated that they wished to continue to provide the service going forward.

Although only a minimum of 2 alternative quotations are required under the regulations, requests for proposals were sent to several insurers through a broker.

The results of this exercise are summarised as:

- Allianz – Offered terms but not competitive so withdrew – Premium £40k minimum + IPT.
- Allied World – Decline to quote as listed buildings not within appetite.
- Arch – Cannot offer terms for council risks.
- AXA & AXA XL – Decline as not within appetite.
- Chubb – Cannot compete.
- Ecclesiastical – Out of appetite – Too large for their council business (will only write small parish council business).
- Ansvar – As above (part of Ecclesiastical)
- Hiscox – Out of appetite – Too large for their council business (will only write small parish council business).
- Q Underwriting – Out of appetite – Too large for their council business (will only write small parish council business).
- London Markets – Not approached as likely to be more expensive than Zurich.

Renewal of the contract was therefore confirmed with Zürich for a further 3 years at an overall premium of £19,280 compared with £13,287 in 2020/21.

Request for alternative quotations for Godalming Museum

The Museum insurance contract has been held by Alan & Thomas Insurance Group since 2018. Their renewal contract price was £3,650.

While the market for insuring museum collections is limited, an alternative quote was provided by CastleAcre for £1,864.

Given CastleAcre provided better coverage for a smaller premium, the Museum insurance contract was taken out with CastleAcre.

It should be noted that this policy does not include Trustee Liability insurance, so a separate policy has been sought with a premium of less than £100 expected.

10. REVIEW OF THE EFFECTIVENESS OF INTERNAL CONTROL FOR GODALMING TOWN COUNCIL

Background

1. Paragraph 3 of the Accounts and Audit (England) Regulations 2015 says the following:
 - 3 *A relevant authority must ensure that it has a sound system of internal control which—*
 - (a) *facilitates the effective exercise of its functions and the achievement of its aims and objectives;*
 - (b) *ensures that the financial and operational management of the authority is effective; and*
 - (c) *includes effective arrangements for the management of risk.*
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.
3. It is the normal practice of Godalming Town Council to undertake reviews of the effectiveness of internal control covering the financial year end to 31 March. In addition to its ongoing reviews this committee will undertake two formal reviews, which together make up the "review of the effectiveness of systems of internal control". The first of these is this report and will inform the reviews to be undertaken by Full Council on 9 May 2024. The second is on this agenda when this committee reviews the annual governance statement alongside the statement of accounts.

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 4-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 has 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 is changed periodically (person one performed the financial years 2016/17, 2017/18 and 2018/19, person two performed the financial years 2019/20 and 2020/21, a third person in the 2021/22 financial year before returning to the first person in 2022/23).

- **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 19 September 2023 and reported at the Audit Committee meeting on the 1 February 2024. The Committee's observations then accompanied the Internal Audit Report to the Full Council on the 15 February 2024. The final Internal Audit was completed on 15 April 2024 and will be reported at the Audit Committee meeting on 18 April 2024. At its meeting on the 9 May 2024 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 30 September 2024. 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 1 February 2024.

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 21 September 2023 (Min No. 279-23 refers) and 15 February 2024 (Min Nos. 503-23 and 511-23 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 21 September 2023.

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 2022/23 financial year.

PK Littlejohn LLP will be the External Auditor for Godalming Town Council for the 2023/24 financial year.

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 2023/24

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 2024, 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/YYYY

and recorded as minute reference:

MINUTE REFERENCE

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

Chair

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

www.godalming-tc.gov.uk PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

11. ANNUAL GOVERNANCE STATEMENT

The Audit Committee to consider the Town Council's Annual Governance Statement for the Financial Year ended 31 March 2024 specifically considering the answers to the questions posed by the Annual Governance Statement. The proposed answers are shown below and are recommended to the Audit Committee.

	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	Budgeting: For current financial year refer Min Nos 391-21, 412-21 & 391-22. For next financial year refer Min Nos 391-22 & 425-23 Budget Monitoring: Min Nos 52-23, 156-23, 225-23, 309-23, 452-23 and 563-23 Bank Reconciliations: Min Nos 129-23, 239-23, 486-23, and on this agenda
2	We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	YES	Standing Orders: Min No 27-23 Financial Regulations: Min Nos 27-23, 243-23, 287-23 Payment Authority: Min No 25-23 Corporate Credit Card: Credit Limit set to £10,000 and payment made by direct debit each month. Min No 178-23 Financial Risk Assessment: Min No 488-23 Bank Mandate: Min No 177-23 Salaries: Set as part of budgeting (refer Assertion 1). Changes to salary scales refer Min Nos 366-23, 423-23 Fixed Assets: Min Nos 242-23, 283-23, 512-23, 516-23 Internal Controls: Min Nos 130-23, 131-23, 132-23, 133-23, 134-23
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	General Power of Competence: Min No 16-23 Email Management: every officer and councillor has a @godalming-tc.gov.uk email Compliance with Laws, Regulations & Proper Practice: GTC has membership with multiple organisations who advise of changes in law, regulations & proper practice eg SALC, SLCC, NALC, Citation, Worknest
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 & 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: Min Nos 244-23, 279-23, 488-23, 489-23, 492-23, 493-23, 494-23 Insurance: Min No 485-23 and on this agenda
6	We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	YES	Internal Audit: Min Nos 487-23, 511-23 and on this agenda External Audit: Min Nos 240-23, 286-23
7	We took appropriate action on all matters raised in reports from internal and external audit.	YES	Internal Audit: Min Nos 487-23, 511-23 and on this agenda External Audit: Min Nos 240-23, 286-23
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. There is no litigation in progress and no known potential litigation. There is nothing the Council is aware of that could have a financial impact that is not already included in the accounts.
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.



CREDIT CONTROL PROCEDURE

Introduction

This document sets out the procedures under which commercial debt owed to the Godalming Town Council is controlled.

The Procedure contains details on:-

- Methods of Payment
- Standard Terms and Conditions
- Debt Collection Procedure

This procedure specifically relates to commercial debt.

The Audit Committee is responsible for authorising this procedure. The Responsible Finance Officer (RFO) is responsible for managing and reviewing of the procedure and the effective operation of the debt management procedure therein. All staff are expected to be familiar with the procedure and to contribute to its effective implementation.

Purpose of Procedure

The purpose of this procedure is to ensure that the debt of the Council is managed effectively, minimising levels of debt and bad debt write off in order to protect the overall financial health of the Council and maximise cash funds generated through commercial activity.

Methods of Payment

All cheques should be made payable to the Godalming Town Council and sent directly to the Council at the following address:

Godalming Town Council
107-109 High Street
Godalming
SURREY GU7 1AQ

All payments by Bank Transfer should be made to the following account:

Bank: HSBC
Account Name: Godalming Town Council
Sort Code: 40-22-12
Account Number: 31377981

In order to identify payments, payees should quote the invoice number shown at the top right-hand corner of their invoice as the reference.

Standard Terms & Conditions

Council standard terms and conditions apply. All customers seeking to use Council facilities must complete an application form.

Casual booking customers are required to pay for their booking before the date of the event.

For regular customers for whom credit has been permitted, invoices are due for payment on or before 30 days after the invoice date. Exceptions to this are made at the discretion of the Town Clerk.

Debt Collection Procedure

Sending reminders to debtors is the sole responsibility of the RFO.

The following steps will be taken by the RFO to recover debt:-

At month end	Send latest Statement of Account to all customers with an outstanding balance.
30 Days Overdue	Reminder Letter #1 is sent with another Statement of Account. It asks customer if there are any queries regarding the invoice(s) outstanding.
60 Days Overdue	Letter #2 is sent with copies of any outstanding invoices. It advises that they have not made contact regarding our first letter and we require immediate payment.
90 Days Overdue	Letter #3 is sent. It makes clear our intent to consider involving a third party agency if payment is not made immediately.

Provision for Bad Debts

If after sending out the third letter the debt is still not settled, the Council shall immediately make a provision for bad debt for the full amount. Additionally, the customer shall not be permitted to make any further bookings.

Depending on the level of the debt, the following course of action will be considered:

£0 - £199	Write off debt – the cost of staff time taken to recover debt outweighs the potential benefit of payment. All such write offs will be brought before Council for authorisation.
£200 - £5,000	Consider taking customer to Small Claims Tribunal. Decision to be made by Council and actioned by Town Clerk.
Over £5,000	Consider using Debt Collection Agency or Solicitors. Decision to be made by Council and actioned by Town Clerk.

When all avenues of recovery have been explored, the debt will need to be brought before Council for authorisation to be written off.

Queries on commercial debt should be made to the Responsible Finance Officer on 01483 523228 or by e-mailing finance@godalming-tc.gov.uk

Town Clerk: Andy Jeffery (MSc MCGI)

Tel: 01483 523575

E-Mail: office@godalming-tc.gov.uk

107-109 High Street

Godalming

Surrey GU7 1AQ

[Date]

Our Ref: [Customer Number]

[Your Customer's Name]

[Address Line 1]

[Address Line 2]

[Town/ City]

[County] [Postal Code]

Dear [Your Customer's Name]

Re: Invoice [Invoice Number] - Now Overdue

We note that payment for this invoice has not yet been received and attach a statement for your records.

Please let us know if there are any issues with the invoice(s), or if you have not yet received it so we can resolve this with you as soon as possible.

If you have paid this invoice within the last 7 days please accept our thanks, our systems will be updated soon to reflect your recent payment.

Yours sincerely,

Rita Tong

Responsible Finance Officer

Tel: 01483 523228

E-Mail: finance@godalming-tc.gov.uk

Town Clerk: Andy Jeffery (MSc MCGI)

Tel: 01483 523575

E-Mail: office@godalming-tc.gov.uk

107-109 High Street
Godalming
Surrey GU7 1AQ

[Date]

Our Ref: [Customer Number]

[Your Customer's Name]
[Address Line 1]
[Address Line 2]
[Town/ City]
[County] [Postal Code]

Dear [Your Customer's Name]

Re: Invoice [Invoice Number] - Now Overdue Immediate Payment Required

We have contacted you before to request settlement of this invoice without success - payment for this invoice has not yet been received.

Please let us know if there are any issues with the invoice, or if you have not yet received it so we can resolve this with you as soon as possible. If you are having difficulty paying, please contact us immediately to discuss the status of your account. Failure to contact us may leave us with no other options than to pass this case to our debt collection agents or solicitors for recovery.

If you have paid this invoice within the last 7 days please accept our apologies, our systems will be updated soon to reflect your recent payment.

Yours sincerely,

Rita Tong
Responsible Finance Officer
Tel: 01483 523228
E-Mail: finance@godalming-tc.gov.uk

Town Clerk: Andy Jeffery (MSc MCGI)

Tel: 01483 523575

E-Mail: office@godalming-tc.gov.uk

107-109 High Street
Godalming
Surrey GU7 1AQ

[Date]

Our Ref: [Customer Number]

[Your Customer's Name]
[Address Line 1]
[Address Line 2]
[Town/ City]
[County] [Postal Code]

Dear [Your Customer's Name]

Re: Invoice [Invoice Number] - Debt Recovery

We have contacted you on a number of occasions to request settlement of this invoice without success.

We will pass this matter to our solicitors to resolve if payment is not received by [Date]. Costs incurred by us in pursuance of this debt will be passed on to you. No further bookings will be accepted by you until your account is brought up to date.

If you have paid this invoice within the last 7 days, please contact us with details of the payment made.

Yours sincerely,

Rita Tong
Responsible Finance Officer
Tel: 01483 523228
E-Mail: finance@godalming-tc.gov.uk

TREASURY & INVESTMENT POLICY

INTRODUCTION

Godalming Town Council (the 'Council') acknowledges the importance of prudently investing the temporary surplus funds held on behalf of the community as part of its fiduciary duty. In preparing its investment policy the Council is required under Section 15(1) of the Local Government Act 2003 to have regard to the requirements set in the Department for Communities and Local Government *Statutory Guidance on Local Government Investments* and guidance within *Governance and Accountability for Local Council's Practitioners Guide 2016*.

The Local Government Act 2003 states that a local authority may invest:

- For any purpose relevant to its functions under any enactment;
- For the purpose of prudent management of its financial affairs.

The *Statutory Guidance on Local Government Investments* defines an investment as '*all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit*'. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.

The Council defines its treasury management activities as '*the management of the Council's cash flows, its banking transactions, the effective control of the risks associated with those activities and the pursuit of best value performance consistent with those risks*'.

The Council defines its non-financial assets held to partially generate a profit as '*all of the buildings where rent or hireage fees are charged*'.

TREASURY INVESTMENT OBJECTIVES

The Council's treasury investment priorities are the security of reserves and liquidity of its investments. The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

All investments will be made in Sterling.

The Department for Communities and Local Government maintains that borrowing of monies purely to invest, or lend and make a return, is unlawful and the Council may not engage in such activity.

SHORT TERM TREASURY INVESTMENTS

Short term investments are those offering high security and high availability, made in Sterling and maturing within two years.

For the prudent management of its treasury balances whilst maintaining sufficient levels of security and liquidity, the Council will use deposits with banks and building societies, Licensed Deposit Takers (licensed by either the Prudential Regulation Authority or Financial Conduct Authority), UK local authorities and other UK public authorities.

Institutions should meet the required rating at the time of investment.

Required ratings:

Type	Minimum Rating	Definition		
	Fitch	Moody's	S&P	
Short Term investments (maturities of less than one year)	F1	P-1	A2	Strong capacity to meet financial commitments. Low to medium risk. Numeral indicates higher end of rating
Medium Term investments (maturities of up to five years)	AA	AA	AA	Strong capacity to meet Financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances. Low to medium risk.

The Responsible Finance Officer, in consultation with the Chairman of the Audit Committee and Proper Officer, shall have the delegated power to invest in short term investments, with any such investment reported to the next Full Council meeting. The Council is ultimately responsible for its investments.

NON-SPECIFIED TREASURY INVESTMENT

These investments have greater potential risk – examples include investment in money markets, stocks and shares.

Given the unpredictability and uncertainties surrounding such investments, the Council will not use this type of investment.

LONG TERM TREASURY INVESTMENTS

Long term treasury investments shall be defined as greater than two years. The Council will use the same criteria for assessing long term investment as for short term investments. Should the Council wish to invest for periods greater than two years, it **must** identify the procedures for monitoring, assessing and mitigating the risk of loss of invested sums before committing to such an investment. The Responsible Finance Officer shall require Full Council approval before entering into any long term investment. The Council is ultimately responsible for its investments.

NON-FINANCIAL ASSETS

The Council's strategy in relation to the buildings it holds for income generation is to undertake regular maintenance to ensure they remain in proper working order, and to accumulate sufficient reserves to enable any major maintenance works to be completed as and when required.

The Council will also ensure that adequate insurance cover is held to mitigate the loss of income should significant damage ever occur.

REVIEW AND AMENDMENT

As recommended under the *Statutory Guidance on Local Government Investments*, this policy will be reviewed annually by the Audit Committee and ratified each year by Full Council.

The Council does not normally employ in-house or external financial advisors but will rely on information which is publically available.

The Council reserves the right to make variations to the Policy at any time, subject to the approval of Full Council. Any variations will be made available to the public.

FREEDOM OF INFORMATION

In accordance with the Freedom of Information Act 2000, this document will be published on the Council's website and a hard copy will be available from the Council's office

GODALMING TOWN COUNCIL

Disclosure by a Member¹ of a disclosable pecuniary interest or other registerable interest (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 registerable interest (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 Interests	Other Registerable Interests (Non-Pecuniary Interests)	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 registerable interest (non-pecuniary interest) is defined by Section 9 of the Godalming Members' Code of Conduct.